BEFORE THE HON’BLE GUJARAT ELECTRICITY REGULATORY COMMISSION

Case No. ________ of 2022

IN THE MATTER OF:

Application by MPSEZ Utilities Limited (MUL) seeking alteration/ modification/ amendment of its existing distribution licence by including within its licence area the Mundra Taluka of Kutch District in the State of Gujarat, in terms of sections 14, 15 and 18 of the Electricity Act, 2003, read with Regulations 4 and 16 of the GERC (Distribution Licence) Regulations, 2005.

AND

IN THE MATTER OF:

MPSEZ Utilities Limited,
Adani Corporate House, Shantigram,
Nr. Vaishno Devi Circle, S. G. Highway,
Khodiyar, Ahmedabad – 382421 **...APPLICANT**

MOST RESPECTFULLY SHOWETH:

The Applicant above named respectfully submits as under:

1. The Adani Group has set up a Special Economic Zone (“**SEZ**”) at Mundra Port (“**MPSEZ**”), wherein, the Co-developer of the SEZ was MPSEZ Utilities Private Limited (“**MUPL**”). That, in accordance with the provisions of the Government Resolution dated 03.03.2010 issued by the Ministry of Commerce, Government of India (“**GoI**”), which was endorsed by the Hon’ble Gujarat Electricity Regulatory Commission (“Hon’ble Commission”) vide its Order dated 17.04.2010 as the deemed Distribution Licensee in Mundra SEZ area, Kutch. Accordingly, MUPL commenced its operations as a Distribution Licensee on 28.08.2010.

   A copy of the notification dated 03.03.2010 issued by the Central Government, is annexed herewith and marked as **ANNEXURE - A**.

NOTARY
VIJAY C. SHAH
AHMEDABAD
GUJARAT STATE
REGD. 2260/02
GOVT. OF INDIA

2. Thereafter, this Hon'ble Commission issued Distribution Licence No. 6 of 2016 to MUPL, pursuant to the Order dated 17.08.2015, passed in Suo-motu Petition No. 1446/2014. The said licence is valid for a period of 25 (twenty-five) years. At this juncture, it would be pertinent to point out that the original specified area of the Distribution Licence of MUPL was 6641.28 ha, which was further increased to 8481.28 ha, after following due regulatory process and approval by this Hon'ble Commission under section 18 of the Electricity Act, 2003 and Regulation 16 of the GERC (Distribution Licence) Regulations, 2005. In fact, this Hon'ble Commission vide an Order dated 03.11.2017, passed in Petition No. 1633 of 2016, duly amended the licence area of MUPL, thereby, incorporating the area of distribution as per the latest notification of the Ministry of Commerce and Industry.

A copy of the order dated 17.08.2015 passed in Petition No. 1446 of 2014 issuing distribution license to MUPL as License No. 6 of 2016, is annexed herewith and marked as **ANNEXURE - B.**

A copy of the order dated 03.11.2017 passed in Petition No. 1633 of 2016 amending the distribution license of MUPL, is annexed herewith and marked as **ANNEXURE - C.**

3. On 16.06.2020, the Registrar of Companies ("**RoC**"), Ahmedabad issued the fresh Certificate of Incorporation consequent on conversion of the Company from a Private Limited Company to a Public Company. As a result of the same, the name of the Company was changed to MPSEZ Utilities Limited ("**MUL**"), which was duly recognised by this Hon'ble Commission.

A copy of the Certificate issued by the Registrar of Companies dated 16.06.2020, is annexed herewith and marked as **ANNEXURE - D.**

4. That, by way of the present application, which has been preferred on behalf of MUL under Sections 14, 15 and 18 of the Electricity Act, 2003 ("**EA 2003**") read with Regulations 4 and 16 of the GERC (Distribution Licence) Regulations, 2005 ("**GERC Distribution License Regulations**") as amended from time to

time, MUL proposes to distribute and supply electricity in the entire Mundra Taluka of Kutch district.

5. In this regard, it would be pertinent and most vital to point out that the Urban Development and Urban Housing Department, Government of Gujarat ("**GoG**") vide Government Notification, No. KV 115 of 2020 NPL/452019/43/M dated 25.08.2020, has categorically declared that the local areas of Mundra Village Panchayat and the Baroi group Village Panchayat in the Kutch District are to be the smaller urban area.

   A copy of the said Notification is annexed herewith and marked as **ANNEXURE - E.**

   Further, Urban Development and Urban Housing Department vide Government Notification, No. KV 116 of 2020 NPL/452019/43/M dated 25.08.2020, the GoG constituted the said area as a Municipal area with effect from 25.08.2020, namely, the 'Mundra-Baroi Municipality', comprising of the said smaller urban area.

   A copy of the said Notification is annexed herewith and marked as **ANNEXURE - F.**

6. It is submitted that the proposed licence area thus includes the existing licence area of MUL, the Mundra Taluka which includes the Municipality of Mundra-Baroi.

7. The Applicant/ MUL respectfully submits that the present Application has been filed for seeking alteration/ modification of its existing distribution licence by way of inclusion of larger Mundra Taluka area, which includes the Mundra-Baroi municipal council (municipality). This will make the Applicant a parallel licensee in the Mundra Taluka. In this regard, the following submissions may be further considered:

   (a) This Application, under EA 2003 and the GERC Distribution Licence Regulations, is holder of a licence for a specified area, and seeks amendment/ alternation/ modification of the same by including the contiguous larger area of Mundra Taluka of Kutch District, in the State of Gujarat. As such, this proposed Distribution Licence Area being applied for larger and inclusive of the SEZ area and the Mundra-Baroi Municipality area, and would operate as a Second Distribution License for the larger area.

(b) At this juncture, and at the outset, it is submitted that EA 2003 envisages and clearly provides for promotion of competition, a mechanism whereby the operation of multiple licensees in a single area of supply can be done. The 7th proviso to Section 14 of EA 2003 empowers this Hon'ble Commission to grant a licence to 2 (two) or more persons for distribution of electricity within the same area of supply, subject to the fulfilment of statutory provisions in that regard by such person. For the sake of brevity, the 7th proviso to Section 14 is reproduced hereunder:

> "***Section 14. (Grant of licence):***
>
> *The Appropriate Commission may, on an application made to it under section 15, grant a licence to any person –*
>
> ... ...
>
> *Provided also that the Appropriate Commission may grant a licence to two or more persons for distribution of electricity through their own distribution system within the same area, subject to the conditions that the applicant for grant of licence within the same area shall, without prejudice to the other conditions or requirements under this Act, comply with the additional requirements relating to the capital adequacy, credit-worthiness, or code of conduct as may be prescribed by the Central Government, and no such applicant, who complies with all the requirements for grant of licence, shall be refused grant of licence on the ground that there already exists a licensee in the same area for the same purpose:"*

(Underline Supplied)

From a reading of the above, it can also be reasonably inferred that the 7th proviso to Section 14 also provides for the Central Government to prescribe the requirements as regards capital adequacy, creditworthiness or code of conduct. In this context, the word "prescribed" is defined under Section 2 (52) of EA 2003 as prescribed by the rules made by Appropriate Government.

Accordingly, the Central Government framed the Distribution of Electricity Licence (Additional Requirements of Capital Adequacy, Creditworthiness and Code of Conduct) Rules, 2005 ("**Distribution of Electricity Rules**"), which provide for the additional requirements as regards the capital adequacy, creditworthiness or code of conduct.

(c) At this stage, it would be apposite to reproduce the relevant extracts of the Distribution of Electricity Rules, which are as under:

> *"3. Requirements of capital adequacy and credit worthiness.—*
>
> *(1) The Appropriate Commission shall, upon receipt of an application for grant of licence for distribution of electricity under sub-section (1) of section 15 of the Electricity Act, 2003, decide the requirement of capital investment for distribution network after hearing the applicant and keeping in view the size of the area of supply and the service obligation within that area in terms of section 43.*
>
> *(2) The applicant for grant of licence shall be required to satisfy the Appropriate Commission that on a norm of 30% equity on cost of investment as determined under sub-rule (1), he including the promoters, in case the applicant is a company, would be in a position to make available resources for such equity of the project on the basis of the networth and generation of internal resources of his business including of promoters in the preceding three years after excluding his other committed investments.*
>
> *Explanation - For the grant of a licence for distribution of electricity within the same area in terms of sixth proviso to section 14 of the Act, the area falling within a Municipal Council or a Municipal Corporation as defined in the article 243(Q) of the Constitution of India or a revenue district shall be the minimum area of supply.*

(Underline Supplied)

A reading of the above clearly indicates that Rule 3 lays down the requirements of capital adequacy and creditworthiness which have to be fulfilled by any Applicant, including MUL herein.

(d) Furthermore, the Explanation to Rule 3 is specifically applicable to any such person who applies for a Distribution Licence in the same area where another Distribution Licensee already exists. In fact, the said provision prescribes that while applying for a parallel license, there has to be a 'minimum area' in terms of a Municipal Council or a Municipal Corporation as defined in Article 243(Q) of the Constitution of India or a revenue district, which provides as follows:

> ***"243P. Definitions.—***
>
> *In this Part, unless the context otherwise requires,—*
>
> *(a) "Committee" means a Committee constituted under article 243S;*
>
> *(b) "district" means a district in a State;*
>
> *(c) "Metropolitan area" means an area having a population of ten lakhs or more, comprised in one or more districts and consisting of two or more Municipalities or Panchayats or other contiguous areas, specified by the Governor by public notification to be a Metropolitan area for the purposes of this Part;*
>
> *(d) "Municipal area" means the territorial area of a Municipality as is notified by the Governor;*
>
> *(e) "Municipality" means an institution of self-government constituted under article 243Q;*
>
> *(f) "Panchayat" means a Panchayat constituted under article 243B;*
>
> *(g) "population" means the population as ascertained at the last preceding census of which the relevant figures have been published.*

> ***243Q. Constitution of Municipalities.—***
>
> *(1) There shall be constituted in every State,—*
>
> *(a) a Nagar Panchayat (by whatever name called) for a transitional area, that is to say, an area in transition from a rural area to an urban area;*
>
> *(b) a Municipal Council for a smaller urban area; and*
>
> *(c) a Municipal Corporation for a larger urban area,*
>
> *in accordance with the provisions of this Part:*
>
> *Provided that a Municipality under this clause may not be constituted in such urban area or part thereof as the Governor may, having regard to the size of the area and the municipal services being provided or proposed to be provided by an industrial establishment in that area and such other factors as he may deem fit, by public notification, specify to be an industrial township.*
>
> *(2) In this article, "a transitional area", "a smaller urban area" or "a larger urban area" means such area as the Governor may, having regard to the population of the area, the density of the population therein, the revenue generated for local administration, the percentage of employment in non-agricultural activities, the economic importance or such other factors as he may deem fit, specify by public notification for the purposes of this Part."*

Since, the Applicant/ MUL already has a Distribution Licence, which meets the 'minimum area' requirement as contemplated under the Distribution of Electricity Rules readwith the Constitution of India, the Applicant/ MUL by way of the present application is merely seeking alteration/ amendment/ modification of its existing licence by including the larger Mundra Taluka region, which presently falls within the distribution licence area of Paschim Gujarat Vidyut Corporation Limited ("**PGVCL**"). Pursuant to such amendment, in the Mundra Taluka region, the Applicant would be a second/ parallel Distribution Licensee.

(e) It is submitted that the request for amendment of the Distribution Licence of the Applicant/ MUL is to only increase the 'area of supply' beyond the existing Licence area of the Applicant/ MUL, and includes the Mundra Taluka, which further includes the Mundra-Baroi Municipality (Municipal Council).

Hence, the Applicant fulfils the requirement of minimum license area provided under the Distribution of Electricity Rules, in the following terms:

i. Applicant already has a distribution licence in the Mundra SEZ area, being the minimum area under the above Rules, and as such can always seek inclusion of another larger area; and

ii. The Applicant is seeking inclusion of Mundra Taluka in its licensed area, which separately includes the Mundra-Baroi Municipality (Municipal Council). As per the aforesaid Rules, a municipality is a minimum area for seeking a parallel distribution licence.

(f) In view of the above, keeping in mind that the Applicant/ MUL already qualifies in terms of the legal framework under the EA 2003 readwith the rules and regulations by way of holding a licence for a minimum area (SEZ), the present application has been preferred by the Applicant/ MUL for grant of a Second Distribution Licence to cover the area of Mundra Taluka of Kutch District, in the State of Gujarat, which by way of including a Municipal Council, fulfils the requirement of the Distribution of Electricity Rules, through amendment of the existing Distribution Licence.

The Map of the proposed licence area is annexed hereto and marked as **ANNEXURE – 1.**

8. It is further submitted that all the necessary supporting documents required to be submitted along with the present application for amendment/ grant of second/ parallel Distribution

Licence as specified in EA 2003, the GERC Distribution Licence Regulations and other applicable statutory provisions have been complied with and are submitted along with this application.

9. It may also be noted that there are no specific/ separate requirements for documents to be submitted along with the present application for amendment of its existing Distribution Licence, and hence, the Applicant/ MUL has submitted all the requisite documents as per the requirements specified for grant of Distribution Licence in terms of sections 14 and 15 of the EA 2003 read with Regulation 4 of the Distribution License Regulations, even though the Applicant/ MUL is already a Distribution Licensee, who has been issued a Distribution Licence by this Hon'ble Commission, and as such, is seeking amendment of its licence, in above terms, under section 18 of the EA 2003 read with Regulation 16 of the above regulations.

10. The following documents have been submitted along with this Application for amendment of its existing Distribution Licence:

Sl.	Document	Reference Document
1	Notification dated 03.03.2010 issued by Central Government	Annexure - A
2	Order dated 17.08.2015 Passed by Hon'ble Commission in Petition No. 1446 of 2014 issuing distribution license to MUPL as License No. 6 of 2016	Annexure – B
3	Order dated 03.11.2017 Passed by Hon'ble Commission in Petition No. 1633 of 2016 amending distribution license to MUPL	Annexure – C
4	Certificate issued dated 16.06.2020 by Registrar of Companies for Name Change from MUPL to MUL	Annexure – D
5	GoG Notification dated 25.08.2020 bearing No. KV 115 of 2020 NPL/452019/43/M	Annexure – E
6	GoG Notification dated 25.08.2020 bearing No. KV 116 of 2020 NPL/452019/43/M	Annexure – F
7	A receipt for payment of the application fee specified in accordance with clause 4 (i) of GERC Regulation No. 4 of 2005	Enclosure – 1
8	An affidavit by the Applicant verifying the correctness of the information disclosed in the application	Enclosure – 2
9	Details of Group Company (ies) engaged in the business of Generation, Transmission, Distribution and Trading of Electricity, within Gujarat and other State	Enclosure – 3
10	Brief history of the promoters	Enclosure – 4
11	Brief note on Organization Capability, Technical Qualification, Managerial Capability and Past Experience of the Applicant Company to discharge its obligations under the Distribution Licence	Enclosure – 5
12	Approach & Methodology and Business Plan for the next 5 (five) years	Enclosure – 6
13	A Map of the Proposed Area of Licence	Annexure - 1
14	Certificate of Registration / Incorporation – MUPL and revised for MUL	Annexure - 2
15	Memorandum of Association & Articles of Association	Annexure - 3
16	Original Power of Attorney of the signatory to commit the Applicant or its Promoters	Annexure - 4

17	Income Tax Registration (PAN Card of MUL)	Annexure - 5
18	Draft Licence	Annexure - 6
19	Details of any financial holdings of the Applicant in the power sector (Annual accounts of MUL and its holding company ATL)	Annexure - 7
20	Annual Net Worth of Applicant for last 5 (five) years (MUL and its holding company ATL)	Annexure - 8
21	Annual Turnover of Applicant for last 5 (five) years (MUL and its holding company ATL)	Annexure - 9
22	Certificate of Credit Rating (ATL being holding company)	Annexure - 10
23	Certificate of 'Standard' Borrowal Account (ATL being holding company)	Annexure - 11
24	Certificate stating that Reserve Bank of India has not classified the Applicant as a 'wilful defaulter' (ATL being holding company)	Annexure - 12
25	Requirement of Code of Conduct	Annexure - 13
26	Notifications issued by the Government of Gujarat specifying Mundra – Baroi as Municipality	Annexure - 14

11. It is further apposite to state that the Applicant/ MUL and its Group entities are one of the leading companies in the Indian Power Sector having a strong presence in generation, transmission, and distribution of electricity.

12. As such, in the distribution business, Adani Electricity Mumbai Limited ("**AEML**"), which is an Adani Group entity supplies electricity of about ~7971 MUs to more than 3.08 million customers in city of Mumbai. In fact, by way of its operational excellence in the distribution business, AEML has created world class power distribution infrastructure, including the creation of extensive underground network, in its areas of operation in Mumbai, while further being able to achieve power availability of above 99.99 % and Distribution Losses of 6.55 %, which are comparable to global benchmarks across the world.

13. In furtherance to the above, the Applicant/ MUL encloses herewith the detailed Application with required supporting documents for the amendment of its existing licence by way of grant of second/ parallel Distribution Licence to cover the larger area of Mundra

Taluka of Kutch District, in the State of Gujarat, which includes Mundra-Baroi Municipal Council.

14. The Applicant craves leave for furnishing any further information/ data/ documents, if required, at a later stage, in the interest of justice. It is submitted that the present application/ petition is bonafide and made in the interest of justice.

PRAYER

In view of the foregoing, the Applicant/ MUL most respectfully prays that this Hon'ble Commission may be graciously pleased to:

(a) To admit the present Application;

(b) To allow amendment/ alteration/ modification of the existing Distribution Licence of the Applicant/ MUL by inclusion of the larger area of Mundra Taluka of Kutch District, situated in the State of Gujarat, in the licenced area of the said Applicant/ MUL, in terms stated in the present petition/ application;

(c) To allow additions/ alterations/ changes/ modification to the Application;

(d) To condone any inadvertent omissions/ errors/ shortcomings;

(e) To grant any other relief(s) as this Hon'ble Commission may deem fit and appropriate under the facts and circumstances of the case, and in the interest of justice.

The Applicant/ MUL declares that the subject matter of the above Application has not been raised by the Applicant/ MUL before any other competent forum, and that no other competent forum is currently seized of the matter or has passed any orders in relation thereto.

AUTHORISED SIGNATORY
[MEHUL RUPERA]

PLACE: AHMEDABAD
DATE: 12.06.2022

NOTARY
VIJAY C. SHAH
AHMEDABAD
GUJARAT STATE
REGD. 2260/02
GOVT. OF INDIA

S. No. 4421 /2022
VIJAY C. SHAH
NOTARY
GOVT. OF INDIA
17 JUN 2022

BEFORE THE HON'BLE GUJARAT ELECTRICITY REGULATORY COMMISSION

Case No. ________ of 2022

IN THE MATTER OF:

Application by MPSEZ Utilities Limited (MUL) seeking alteration/ modification/ amendment of its existing distribution licence by including within its licence area the Mundra Taluka of Kutch District in the State of Gujarat, in terms of sections 14, 15 and 18 of the Electricity Act, 2003, read with Regulations 4 and 16 of the GERC (Distribution Licence) Regulations, 2005.

AND

IN THE MATTER OF:

MPSEZ Utilities Limited,
Adani Corporate House, Shantigram,
Nr. Vaishno Devi Circle, S. G. Highway,
Khodiyar, Ahmedabad – 382421 **...APPLICANT**

AFFIDAVIT

I, Mehul Rupera, son of Shri Tejpal Shantilal Rupera, aged about 47 years, working as Director of MPSEZ Utilities Limited, the Applicant, having office at having office at Adani Corporate House, Shantigram, Nr. Vaishno Devi Circle, S. G. Highway, Khodiyar Ahmedabad – 382421 do solemnly affirm and state on oath as under:

1. That, I am duly authorized by the Applicant to swear this Affidavit.

2. That, the facts stated in the submissions are based on record and files of the Applicant Company and they are true and correct to my knowledge, information and belief and I believe the same to be true.

Solemnly affirmed at Ahmedabad on this 17th day of June, 2022.

Rupera
DEPONENT

SOLEMNLY AFFIRMED
BEFORE ME
VIJAY C. SHAH
NOTARY
GOVT. OF INDIA
17 JUN 2022

Application form for grant/amendment of Distribution License

Particulars of the Applicant

1.	Name of the Applicant	**MPSEZ Utilities Limited**
2.	Form of incorporation, if any	Limited Company
3.	Address	**Registered Office**: Adani Corporate House, Shantigram, Nr. Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad – 382421
4.	Name, Designation & Address of the Contact Person	**Shri Mehul Rupera** Director Adani Corporate House, Shantigram, Nr. Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad – 382421
5.	Contact Telephone Nos.	079 - 25557334
6.	Fax No.	079 - 25556099
7.	E-mail Id	mehul.rupera@adani.com
8.	Place of incorporation/ registration	Ahmedabad, Gujarat, India
9.	Year of incorporation/ registration	13th July 2007, with fresh Certificate of Incorporation on 16th June 2020
10.	Geographical area within which Applicant proposes to undertake distribution	Within the Mundra Taluka of Kutch district. The map showing the area is attached as **Annexure - 1**.

11. **Following documents are enclosed:**

a.	Certificate of Registration/ Incorporation	Attached as **Annexure - 2**
b.	Certificate of commencement of business	Not Applicable

NOTARY
VIJAY C. SHAH
AHMEDABAD
GUJARAT STATE
REGD. 2260/02
GOVT. OF INDIA

c.	Memorandum of Association & Articles of Association	The MOA & AOA is attached as **Annexure – 3**
d.	Original Power of Attorney of the signatory to commit the Applicant or its promoter	Attached as **Annexure - 4**
e.	Details of Income Tax Registration	The copy of the PAN Card is attached as **Annexure – 5**
f.	Draft licence	Attached as **Annexure - 6**
g.	All the documents mentioned in Regulation 4 (ii) of the Gujarat Electricity Regulatory Commission (Distribution Licence) Regulations, 2005	Enclosed as Annexures
	(a) A map of the proposed Area of Licence on a scale of not less than 10 cm to a km or, if no such maps are available, of not less than that of the largest scale ordinance maps available or such other scale as may be approved by the Commission in a specific case	Attached as **Annexure - 1**
	(b) A list of all the local authorities vested with the administration of any portion of Area of License	1. Mundra Nagarpalika (Village - Mundra, Baroi and Goersama) 2. All Other Villages - Gramsabha / Grampanchayat 3. SEZ Notified Area - SEZ Development Commissioner
	(c) A statement approximately describing any lands which the Applicant proposes to acquire for the purpose of the Distribution Licence and the means of acquisition	The land for development of power distribution network and related offices will be acquired as and when required
	(d) A statement of the capital proposed to be expended in carrying on the Licensed Business in the Area of Licence and such other	MPSEZ Utilities Limited shall be incurring necessary capital expenditure for creation of network. MPSEZ Utilities Limited proposes to incur Rs.

	particulars as the Commission may require	460 Crore during first five years for development of distribution network in the Licence area. The requisite document is attached as **Enclosure - 6.**
	(e) A copy of the Memorandum and Articles of Association of the Company, where the applicant is a body corporate and similar applicable documents of incorporation, registration or agreement in case of other business entities	Attached as **Annexure - 3**
	(f) Annual accounts of the Applicant for the previous three years or other similar documents as may be required	The Annual Accounts of MPSEZ Utilities Limited and its holding company Adani Transmission Limited for FY 2018-19 to FY 2020-21 is attached as **Annexure - 7**
	(g) A receipt for payment of the application fee specified in accordance with clause 4 (i) of GERC Regulation No. 4 of 2005	Attached as **Enclosure - 1**
	(h) An affidavit by the Applicant verifying the correctness of the information disclosed in the application	Attached as **Enclosure - 2**
	(i) Where the Applicant is a body corporate, details of any group company(ies) engaged in the business of generation, distribution, transmission or trading of electricity, whether within the State of Gujarat or in any other State	Attached as **Enclosure - 3**
	(j) Where the Applicant is not a body corporate, details of any business of generation, distribution, transmission or	Not Applicable

	trading of electricity, whether within the state of Gujarat or in any other State, in which the applicant is directly or indirectly interested	
	(k) Details of any financial holdings of the Applicant in the power sector	The Annual Accounts of MPSEZ Utilities Limited and its holding company Adani Transmission Limited for FY 2018-19 to FY 2020-21 is attached as **Annexure - 7**
	(l) Brief history of the promoters in case the Applicant is a body corporate	Attached as **Enclosure - 4**
	(m) Technical qualification and past experience of the Applicant, which shall be considered by the Commission in order to decide as to whether or not the Applicant can successfully discharge its obligation under the Distribution Licence and is, therefore, fit for granting of the Distribution Licence	Attached as **Enclosure - 5**

Details of Financial Data of Applicant:

12. Net-worth (in equivalent Indian Rupees- conversion to be done at the rate of exchange prevailing at the end of the year) for immediate past 5 (five) financial years. (Specify financial year as applicable).

FY (as on)	In Home Currency (Rs Cr)	Exchange rate used	In equivalent Indian Rupees (Rs Cr)
31-03-2018	78.91		78.91
31-03-2019	86.30		86.30
31-03-2020	96.96		96.96
31-03-2021	119.88		119.88
31-03-2022	70.64		70.64
Certified Copy from Chartered Accountant for MPSEZ Utilities Limited and its holding company Adani Transmission Limited in support of above is attached as Annexure – 8 and copy of annual report for FY 2018-19 to FY 2020-21 are also annexed as Annexure – 7 in support of above			

13. Annual turnover in equivalent Indian Rupees – conversion to be done at the rate of exchange prevailing at the end of each year for immediate past 5 (five) financial years (specify financial years as applicable).

For FY	In Home Currency (Rs Cr)	Exchange rate used	In equivalent Indian Rupees (Rs Cr)
FY 2017-18	155.36		155.36
FY 2018-19	162.20		162.20
FY 2019-20	180.13		180.13
FY 2020-21	203.32		203.32
FY 2021-22	216.38		216.38
Certified Copy from Chartered Accountant for MPSEZ Utilities Limited and its holding company Adani Transmission Limited in support of above is attached as Annexure – 9 and copy of annual report for FY 2018-19 to FY 2020-21 are also annexed as Annexure – 7 in support of above			

14.	Certificate of credit rating	Presently, MUL does not have any borrowings and hence, does not have certificate of credit rating. However, same is attached for ATL as **Annexure –10** being holding company
15.	Certificate of 'Standard' borrowal account	Presently, MUL does not have any borrowings and hence, does not have certificate of 'Standard' borrowal account. However, same is attached for ATL as **Annexure –11** being holding company
16.	Certificate stating that RBI has not classified the Applicant as a 'wilful defaulter'	Presently, MUL does not have any borrowings and hence, does not have certificate stating that RBI has not classified the Applicant as a 'wilful defaulter'. However, same is attached for ATL as **Annexure –12** being holding company

VIJAY C. SHAH
REGD. 2260/02

17.	List of documents enclosed in support of Sr. No. (10) & (11) above	Enclosed as mentioned
	(a) Geographical Area within which Applicant proposes to undertake distribution / A map showing distribution area	Attached as **Annexure - 1**
	(b) Certificate of Registration / Incorporation	Attached as **Annexure - 2**
	(c) Certificate of commencement of business	Not Applicable
	(d) Memorandum of Association & Articles of Association	Attached as **Annexure - 3**
	(e) Original power of attorney of the signatory to commit the Applicant or its Promoters	Attached as **Annexure - 4**
	(f) Details of Income tax registration	Attached as **Annexure - 5**
18.	(a) Whether applicant himself shall be financing the proposed distribution of electricity fully own balance sheet	The Applicant shall undertake the business of distribution of electricity on its own Balance Sheet
	(b) If yes, proposed equity from the applicant (i) Amount (ii) Percentage	MPSEZ Utilities Limited shall be incurring necessary capital expenditure for creation of network. MPSEZ Utilities Limited proposes to incur approximately Rs. 460 Crore during first five years for development of distribution network in the amended licence area. The same will be funded through debt and equity in the ratio of 70:30.
19.	In case the Applicant proposes to tie up with some other Agency for equity, then name & address of such agency:	There is no plan to tie up with any other agency for equity at this stage.

	(a) Name, designation & Address of reference person of the other Agency:	Not Applicable
	(b) Contact Tel. No.	Not Applicable
	(c) Fax No.	Not Applicable
	(d) E-mail ID	Not Applicable
	(e) Proposed equity from other agency (i) Amount (ii) Percentage of total equity (iii) Currency in which the equity is proposed	Not Applicable
	(f) Consent letter of the other agency to associate with the applicant for equity participation to be enclosed	Not Applicable
	(g) Nature of proposed tie-up between Applicant and other - agency	Not Applicable

20. **Details of debt proposed for the distribution activity:**

a)	Details of lenders	The Company will approach lenders for arranging debt as may be required on being awarded the licence for electricity distribution for the additional licence area.
b)	Amount to be sourced from various lenders	70% of proposed capex of Rs. 460 Crore
c)	Letters from lenders in support of the above to be enclosed	Not Applicable, in view of strategy mentioned above
	Organization & managerial capability of the applicant:	Attached as **Enclosure - 5**

22.	Approach & Methodology	Attached as part of the Business Plan as **Enclosure – 6**

23. **Data relating to the applicant's future Business:**

i.	Five-year Business Plan for transmission or distribution of electricity for which the distribution of electricity for which the application is being made and funding arrangements for meeting its obligation under proposed licence for maintenance, operation, improvement and expansion for future load growth	Business Plan attached as **Enclosure - 6**.
ii.	Five-year annual forecasts of costs, sales, revenues and project financing stating the assumptions underlying the figures provided	Submitted as part of the Business Plan attached as per **Enclosure - 6.** Project financing shall be funded through debt and equity in the ratio of 70:30.

Dated: 17.06.2022

(Signature of the Applicant)

NOTARY
VIJAY C. SHAH
AHMEDABAD
GUJARAT STATE
REGD. 2260/02
GOVT. OF INDIA

Annexure - A

Notification dated 03.03.2010 issued by Central Government

NOTIFICATION

New Delhi, the 3rd March, 2010

S.O. 528(E).—In exercise of the powers conferred by clause (b) of sub-section (1) of Section 49 of the Special Economic Zones Act, 2005 (28 of 2005), the Central Government hereby notifies that the provisions of clause (b) of Section 14 of the Electricity Act, 2003, (36 of 2003), shall apply to all Special Economic Zones notified under sub-section (1) of Section 4 of the Special Economic Zones Act, 2005, subject to the following modification, namely :—

In clause (b) of Section 14 of the Electricity Act, 2003 (36 of 2003), the following proviso shall be inserted, namely :—

"Provided that the Developer of a Special Economic Zone notified under sub-section (1) of Section 4 of the Special Economic Zones Act, 2005, shall be deemed to be a licensee for the purpose of this clause, with effect from the date of notification of such Special Economic Zone."

[F. No. D. 6/12/2009-SEZ]

T. SRINIDHI, Director

Printed by the Manager, Government of India Press, Ring Road, Mayapuri, New Delhi-110064
and Published by the Controller of Publications, Delhi-110054

Annexure - B

Order dated 17.08.2015 Passed by Hon'ble Commission in Petition No. 1446 of 2014 issuing distribution license to MUPL as License No. 6 of 2016

BEFORE THE GUJARAT ELECTRICITY REGULATORY COMMISSION
GANDHINAGAR

Suo- Motu Petition No. 1446 of 2014.

In the Matter of:

Initiation of Suo motu proceedings for issuance of the license under Section 14 of the Electricity Act, 2003 read with Sections 19, 20, and 28 of the Gujarat Electricity Industry (Reorganization and Regulation) Act, 2003 to the unbundled entities of erstwhile State Electricity Board viz. GEB.

Respondent No. 1	:	Gujarat Energy Transmission Corp. Limited, Sardar Patel Vidyut Bhavan, Race Course Circle, Vadodara – 390007.
Represented By	:	Learned Advocate Shri M.G. Ramchandran and Ms. Venu Birappa.
Respondent No. 2	:	Dakshin Gujarat Vij Company Limited, Corporate Office, Nana Varachha Road, Kapodara Char Rasta, Surat- 395 006.
Represented By	:	Shri B.C. Godhani.
Respondent No. 3	:	Madhya Gujarat Vij Company Limited, Sardar Patel Vidyut Bhavan, Race Course Circle, Vadodara – 390007.
Represented By	:	Shri V.K. Gulati.
Respondent No. 4	:	Paschim Gujarat Vij Company Limited, Off. Nana Mava Main Road, Laxmipura, Rajkot-360004.
Represented By	:	Learned Advocate Shri M.G. Ramchandran and Shri J.J. Gandhi.

Respondent No. 5 : Uttar Gujarat Vij Company Limited,
Visnagar Road, Mehsana-384001.

Represented By : Nobody was present.

Respondent No. 6 : Kandla Port Trust,
Business Development Cell,
P.O.Box No. 50, Administrative Building
Gandhidham, Kutch, Gujarat.

Represented By : Nobody was present.

Respondent No. 7 : MPSEZ Utilities Private Limited,
Adani House, Near Mithakhali Circle,
Navrangpura, Ahmedabad-380009,
Gujarat, India.

Represented By : Shri Pratik Lunavia.

Respondent No. 8 : Aspen Infrastructures Limited,
Survey No. 26, Village Pipaliya,
Taluka: Waghodia, Dist.: Vadodara – 391760.

Represented By : S/Shri Ajay Puri and Jalpesh.

CORAM:

Shri K. M. Shringarpure, Member
Shri Pravinbhai Patel, Chairman

Date: 17/08/2015.

Order

[1] The Electricity Act, 2003 was enacted by the Parliament on 10.06.2003 and was made effective in the State of Gujarat from 10.12.2003. After enactment of the Electricity Act, 2003, the distribution licensee, transmission and trading activities have become the licensed activities.

1.1 The Government of Gujarat notified the transfer scheme through a Gazette Notification No. GHU-2003-58-GEB-3537 dated 24.10.2003 and thereby vested the transmission, generation and distribution business of the erstwhile Gujarat Electricity Board (GEB) to Gujarat Energy Transmission Corporation Limited, Gujarat State Electricity Corporation Limited, and four distribution companies (DISCOMs) respectively. Accordingly, the GETCO and 4 DISCOMs (viz. DGVCL, MGVCL, PGVCL & UGVCL) became the deemed licensees. Further, the Kandla Port Trust (KPT) was granted license for supply of electrical energy in the Port Trust area by the Chief Commissioner of Kutch under the Indian Electricity Act, 1910. Thus, the KPT has also become a deemed distribution licensee under the Electricity Act, 2003. Moreover, the MPSEZ Utilities Pvt. Ltd. and Aspen Infrastructure Limited, operating in their respective SEZ areas are deemed distribution licensees as per the Government of India Notification No. 228 (E) dated 03.03.2010 issued by the Ministry of Commerce & Industries, GoI.

1.2 The Commission has framed the GERC (Distribution Licensee) Regulations, 2005 and GERC (Licensing of Transmission) Regulations, 2005. These regulations specify the procedure for grant of license as well as general terms and conditions of the license.

1.3 In view of the above, the Commission had initiated the Suo-Motu proceedings and directed the above referred licensees to file their application for grant of license to the Commission in the manner prescribed in the relevant regulations alongwith requisite documents.

[2] The matter was kept for hearing on 30.12.2014. On that day, Learned Advocate Shri M.G. Ramchandran on behalf of the Respondent Nos. 1 to 5 submitted that the Respondent No. 1 to 5 are the unbundled entities of erstwhile GEB, the State Electricity Board. He submitted that as per the provisions of Section 131 of Electricity Act, 2003, the erstwhile State Electricity Board viz, GEB was unbundled by the Government of Gujarat and function of transmission was entrusted to Respondent No. 1 Company while the distribution function was entrusted to the Respondent No. 2 to 5 vide Government Notification No. GHU- 2003-58-GEB-3537 dated 24.10.2003. Thus, these companies are deemed licensees as per the provisions of Section 131 of Electricity Act, 2003 read with Section 14 of Electricity Act, 2003 and also Sections 19, 20 and 28 of Gujarat Electricity Industry (Reorganization and Regulations) Act, 2003.

2.1. He further submitted that the issue of deemed licensees arose in Appeal No.

206 of 2012 filed by M/s. Vedanta Aluminum Limited and Hon'ble APTEL passed an order dated 03.05.2013. The decision of the Hon'ble APTEL was challenged before the Hon'ble Supreme Court by filing a Civil Appeal No. 5479 of 2013 in which the Hon'ble Supreme Court decided the matter vide order dated 25.04.2014. In the aforesaid decision, the Hon'ble Supreme Court decided that the SEZ developers in the SEZ area are deemed licensees as per the provisions of the Section 14 of the Electricity Act, 2003. Therefore, no specific application is required to be filed by the Respondent Nos. 1 to 5 for grant of license, and as such they may be discharged from the Suo-motu proceedings.

2.2. He further submitted that as State Electricity Board, viz, GEB was a licensee in terms of provisions of the Indian Electricity Act, 1910 and as there was no time limit specified for the State Electricity Board's (SEB) existence as licensee, it is a perpetual licensee having no time limit for such licensee's functions to be carried out by the SEB.

[3] On query by the Commission regarding the licensee's area demarcation, he submitted that the same is part of re-organization and re-structuring of SEB, (erstwhile GEB) done by the State Government and the area of licensee is as per the jurisdiction of the Zonal offices of the then SEB, and also approved in the map by the State Government. He submitted that the map showing licensees' area alongwith notification for re-organization and re-structuring of the SEB (erstwhile GEB) will be submitted by Respondent Nos. 1 to 5, within 10 days for consideration of the Commission.

[4] Shri Pratik Lunavia, on behalf of the Respondent No. 7 MPSEZ Utilities Pvt. Ltd., submitted that they had filed License Application No. 06/2008 before the Commission. In the said matter, the Commission passed an order dated 17.04.2010 allowing the applicant to withdraw the application as it is a deemed licensee in terms of Ministry of Commerce & Industry, Department of Commerce, Government of India Notification No. S.O. 528 (E) dated 03.03.2010 which specifies that all SEZ developers shall be deemed licensees for the purpose of clause (b) of Section 14 of Electricity Act, 2003. Therefore, the respondent is a deemed licensee as considered by the Commission in its order dated 17.04.2010. Therefore, the petitioner is not required to submit any separate application/details for licence as stated in the present Suo-motu petition. He further submitted that the Hon'ble Supreme Court has in its judgement dated 25.04.2014 in Civil Appeal No. 5479 of 2013 held that the SEZ developers are deemed licensees as per the provisions of Electricity Act, 2003 read with provisions of SEZ Act, 2005 and rules and regulations framed under it.

4.1. On query by the Commission regarding the maps showing area of the licensee, the respondent agreed to submit the same.

[5] Shri Ajay Puri, on behalf of the Respondent No. 8, submitted that the respondent had filed a Licence Application No. 4 of 2008 for issuance of distribution license. In the said application, the Commission passed an order dated 16.12.2009 and granted the distribution license to ASEPN

Infrastructure Limited, formerly known as Synefra Engineering & Construction Limited. Thus, the Commission has already granted the distribution license to the Respondent No. 8. Hence, the respondent is not required to file an application before the Commission again.

[6] During the hearing, learned advocate, on behalf of the Respondent Nos. 1 to 5, submitted that he will provide the Government notification issued by the Government of Gujarat alongwith the maps showing the area of licensees.

[7] The Commission vide order dated 20.05.2015 directed the licensees to submit the maps showing the survey numbers for supply of electricity duly certified by land revenue authority or E & P Department, Government of Gujarat and in case of entities unbundled under the provisions of the Electricity Act, 2003 read with Gujarat Electricity Industry (Reorganization and Regulations) Act, 2003, alongwith the government notifications, within 15 days from the date of this order.

[8] As directed by the Commission, GETCO, PGVCL, DGVCL, MGVCL & UGVCL vide their submissions dated 7.08.2015 submitted that the Govt. of Gujarat vide Notification No. GHU-2003-59-GEB-12-2003-3537-K dated 24.10.2003, notified the comprehensive transfer scheme related to respondent No. 1 to 5. Respondent No.1 also submitted that the power map and map of its operating areas i.e. zones (Bharuch, Mehsana and Rajkot) was already submitted on 7.03.2015. As regards the submission of the map showing the area of the licensees, it is submitted that Respondent Nos. 2 to 5 have got the same

developed from "Bhaskaracharya Institute for Space Application and Geo Informatics" (BISAG), Department of Science & Technology, Government of Gujarat. The respondents have submitted the village wise area map developed based on the certain information with the "BISAG" earmarking the area covered by the license of the respondents. Therefore, the villages of the respondent licensees may not be fully covered in the respective area and there could be some marginal overlap in the map. Therefore, in addition to the map, the lists of villages falling under the license area of the Respondent Nos. 2 to 5 are also submitted.

8.1 It is also submitted that the GEB was unbundled under Gujarat Act, 2003 vide Notification dated 24.10.2003. At such time, the Electricity Act, 2003 had not yet come into force in the State of Gujarat on account of the Notification issued by the Government of Gujarat in exercise of its powers under Section 172 (d) of the Electricity Act, 2003. The State Government issued Notification dtd. 31.03.2005 confirming the effective date from which the Electricity Act, 2003 came into force in the State. Thus, the unbundling of Gujarat Electricity Board was not undertaken under Section 131 of the Electricity Act, 2003 but under the Gujarat Act, 2003. The respondent No.1 became licensee in the respective area of transmission of electricity by virtue of the authority granted to the GEB under the Electricity Supply Act, 1948, which was recognised by the Commission in the order dated 20.05.2015.

8.2 The proviso to Section 14 of the Electricity Act, 2003 provides that the period for the deemed licenses was such period as may be stipulated in the licence, clearance or approval granted to the licensee under the repealed laws or such Act specified in the Schedule. Therefore, the period of licence of the Respondent No.1 GETCO would be as applicable to the said respondent at the time of reorganization of Gujarat Electricity Board before 12.12.2003. There was no period specified in the authority granted to the GEB, the predecessor of the respondent No.1 under Section 5 of the Electricity (Supply) Act, 1948. The authority was envisaged to be in perpetuity and only method of termination would be revocation of licence. The period of licence of the Respondent No.1 would be the same as per the authority granted to GEB viz. in perpetuity.

8.3 Moreover, under the Electricity Act, 2003 such deemed licensee shall continue for the same period as was applicable to the licensee i.e. perpetuity. Section 15 (8) of the Electricity Act, 2003 provides for a licence to continue to a period of twenty five years. This shall however apply only to a licence granted under the Electricity Act, 2003 after it has come for into force. Moreover, Section 15 does not apply to deemed licensees as is clear from the first proviso to Section 14 which specifically provides for the period of the existing licence. In any event, since the assignment or transfer of functions to the Respondent No.1 as deemed licensee occurred prior to the coming into force of the Electricity Act, 2003, the provisions of Section 15 and Section 15 (8) cannot apply to such assignment.

8.4 In terms of the Section 16, it is open to the Commission to specify the special conditions to, inter-alia, the deemed licences under first provisio within one year from the appointed date. Such conditions can be specified only by way of regulations. Moreover, in view of the specific provisions to Section 14 for the term of the existing licence, it is neither necessary nor permissible to specify the period in the Regulations framed under section 16. In the present case also, the Commission has not framed any Regulations in this regard within one year from the appointed date.

8.5 It is submitted that the provision regarding vesting of the functions on the unbundled entities after the State Electricity Board ceases to exist is envisaged both under Gujarat Act, 2003 and Electricity Act, 2003 and therefore is not a barrier to being recognised as deemed licensees functioning under the license granted to the State Electricity Board. Even as per fifth proviso to the Electricity Act, 2003, the Government Company or Company referred to in sub section (2) of Section 131 and the companies created in pursuance of the Acts specified in the Schedule shall be deemed licensee. Therefore there is no impact of the manner in which State Electricity Board was unbundled into different entities such as the Respondents Nos. 1 to 5. In view of the above, the respondents submitted that the deemed distribution licence granted to the Respondents No.1 to 5 would continue in perpetuity.

[9] MUPL vide its submission dated 10.06.2015 submitted the map indicating area of supply stating land survey number which is the part of SEZ along with a copy of SEZ Notification No. S.O.1365 (E), dated 27th May, 2009 issued by Ministry of Commerce and Industry, Govt. of India.

[10] Aspen Infrastructure Limited vide its submission dated 11.08.2015 submitted the copy of map showing the survey number and SEZ Notification dated 16th April, 2015 issued by Ministry of Commerce and Industry, Govt. of India.

[11] We have carefully considered the submissions made by the parties. We note that the Respondent No. 1 to 5 are the unbundled entities of erstwhile GEB which was a State Electricity Board, constituted under the Electricity (Supply) Act, 1948. It was also a licensee within the meaning of Indian Electricity Act, 1910. The assets and liabilities of Transmission Department of erstwhile GEB were transferred along with the transmission function to Respondent No. 1 by the Government of Gujarat on unbundling of erstwhile GEB through Notification No. GHU-2003-58-GEB-3537 dated 24.10.2003. So far as the function of distribution of electricity in the State is concerned, the same was transferred along with assets and liabilities of the Distribution Department of erstwhile GEB to the Respondent No. 2 to 5 by Government of Gujarat vide Notification No. GHU- 2003-58-GEB-3537 dated 24.10.2003. The Electricity Act, 2003, under Section 131, provides for unbundling of erstwhile State Electricity Boards, which reads as under.

"……………………

PART XIII

REORGANISATION OF BOARD

131. Vesting of property of Board in State Government

(1) With effect from the date on which a transfer scheme, prepared by the State Government to give effect to the objects and purposes of this Act, is published or such further date as may be stipulated by the State Government (hereafter in this Part referred to as the effective date), any property, interest in property, rights and liabilities which immediately before the effective date belonged to the State Electricity Board (hereinafter referred to as the Board) shall vest in the State Government on such terms as may be agreed between the State Government and the Board.

(2) Any property, interest in property, rights and liabilities vested in the State

Government under sub-section (1) shall be re-vested by the State Government in a Government company or in a company or companies, in accordance with the transfer scheme so published along with such other property, interest in property, rights and liabilities of the State Government as may be stipulated in such scheme, on such terms and conditions as may be agreed between the State Government and such company or companies being State Transmission Utility or generating company or transmission licensee or distribution licensee, as the case may be:

PROVIDED that the transfer value of any assets transferred hereunder shall be determined, as far as may be, based on the revenue potential of such assets at such terms and conditions as may be agreed between the State Government and the State Transmission Utility or generating company or transmission licensee or distribution licensee, as the case may be.

(3) Notwithstanding anything contained in this section, where,--

(a) the transfer scheme involves the transfer of any property or rights to any person or undertaking not wholly owned by the State Government, the scheme shall give effect to the transfer only for fair value to be paid by the transferee to the State Government;

(b) a transaction of any description is effected in pursuance of a transfer scheme, it shall be binding on all persons including third parties and even if such persons or third parties have not consented to it.

(4) The State Government may, after consulting the Government company or company or companies being State Transmission Utility or generating company or transmission licensee or distribution licensee, referred to in sub-section (2) (hereinafter referred to as the transferor), require such transferor to draw up a transfer scheme to vest in a transferee being any other generating company or transmission licensee or distribution licensee, the property, interest in property, rights and liabilities which have been vested in the transferor under this section, and publish such scheme as statutory transfer scheme under this Act.

(5) A transfer scheme under this section may—

(a) provide for the formation of subsidiaries, joint venture companies or other schemes of division, amalgamation, merger, reconstruction or arrangements which shall promote the profitability and viability of the resulting entity, ensure economic efficiency, encourage competition and protect consumer interests;

(b) define the property, interest in property, rights and liabilities to be allocated—

(i) by specifying or describing the property, rights and liabilities in question; or (ii)

by referring to all the property, interest in property, rights and liabilities comprised in a described part of the transferor's undertaking; or
(iii) partly in one way and partly in the other;

(c) provide that any rights or liabilities stipulated or described in the scheme shall be enforceable by or against the transferor or the transferee;

(d) impose on the transferor an obligation to enter into such written agreements with or execute such other instruments in favour of any other subsequent transferee as may be stipulated in the scheme;

(e) mention the functions and duties of the transferee;

(f) make such supplemental, incidental and consequential provisions as the transferor considers appropriate including provision stipulating the order as taking effect; and (g) provide that the transfer shall be provisional for a stipulated period.

(6) All debts and obligations incurred, all contracts entered into and all matters and things engaged to be done by the Board, with the Board or for the Board, or the State Transmission Utility or generating company or transmission licensee or distribution licensee, before a transfer scheme becomes effective shall, to the extent specified in the relevant transfer scheme, be deemed to have been incurred, entered into or done by the Board, with the Board or for the State Government or the transferee and all suits or other legal proceedings instituted by or against the Board or transferor, as the case may be, may be continued or instituted by or against the State Government or concerned transferee, as the case may be.

(7) The Board shall cease to be charged with and shall not perform the functions and duties with regard to transfers made on and after the effective date.

Explanation: For the purposes of this Part,--

(a) "Government Company" means a Government company formed and registered under the Companies Act, 1956 (1 of 1956);

(b) "Company" means a company to be formed and registered under the Companies Act, 1956 (1 of 1956) to undertake generation or transmission or Distribution in accordance with the scheme under this Part.

.................."

11.1 It is also necessary to refer first proviso to Section 14 of the Electricity Act, 2003 which reads as under:

> *"....................*
>
> *PROVIDED that any person engaged in the business of transmission or supply of electricity under the provisions of the repealed laws or any Act specified in the Schedule on or before the appointed date shall be deemed to be a licensee under this Act for such period as may be stipulated in the licence, clearance or approval granted to him under the repealed laws or such Act specified in the Schedule, and the provisions of the repealed laws or such Act specified in the Schedule in respect of such licence shall apply for a period of one year from the date of commencement of this Act or such earlier period as may be specified, at the request of the licensee, by the Appropriate Commission and thereafter the provisions of this Act shall apply to such business:*
>
> *..................."*

11.2 As per the first proviso to Section 14 of the Electricity Act, 2003, the companies who are assigned the functions of transmission or supply of the electricity carried out by erstwhile State Electricity Board are deemed licensees. Thus, the Respondent No. 1 who is assigned the functions of transmission and the Respondent No. 2 to 5 who are assigned the functions of distribution and supply of electricity are deemed licensees as per the provisions of Electricity Act, 2003.

11.3 We also note that Section 19, 20 and 28 of Gujarat Act, 2003 also recognize that the entities to whom functions of the transmission and distribution and supply of the electricity is transferred as part of restructuring and re-organization of SEB are deemed licensees. Thus, the provisions of the said Act which are not inconsistent with the provisions of Electricity Act, 2003 are valid and legal. Therefore, the Respondent No. 1 to 5 are deemed licensees in terms of the provisions of Electricity Act, 2003 read with Gujarat Act, 2003.

11.4 We also note that the Respondent No. 1 to 5 came into existence after the State Electricity Board, as part of restructuring and re-organization of SEB carried out by the State Government and as such the SEB ceased to exist and the functions of the transmission and distribution of electricity were assigned to the respondents which are considered as transmission and distribution licensees.

11.5 As far as the period of the licence of the Respondent No. 1 to 5 is concerned, there is no period specified for continuation of the functions of generation, transmission, and distribution of electricity by SEB in the Indian Electricity Act, 1910 read with Electricity (Supply) Act, 1948. As respondent No. 1 to 5 are deemed licensees as per the provisions of first proviso to Section 14 of the Electricity Act, 2003 the license period of the above licensees is required to be linked with the period specified for continuation of erstwhile GEB. As there was no time limit specified for erstwhile GEB, under the Electricity Supply Act, 1948, the deemed licensees also continue as licensees without any specific period of license. Hence, we decide that the license period of the Respondent No. 1 to 5 is perpetual without any expiry/validity period of license. We further note that the respondent No.1 to 5 have submitted the map showing the boundary area of the concerned licensees. Thus, the areas specified by the Respondent No.1 to 5 is considered as the licensee area for all purposes of the function of licensee of Respondent No. 1 to 5 and their jurisdiction to carry out the function as a Electricity Licensee is limited to the area shown in the Map.

Based on the above we decide that Transmission License be issued to Respondent No. 1 as per the provisions of Section 14 of the Electricity Act, 2003 readwith the relevant regulations of Gujarat Electricity Regulatory Commission (Licensing of Transmission) Regulations, 2005 issued by the Commission. We further decide that the distribution licenses be issued to Respondent No. 2 to 5 as per the provisions of Section 14 of the Electricity Act, 2003 readwith the provision of Gujarat Electricity Regulatory Commission (Distribution Licence) Regulations, 2005.

11.6 We direct the Secretary of the Commission to issue the license to the Respondent No.1 as deemed Transmission Licensee in the State of Gujarat. We further direct the Secretary of the Commission to issue deemed Distribution License to the Respondent Nos. 2 to 5 as per the decision of the Commission in the present order. Periods of these licenses shall be perpetual, in line with the original license granted to the GEB.

11.7 As regards the Respondent No. 6, the Chief Commissioner for Kutch, issued the license for supply of electricity as per the Indian Electricity Act, 1910 and Electricity (Supply) Act, 1948 on 12.04.1956 vide Government of Kutch Notification No. APP-133-55. The area of supply specified in the said license is as under:

> *"..........*
>
> *3. Area of Supply: The area within the supply of energy is authority by this licence hereinbefore and hereinafter referred to as the "area of supply" shall be the whole of the area bounded as follow:-*

> *North – by the United Salt works.*
> *South – by the Khari Creek.*
> *East – by the Kandla Creek.*
> *West – by the Kakti Creek.*
> *the boundaries whereof are delineated in red colour in the deposited map.*
>
> ………………"

11.8 As far as the period of the licence is concerned, there is no mention about the same. Thus, it is a perpetual licence. We, therefore, decide that the Respondent No. 6 is a deemed licensee within the meaning of the Section 14 of Electricity Act, 2003 having the area as specified in the para above. The license period of the Respondent No. 6 is a perpetual licensee. Based on above observation we decide that the Respondent No. 6 is deemed distribution licensee within the meaning of Section 14 of the Electricity Act, 2003 readwith the Gujarat Electricity Regulatory Commission (Distribution Licence) Regulations, 2005. We direct the Secretary of the Commission to issue the distribution license to the Respondent No. 6 as a deemed distribution licensee specifying the area as provided in the original license. The period of license is perpetual as per original license issued to them vide Government of Kutch Notification No. APP-133-55 dtd. 12.04.1956.

11.9 We note that Respondent No. 7 which is an SEZ developer is a deemed licensee as per the provisions of Section 4 of the SEZ Act, 2005 read with regulations/rules framed under it and Government of India Notification No. S.O. 528 (E) on 03.03.2010. The Hon'ble Supreme Court of India in its judgment dated 25.04.2014 in Civil Appeal No. 5947 of 2013 decided in para 43 and 44 as under:

"……………………

> *43. We are in agreement with the aforesaid rationale in the impugned order of the Appellate Tribunal as that is the only manner in which the two Acts can be harmoniously construed. To recapitulate briefly, in the present case no doubt by virtue of the status of a developer in the SEZ area, the Appellant is also treated as deemed Distribution Licensee. However with this, it only gets exemption from specifically applying for licence under Section 14 of the Act. In order to avail further benefits under the Act, the Appellant is also required to show that it is in fact having distribution system and has number of consumers to whom it is supplying the electricity. That is not the case here. For its own plant only, it is getting the electricity from Sterlite Ltd. for which it has entered into PPA. We have to keep in mind the object and scheme of SEZ Act which envisages several units being set up in a SEZ area. This is evident from a collective reading of the various provisions of the SEZ Act viz. Section 2(g) (j)(za)(zc), Section 3, 4, 11, 12, 13 and 15.There can be a Sector Specific SEZ with Several Units i.e. for IT, Mineral Based Industries etc. but instances of single unit SEZ like in the present case of the Appellant may be rare. The Notification dated 03.03.2010 providing for the "Developer" of SEZ being deemed as a "Distribution Licensee" was issued keeping in view the concept of Multi Unit SEZs and will apply only to such cases in which the Developer is supplying the power to multiple Units in the SEZ. The said Notification will not apply to a Developer like the Appellant who has established the SEZ only for itself.*
>
> *44. Having regard to the aforesaid factual and legal aspects and keeping in mind the purpose for which CSS is payable, as explained in detail in the earlier part of this judgment, we are of the view that on the facts of this case it is not possible for the Appellant to avoid payment of CSS to WESCO. We, therefore, do not find any merit in this Appeal which is accordingly dismissed.*
>
> ……………………"

11.10 From the above, it is clear that the Respondent No. 7 is a deemed licensee under the provisions of the Section 14 of Electricity Act, 2003. We also note that the Commission had in its order dated 17.04.2010 in Licence Application No. 06 of 2008 decided that the Respondent No. 7 is a deemed licensee as per the provisions of the Electricity Act, 2003. Therefore, we decide that the respondent is a distribution licensee within the meaning of the Electricity Act, 2003. We note that the Respondent No. 7 has submitted the map showing the license area of the Respondent No. 7 on 10.06.2015. Thus, the respondent has complied with the directions given by the Commission in its order dated 20.05.2015. We note that as the Respondent No. 7, MUPL is the distribution license as decided above and also submitted the map showing the area of the license, a license be issued to the MUPL. As far as the period of license is concerned the license is issued under the provision of the Electricity Act, 2003 readwith Gujarat Electricity Regulatory Commission (Distribution Licence) Regulations, 2005, the period of the license shall be as per the provisions of Section 15 (6) of the Electricity Act, 2003 and Schedule 2, Clause 5 of the Gujarat Electricity Regulatory Commission (Distribution Licence) Regulations, 2005. The license, therefore be issued for 25 years. We direct the Secretary of the Commission to issue the license alongwith Map showing the license area of the Respondent No.7 as per the Gujarat Electricity Regulatory Commission (Distribution Licence) Regulations, 2005.

11.11 As regards the license to issue to Respondent No.8, we note that the Commission passed an order dated 16.12.2009 in Licence Application No. 4 of 2008 declaring Synefra Engineering & Construction Limited as a distribution licensee in SEZ area notified by the Government of India vide Notification No. S.O. 11 1084 (E) dated 03.07.2007 and subsequent notification dated 11.07.2008 and 21.05.2009. The Respondent No. 8 is the SEZ developer, and hence, it is a deemed licensee within the meaning of the provisions of SEZ Act, 2005 read with the provisions of Electricity Act, 2003. We note that as directed by the Commission, Respondent No. 8, Aspen Infrastructure Limited vide its submission dated 11.08.2015 submitted a copy of map showing the survey number and SEZ Notification dated 16th April, 2015 issued by Ministry of Commerce and Industry, Govt. of India. Thus, the Respondent no. 8 has complied with the directions given by the Commission in its order dated 20.05.2015 in Suo-Motu Petition No. 1446 of 2014. The Respondent No. 8 is declared as licensee under the provisions of the Electricity Act, 2003 readwith the SEZ Act, 2005 and Gujarat Electricity Regulatory Commission (Distribution Licence) Regulations, 2005. The period of license for the Respondent No. 8 is 25 years as per the provisions of Section 15 (6) of the Electricity Act, 2003 readwith regulation Schedule 2 of clause 5 of Gujarat Electricity Regulatory Commission (Distribution Licence) Regulations, 2005.

11.12 Based on the above observations we decide to issue the distribution license to the Respondent No.8 for a period of 25 years. The Secretary of the Commission is directed to issue the license to the Respondent No.8 alongwith the Map submitted by the respondent No.8 showing the area of the licensee of the Respondent No. 8.

11.13 Considering the above facts we decide to issue the license to the Respondent No. 1 as transmission licensee and Respondent No. 2 to 8 as distribution licensees for the periods as decided in earlier paras. The Secretary of the Commission is directed to issue the license for the period as decided in earlier paras for each licensee.

[12] We order accordingly.

[13] With the above observation the present Suo-Motu Petition is disposed of.

Sd/-	**Sd/-**
SHRI K. M. SHRINGARPURE	**SHRI PRAVINBHAI PATEL**
MEMBER	**CHAIRMAN**

Place: Gandhinagar.
Date: 17/08/2015.

Annexure - C

Order dated 03.11.2017 Passed by Hon'ble Commission in Petition No. 1633 of 2016 amending distribution license to MUPL

BEFORE THE GUJARAT ELECTRICITY REGULATORY COMMISSION GANDHINAGAR

Petition No. 1633 of 2016

In the Matter of:

Petition under Section 18 of the Electricity Act, 2003 for amendment of licence.

Petitioner :	MPSEZ Utilities Private Limited Adani House, Nr. Mithakhali Circle, Navrangpura, Ahmedabad 380 009.
Represented by :	Shri Nirav Shah, Shri Saurabh Singh and Shri Gaurav Sharma

Vs.

Respondent No.1 :	Paschim Gujarat Vij Company Limited Laxminagar, Off. Nana Mava Road, Rajkot- 360 004.
Represented by :	Shri J. J. Gandhi
Respondent No.2 :	Gujarat Energy Transmission Corporation Limited Sardar Patel Vidyut Bhavan, Race Course, Vadodara 390 007
Represented by :	Learned Advocate Shri M. G. Ramachandran along with Shri Amit Sachan

CORAM:

Shri Anand Kumar, Chairman
Shri K. M. Shringarpure, Member
Shri P. J. Thakkar, Member

Date: 03/11/2017

ORDER

1. The present petition has been filed by the Petitioner, M/s MPSEZ Utilities Private Limited, seeking following reliefs:

a. Admit the petition for inclusion of new land pockets notified as SEZ

b. Take on record the amended Map of license area of the Petitioner

c. Issue an amendment in Distribution Licence No. 6 of 2016

2. The facts as narrated in the Petition are as follow:

2.1. MPSEZ Utilities Private Limited is a company incorporated under the Companies Act, 1956 having its registered office at Adani House, Nr. Mithakhali Circle, Navrangpura, Ahmedabad 380 009.

2.2. The Commission has issued Distribution Licence No. 6 of 2016 to MPSEZ Utilities Private Limited pursuant to Order dated 17.8.2015 in Suo-Motu Petition No. 1446/2014.

2.3. The aforesaid Distribution Licence has been issued for specific area of 6641.2784 hectares notified as SEZ by the Department of Commerce, Ministry of Commerce & Industry, Govt. of India, vide Notification No. S.O 1365 (E) dated 27.5.2009 and S. O 583 (E) dated 26.3.2012.

2.4. Ministry of Commerce and Industry vide Notification No. S.O. 3379 (E) dated 11.12.2015 has further notified 1856.53.35 hectares area as SEZ at Mundra Taluka, District Kutch, in the State of Gujarat. The Petitioner had also submitted a request letter along with copy of Notification No. S.O 3379 (E) dated 11.12.2015, on 8.3.2016 to the Commission about notification of 1856.53.35 hectares area as Special Economic Zone to consider the same in "Area of Distribution".

2.5. Ministry of Commerce and Industry, Department of Commerce, Government of India, vide Notification No. S. O 528 (E) dated 3.3.2010 has notified that the developer of Special Economic Zone notified under Sub-Section (1) of Section 4 of Special Economic Zone Act, 2005 shall be deemed to be a licensee, with effect from the date of notification of such Special Economic Zone, which is also applicable in case of land pockets notified vide Notification No. S. O. 3379 (E) dated 11.12.2015.

2.6. Ministry of Commerce and Industry, Department of Commerce, Government of India, vide Notification No. 3029 (E) dated 21.9.2016 has consolidated the Special Economic Zones mentioned in various notifications and re-notified total area of 8481.2784 hectares.

2.7. Thus, the new land pockets notified as SEZ by Ministry of Commerce and Industry, Department of Commerce, Government of India need to be included in the license area of the Petitioner.

3. The matter was kept for hearing on 17.1.2017 and 24.3.2017.

4. Shri Nirav Shah, appearing on behalf of the Petitioner, reiterating the facts as stated above, submitted that since the present petition requires amendment in the Distribution Licence, as per the directive of the Commission, the Petitioner issued a Public Notice on 25th January, 2017 in the Newspapers viz. Indian Express (Ahmedabad edition), Kutchmitra (Bhuj edition) and Divya Bhaskar (Bhuj edition) inviting objections/ suggestions from various stakeholders as per the Section 18 of the Electricity Act, 2003 and Regulation 16 of the GERC (Distribution Licence) Regulations, 2005.

4.1. The Petitioner has also impleaded Paschim Gujarat Vij Company Limited and Gujarat Energy Transmission Corporation Limited, being the necessary Parties, as Respondents and provided copies of the petition and relevant documents to them pursuant to the directive of the Commission.

4.2. As to the query of the Commission regarding mismatch of area of 16.5335 hectares and reconciliation of such area, he submitted that the Ministry of Commerce and Industry vide Notification Number S. O 1443 (E) dated 31.05.2013 had de-notified 16.5335 hectares from Special Economic Zone notified vide Notification No. S.O. 1365 (E) dated 27.5.2009 for 6472.8684 hectares, thereby making resultant area as 6456.3349 hectares of said Special Economic Zone. The de-notification of 16.5335 hectares of area had been done to include it in new proposal of Special Economic Zone for land contiguity, which has been notified by the Ministry of Commerce and Industry (Department of Commerce), Government of India, vide Notification No. S.O. 3379(E) dated 11.12.2015 for the area of 1856.5335 hectares. The area of 16.5335 hectares is merely a transfer of land pockets from one SEZ to another SEZ at Mundra. Accordingly, the resultant addition of area in Special Economic Zone is 1840 hectares considering consolidation of all the Special Economic Zones at Mundra, notified vide S. O. Number 1365 (E) dated 27.5.2009, S.O Number 583 (E) dated 26.3.2012, S. O. Number 1443 (E) dated 31.5.2013 and S. O Number 3379 (E) dated 11.12.2015, which has been reflected in Notification No. S. O 3029 (E) dated 21.9.2016.

5. Paschim Gujarat Vij Company Limited vide its reply submitted as follows:

5.1. PGVCL is the first and existing distribution licensee in the area where Petitioner is having second Distribution Licence and also in the area proposed to be covered in the Distribution Licence of the Petitioner. PGVCL earns the revenue of around Rs.3.00 Crs. from supplying power to 9 nos. of High Tension consumers and 4 nos. of Low Tension consumers located in the existing Distribution License area of Petitioner. PGVCL has decided to continue as a Distribution Licensee in the proposed Distribution License area of MPSEZ and under Universal Service Obligation of providing service, PGVCL shall continue to release new connections even by extending the distribution network of PGVCL.

5.2. PGVCL desires to continue their Distribution Licence for supplying power to the existing consumers and also willing to supply power to new consumers in the existing as well as proposed distribution area of the Petitioner. Hence, the Petitioner be given second license in the proposed area.

6. Gujarat Energy Transmission Corporation Limited as a State Transmission Utility and deemed transmission licensee vide its reply submitted as follows:

6.1. MUPL is to confirm that they will allow the laying of transmission line in the area to be amended as distribution license area of MUPL and not to deny the right of use to GETCO in the same area in future. The amendment in the license area be approved only after such confirmation by MUPL.

7. We have noted the submissions made by the Parties. The present petition has been filed by the Petitioner seeking the amendment in the Distribution Licence No. 6 of 2016 under Section 18 of the Electricity Act, 2003 issued to Petitioner for the area of Distribution. As the Ministry of Commerce and Industry vide Notification No. S. O. 3379 (E) dated 11.12.2015 has further notified 1856.5335 hectares area of land under Special Economic Zone, the Petitioner has sought to add this area in the existing area of Distribution which is currently stated to be 6641.2784 hectares.

7.1. Since the present petition sought to amend the Distribution Licence, it is necessary to refer the relevant provisions of the Electricity Act, 2003 and Regulations of this Commission. Section 18 of the Electricity Act, 2003 reads as follows:

"

...

18. (1) Where in its opinion the public interest so permits, the Appropriate Commission, may, on the application of the licensee or otherwise, make such alterations and amendments in the terms and conditions of a licence as it thinks fit:

Provided that no such alterations or amendments shall be made except with the consent of the licensee unless such consent has, in the opinion of the Appropriate Commission, been unreasonably withheld.

(2) Before any alterations or amendments in the licence are made under this section, the following provisions shall have effect, namely: -

(a) where the licensee has made an application under sub-section (1) proposing any alteration or modifications in his licence, the licensee shall publish a notice of such application with such particulars and in such manner as may be specified;

(b) in the case of an application proposing alterations or modifications in the area of supply comprising the whole or any part of any cantonment, aerodrome, fortress, arsenal, dockyard or camp or of any building or place in the occupation of the Government for defence purposes, the Appropriate Commission shall not make any alterations or modifications except with the consent of the Central Government;

(c) where any alterations or modifications in a licence are proposed to be made otherwise than on the application of the licensee, the Appropriate Commission shall publish the proposed alterations or modifications with such particulars and in such manner as may be specified;

(d) the Appropriate Commission shall not make any alterations or modification unless all suggestions or objections received within thirty days from the date of the first publication of the notice have been considered."

Section 18 of the Electricity Act, 2003, provides for procedure for amendment in the Distribution Licence. The said Section provides that the Commission may make such alteration and amendment in the terms and conditions of licence if the public interest so permits. However, before such alteration or amendments, the licensee is required to publish a notice of such application and before making any such alteration or modification the Commission is required to consider all the suggestions or objections received in this regard.

Since Regulation 16 of the GERC (Distribution Licence) Regulations, 2005, is on the same line with Section 18 of the Electricity Act, 2003, it is not repeated for the sake of brevity.

7.2. Thus, as per the above, the Commission vide its Daily Order dated 21.1.2017 directed the Petitioner to issue a Public Notice regarding filing of the present petition seeking the inclusion of additional area of 1856.5335 hectares in the existing licence area in one English and two Gujarati Newspapers having wide circulations in the area of the Petitioner and in the State of

Gujarat. The Public Notice was also to state that any objections/suggestions on the said Petition be filed before this Office with copies to the Petitioner.

7.3. In compliance of the above directive, the Petitioner issued Public Notice in Indian Express, Kutchmitra and Divya Bhaskar on 25.1.2017 giving time limit of 30 days i.e. till 25.2.2017 to file suggestions/objections on the present petition. The Petitioners had also uploaded the petition along with accompanying documents on its website www.adaniports.com

7.4. However, on the basis of the records available, it appears that no objections/suggestions from the Stakeholders have been received either by the Office of the Commission or by the Petitioner. Respondents PGVCL and GETCO, as impleaded pursuant to the directive of the Commission in the daily order dated 21.1.2017 have filed their reply as narrated above.

7.5. As per the Ministry of Commerce and Industry, Department of Commerce, Government of India, Notification No. S. O. 528 (E) dated 3.3.2010, the Developer of Special Economic Zone notified under sub-section (1) of the Section 4 of the Special Economic Zone Act, 2005 shall be deemed to be a licensee with effect from the date of Notification of such Special Economic Zone. A proviso to clause (b) of Section 14 of the Electricity Act, 2003 has also been included to this effect, which reads as follows:

"Provided that the Developer of a Special Economic Zone notified under sub-section (1) of Section 4 of the Special Economic Zones Act, 2005, shall be deemed to be a licensee for the purpose of this clause, with effect from the date of notification of such Special Economic Zone."

7.6. Further, pursuant to the proceedings in Suo-Motu Petition No. 1446/2014 initiated for issuance of the licence under Section 14 of the Electricity Act, 2003 read with Section 19, 20 and 28 of the Gujarat Electricity Industry (Reorganization and Regulation) Act, 2003, the Commission vide Order dated 17.8.2015 decided to issue Distribution Licence to the deemed distribution licensees. Thus, Distribution Licence No.6 of 2016 was issued to the Petitioner covering 6641.2784 hectares of the distribution license area prevailing as on the date of the Order. However, subsequently an area of 16.5335 hectares was de-notified vide Notification No S.O 1443 (E) dated 31.5.2013. Thus, the actual licence area stood at 6624.7449 hectares.

7.7. The Petitioner has now submitted that as the Department of Commerce, Ministry of Commerce and Industry, Government of India vide Notification No. S. O. 528 (E) dated 11.12.2015 has notified 1856.5335 hectares as Special Economic Zone and the same needs to be considered in "Area of Distribution" of the Petitioner. This area also includes 16.5335 hectares which was earlier de-notified. Further, the Ministry, vide Notification No. 3029 (E) dated 21.9.2016 has consolidated the Special Economic Zones mentioned in various Notifications and re-notified the total area of 8481.2784 hectares.

7.8. The Respondent PGVCL has submitted that PGVCL being first and existing distribution licensee in the area, the Petitioner is having second distribution license and PGVCL desires to continue their distribution license for supplying power to the existing 13 Nos. of consumers and also willing to supply power to the new consumers in the license area of the Petitioner. The Respondent GETCO, being the STU, has sought a confirmation from the Petitioner that they will allow laying of transmission line in the area to be amended as distribution license area of MUPL

7.9. As far as the submissions of the Respondent PGVCL is concerned, the sixth proviso to Section 14 of the Electricity Act, 2003 is relevant in this regard, which reads as under:

"...

Provided also that the Appropriate Commission may grant a licence to two or more persons for distribution of electricity through their own distribution system within the same area, subject to the conditions that the applicant for grant of licence within the same area shall, without prejudice to the other conditions or requirements under this Act, comply with the additional requirements (including the capital adequacy, creditworthiness, or code of conduct) as may be prescribed by the Central Government, and no such applicant, who complies with all the requirements for grant of licence, shall be refused grant of licence on the ground that there already exists a licensee in the same area for the same purpose.

..."

Thus, the above proviso empowers the Commission to grant licence to two or more persons for distribution of electricity through their own distribution system within the same area subject to the fulfillment of certain conditions. Moreover, the Petitioner, being a second distribution licensee, as recorded in earlier para does not in any way hinder PGVCL in its functioning as distribution licensee in setting up of its own network and supplying the power to the consumers whoever desire to avail its supply. We also note that there is no plea of PGVCL in its submission that the amendment sought by the Petitioner is against the public interest. The only submission/concern is that the existing licence of PGVCL be continued and the Petitioner be considered as second licensee, which seems legal and valid.

7.10. As far as the contention of the Respondent GETCO seeking confirmation from the Petitioner that GETCO will be allowed the laying of transmission line in the area to be amended as distribution license area and not to deny the right of use to GETCO in the same area in future is concerned, we note that GETCO being the State Transmission Utility, is responsible for creation of necessary infrastructure for Intra-State Transmission system and by virtue of being an STU, GETCO has the right to create necessary transmission system in the State. Hence, we hold that GETCO is entitled to create necessary transmission system in future as per the provisions of the Electricity Act, 2003 in the licence area of the Petitioner.

7.11. Thus, as per the above observations and Notifications Nos. S.O 3379 (E) dated 11.12.2015 and 3029 (E) dated 21.9.2016, issued by the Department of Commerce, Ministry of Commerce and Industry, Government of India, we decide to allow the inclusion of additional area of 1856.5335 hectares and decide the total area of Distribution Licence of the Petitioner as 8481.2784 hectares as per the consolidated Notification No. 3029 (E) dated 21.9.2016. The Office of the Commission is directed to initiate necessary action for amendment to the Distribution Licence issued to the Petitioner incorporating the area of Distribution as per the latest Notification issued by the Department of Commerce, Ministry of Commerce and Industry, Government of India.

8. We order accordingly.

9. With this order, the present petition stands disposed of.

Sd/-	**Sd/-**	**Sd/-**
[P. J. THAKKAR]	**[K. M. SHRINGARPURE]**	**[ANAND KUMAR]**
Member	**Member**	**Chairman**

Place: Gandhinagar.

Date: 03/11/2017.

Annexure - D

Certificate issued dated 16.06.2020 by Registrar of Companies for Name Change from MUPL to MUL

Certificate of Incorporation Consequent upon conversion to Public Limited Company

सत्यमेव जयते

GOVERNMENT OF INDIA

MINISTRY OF CORPORATE AFFAIRS

Registrar of companies, Ahmedabad
RoC Bhavan, Opp Rupal Park Society Behind Ankur Bus Stop, Ahmedabad, Gujarat, India, 380013

Corporate Identity Number: U45209GJ2007PLC051323

Fresh Certificate of Incorporation Consequent upon Conversion from Private Company to Public Company

HE MATTER OF MPSEZ UTILITIES PRIVATE LIMITED

I hereby certify that MPSEZ UTILITIES PRIVATE LIMITED which was originally incorporated on Thirteenth day of July Two thousand seven under the Companies Act, 1956 as MPSEZ UTILITIES PRIVATE LIMITED and upon an intimation made for conversion into Public Limited Company under Section 18 of the Companies Act, 2013; and approval of Central Government signified in writing having been accorded thereto by the RoC - Ahmedabad vide SRN R41495110 dated 16.06.2020 the name of the said company is this day changed to MPSEZ UTILITIES LIMITED.

Given under my hand at Ahmedabad this Sixteenth day of June Two thousand twenty.

DS MINISTRY OF
CORPORATE
AFFAIRS 05

GAJANAN SURESH KATE

Registrar of Companies

RoC - Ahmedabad

Mailing Address as per record available in Registrar of Companies office:

MPSEZ UTILITIES LIMITED
Adani House,, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad,
Gujarat, India, 380009

Annexure - E

GoG Notification dated 25.08.2020 bearing No. KV 115 of 2020 NPL/452019/43/M

NOTIFICATION

Urban Development and Urban Housing Department,
Sachivalaya, Gandhinagar.
Dated the 25th August, 2020.

Constitution of India.

No:-KV 115 of 2020 NPL/452019/43/M:- In exercise of the powers conferred by clause (2) of article 243 Q of the Constitution of India, the Government of Gujarat, having regard to the population of the area, the density of the population therein, the revenue generated for local administration, the percentage of employment in non-agriculture activities and the economic importance of the area, hereby specifies the local area comprised in the village declared under section 7 of the Gujarat Panchayats Act, 1993 (Guj.18 of 1993) of the Mundra Village Panchayat and Baroi group Village Panchayat, District Kutch, to be the smaller urban area.

By order and in the name of the Governor of Gujarat,

(Bhakti C. Shamal)
Deputy Secretary to Government.

To,

- The Principal Secretary to H.E. the Governor, Raj Bhavan, Gandhinagar.
- The Additional Chief Secretary to the Hon'ble C.M., Office of the Hon'ble C.M., Swarnim Sankul-1, Sachivalaya,Gandhinagar.
- The Additional Chief Secretary, Revenue Department, Sachivalaya,Gandhinagar.
- The Additional Chief Secretary, Panchayat, Rural Development and Rural Housing Department, Sachivalaya,Gandhinagar.
- The State Election Commissioner, Gujarat State, Block No.9, 6th floor, Sachivalaya, Gandhinagar
- The Commissioner, Municipalities Administration, Gujarat State, Gandhinagar.
- The Development Commissioner, Gandhinagar.
- The Regional Commissioner of Municipalities, Rajkot Zone.
- The Collector, Kutch.
- District Development Officer, Kutch.
- State Project Monitoring Cell, Revenue Department, Sachivalaya, Gandhinagar.
- The Manager, Central Press Gandhinagar -- It is requested to publish the above Government Notification in the Central Section Part-A, Extra Ordinary Government Gazette of August, 2020 positively and kindly to arrange to furnish 50 copies of the same to this department.
- The Assistant Draftsman, Legislative and Parliamentry Affairs Department, Sachivalaya, Gandhinagar , with request to send Gujarati Version of the aforesaid notification for publication and forward its 50 copies to this department.
- System Manager, Urban Development and Urban Housing Department, Sachivalaya, Gandhinagar…with a request to upload this Notification on the website of this department.
- Branch S.F/Dy S.O S.F

Annexure - F

GoG Notification dated 25.08.2020 bearing No. KV 116 of 2020 NPL/452019/43/M

NOTIFICATION
Urban Development and Urban Housing Department,
Sachivalaya, Gandhinagar.
Dated the 25th August, 2020.

Gujarat Municipalities Act,1963.

No:-**KV 116 of 2020 NPL/452019/43/M**:- WHEREAS In exercise of the powers conferred by clause (*2*) of article 243Q of the Constitution of India, the Government of Gujarat, has declared the local areas of Mundra Village Panchayat and Baroi group Village Panchayat, District: Kutch, to be the smaller urban area, vide Government Notification, Urban Development and Urban Housing Department No:-KV 115 of 2020 NPL/452019/43/M, Dated the 25th August,2020;

NOW, THEREFORE, in exercise of the power conferred by sub-section (2) of section 5 of the Gujarat Municipalities Act, 1963 (Guj.34 of 1964), the Government of Gujarat hereby constitute with effect on and from 25th August, 2020 the "Mundra-Baroi Municipality", comprising of the said smaller urban area.

The Government land situated within the local area of Mundra-Baroi Municipality shall not vest in the Mundra -Baroi Municipality.

By order and in the name of the Governor of Gujarat,

Bhakti Shamal

(Bhakti C. Shamal)
Deputy Secretary to Government.

To,

- The Principal Secretary to H.E. the Governor, Raj Bhavan, Gandhinagar.
- The Additional Chief Secretary to the Hon'ble C.M., Office of the Hon'ble C.M., Swarnim Sankul-1, Sachivalaya,Gandhinagar.
- The Additional Chief Secretary, Revenue Department, Sachivalaya,Gandhinagar.
- The Additional Chief Secretary, Panchayat, Rural Development and Rural Housing Department, Sachivalaya,Gandhinagar.
- The State Election Commissioner, Gujarat State, Block No.9, 6th floor, Sachivalaya, Gandhinagar
- The Commissioner, Municipalities Administration, Gujarat State, Gandhinagar.
- The Development Commissioner, Gandhinagar.
- The Regional Commissioner of Municipalities, Rajkot Zone.
- The Collector, Kutch.
- District Development Officer, Kutch.
- State Project Monitoring Cell, Revenue Department, Sachivalaya, Gandhinagar.

- The Manager, Central Press Gandhinagar – It is requested to publish the above Government Notification in the Central Section Part-A, Extra Ordinary Government Gazette of August, 2020 positively and kindly to arrange to furnish 50 copies of the same to this department.
- The Assistant Draftsman, Legislative and Parliamentry Affairs Department, Sachivalaya, Gandhinagar , with request to send Gujarati Version of the aforesaid notification for publication and forward its 50 copies to this department.
- System Manager, Urban Development and Urban Housing Department, Sachivalaya, Gandhinagar…with a request to upload this Notification on the website of this department.
- Branch S.F/Dy S.O S.F

Enclosure - 1

A receipt for payment of the application fee specified in accordance with clause 4 (i) of GERC Regulation No. 4 of 2005

Transaction Details

(178029373)

Transaction Details

From Account :	XXXXXXXXXXX9801
Amount :	Rs.10000
Nick Name :	GERC
Payee Account No:	XXXXXXXXXX0041
Payee Bank :	CANARA BANK
IFSC:	CNRB0017083
Payee Name :	Gujarat Electricity Regulatory Commission
Payment Mode :	IMPS
Frequency :	One time
Remarks:	MUL Petition
Reference No:	OO6VU4Q46444
Date:	07 Jun 2022

Enclosure - 2

An affidavit by the Applicant verifying the correctness of the information disclosed in the application

BEFORE THE HON'BLE GUJARAT ELECTRICITY REGULATORY COMMISSION

Case No. ---------- of 2022

IN THE MATTER OF:

Application by MPSEZ Utilities Limited (MUL) seeking alteration/ modification/ amendment of its existing distribution licence by including within its licence area the Mundra Taluka of Kutch District in the State of Gujarat, in terms of sections 14, 15 and 18 of the Electricity Act, 2003, read with Regulations 4 and 16 of the GERC (Distribution Licence) Regulations, 2005

AND

IN THE MATTER OF:

MPSEZ Utilities Limited,
Adani Corporate House, Shantigram,
Nr. Vaishno Devi Circle, S. G. Highway,
Khodiyar, Ahmedabad – 382421

...

APPLICANT

AFFIDAVIT

I, Mehul Rupera, son of Shri Tejpal Shantilal Rupera, aged about 47 years, working as Director of MPSEZ Utilities Limited, the Applicant, having office at Adani Corporate House, Shantigram, Nr. Vaishno Devi Circle, S. G. Highway, Khodiyar Ahmedabad – 382421 do solemnly affirm and state on oath as under:

1) That I am duly authorized by the Applicant Company to swear this Affidavit.
2) That the facts stated in the submissions are based on record and files of the Applicant company and they are true and correct to my knowledge, information and belief and I believe the same to be true.

Solemnly affirmed at Ahmedabad on this _____ day of June, 2022.

(DEPONENT)

Enclosure - 3

Details of Group Company (ies) engaged in the business of Generation, Transmission, Distribution and Trading of Electricity, within Gujarat and other State

Details of the group company engaged in the business of generation, distribution, transmission, or trading of electricity, whether within the state of Gujarat or in any other State.

Adani group is the largest private thermal power producer with ~15 GW, the largest private power transmission company with over 18,000 ckms of the transmission network, and the largest renewable players in the country with strong footprints in Solar Power generation, Solar equipment manufacturing as well as Wind Power Generation. We already have about 25 GW operational renewable capacity and under the pipeline. Recently, we have been awarded the world's largest renewable project of 8 GW capacity from SECI and ranked as the largest Solar Power Developer in World.

Power Generation

- Adani Power Ltd. (APL) is the largest private thermal power producer in India, with an operational power generation capacity of 13,610 MW comprising seven thermal power plants in the States of Gujarat, Maharashtra, Karnataka, Rajasthan, Chhattisgarh, and Madhya Pradesh.
- APL is the world's first company to set up a coal-based supercritical thermal power project registered under the Clean Development Mechanism of the Kyoto protocol. It operates modern and efficient fleets with supercritical and ultra-supercritical units, with long-term PPAs for 76% of its operational generation capacity, under Sections 62 and 63 of the Electricity Act. APL commissioned India's first supercritical unit of 660 MW in Mundra in 2010 and commissioned one of the largest private sector single location thermal power plants in India with a generation capacity of 4,620 MW in the State of Gujarat in 2012. In 2014, it commissioned one of the largest supercritical thermal power plants with a generation capacity of 3,300 MW in Tiroda in the State of Maharashtra. APL is also implementing an ultra-supercritical power plant of 1,600 MW at Godda Jharkhand for supply of power to Bangladesh.
- APL's plants are located across various territories and terrains in India, ranging from coastal areas to hinterland areas. APL has extensive experience working with a range of power plant technologies from subcritical and supercritical technologies to ultra-supercritical technologies.

- APL is operating and developing future-proof and efficient power plants, with 74% of the aggregate operating and under-development capacity utilizing modern Ultra-supercritical and Supercritical technologies.
- The details of thermal power generating stations are as under: -

Sr. No	Plant Names and Locations	No. of Machines	Installed capacity	Operational Status
1.	Adani Power Limited - Mundra-Gujarat	9	4620 MW (4*330 MW + 5*660 MW)	All Operational
2.	Adani Power Maharashtra Limited- Tiroda	5	3300 MW (5*660 MW)	All Operational
3.	Adani Power Rajasthan Limited-Kawai	2	1320 MW (2*660 MW)	All Operational
4.	Udupi Power Corporation Limited-Karnataka	2	1200 MW (2*600MW)	All Operational
5.	Raipur Energen Limited	2	1370 MW (2*685MW)	All Operational
6.	Raigarh Energy Generation Limited	1	600 MW (1*600 MW)	All Operational
7.	Mahan Energen Limited	2	1200 MW (2*600MW)	All Operational
8.	Adani Power Jharkhand Limited	2	1600 MW (2*800 MW)	Under Commissioning
Total No. of Machines & MW		**25**	**15210 MW**	

Power Transmission

- The Adani Group entered the power transmission sector in 2006, which was well before the formal establishment of Adani Transmission Limited

(ATL). This happened largely on account of Adani's Mundra thermal power plant urgent power evacuation requirement. The lines created for evacuation of power expanded to more than 3800 ckt kms, which had connections from Mundra to Dehgam, Mundra to Mahendragarh and Tirora to Warora. Subsequently, another line extending more than 1200 ckt kms was commissioned in 2014 for power evacuation from Adani's Tiroda power plant.

- In 2015, looking at the enormous business potential in the transmission sector, Adani Transmission Limited (ATL) demerged from Adani Enterprises Limited (AEL) for a focused pursuit of opportunities in the national power transmission sector. Adani Transmission Limited relied on various inorganic growth options and acquired GMR's transmission assets in Rajasthan in 2016, Reliance Infrastructure's transmission assets in Gujarat, Madhya Pradesh and Maharashtra in 2017 and KEC's Bikaner-Sikar transmission asset in Rajasthan in 2019.
- ATL announced its arrival in the power distribution segment with the acquisition of Reliance Infrastructure's power generation, transmission and distribution business acquired in Mumbai in 2018 Servicing over 3 million customers in Mumbai suburbs and the Thane district, Adani Electricity Mumbai Limited (AEML) enjoys a distribution network of over 400 square kms.
- Adani Transmission Limited (ATL) is India's largest private transmission company and with a portfolio of approximately 18,801 ckt kms of transmission lines and more than 36,700 MVA of power transmission capacity. The Company has set an ambitious target to set up 20,000 circuit km of transmission lines by 2022 through organic and inorganic responses.

Adani Green Energy (AGEL) Limited

- Established to build on the Adani Group's success and growth story in the renewable energy space. In a short span of time, AGEL has become India's largest solar generation company.
- As of 31st March 2021, AGEL operated 3.5 GW of renewable assets; ~3 GW of this capacity was solar and 0.5 GW wind. AGEL is presently implementing 11.3 GW of renewable projects out of which 8.1 GW is solar, 0.8 GW wind and 2.3 GW wind-solar hybrid.

- The Company entered a strategic alliance with TOTAL, a global utility major with a presence in 130+ countries, including a 50:50 joint venture for 2,353 MW operational assets and 20% equity stake in AGEL corresponding to a total investment of USD 2.5 Billion. The Company's operational capacity increased to 3,470 MW at a CAGR of 55%+ in last five years from FY 21. Despite challenges posed by the pandemic, the Company added 925 MW operational assets (including 575 MW greenfield commissioning and 350 MW acquisitions)
- The Company emerged L1 bidder/ LOAs received for 13,700 MW of new renewable projects including 8,000 MW solar projects from Solar Energy Corporation of India, 600 MW solar-wind hybrid projects from Solar Energy Corporation of India and 300 MW wind projects from Solar Energy Corporation of India. The Company was declared L1 bidder for 4,800 MW, including a solar tender for 3000 MW with a greenhouse option for 1,500 MW from Andhra Pradesh Green Energy Corporation Ltd. and a solar tender for 150 MW with a green shoe option for 150 MW from Torrent Power Ltd.
- Adani Green Energy Limited aspired to be the world's largest solar power company by 2025 and to be the world's largest renewable power company by 2030.

Mundra Solar PV Ltd (MSPVL)

- Renewable energy ecosystem by developing the world's largest Greenfield single-location Solar PV manufacturing plant s with a capacity of 1.5 GW. It is the first Indian company that has a vertically integrated business that offers services across the spectrum of renewable businesses.

Adani Enterprises Limited

- AEL is holding category 'I' interstate power trading licensee from Central Electricity Regulatory Commission (CERC). Total Energy traded by AEL during FY 2021-22 was 10712 Mus through Bilateral and Collective transactions.

Adani Electricity Mumbai Limited (AEML)

- The business can be broadly categorized under the following categories:

(a) Distribution, (b) Transmission, and (c) Generation. Since inception in 1926, the company has been the primary supplier of electricity to Mumbai, serving approximately 67% of its population and approximately 85% of its geographic area. The company service consumers in suburban Mumbai and the Mira-Bhayander Municipal Corporation area in the Thane District (adjoining Mumbai), spanning an area of over 400 sq. km.

- Its integrated electricity generation, transmission, and distribution utility provides electricity to over 3.08 million consumers of Mumbai and an annual energy requirement of over 10,800 MU's. The integrated electricity supply system includes ~572 Ckms. of 220 kV transmission lines, consisting of overhead and underground cable systems, eight 220/33 KV extra high voltage ("EHV") stations, with installed transformation capacity of 3,250 MVA.
- Further, it includes an embedded 500 MW of power generation catering to 30% of AEML's demand. The companies 'grid-to-switch' integrated platform makes it one of the largest private integrated electric utilities in India. The company has operated for over 95 years in a stable and evolved regulatory regime having witnessed regulations since 1956 and 19 years of regulatory orders under the current Electricity Act.

Distribution Business (AEML)

- Our distribution license authorizes us to distribute electricity to consumers in an area extending over 400 sq. km. that 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 a densely populated urban mix of residential, commercial, and industrial consumers, and growth in our distribution network is fueled by the ever-increasing electricity consumption of Mumbai. The energy wheeled through our distribution network has increased by 802.18 Mus from 7169.45 Mus in the financial year ended March 31,2021 to 7971.62 Mus in the financial year ended March 31,2022, representing an increase of 11%, mainly on account of the ease down of COVID-19 pandemic restriction. We added an additional 0.11 million households to our distribution network from the financial year ended March 31, 2017 to the financial year ended March 31, 2021, increasing from 2.97 million households as of March 31, 2017, to 3.00 million households as of March 31, 2018 to 3.03 million households as of March 31, 2019, to 3.05 million households as of March

31, 2020 and to 3.06 million households as of March 31, 2021 tO 3.08 million households as of March 31, 2022 representing an increase of 3.70% since March 31, 2017.

Enclosure - 4

Brief history of the promoters

Brief history of the promoters in case the Applicant is a body corporate

Adani Group is one of India's largest integrated infrastructure conglomerates with interests in Resources (coal mining and trading), Logistics (ports, logistics, shipping, road metro, and rail), Energy (renewable and thermal power generation, transmission and distribution), Agro (commodities, edible oil, food products, cold storage, and grain silos), Real Estate, Public Transport Infrastructure, Consumer Finance, Defense & Aerospace, Airports, and Data Centers. Adani owes its success and leadership position to its core philosophy of 'Nation Building'.

Established in 1988 as a trading Company, the Adani Group's foray into infrastructure building began in 1998. In the span of two decades, the Group has emerged as India's largest ports and logistics business, largest private power and transmission player, largest solar power generation and manufacturing company, largest integrated coal management company, and largest agriculture business.

Over the last 30 years, Adani Group has focused on building sustainable infrastructure that enriches the lives of local communities and contributes to nation-building. Adani Group is the leader in most of the sectors that it operates in.

- India's largest private power generator with over 25 GW of generation capacity. This includes the world's largest single-site thermal power plant of 4620 MW as well as the world's largest single-site solar power plant of 648 MW
- India's largest private transmission player with 18,000+ circuit km
- India's largest private coal mine developer and operator
- India's largest Solar Manufacturing player (1.5 GW of Solar Cell and Module)
- India's largest port and logistics company, with 13 ports covering India's entire coastline and managing ~15% of the country's export/import cargo
- Adani Group City Gas Distribution Network currently stands at 6,000+ km pipeline and 224 CNG stations and recently won rights to set up CGD networks at 13 cities in India

Adani Group recognizes its responsibility towards the larger society and through Adani Foundation is committed to empower and enrich the lives of local communities. With grass-root initiatives focusing on better education, access to healthcare, improved livelihood opportunities, and a better rural ecosystem, Adani Foundation touches millions of rural lives.

Mundra Port of APSEZ, promoted by the Adani Group, is operational since 1998 and today it is India's largest port-based Special Economic Zone (SEZ) in India. Nearly 25% of the cargo movement in the country is accounted for by Adani Ports and Special Economic Zone Limited (APSEZ), the largest commercial ports operator in India. APSEZ is India's largest port developer and operator comprising 12 ports and terminals and 498 MMT of augmented capacity. The Company also possesses the largest container handling facility in India. Nearly 67% of the company's capacity is on the west coast of India and 33% on the east coast. APSEZ's domestic ports are in seven maritime states (Gujarat, Goa, Kerala, Andhra Pradesh, Maharashtra, Tamil Nadu and Odisha); ports in Vizhinjam and Myanmar are under construction. The ports at APSEZ are equipped to handle diverse cargo (dry, liquid, crude and containers). The Company is backed by a young dynamic team, providing end-to-end logistics solutions, operational excellence, low-cost operations and synergies through acquisitions

To cater the logistics needs of the country; **Adani Logistics Ltd (ALL)** has been formed to manage logistic business by offering **multimodal logistics services across India**. It provides integrated logistics solutions for movement of commodities with end-to-end services, value added solutions across the storage, transportation & services of Logistics. Adani Logistics is also having all-India license to manage container train operations from Indian Railways.

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

In 1996, Adani Power Ltd (APL) had been formed for development of Thermal Power Projects. Adani Power Ltd commissioned India's first super critical 660 MW Unit at Mundra on 22nd December, 2010. Presently, APL is **India's largest private power generating company** with a total installed generation capacity of 12,450 MW comprising 12,410 MW of thermal power plants and a 40 MW solar power project

Besides this, another Adani Group company namely, **Adani Transmission Ltd (ATL)** is **one of the largest power transmission company** operating in the private sector in India and owns, operates and maintains more than 18,800 ckms of transmission lines ranging from 400 KV to 765 KV operating under above 99% availability.

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

Mundra Solar PV Ltd (MSPVL) is the first Indian firm to set up a 1.5 GW solar PV manufacturing plant to produce solar cells and modules, with an aim to backward integrate into Polysilicon, Ingots and Wafers.

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

Adani Wilmar Limited is one of the largest food companies in India. Since its inception in 1999, it has consistently endeavoured for excellence, with the flagship brand Fortune becoming the largest edible oil brand in India within twenty months of launch, a position it has retained ever since.

Adani Realty is the youngest arm of the Adani Group. The company has developed more than 13 Lac Sq Mtr of real estate across the country including Ahmedabad, Gurgaon & Mumbai and currently developing 13 Lac Sq Mtr area. The flagship project of Adani Realty is Shantigram which is Gujarat's largest integrated township spread over 600 acres with a development potential of nearly 40 million square feet.

In line with its vision to be a globally admired leader in the integrated infrastructure and transportation businesses, the **Adani Group forayed into the airports sector in 2019.** Incubated within the group's flagship company Adani Enterprises Ltd. (AEL), Adani Airports won the mandate to modernize and operate six airports – Ahmedabad, Lucknow, Mangaluru, Jaipur, Guwahati and Thiruvananthapuram – through the Airports Authority of India's globally competitive tendering process.

Through these projects, Adani Group has time and again showed its capability & competence to undertake and successfully deliver projects in diversified infrastructure sectors and thus helped to the cause of Nation Building.

Enclosure - 5

Brief note on Organization Capability, Technical Qualification, Managerial Capability and Past Experience of the Applicant Company to discharge its obligations under the Distribution Licence

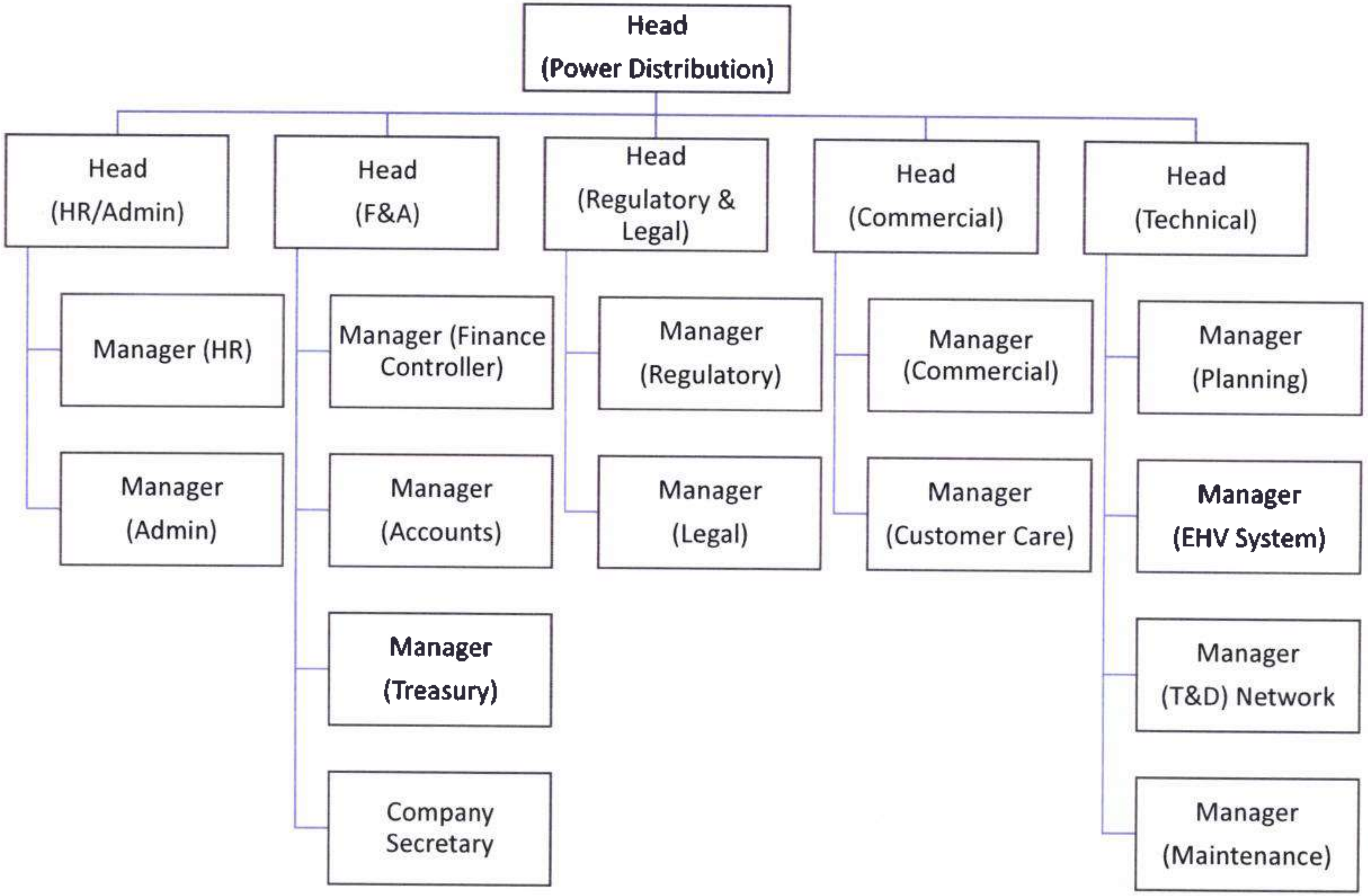
Technical Qualification and Organization structure

Adani Group is a team of more than 23,000 people across the globe working for a common purpose of nation building. Each of the Group's businesses are focused on helping build world-class infrastructure capabilities to help accelerate the growth for India. Human resources management at Adani goes beyond the boundaries of talent acquisition, compensation, performance reviews etc. and we look at employee's well-being holistically. We partner with our employees to ensure timely interventions that help build a career that is long lasting.

Developing and promoting internal talent is a key part of our people strategy. We assess internal candidates for their potential to take on enhanced responsibilities and leadership roles wherever possible. This strategy ensures that we continue to have a strong talent pipeline across all levels. We engage with our employees and offer opportunities to help build successful careers. Besides this, we have HR policies of the group which are uniform over all business verticals which gives us the flexibility to internally transfer the workforce and quickly meet the requirement from within the organization.

Adani has some of the most experienced professionals in the power sector. The Adani power team consists of a team of over 3000 qualified, skilled, and creative employeesin a structured hierarchy. Besides this, we have a total of 7,069 well-trained contract workmen to work at ground level. This team is dedicated to work at the best standards in the power sector covering planning, engineering, procurement, construction, commissioning, operations and maintenance of generation, transmission and distribution systems.

The organizational structure for the License area is proposed as under:



Enclosure - 6

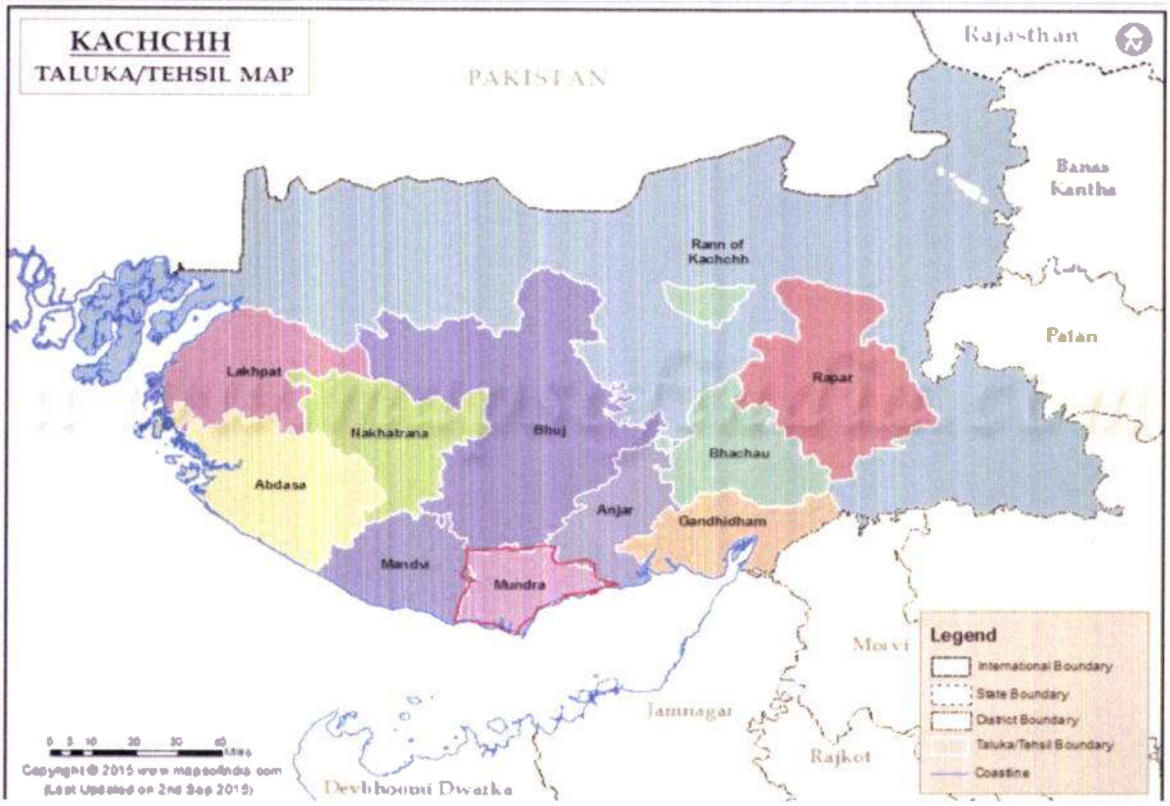
Approach & Methodology and Business Plan for the next 5 (five) years

Contents

Introduction

The proposed licence area is part of the Kutch district and also includes the existing area of MUL.

The location brief of the area is as follows:



The area consists of the entire Mundra Taluka.

The boundaries of the proposed licence area as follows:

- Towards the south of the proposed Licence area lies the seacoast & Gulf of Kutch,
- Mandvi Taluka lies to the west
- Bhuj Taluka lies to the north and north west and
- Anjar Taluka lies to the east and northeast side of the proposed area.

The combined geographical area of the proposed licence area works out to 1,098 sq.km.

Demography of the area

The following table summarizes the demographics of different areas of the proposed Licence area:

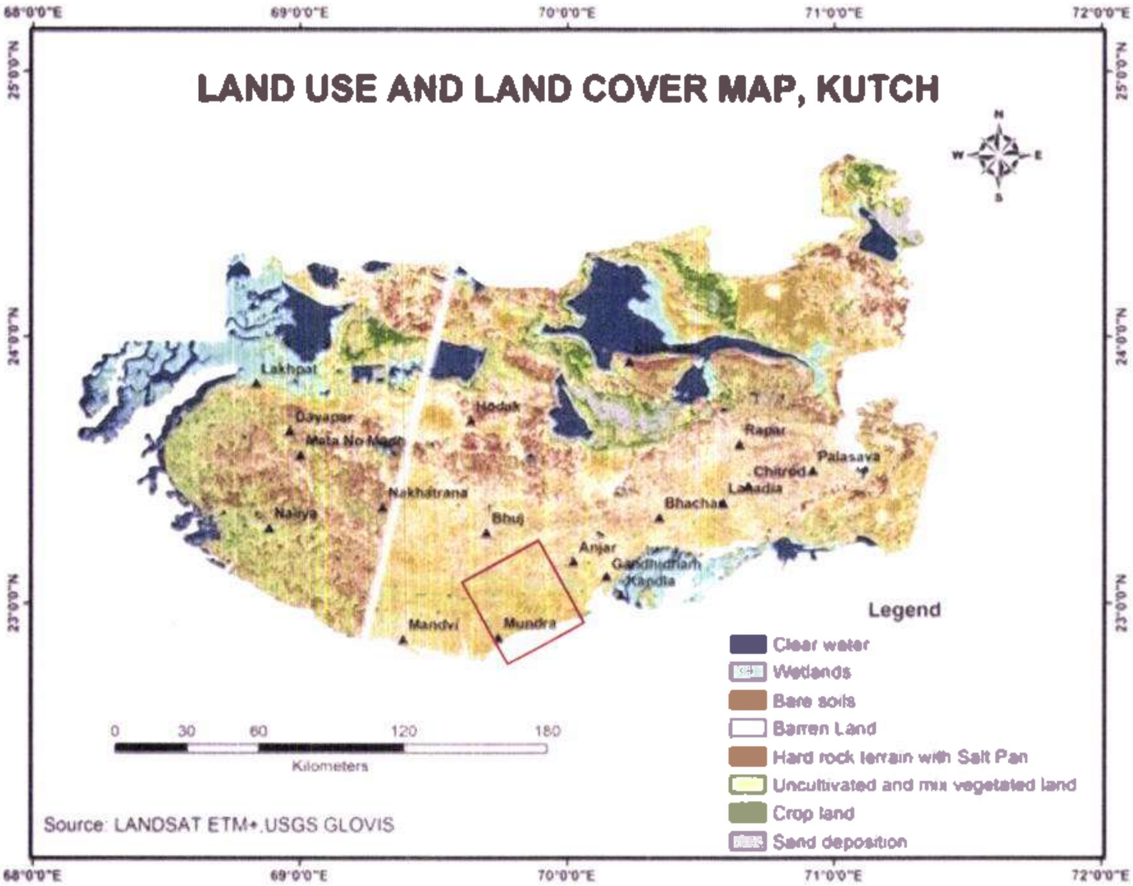
Parameters	**Mundra Taluka**
Population	153,219
Population density (persons / SqKm)	140
sex ratio	705
Households	30,644
Area	1,098
No of towns	1
No of villages	62
Rural population	132,881
Urban population	20,338

***Source:** 2011 Census*

As can be seen from the above table, which is based on census 2011 numbers,

- The urban to rural population of the proposed Licence area is 13%: 87%.
- Close to 0.31 lakh households
- Population over 1.5 lakh
- Population density of around 140 persons per Sqkm, which is far below the national average of 370 persons per Sqkm.
- Has 1 town and 62 villages in the area

The following is the land use map of the area:



Source: LANDSAT ETM+,USGS GLOVIS

As it can be seen, most of the area is covered with bare soils and barren land.

Agricultural crop land is found scattered in some of the areas of Mundra Taluka.

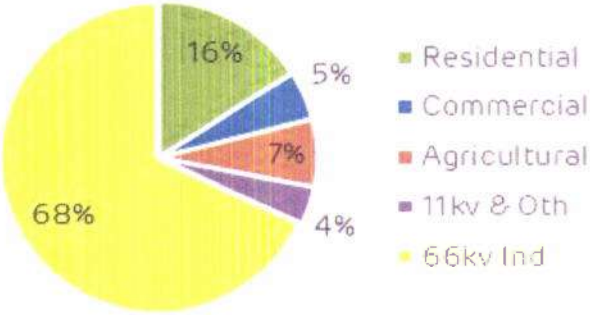
Load Forecasting

Based on the preliminary survey done in the area and compiling info on industrial base, urban and rural settlement and extent of agricultural activity in the Mundra Taluka, the following demand and consumption have been projected. This pertains to only the extended area excluding the existing MUL load.

Mundra Taluka	Demand (MW)
Demand in MW	65
Consumption in MUs	456

This leads to a demand factor of 80%.

The following is the estimated category-wise consumption mix of the area. This again excludes the mix of the existing MUL area.



Based on the assumption of 5% CAGR, the estimated demand of the proposed licence area after five years works out to 83 MW and assuming the same demand factor is maintained, the estimated consumption after 5 years works to 581 MUs.

Process adopted for planning the network

The primary objective for planning the electrical network of the proposed Licence Area has been to ensure world class reliability and quality of supply.

While the power shall be received through network set by MUL, the downstream is proposed to be distributed across 66kV level, 11kV level & LT level voltages.

Each network element is designed to have redundancy and an alternate backup supply has been provided for consumers across different voltages in the event of any disturbance in the normal flow of supply.

In order to achieve the objective and to build a robust network, the following features are planned to be incorporated:

- Meet N-1 criteria for all network elements (Transformation level and HT network level and LT network level)
- HT network to be:
  - SCADA / DMS enabled
  - GIS enabled
  - Enabled with Ring main configuration
  - 100% of RMUs are DMS enabled
- The entire network is a mix of overhead and underground system, with urban area having complete underground network of 11 kV and LT
- Standardized configuration of
  - Distribution substation centres
  - Customer substation centres
- All receiving stations of the same capacity
- Standard sizes of cables across multiple voltage levels

- DT sizing – 100 kVA to 1000 kVA depending on the size & load of respective plots:
    - More number of lower capacities (100/200 kVA) proposed in rural area to reduce LT line length.
    - HVDS (single phase small capacities transformers) adopted in rural network or remote loads.
    - For urban areas, dedicated transformer centres for load pockets. Emphasis on lower HT:LT ratio.
- Multiple network levels to be adequately compensated for reactive power
- Network elements designed for optimal loading across all levels
- Standardized metering cubicles
- Consumer meters to be smart meter enabled, coupled with AMI at DT level for energy audit
- Optimal spacing & adequate transformation centres to ensure minimal feeder length at different voltage levels
- Laying the network in proper ducts at adequate depths
- Ensuring that the system is resilient to nature's fury like floods, storms, etc.,
- Ensuring the system is designed for safe operations
- Key - assets equipped with condition monitoring systems
- Key assets built with sensors and integrated with IoT systems
- Different protection systems are well coordinated
- Network elements can be easily isolated for safe operations without causing supply interruptions
- Building a robust communication network for real time data collection from smart meters

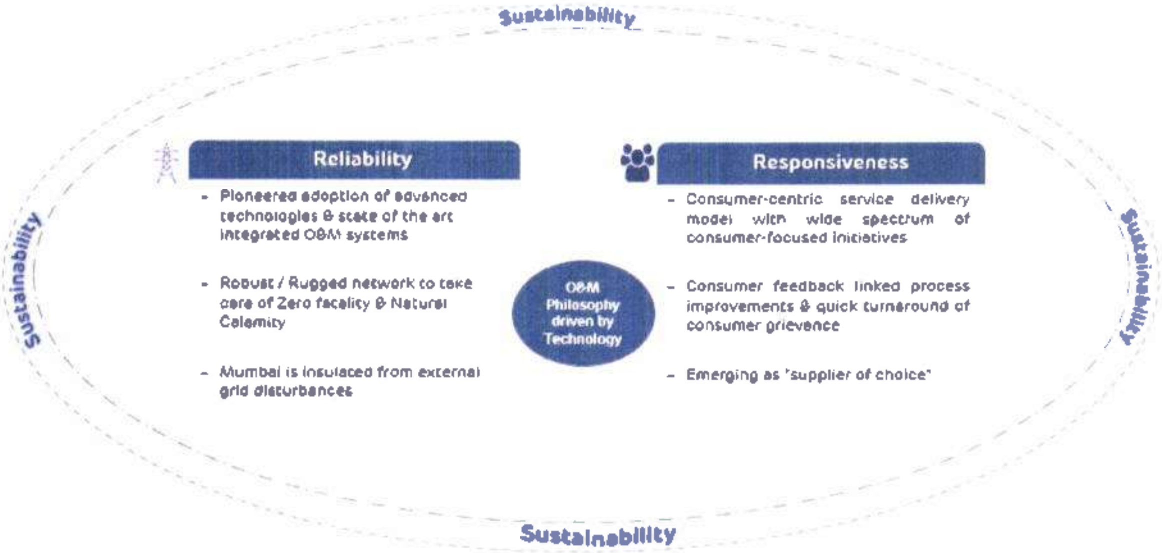
The network design approach adopted ensures reliable power supply through the adoption of advanced technologies and state of the art integrated O&M systems.

The above approach also ensures the reliability through following in-built design features in network planning.

- Pre-defined logics configured in SCADA-DMS system for quick and safe restoration of supply
- Elimination of manual intervention during tripping
- Stand by feeder for auto – re-energization and supply
- MESH interconnectivity and auto changeover facility at customers' end

Operation and Maintenance Philosophy

Our Operations & Maintenance philosophy is structured around the triad of Reliability, Responsiveness & Sustainability as shown below:



Reliability

- Pioneered adoption of advanced technologies & state of the art integrated O&M systems
- Robust / Rugged network to take care of Zero fatality & Natural Calamity
- Mumbai is insulated from external grid disturbances

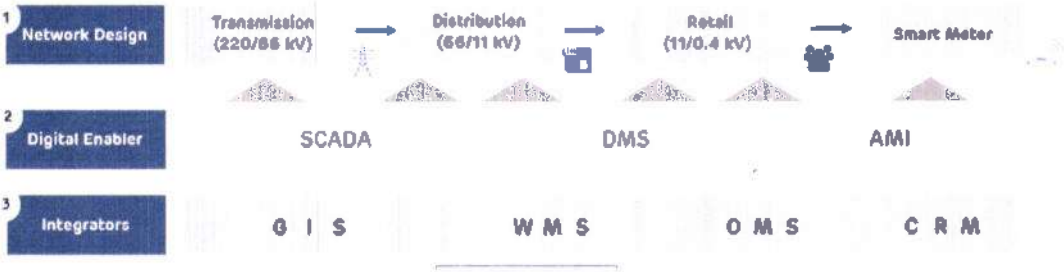
Responsiveness

- Consumer-centric service delivery model with wide spectrum of consumer-focused initiatives
- Consumer feedback linked process improvements & quick turnaround of consumer grievence
- Emerging as 'supplier of choice'

Each element of this triad is explained in detail below:

- **Reliability:**

  We shall maintain the reliability of the network by integrating the physical network infrastructure with its digital twin as shown below:



Deployment of tightly integrated systems like

- SCADA / DMS
- Advanced metering Infrastructure (AMI)
- Geographical Information System (GIS)
- Workflow management system (WMS)
- Outage management system (OMS) &
- Customer relationship management (CRM)

Shall ensure that the entire network is efficiently operated through safe and secure practices. This will also help in faster response in case of any network disturbance as well as taking proactive action through condition-based maintenance and predictive maintenance.

SCADA / DMS system

An integrated SCADA/ DMS system shall ensure quick fault isolation and power restoration. This system through a dedicated communication network for reliable and scalable communication shall ensure that hundreds of thousands of parameters are measured, monitored, and recorded along with a notification of all real-time events and alarms. This shall also ensure effective network planning.

AMI & Smart meters

This system shall ensure automatic meter reading, Remote connect / disconnect, Real-time energy audit as well as Peak shaving. Smart meters shall ensure to provide real-time information and online services to customers and effective grid management.

Integrated GIS / OMS / WMS /SAP systems

GIS shall provide complete spatial visibility of all the assets in the system and help to precisely pinpoint and track the asset as well as in route planning and efficient operations.

OMS shall help identify asset under breakdown through the GIS & IVR system without the field crew visiting the spot and shall act to provide outage intelligence.

WMS shall ensure auto work assignment to the field crew, resource allocation for planned outages and breakdowns as well as in optimizing the workflow

SAP system shall ensure efficient operations as well as act as a repository of all outages of each network asset and shall help in performing root cause analysis of all break downs thereby providing deeper insights and take corrective action.

- **Responsiveness**

  Our responsiveness to different stakeholders is aided by technology. We intend to deploy the following technology systems for the same.

Systems	**How it helps**
Mobile App for internal business operations	Mobile app for various field crew improved productivity, manual error reduction; Shall facilitate real-time update and tracking / monitoring
Auto work allocation	Auto allocation of jobs based on priority & TAT with skillset mapping Shall help in reduction of carbon footprint as well as in better planning and monitoring of resources
Chatbots	Shall provide customer convenience Also, shall help in reduction of calls at call centres
Digital payment avenues	Integration of payment platforms: E-NACH, Promotion of VDS, UPI Platforms shall ensure ease of payment and customer convenience.
Kiosk Deployment	Shall facilitate Bill pay and services like duplicate bills and no supply complaint through kiosks

- **Sustainability**

  We shall advocate sustainability by maintaining our focus on ESG (Environment, Social & Governance) themes.

- **Environment**

  By ensuring that environmentally friendly materials are used to the extent possible and by increasing our commitment to increased renewable energy procurement.

- **Social**

  Be socially responsible by providing reliable electric power supply

- **Governance**

  Adopt a strong governance framework with policies

  Having in place rigorous audit and assurance processes

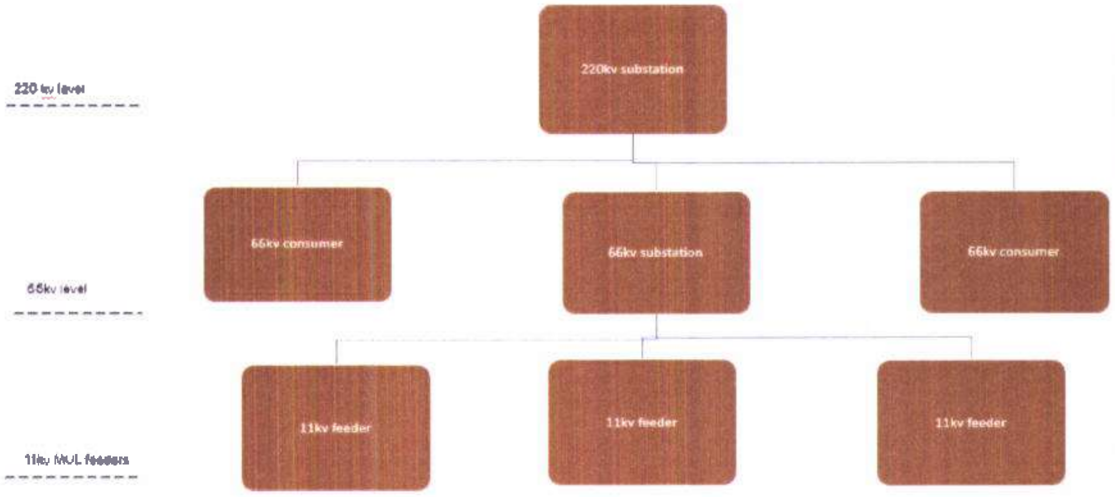
Capex Roll out plan

Power Connectivity arrangement

Before we take a deep dive on the capex rollout plan, it is important to understand the assumptions made on the connectivity arrangement and relevant investment on the network.

- MUL shall develop its own dedicated network right from 220 kV/ 132 kV/ 66 kV level to LT voltage level for meeting the load requirement of the consumers in the expanded area.
- MUL shall be receiving power from its own network setup
- Any consumer (including the 66 kV level) migrating from incumbent to MUL shall get connected to the network developed by MUL

The following single line diagram well explains the connectivity arrangement



Network roll out & relevant capex plan

Mundra

The following are the estimated demand & consumption related info of the area.

Project Area	**Mundra**
Area Sqkm	1,098
Population (Lakh)	2.1
Overall Consumption (MUs)	456
Peak demand (MW)	65

The following is the further breakup into voltage-wise & category-wise load and consumption:

Items	**Mundra Taluka**
Overall system demand of the respective areas (MW)	65
66 kV consumers demand (MW)	54
66 kV downstream demand (MW)	26
Consumption Breakup	
66kv level consumption MUs	355
Residential consumption MUs	74
Agri consumption MUs	17
Commercial MUs	6
Other consumption including 11 kV consumers level MUs	4

Based on the assumed growth of 5% per annum for the next five years, the resultant demand & consumption works out to 83 MW and 580 MUs, respectively.

The following are the key assumptions made for designing the network in the initial five years

- Network designed for target market share and new consumers
- HT network rolled out covering the entire load pockets of the talukas so that universal service obligation is fulfilled
- LT network designed for the expected market share in the five years
- Switching stations to be installed at multiple locations for improving supply reliability
- Maximum loading of the assets is restricted to 60%
- Capacity assumed to be handled per 11 kV feeder is 3 MVA; Narrow Base Tower (NBT) with multiple circuits (4 Nos) proposed in rural areas for OH lines for reducing RoW issues
- Average length of 1 km of LT feeder for each 1 MVA DT capacity
- The network in the urban areas is designed for an underground system whereas the network in the rural areas is designed for an overhead system
- Enough bays are readily available at the transmission utility end
- Land cost considered for the switching substations
- No road reinstatement charges are considered

Based on the above principles, the distribution network is designed for the following scenario. This pertains to the areas other than the existing MUL area.

Mundra Taluka	
Demand to be catered (MW) for the target market share of over 50%	37
Demand of 66 kV consumers (MW)	32
Demand of 66 kV downstream consumption (MW)	11
HT Network (11 kV) to be designed for (MW)	19
LT Network demand (MW)	10

Accordingly, the BoQ of items planned to be installed in Phase I (Mundra Taluka) is as follows.

Description	**UoM**	**Qty**
Land for DSS	EA	3
DSS Civil Works	EA	3
66kv feeder	km	220
66kV ICOG Switchgear	EA	6
10MVA, 66/11kV Power Transformer	EA	6
11kV 9 Panel Switchboard	EA	6
Capacitor Bank	EA	6
11kV Cables	km	819
SCADA - DSS	EA	3
11kV RMU (1+2)	EA	22
CT/PT Units - for 11kV HTC	EA	1
Pole Type CSS	EA	42
400kVA, 11/0.4kV CSS	EA	42
LT 6W Panel	EA	42
LT 4W Pillar	EA	84
MP	EA	126
LT Main Line - 300sqmm	km	16.8

The resultant CAPEX for phase 1 works out to Rs. 460 Cr.

The necessary capital expenditure of Rs. 460 Cr. will be funded through debt and equity in the ratio of 70:30 wherein 30% equity of capital expenditure will be incurred by MPSEZ Utilities Limited (MUL) with the support of its holding company, Adani Transmission Limited (ATL) and 70% debt of capital expenditure, MUL will approach lenders for arranging debt as may be required on being awarded the Licence for Electricity Distribution for the additional Licence area with the support of its holding company.

The projected year-wise investment for the first 5 years is as follows with the total of Rs. 460 Cr.

Period	1	2	3	4	5
Capex in Rs. Crore	120	90	90	90	70

As each area becomes ready for addressing Universal Service Obligations (USO), the sales shall gradually start building-up in that area based on the following estimated phasing of asset loading:

Period after the respective area is ready for serving USO	Yr1	Yr2	Yr3	Yr4	Yr5
Asset Utilization	15%	25%	35%	45%	50%

Sales and Power Purchase Arrangements

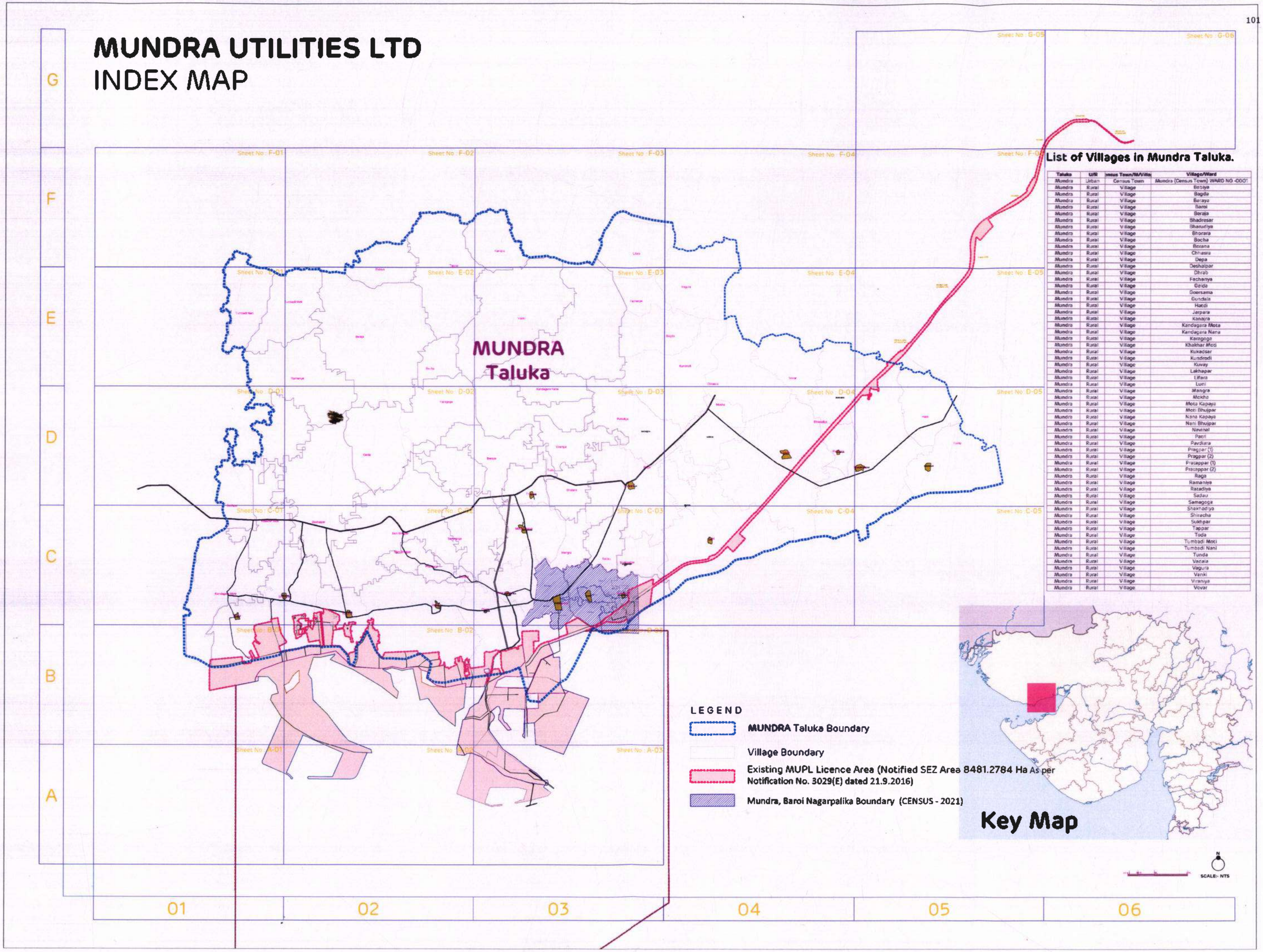
The demand would come up to 65 MW in the area of Mundra Taluka. However, the corresponding sales will be depending upon the conversion of consumers and new development of the area. The development is also depending upon the availability of infrastructure facilities and Government Policies. The Applicant will make necessary arrangement to cater to the demand upon reasons mentioned above and in accordance with the provisions of the EA, 2003. Accordingly, the Applicant will approach the Hon'ble GERC for determination of tariff for sales of electricity in line with additional licence area and load growth in existing licence area.

Annexure - 1

A Map of the Proposed Area of Licence

MUNDRA UTILITIES LTD

INDEX MAP



List of Villages in Mundra Taluka.

Taluka	U/R	ensus Town/M/Villa	Village/Ward
Mundra	Urban	Census Town	Mundra (Census Town) WARD NO -0001
Mundra	Rural	Village	Bebiya
Mundra	Rural	Village	Bagda
Mundra	Rural	Village	Baraya
Mundra	Rural	Village	Baroi
Mundra	Rural	Village	Beraja
Mundra	Rural	Village	Bhadresar
Mundra	Rural	Village	Bharudiya
Mundra	Rural	Village	Bhorara
Mundra	Rural	Village	Bocha
Mundra	Rural	Village	Borana
Mundra	Rural	Village	Chhasra
Mundra	Rural	Village	Depa
Mundra	Rural	Village	Deshalpar
Mundra	Rural	Village	Dhrab
Mundra	Rural	Village	Fachariya
Mundra	Rural	Village	Gaida
Mundra	Rural	Village	Goersama
Mundra	Rural	Village	Gundala
Mundra	Rural	Village	Hatdi
Mundra	Rural	Village	Jarpara
Mundra	Rural	Village	Kanajra
Mundra	Rural	Village	Kandagara Mota
Mundra	Rural	Village	Kandagara Nana
Mundra	Rural	Village	Karagoga
Mundra	Rural	Village	Khakhar Moti
Mundra	Rural	Village	Kukadsar
Mundra	Rural	Village	Kundrodi
Mundra	Rural	Village	Kuvay
Mundra	Rural	Village	Lakhapar
Mundra	Rural	Village	Lifara
Mundra	Rural	Village	Luni
Mundra	Rural	Village	Mangra
Mundra	Rural	Village	Mokha
Mundra	Rural	Village	Mota Kapaya
Mundra	Rural	Village	Moti Bhujpar
Mundra	Rural	Village	Nana Kapaya
Mundra	Rural	Village	Nani Bhujpar
Mundra	Rural	Village	Navinal
Mundra	Rural	Village	Patri
Mundra	Rural	Village	Pavdiara
Mundra	Rural	Village	Pragpar (1)
Mundra	Rural	Village	Pragpar (2)
Mundra	Rural	Village	Pratappar (1)
Mundra	Rural	Village	Pratappar (2)
Mundra	Rural	Village	Raga
Mundra	Rural	Village	Ramaniya
Mundra	Rural	Village	Ratadiya
Mundra	Rural	Village	Sadau
Mundra	Rural	Village	Samagoga
Mundra	Rural	Village	Shekhadiya
Mundra	Rural	Village	Shiracha
Mundra	Rural	Village	Sukhpar
Mundra	Rural	Village	Tappar
Mundra	Rural	Village	Toda
Mundra	Rural	Village	Tumbadi Moti
Mundra	Rural	Village	Tumbadi Nani
Mundra	Rural	Village	Tunda
Mundra	Rural	Village	Vadala
Mundra	Rural	Village	Vagura
Mundra	Rural	Village	Vanki
Mundra	Rural	Village	Viraniya
Mundra	Rural	Village	Vovar

Enclosure - 2

An affidavit by the Applicant verifying the correctness of the information disclosed in the application

S. No. 4422 /2022

17 JUN 2022

VIJAY C. SHAH
NOTARY
GOVT. OF INDIA

BEFORE THE HON'BLE GUJARAT ELECTRICITY REGULATORY COMMISSION

Case No. ---------- of 2022

IN THE MATTER OF:

Application by MPSEZ Utilities Limited (MUL) seeking alteration/ modification/ amendment of its existing distribution licence by including within its licence area the Mundra Taluka of Kutch District in the State of Gujarat, in terms of sections 14, 15 and 18 of the Electricity Act, 2003, read with Regulations 4 and 16 of the GERC (Distribution Licence) Regulations, 2005

AND

IN THE MATTER OF:

MPSEZ Utilities Limited,
Adani Corporate House, Shantigram,
Nr. Vaishno Devi Circle, S. G. Highway,
Khodiyar, Ahmedabad – 382421

...APPLICANT

AFFIDAVIT

I, Mehul Rupera, son of Shri Tejpal Shantilal Rupera, aged about 47 years, working as Director of MPSEZ Utilities Limited, the Applicant, having office at Adani Corporate House, Shantigram, Nr. Vaishno Devi Circle, S. G. Highway, Khodiyar Ahmedabad – 382421 do solemnly affirm and state on oath as under:

1) That I am duly authorized by the Applicant Company to swear this Affidavit.
2) That the facts stated in the submissions are based on record and files of the Applicant company and they are true and correct to my knowledge, information and belief and I believe the same to be true.

Solemnly affirmed at Ahmedabad on this 17th day of June, 2022.

(DEPONENT)

VIJAY C. SHAH
REGD. 2280/02

NOTARIAL NOTARIAL NOTARIAL NOTARIAL NOTARIAL

NOTARIAL NOTARIAL NOTARIAL NOTARIAL NOTARIAL

SOLEMNLY AFFIRMED
BEFORE ME

VIJAY C. SHAH
NOTARY
GOVT. OF INDIA

17 JUN 2022

Annexure - 3

Memorandum of Association & Articles of Association

THE COMPANIES ACT, 1956

COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

OF

MPSEZ UTILITIES LIMITED*

I. The name of the Company is "**MPSEZ Utilities Limited**".*

II. The Registered Office of the Company will be situated in the "State of Gujarat".

III. The object for which the Company is established are:

A. THE MAIN OBJECTS OF THE COMPANY TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:

1. To carry on the business of the planning, provision, operation, development, maintenance, improvement and extension of utility services of every description, including those relating to water supply, waste water management, solid waste management, effluent treatment, fire safety facilities, disaster related facilities, electrical power distribution, natural gas distribution, telecom services including internet, broadband, WI FI, cable television, bus transportation services, transportation infrastructure such as roads, bridges, flyovers, traffic islands, parking bays, freight stations, railway stations for railways, metro, monorail and other utilities services and to act as suppliers, developers, promoters of recreational, sporting and leisure services, facilities and activities, whether or not connected with the use of water or land associated with water.

2. To carry on all or any of the businesses of running, operating, managing, supplying, servicing, repairing and generally dealing in Telecommunication systems, systems of other kinds for the conveyance by any means of sounds, visual images, signals; data processing, information retrieval systems, computers, computer programs, software, computer bureaux and database, services, facilities and equipment ancillary to, or for use in connection with, any of the same.

*Altered & Substituted pursuant to the Special Resolution passed by the Members of the Company in the Extra-Ordinary General Meeting held on 9th June, 2020.

B. THE OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF MAIN OBJECTS ARE:

1. To carry on all or any of the businesses of inspectors, maintainers, repairers, reconditioners, cleaners, clearers, servicers, coaters, designers, developers, manufacturers, constructors, installers, layers, fitters, hirers, letters on hire, suppliers, distributors, importers and exporters of, and dealers in, mains, sewers, drains, pipes, pipelines, equipment ancillary to the operation or use of any of them, installations and facilities of all kinds, tools and machinery of every description, plumbing, engineering and other equipment, plant, components, accessories and supplies of every description.
2. To carry on business as a general commercial company.
3. To carry on all or any of the businesses of consultants, advisers and suppliers of management, personnel and training services, whether generally or in respect of one or more of the types of business or activity which the company has power to carry on, and to provide training and educational courses, instruction and materials, of every description, for employees of the company and for other persons.
4. To carry on all or any of the businesses of, and provide services associated with, plumbers, engineers (including, without limitation, water, sewerage, mechanical, gas, electrical, heating, ventilation, civil construction, chemical and telecommunications engineers), mechanics, technicians, geologists, draughts men, designers, surveyors, architects, builders, painters and decorators.
5. To carry on all or any of the businesses of developers of, and dealers in, property, real or personal, and interests and rights in such property, and of estate agents.
6. To carry on all or any of the businesses of nurserymen, gardeners, landscapers and funeral undertakers.
7. To provide and supply laboratory, scientific, biological, biochemical, technological, analytical and environmental services of all kinds.
8. To carry on business as inventors, researchers and developers, to conduct, promote and commission research and development in connection with the activities of the company and its subsidiaries, to establish and maintain research stations, laboratories, workshops, testing and proving grounds, facilities and establishments and installations and to exploit and turn to account the results of any research and development carried out by or for it.
9. To invent, design, develop, construct, manufacture, produce, erect, assemble, test, alter, install, maintain, repair, renovate, refurbish, recondition, utilize, operate, manage, purchase, sell, hire, hire out, import, export, supply and otherwise deal in all kinds of equipment, apparatus, plant, machinery, appliances, articles, furniture, things, accessories, components, fittings, tools, materials, substances, products, systems, computers, computer programs and software which are required or are likely to be required by the company for the purposes of, or in connection with, any of its businesses, or by other persons, or which in the opinion of the directors may be conveniently or advantageously dealt with by the company in connection or association with any of its objects or the objects of any of its subsidiaries.
10. To purchase, charter, lease, take or let on hire, operate, use, employ or turn to account, build, equip, service, repair, maintain, supply and deal in ships and vessels and craft of every description (including, without limitation, submersible craft), hovercraft, motor vehicles, aircraft, airships, railway locomotives, wagons, trucks and any means of transport and parts and accessories of all kinds for any of the same.

11. To enter into, carry on and participate in financial transactions and operations of all kinds and to undertake, carry on and execute all kinds of financial, commercial, trading, trust, agency and other operations, including, without limitation, acting as agents for the collection, receipt or payment of money.

12. To establish, acquire, produce, transmit, broadcast, publish, print and reproduce in any form whatsoever (including, without prejudice to the generality of the foregoing, visual or audible form and forms capable of being used by, in, or in connection with, computers), and to buy, sell, supply and otherwise deal in brochures, manuals, journals, periodicals, magazines., newspapers, books, pictures, photographs, stationery and other documents, sound and visual recordings, tapes, films, and programmes for radio, television, cinema and other means of communication.

13. To carry on any other business or activity which the directors consider is, or may be capable of being carried on directly or indirectly for the benefit of the company.

14. To acquire by any means and hold and deal with any real or personal property or rights whatsoever and, without prejudice to the generality of the foregoing, to purchase, take on lease or in exchange, hire or otherwise acquire and hold any real property and any estate or interest in such property, including, without limitation and lands, buildings installations, structures, servitudes, easements, rights, privileges and concessions and to exploit and develop the same.

15. To subscribe for, underwrite, purchase or otherwise acquire, and to hold, and deal with, any shares, stocks, debentures, bonds, notes and other securities, obligations and other investments of any nature whatsoever and any options or rights in respect of them; and otherwise to invest and deal with the money and assets of the company.

16. To borrow or raise money or secure or discharge any debt or obligation (whether of the company or of any other person) in such manner as the company thinks fit and in particular (but without prejudice to the generality of the foregoing) by the creation or issue, upon such terms as to priority or otherwise as the company thinks fit, of securities of any kind or mortgages or charges (fixed or floating) founded or based upon all or any part of the undertaking, property, assets and rights (present and future) of the company, including its uncalled capital, or without any such security; and to receive money on deposit and advance payments with or without allowance of interest thereon.

17. To insure any property, asset, matter or interest and against any potential liability or loss of the company or of any other person and the life or health of any person for the benefit of the company.

18. To enter into and carry into effect any arrangement for partnership or joint working or joint venture in business or for the sharing of profits or for amalgamation with any other person.

19. To enter into any arrangements with any governments or authorities (national, municipal, local, international, or otherwise), or any corporations, companies, public bodies, or persons that may seem conducive to the company's objects or any of them, and to obtain from any such government, authority, corporation, company, body or person any charters, contracts, decrees, rights, privileges and concessions which the company may think desirable, and to carry out, exercise and comply with any such charters, contracts, decrees, rights, privileges and concessions.

20. To carry out the business of planning, provision, operation, maintenance, development, financing improvement, extension of urban transportation services including bus, sub urban trains metro, monorail, etc. subject to the prevalent laws, regulations and statute as applicable.

21. To undertake business of provision of customer services such as billing payment collection, compliant management etc.

22. To undertake such activities which may be required either by applicable law, rules, statute or regulations or otherwise, for the effective delivery of utility services covered under the main object of the company.

23. To generate electrical power by conventional, non-conventional methods including coal, gas lignite, oil, bio-mass, waste, thermal, solar, hyuel, geo-hydel, wind and tide waves.

24. To promote, own acquire, erect, construct, establish, maintain, improve, manage, operate, alter, carry on, control, take on hire/lease power plants, co-generation power plants, Energy conservation projects, power houses, transmission and distribution systems for generation, distribution, transmission and supply of electrical energy and buy, sell, supply, exchange, market, function as a license and deal in electrical power, energy to the State Electricity Board, State Government, Appropriate Authorities, licences, specific industrial units and other consumers for industrial, commercial, agricultural, household and any other purpose in India and elsewhere in any area to be specified by the State Electricity Boards and any other competent authority in accordance with the provisions of India Electricity Act, 1910 and/or Electricity (Supply) Act, 1948 or any statutory modifications or re-enactment thereof and rules made thereunder.

25. To establish captive power plants on a cooperative basis for a group of industrial and other consumers and supply power to the participants in the cooperative effort either directly or through the transmission lines of the State Electricity Boards or other authorities by entering into appropriate arrangements.

26. To acquire, build, construct, improve, develop, give or take in exchange or on lease, rent, hire, occupy, allow, control, maintain, operate, run, sell, dispose off, carry out or alter as may be necessary or convenient any leasehold or freehold lands, movable or immovable properties, including building, workshops, warehouses, stores, easement or other rights, machineries, plant work stock in trade, industrial colonies, conveniences to getherwith all modern amenities and facilities such as housing, schools, hospitals, water supply, sanitation, townships and other facilities or properties which may seem calculated directly or indirectly to advance the Company's objects and interest either in consideration of a gross sum of a rent charged in cash or services.

27. To apply for, purchase, acquire and protect, prolong and renew in any part of the world any patent rights d'invention, licences, protections and concessions which may appear likely to be advantageous or useful to the Company and to use and turn to account and to manufacture under or grant licences or privileges in respect of the same and to spend money in experimenting upon and testing and improving or seeking to improve any patents, inventions or rights which the Company may acquire or proposes to acquire.

28. To establish, provide maintain and conduct or subsidies research laboratories and experimental workshops for scientific and technical researches, experiments and tests of all kinds and devices and/or to sponsor or draw out programmes for promoting scientific, social, economic and educational research and development and assist in the execution and promotion of such programmes either directly or through an independent agency or in any other manner, directly or indirectly and to secure such approvals, exemptions and/or recognitions under the Income Tax Act, 1961 and any other law for the time being in force and to promote studies and researches both scientific and technical investigations, endowing or assisting laboratories, workshops libraries, lectures, meetings and conferences and by providing or contributing to the

award of scholarships, prizes, grants to students and generally to encourage, promote invention of any kind that may be considered useful to the Company.

29. To form, incorporate, promote, purchase, acquire, undertake or takeover, the whole or any part of the business, profession, goodwill, assets, properties (movable or immovable), contracts, agreements, rights, privileges, effects, obligations and liabilities of any person, firm, or company or companies carrying on all or any of or proposing to carry on or ceasing to carry on any business, profession or activities which the Company is authorised to carry on or the acquisition of all or any of the properties, rights and assets of any company or subject to the provisions of the Companies Act 1956 the control and management of the undertaking of the acquisitions of any other objects which in the opinion of the Company could or might directly or indirectly be beneficial or advantageous to the Company and to pay all or any of the costs and expenses incurred in connection with any such promotion or incorporation or takeover or acquisition or in obtaining subscription of the placing of any shares, stock, bonds, debentures, obligations or securities of any such company or companies, subject to the provisions of the Companies Act, 1956.

30. To procure registration, incorporation or recognition of the company in any country, state or place and to establish and regulate agencies for the purpose of the Company's business and to apply or join in applying to any parliament, local government, municipal or other authority or body, Indian or foreign for any rights or privileges that may seem conducive to the Company's objects or any of them and to oppose any bills, proceedings or applications which may seem calculated directly or indirectly to prejudice the Company's interest.

31. To enter into partnership or any arrangement for sharing or pooling profits, amalgamations, union of interest, cooperation, joint venture, reciprocal concessions or to amalgamate with any person or company carrying in or engaged in or about to carry on or engaged in any business, undertaking or transactions which this Company is authorised to carry on or engaged in, any business, undertaking or transactions which may seem capable of being carried on or conducted, so as directly or indirectly, to benefit the Company.

32. To amalgamate, merge or absorb, with any other company or companies or to form, promote subsidiaries having object altogether or in part similar to those of this Company.

33. To manage, sell, dispose of, deal, let, mortgage, exchange, redeem, underlet grant leases, licences, easements or turn to account or deal with in any manner the whole of the undertaking or any properties (movable or immovable) assets, rights, and effects of the Company or any part thereof, on such terms and for such purposes and for such consideration as the company may think fit and in particular for shares, debentures, or securities of any other company having objects altogether or in part similar to those of the Company and in the event of winding up of the Company to distribute among the members in specie or kind any properties or assets of the Company or any proceeds of sale or disposal of any properties of the company, subject to the provisions of the Companies Act, 1956.

34. To enter into arrangements with any government or authorities municipal, local or any persons or company in India or abroad that may seem conducive to the objects of the Company or any of them and to apply for, secure, acquire, obtain from any such government, authority, persons or company, any rights, privileges, powers, authority, charters, contracts, licences, concessions, grants, decrees, rights which the Company may think desirable.

35. To pay all costs, charges and expenses of and incidental to the promotion, formation, registration and establishment of the Company and the issue of its capital and charges in connection therewith and to remunerate or make donations (by cash or other assets or to remunerate by allotment of fully or partly paid shares or by a call or option on shares, debentures, debenture-stocks of this or any other company or in any other manner, whether out of the company's capital or profits) or any person, firm, company or assisting to place or guaranteeing the subscription of shares, debentures, debentures-stock or other security of the company or in or about the formation or promotion of the company or for any other reason which the Company may think fit subject to the provisions of the Companies Act, 1956.

36. To promote or join in the promotion of any company or companies including subsidiary companies (wholly owned or partly owned) for the purpose of acquiring all or any of the properties, right and liabilities of the Company or for any other purposes which may seem directly or indirectly calculated to benefit to the Company and to underwrite shares and securities therein.

37. Subject to Section 58A of the Companies Act, 1956 and the rules framed thereunder and the directives issued by the Reserve Bank of India, to receive money or deposits or on loans or as grants and/or to invest, advance, deposit or land money to any person, firm, association, society, company or corporation or any government or semi government agencies on interest and on such security as may seem expedient or without any security and in particular to members or customers and others having or likely to have dealing with the Company and to guarantee the performance of contracts by and such persons or companies.

38. Subject to Section 58A of the Companies Act, 1956 and the rules framed thereunder and the directives issued by the Reserve Bank of India, to borrow or raise money, or to receive or to take money on loan on interest from banks, financial institutions, government agencies, cooperative societies, persons, companies, firms in such manner as the Company may think fit and in particular by the issue of debentures, debenture stock, perpetual including debentures or debenture stock converted into shares of this Company or perpetual annuities and security of any such money borrowed, raised or received, to mortgage, pledge, hypothecate, or charge the whole or any part of the properties (movable or immovable) assets or revenue of the Company present or future including its uncalled capital by special assignments or to transfer or convey the same absolutely or in trust and to give the lenders power of sale and other powers as may be deemed expedient and to purchase, redeem or pay off any such securities. The Company shall not carry on any banking or insurance business which may fall within the preview of Banking Regulation Act, 1949 or the Insurance Act, 1938, respectively.

39. To make, draw, accept, endorse, discount, execute, negotiate, assign and issue cheques, promissory notes, drafts, hundies, bonds, railway receipts, bills of exchange, bills of lading, warrants, debentures and other negotiable or transferable instruments.

40. To guarantee the payment of money secured or unsecured by or payable under or in respect of any promissory notes, bonds, debenture stocks, contracts, mortgages, charges, obligations, instruments, and securities of any company or of authority, central, state, municipal, local or of any person whomsoever whether incorporated or not incorporated and generally to guarantee or become sureties for the performance of any contracts of obligations.

41. To guarantee or become liable for the performance of the obligations and the payment of interest on any debentures or securities of any company, corporation or association or persons in which such guarantees may be considered beneficial or

advantageous, directly or indirectly to further the objects of the Company or the interest to the members.

42. Subject to the provisions of the Companies Act, 1956 to accumulate funds and to invest ordeal in with and invest money belonging to the Company in any deposits, shares, stocks, debenture stocks, bonds, obligations or securities by original subscription in syndicates having similar objects and to tender, purchase, exchange and to subscribe for the same conditionally and to guarantee the subscription thereof and to exercise and enforce all the rights and powers conferred by or incidental to the ownership thereof.

43. To open and operate current, overdrafts, loan, cash credit or deposit or any other type of accounts with any banks, company, firm, association or person.

44. To establish, continue and support or aid in the establishment of cooperative societies, association and other institutions, funds, trusts, amenities and conveniences calculated to benefit or indemnify or insure employees or ex-employees of the Company or Directors or ex-Directors of the Company or the dependant or connections of such persons and at its discretion to construct, maintain, buildings, houses, dwelling or chawls or grant bonus pensions and allowance and to make payments towards insurance and to pay for charitable or benevolent objects, also to remunerate or make donations by cash or other assets or to remunerate by the allotment of shares credited as fully or partly for services rendered to be placing or assisting to places any shares in the Company's capital or any debentures, debenture stock or other securities of Company in or about the formation or promotion of the Company or the conduct of its business.

45. To undertake, carry out, promote and sponsor rural development including any programme for promoting the social and economic welfare or uplift of the public in any rural area and to incur any expenditure on any programme of rural development and to assist execution and promotion thereof either directly or through an independent agency or in any other manner.

46. To undertake, carry out, promote and sponsor or assist any activity for the promotion of any growth of national economy and for the discharging social and moral responsibilities of the Company to the public or any section of the public as also any activity to promote national welfare or social, economic and without prejudice to the generality of the foregoing undertake carry out, promote and sponsor any activity for publication of any books, literature, newspapers or for organizing lecture or seminars likely to advances these objects or for giving merit awards or scholarships, loans or any other assistance to deserving students or other scholars or persons to enable them to prosecute their studies or academic pursuits or researches and for establishing, conducting or assisting any institution, funds or trusts having any one of the aforesaid objects as one of its objects by giving donations and/or contributions, subsidies and/or grants or in any other manner.

47. To donate, gift, contribute, subscribe, promote, support or aid or assist or guarantee money to charitable, benevolent, religious, scientific, national public or to other institutions, funds or objects or for any public, general or other objects and to accept gifts, bequests, devices and donations from any firm, company or persons as may be thought appropriate or conducive to the interest of the Company.

48. To create any depreciation fund, reserve fund, sinking fund, insurance fund or any other special funds whether for depreciation or for repairing, improving, extending or maintaining any of the properties of the Company or for redemption of debentures redeemable preference shares or gratuity or pension or for any other purpose conducive to the interest of the Company.

49. Subject to Section 78 of the Companies Act, 1956, to place, reserve, distribute as dividend or bonus or to apply as the Company may from time to time determine any moneys received by way of premium on shares or debentures issued at a premium by the Company.

50. To engage, employ, train, either in India or elsewhere suspend, and dismiss any agents, managers, superintendents, assistants, clerks, coolies and other employees and to remunerate any such persons at such rate as shall be thought fit and to grant pensions or gratuities to any such person or to his widow or children and generally to provide for the welfare of employees.

51. To refer or agree to refer any claims, demands, disputes or any other question by or against Company or in which the Company is interested or concerned and whether between the Company and the member or members or his or their representatives or between the Company and third party to arbitration in India or at any place outside India and to observe, perform and to do all acts, deeds, matters and things to carry out or enforce the awards.

52. To use trademarks, trade names or brand names for the products and goods and adopt such means of making known the business and products in which the Company is dealing as may seem expedient and in particular by advertising on radio, television, newspapers, magazines, periodicals, by circulars, by opening stalls and exhibition, by publication of books and periodicals, by distributing samples and by granting prizes, rewards and awards.

53. To undertake the payment of all rent and the performance of all covenant's contracts, conditions and agreements contained in and reserved by any lease that may be granted or assigned or assigned to or acquired by the Company.

54. To become members of or to enter into any agreement with any institution, association or company carrying on or which may carry on research, and other scientific work of investigation in connection with any business of Company or other trades or industries allied therewith or ancillary thereto and to acquire shares in any such institutions, association or company and contribute towards the capital or funds, thereof.

55. To undertake and execute any trust which may benefit to the Company directly or indirectly.

56. To insure properties, assets, undertakings, contracts, guarantees, liabilities, risks or obligations of the Company of every nature and kind.

57. To receive donations, gift, contributions, subsidies, grants and other mode of receipts of money for the furtherance of the objects of the Company.

58. To invest the funds of the Company not immediately required in Government of Semi Government corporations, companies, firm.

59. To pay a share in the profit of the Company or commission to brokers, sub-agents, agents or any other company, firm or persons including the employees of the Company as may be thought fit for services rendered to the Company.

60. To employ experts, to investigate and examine into the conditions prospects, value, character and circumstances of any business concerns and undertaking and generally of any assets concessions, properties and or rights.

61. To open establish, maintain and to discontinue in India or overseas any offices, branch offices, regional offices, trade centres, exhibition centres, liaison offices, and to keep local or resident representative in any part of the world for the purpose of promoting

the business of the Company.

62. To enter into arrangement for technical collaboration and/or other form of agreement including capital participation with a foreign or Indian company for the purpose of manufacture, quality control and products improvements and for marketing of the products which the Company is empowered to manufacture and/or market and to pay or to receive for such technical assistance or collaborations, royalties or other fees in cash or by allotment of shares of the Company credited as-paid up or issue of debenture stock, subject to the provisions of laws for the time being in force.

63. To secure contract for supply of the products manufactured by the Company to Military, Civil and other departments of the Government or Semi Government bodies, corporations, public or private contractors, firm, persons and to recruit, trained persons including persons retired from defense, police, military and paramilitary forces, to employ detectives, to keep dogs dog handers and other animals and to use different types of weapons.

64. To take part in the management supervision and control of the contracts, rights, turnkey jobs, operations or business of any company or undertaking to carry on.

65. To do all or any of the above things in India or in any part of the world as principals, agents, contractors or trustees and either alone or in conjuction with others.

C. OTHER OBJECTS:

1. To carry on the business of a holding company and to co-ordinate and regulate the activities and businesses of subsidiary and associated companies for the time being and the financing of the companies.
2. To acquire and hold either in the name of the company or in that of any nominee shares, stocks, debentures, debenture stock, bonds, notes and other securities, obligations and other investments of any nature whatsoever issued, created or guaranteed by any company constituted or carrying on business in any part of the world or by any government, sovereign ruler, commissioners, public body or authority, supreme, dependent, municipal, local or otherwise in any part of the world.
3. To acquire any such shares, stocks, debentures, debenture stock, bonds, notes, securities, obligations and investments by original subscription, contract, tender, purchase, exchange, participation in syndicates or otherwise, and whether or not fully paid up, and to subscribe for the same subject to such terms and conditions (if any) as may be thought fit.
4. To exercise and enforce all rights and powers conferred by or incidental to the ownership of any such shares, stocks, debentures, debenture stocks, bonds, notes, securities, obligations and investments.
5. To provide any form of capital for and take part in the formation, management, supervision or control of the business or operations of any company or undertaking and for such purposes to appoint and remunerate any directors, accountants or other experts, advisers or agents and to act as agents for and to manage supervise or control and provide services to the business, property or operations of any person, company or undertaking, or any property in which the company may be interested.
6. To carry on all or any of the businesses of suppliers, distributors, manufacturers, producers, processors, importers and exporters of, and dealers in, chemicals, pharmaceuticals, fertilisers, compost and foodstuffs.
7. To carry, on the business as manufacturers, producers, processors, buyers, sellers, importers, exporters and dealers in every kind and description of Food and Foodstuff

whether vegetarian or non-vegetarian milk, and milk products including cream, butter, ghee, cheese condensed milk, malter milk powder, skimmed milk, ice-cream, milk foods, canned foods, fish and fish preparation, meat and meat preparation and the foods made from any substances of animal and birds and the business of poultry farming.

8. To carry on the business of farming, Agriculture in its branches and to grow produce, manufacture, process, prepare, refine, extract, manipulate, hydrolize, buy, sell, market or deal in all kinds of Agricultural, horticultural, dairy, poultry and farm produces and products including foodgrains, cereals, seeds soyabeans, corn, corn oils, cash crops, plants, flowers, vegetables, edibles, oils, meat, fish, eggs, animal and human foods and food products.

9. To cultivate any plantation or other agricultural produces in all its branches and carry on the business as cultivators, buyers and dealers in vegetables, grains, vanaspaties and all other agricultural produces and to prepare, manufacture and render marketable any such produces and to sell, market, dispose off or deal in any such produces either in its prepared, manufactured or raw state and to purchase, hold, develop, cultivate any agricultural, barren land for the purpose herein mentioned.

10. To carry on the business as travel agents, buying agents, marketing agents, commission agents, advertising agents, clearing and forwarding agents, estate agents, carrying agent, insurance agent, brokers or representative of any company, corporation, firm or individual and to transact and to carry on all kinds of agency business.

11. To carry on the business of booksellers, publishers, stationers, printers, lithographers, stereotypers, electrotypers, photographic printers, photographers, chromolithoengravers, block makers, die-makers, envelop makers, book binders, type founders.

12. To establish, maintain, conduct, provide and make available services as consultant, advisers of every kind including commercial, statistical, financial, accountancy, computer expert programmer, technical services for the purposes and to undertake for consideration on behalf of any client the work of examining, inspecting and carrying out tests on any products and to issue certificates in respect of such products.

13. To perform and undertake activities and carry on business pertaining to leasing, giving on hire or hire purchase, warehousing, factoring, providing financial assistance by means of leasing, giving on lease, hire or hire purchase lending, reselling or disposing off all forms of immovable and movable properties and assets including buildings, godown, warehouses and real estate or any kind, nature or user and all types of agricultural, industrial, office and other plants, equipments and machineries including heavy or medium agricultural, industrial machinery, computers, electronic data processors tabulators, air-conditioners, medical equipment, domestic equipments or appliances or any system or products whether industrial or consumer and all types of automobiles, vehicles and ships.

14. To carry on the business as photographers, manufacturers, dealers and designers in playing, visiting, railways, festives, complementary and fancy cards, tickets, stamps and parchments.

15. To carry on the business of storing of goods, articles, food stuffs, commodities of all kinds in refrigerators, ice chambers, deep freeze, cold storage of warehouses and for the purpose to construct, purchase, hire take on hire, take on lease, develop warehouses, premises, buildings or units in refrigerators ice-chambers, deep freeze, cold units.

16. To carry on the business of textile engineers and manufacturers and dealers in textile machinery and to manufacture, produce, repair, alter, convert, recondition, resale, hire, import, export, market, let on hire, trade and deal in spares, plant, accessories, fittings, engineering goods, rolling stock, hardware required for textile industries.
17. To carry on business as manufacturers, buyers, sellers, dealers, distributors, stockists, importers, exporters, resellers, clearing agents, transporters, processors in all kinds of cement including ordinary, white, coloured, portland, lime cement and cement products of all kinds including pipe fittings, poles, roofs, bricks, prefabricated walls, blocks, tiles, covers, asbestos sheets and by products and joint products thereof.
18. To carry on the business as manufacturers, buyers, sellers, dealers, distributors, stockists, importers, exporters, resellers, transporters, clearing agents, processors of lime, bauxite, gypsum, asbestos, limestores, bricks, fixing materials, sand, plasters, jute bags, paper bags, gunny bags, HDPE/PP woven bags, plastic bags, pottenes, earthenwares, sanitary wares, refractories, ceramicwares and products thereof.
19. To carry on in India or elsewhere the business of mining, qaurries and to prospect for, search for, find, get, work, process, crush, smelt, manufacture, refine, blend, clean, convert, store, transport, buy, sell, import, export, distribute, market and deal in mineral oil of all kinds, mineral gases of all kinds, mineral of all kinds, fuel of all kinds, their by-products, derivatives, mixtures, semifinished products and ores.
20. To manufacture, buy, sell, exchange, alter, improve, import, export, market or deal in all kinds of cables, wires, bars and conductor including insulated cables and wires, cabtype sheated wires, PVC cables and wires, flexible cables and wires, flexible cords, cotton or silk braided cable and wires, conduct wires and cables, low and high tension power cables, telegraph and telephone cables, low and high tension paper, rubber or bitumen insulated lead covered power cables, armoured or un-armoured extra high tension shielded or belted cables, long distance cables, signal ling cables, copper conductors, aluminum conductors, Copper bars, aluminum bus bars and their accessories.
21. To manufacture buy, sell, distribute, import, export, market and deal in welding electrodes, welding machines, gases of all kinds, welding fluxes, gas-cylinders of all types and sizes, power batteries and cells, torches, cooking range and other domestic appliances.
22. To carry on business as timber merchants and timber growers and to buy, sell, grow, process, prepare for, market, manipulate, import export, market and deal in timber and woods of all kinds and to manufacture and deal in wooden articles such as furniture fixtures, toys, wooden packing cases, domestic appliances, agricultural implements, windows, doors, articles required for construction work, wooden plants and machineries, houses, Carriages, sport equipments, chairs, stage materials, exhibition materials, coaches, vehicle bodies and to buy, clear, work, develop and deal in timber estates.
23. To carry on in India or elsewhere, the business of producing, processing, manufacturing, formulating, using, selling, acquiring, storing, refining, packing, marketing, transporting, distributing, importing, exporting and dealing in every kind and description of fertilizers, manures, chemicals, organic or inorganic chemicals, flouro chemicals, heavy chemicals, fine chemicals, speciality chemicals, acids, alkalies, agrochemicals, industrial chemicals, laboratory chemicals, fatty acids, cellulose derivatives, furfural and its derivatives, starch derivatives, nitrates, flouroides, sulphates, sulpher salts, tanins, chemical auxiliaries, disinfectants, PVC compound, fibre glass, all kinds of gums and gums derivatives, carbon black, caustic soda, soda ash, conductive polymers, triopolymers, cellulose polymers, ethyl cellulose, hydroxy

ethyl cellulose, nitro cellulose, carboxy methycellulose and its salts, micro crystalline cellulose powers, heavy waters, radio isotopes, nuclear reactors and atoms.

24. To carry on the business as manufacturers, purchasers, sellers, processors, refiners, exporters, importers and dealers in every kind or description of gases including oxygen, hydrogen, nitrogen argon, acetylene and its compounds, by-products, joint products, ancillary products and its derivatives.

25. To carry on in India or elsewhere the business of producing, processing, converting, manufacturing, formulating, factoring, using, buying, acquiring, storing, refining, packaging, selling, marketing, transporting, distributing, importing, exporting and dealing in all kinds and description of petro-chemical petroleum products, its by products, joint products, ancillary products and derivatives thereof whether in liquid, solid, flake or gaseous form.

26. To carry on in India or elsewhere the business of processing, converting, producing, manufacturing, using, buying, acquiring, storing, packing, selling, marketing, transporting, importing, exporting and disposing off all types and description of drugs, intermediates, synthetic drug, medicines, vitamins, antibiotics, basic drugs, pharmaceuticals, biological products, foodstuffs for human and animal use, gelative capsules, sugar, agro- chemicals, pesticides, fungicides, germicides, insecticides, weedicides, colours, acids, varnishes, paints, synthetic resins, plasticizers, cosmetics, powders creams, preparation for the teeth, toilet requisites, detergents, surface active agents, cleaning agents, soaps, glasses, pottery, terracotta,- artificial stones, cokes, explosives, photographic materials and industrial chemicals.

27. To carry on the business of investment company and to buy, underwrite, invest in and acquire and hold shares, stocks, debenturestocks, bonds, obligations and securities issued or guaranteed by and company, firm, person, government, local authority or institution whether in India or elsewhere and to deal in with and turn to account the same.

28. To provide package of investment services by acting as managers to the public issue of shares, debentures, debenture bonds, securities by underwriting and to act a brokers, issue houses, portfolio management and investment in various avenues like shares, debentures, fixed deposit, securities, saving certificates and to pass on the benefits of portfolio investments to the investors as dividends, bonus, interest.

29. To carry on business as manufacturers, buyers, sellers, dealers, distributors, exporters, importers, hirers, stockists, surveyors, velures, agents, clearing agents, processors, assemblers, repairers, erection and commissioning of agricultural implements, equipments and machineries of all types and sizes either power driven on hand operated including harvesters, thrashers, winnowers, cultivators, seeds and fertilizer drillers, sprinklers, dairy machines, elevating machines, conveying machines, transmission machines, incubators, sprayers, hullers hand industrial blowers, drilling machines, oil engines, kerosene engines, petrol engines, internal combustion engines and their raw materials, components, semifinished goods, accessories and spareparts.

30. To carry on the business as manufacturers and dealers in all types of electrical, electronic, mechanical, micro processor based, electo-mechanical computerised equipments including X-ray machines, ultra sound machines, scanners ECG machines, echo cardiographic machines, electro surgical instruments and digital instruments required for medical surgical operations, hospitals, dispensaries, medical centre, research laboratories, institutions, educational institutions, scientific and other institutions, educational institutions, scientific and other institutions or organisations or companies.

31. To carry on the business as electroplaters, nicklplaters, chromium platers, metalsprayers, oxidisers, anodisers and metalplaters, general painters, varnishers, lacquerers, enamellers, polishers, welders braziers, gliders, goldsmiths, silversmiths, watchmakers and jewellers.

32. To carry on the business as manufacturer and dealers in metal wares, glass wares, leather-wares, research equipments and appliances.

33. To carry on in India or elsewhere the business of manufacturing, producing, processing, crimping, twisting, texturising, blending, mixing, purchasing, selling, importing, exporting, marketing and dealing in all kinds natural and man made fibres, fibre yarns, fibre cords, cotton yarns, polyster staple fibres, jute, wool, silk, core, art silk, nylon fibres, staple fibres, fabrics, plastic fabrics, synthetic and other fibrous materials, cloths, dressing materials, furnishing materials, handicrafts, khadi uniforms, readymade garments, apparels, carpets, carpet banking, blankets, padding, knitted goods, decorative materials, woven bags, hosiery, gloves, sewing threads, ropes, covers and packing materials.

34. To set up, operate, fabricate, market and deal in steel furnace, steel rolling mills, steel rolling plant and to re-roll mild, low, medium, high carbon and alloy steel and alloy, cold, rolled and hot rolled strips, refine alloy and manufacture ingors, skeiped billets of special steels and alloy steels and to act as steels makers, steel converters and to manufacture metallurgical products in all forms and to carry on business of setting up of ministeel plants and ship breaking units.

35. To manufacture, produce, trade, export, import, market and deal in rerolled sections of all sizes and specifications of ferrous and non ferrous including angles, bars, flats, plates, rods, rounds, octagons, hexagons, joint channels, strips, plates and cold twisted bars and other structurers, steel extruded sections, forgings and to manufacture and deal in household goods made up of any metals and to manufacture and deal in steel and alluminium furniture and foils manufactured form alluminium and other ferrous and non-ferrous metal.

36. To carry on the business of manufacturers, fabricators, exporters of and dealers in wrought iron, pig iron, copper, brass, alluminium and other metals, metal alloys and scrap metals, skull scrap and metallic residue and mineral substances or compounds or products of any kind or description whatever.

37. To carry on India or elsewhere the business of designing, engineering, fabricating, manufacturing, assembling, marketing, importing, exporting, selling, purchasing, leasing, distributing, supplying ortrunkey basis or servicing, maintaining, erecting and commissioning repairing and dealing in earth moving machineries, road making and construction machineries including paver plants, road rollers, mixer machine and weight lifting machineries including chainpully blocks, graded chains, mobile crane, overhead cranes, fork lift, passenger lift, elevators, vibrators, hydraulic jacks, excavators, air compressor, reduction gears, speed reducers, fire fighting equipments and plants, machinery and structures required for refining, processing, testing, storing, converting and transporting of all types of mineral oils their by-products, joint products and ancillary products.

38. To carry on in India or elsewhere the business as manufacturers, producers, fabricators, processors, buyers, sellers, assemblers, importers, exporters and dealers in electrical, electronic or electro-mechanical or mechanical equipments, appliances, machineries, their components, accessories, spare parts and systems required for industrial, agricultural, domestic or other purposes including all types of meters, measuring instruments, testing instruments, calibrating instruments, protection,

auxiliary and other relays, sonic or ultra sonic equipments, radars, computer, minicomputers, data processors equipments, micro processor based equipments, microwave equipments control system or equipments required for atomic reactors and space applications control systems, audio visual communication equipments, image and document production equipments, broadcasting and cinematographic equipments, testroom equipments, scientific instruments, medical and surgical equipments, oscilloscopes, electric motors of all types electric furnaces, cremation furnaces, instrument transformers, current transformers potential transformers, power line carrier communication equipments, switches, switch and control boards, control panels, time switch, radio control switches, circuit breaker of all types, switch gears and control gears, procelain insulators, boosters, rectifier, low and high voltage transformers, vacuum gauges, television sets, tape recorders, video games, receiver sets, amplifiers, audio systems, calculators, electronic components including capacitors, transistors, electric and electro-mechanical parts, printed circuit boards, diodes, resistors, indicators, transformers, ferritss tubes, television tubes, picture tubes incandecent lamp miniature lamps and tubes, integrated circuits, thyristors lamination sheets stamping, all types of insulating materials, fuses, floppy disc, magnetic tapes, magnetic disc, record players, changers, zip fasteners, watches water filters valves pressure vessels and guages, heat exchangers, dehumidifiers and corrosion control equipments arms and ammunition required for defence.

39. To carry on the business as transporters, couriers of every kind and description of goods, materials, luggages, merchandise, animals or passengers, boxes, covers, cards, papers and valuable article from place to place either by air or by land or river or sea or partly by sea or river and partly by land or air and for the purpose own, hire, take on rent, given on rent, sell, purchase, market and deal in motor vehicles, aeroplanes, animal drawn vehicles, car, ship, steamer, truck, buses, minibuses and to carry on the business of general carrier railway and forwarding agents, clearing agents, warehousement, storekeepers, bonded caremen and common caremen and for the purpose to won, hire, lease, take on rent, give on rent any buildings, warehouse or other facilities and to operate, establish own and maintain garages, service stations, workshops, terminal freight point and to store, repair, rent and lease motors, buses, automobiles or other vehicles.

40. To carry on the business of designing, engineering, fabricating, manufacturing, assembling, marketing, importing, exporting, selling, purchasing, leasing, distributing, supplying on trunkey basis or servicing, maintaining, erecting and commissioning, repairing and dealing in all kind, description of industrial plants, petro-chemical plants, cement plants including rotary kilns and fluxo packers fertilizer plants, chemical vessels, sugar plants, edible and non-edible oil extraction plants, pulp and paper manufacturing plants, polution control equipments, crystalliser plants, bottling plants, drying plants, power plants, coal and material handling plants, dairy plants, plastic processing machinery, cement machinery, beverage machinery, air conditioning and refrigeration plants and their machineries, components, accessories, ancillary equipments, instruments and appliances.

41. To carry on the business as manufacturers, buyers, purchasers, sellers, processors, producers, importers, exporters, researchers, developers, consultants, advisors and dealers in every kind and description of ceramics, ceramic products, technical alumina, alumina products, their raw materials, by-products, joint products, auxiliary products and allied products including alumina, titania and ceramic, textile thread guides, alumina ceramic seals, alumina nozzles, alumina and zercon granules, industrial grade ceramic wool, ceramic deburring and grinding media, ceramic coating, ceramic cutting tools, oxide ceramics of boron-nitril, titania alumina and zercon based ceramics, assorted alumina products and potteries.

42. To carry on the business of extracting, refining, processing, blending, dealing, purchasing, selling, edible or non- edible oils, rasa, rasayana, fats, casic, substances, elements or ingredients from all types of oil seeds, cash crops, seed, food grains, cereals, nuts, cakes, agricultural produces, vegetables, leaves, roots, flowers, herbs, plants, shrubs and trees and for the purpose to run or carry on extraction plants, processing or refining plants and all other allied activities and to deal in purchase, sell, export, import, or market such resultant products or produces and their derivatives, by-products, joint products, finished products, raw materials or semi-processes materials.

43. To carry on the business as buyers, exchangers, importers, exporters, assemblers, distributors, repairers or dealers in all the accessories, raw materials, spare parts and components required for the purpose of the business of the Company.

44. To manufacture, fabricate, assemble, buy, sell, market, let on hire, import, export, repair, maintain and deal in all kinds and description of automobile, whether propelled or assisted by means of petrol, spirit, gas, mineral, oil, electricity, animal, atomic or anykind of fuel or power or energy including autocyicles, motorcycles, scooters, mopeds, scooter rater, motor cars, auto rickshaws, trucks, tractors, delivery vans, tankers, lorries, buses, minibuses, metador, tempo, motor boats, motor launches or other vehicles and their spareparts, components, accessories and ancillary equipments, including automotive equipments, axles, hydraulic jacks, airbrake equipments, suspension units, pressed steel cabs, beating, piston rings, crank shafts, truck bodies, tyres and tubes.

45. To carry on the business as manufacturer, fabricator, assembler, processor, finisher, repairer, buyer, seller, importer, let on hire purchase and dealers in any kind of machine, tools, including drilling boring and tapping machines, milling machines, lathe machines, grinding machines, gear cutting and gear grinding machines and tools for metal cutting and metal working hammer, and forging machines,. welding machines and , equipments, welding electrodes, press, sheet, metal shaping machines and equipments, wire working and converting machines, weighing machines and weights, printing machines, cutting machines, wood working machines, sewing machine and machine tools of all types, sizes and description.

46. To undertake, carry on, act as or take up business as consultants in civil engineering, mechanical engineering, electrical engineering, electronic engineering, architect, structural engineering and contractors for any national and international agency whether private, public, government, railways, ports, defence, corporation, company, syndicate, association of persons, trusts and also to provide technical consultancy services in concrete, R.C.C. and pre-stressed concrete products, ancilliaries, plants and machineries and appliances for R & D work.

47. To manufacture, buy, import, export, sell, distribute, process, mould, bond, fabricate cement concrete, R.C.C. pre-stressed concrete products, like pipes, poles, overhead masts, slippers, tiles, structure and slabs.

48. To carry on the business in India and elsewhere as manufacturers, producers, buyers, sellers, dealers, traders, suppliers, exporters, importers, factors, agents, consignors, consignees, distributors, advertisers, marketing agents, stockists, suppliers of any brand and of all classes, kinds and types of galies, detergent, cakes, toilet soaps, laundry soaps, marine soaps, industrial soaps, detergent powder, detergent liquid, clearing powder, washing powder, neel, whitener, slury, benzyne, washing materials, toilets requisites and preparation.

49. To carry on business of running nurshing homes, clinics, pharmacies, indoor, or out-door hospitals, medical, anatomical, orthopaedic, surgical and TXU Ray units, laboratories research establishments, nature cure centers and hospitals for eye, throat and nose deceases and to acquire land, buildings, plants, equipments, accessories,

instruments, gadgets, furniture and fittings and other facilities for treatment and nursing of patients of various types of decease aliments, sickness, illness and other body or mental troubles and to act as consultant in any and all branches of medical sciences.

50. To carry on in India or elsewhere the business to establish, form, promote, manage, organise, handle, sponsor, operate, supervise or to float an asset management company to manage all sorts of assets of mutual funds through a duly constituted trust under the Indian Trust Act in all its branches whether open ended, close ended, or other schemes as may be approved by Securities & Exchange Board of India or other authorities from time to time under prevailing laws, rules and guidelines, and to change such management and advisory fees and incidental expenses from mutual funds floated by its and to do all such acts and things necessary for the attainment of forgoing objects.

51. To organise and effect exports from India or such goods and commodities as are manufactured, produced or otherwise available in the State of Gujarat and elsewhere in the Country and to import into the Country such goods and commodities as the Company may from time to time determine.

52. To undertake or direct the constructions and the maintenance of and to acquire by purchase, lease, exchange, hire on otherwise and or property, building and estate of any tenure of any interest therein, to sell, lease, let mortgage of otherwise dispose of the same and to purchase and sell for any person free hold or lease hold land, house, property, building, offices, factories, workshops, godowns, farm houses, farms or any share/interests therein and to carry on the business of land estate agent on commission on commission or otherwise without commission.

53. To carry on the business of and act as promoters, organisers and developers of land, estate, properties, cooperative housing schemes, shopping-office complexes, township, farms, farm houses, holiday resorts, hotels, motels and to finance with or without security for the same and to dealwith and improve such properties either as owner or as agents.

54. To undertake and carry on the business of shippers, ship owners, ship-breakers, shipping agents, ship managers, tug owners, loading brokers, freight contractors, barge owners, lightment, bredgers and forwarding agents, engineers, ship store merchants, ship husbands, stevedores, salvers, ship builders and ship repairers, ship breaking yards, and to carry on business of breaking cutting, dismantling of ship, steamers, trailers, steam launches, ocean going vessels playing on water either by company itself or through other arrangements whether on contract or job work basis.

55. To carry on in India or elsewhere the business of managing public issues of shares and securities in all its branches and to act as advisor, broker, sub-broker, remiser, market maker, representative, investor, underwriter, sub-underwriter, merchant banker, manager to issue, co-manager to issue, portfolio managers, consultants, share transfer agents, registers of shares, advertising and publicity agents, printers or other intermediaries of capital market and to sale, purchase, exchange, subscribe, acquire, undertake and hold all types of shares, securities, stocks and bonds, including all types of shares, securities, stocks and bonds, including equity shares, preference shares, cumulative convertible preference shares, fully convertible debentures, partly convertible debentures, non-convertible debentures, debenture stocks, warrants, premium notes and other similar instruments whether issued in India or in any foreign country.

56. To apply for and become in India or abroad member of any Stock Exchange, Securities and Exchange Board of India, Over the Country Trading and exchange of India, National Stock Exchange and any other similar authority, body or institution as may be

established from time to time by public, government, financial institutions or any other person or group of persons and to do all incidental acts and things necessary for the attainment of foregoing objects.

57. To carry on India or elsewhere the business to act as consultant, advisor, representative, advocate, signatories, attorneys, liasioner, agent, serviceman, middleman, arbitrator, conciliator, auctioneer, liquidator, secretary and solicitor in all its branches such as legal commercial, industrial, manufacturing, production, engineering, personnel, marketing, advertising, publicity, sales promotion, public welfare, corporate management, business management, company law, taxation, investment, portfolio management, agriculture, animal husbandry, poultry, fisheries, power generation, energy savings, insurance, banking, loan syndication, import and exports, research and development, software developments, computer applications, equity control, technical knowhow, geology and mining, medicine and surgery, merchant banking, underwriting, secretarial services, financial management, construction, transport and on other similar subjects and to make evaluations, feasibility studies, techno economic feasibility studies, project reports, forecasts, surveys and rehabilitation packages and for the purpose to run, establish, maintain, provide, operate, manage, supervise, arrange and take on hire all necessary services, facilities, conveniences, equipments etc. and to supply trunkey projects in all industries, utilities, commercial and welfare fields and to do all incidental acts and things necessary for the attainment of foregoing objects.

58. To carry on in India or elsewhere the business in all its branches of managing public issue and to act as broker, agent, sub-broker, underwriter, lead manager, co-manager, consultant, advisor, share transfer agent, register of share, advertising and publicity agent, printer, portfolio manager, merchant banker, odd lot dealer or other intermediaries and to buy, sell, exchange, adjust, subscribe, acquire, undertake, hold, invest or otherwise deal in all kinds of shares, securities, stocks, bonds, fully convertible debentures, partly convertible debentures, non convertible debentures, warrants, premium notes and other similar instruments as may be are prevailing from time to time.

59. To apply for and become member in India or elsewhere of any stock exchange, national stock exchange securities and exchange board of India (SEBI) Over the Counter Trading and Exchange of India (OCTEI) and any other similar institution, authority, body or association and to do all such incidental acts and things necessary for the attainment of forgoing objects.

60. To carry on in India or elsewhere the business to manufacture, produce; process, prepare, commercialize, cut, polish, set, design, display, exchange, examine, finish, grind, grade, assort, import, export, buy, sell, resale, demonstrate, market and to act as agent, broker, indenter, liasioner, adatia, representative, C & F agents, export house, valuer, sale promoter, supplier, provider, merchant, stockists, distributor, wholesaler, retailer or otherwise to deal in all shapes, sizes, varieties, description, specifications, applications and designs of rough, raw, cut, uncut, polished or processed, natural and man made precious semiprecious and natural stones such as diamonds, ruby, pearls, gemstones, blue sapphires, cat's eye stone, coral, topaz, opal, zircon, tourmaline, jade, spinal ruby, acquamarine, turquoise, peidot, agate, garnet, corundum, amethyst, malachite, citrine, alexendrite, smoky quartz, lapis lazuli, rock crystal, onyx, moon stone, jasper, blood stone, gold stone, bismuth, jet, diopside, tiger eye, sunstone, spinal, jews stone, load stone, sardonex, touch stone, amber and their ornaments, jewelleries, articles, goods, or things, made in the combination of gold, silver, platinum, or other metals, and alloys thereof and for the purpose to act as goldsmith, silversmith, jewellers, gem merchant, electroplaters, polishers, purifiers, and to do all incidental acts.

IV. The Liability of the Members is Limited.

V. The Authorised Capital of the Company is Rs. 13,15,00,000 (Rupees Thirteen Crores Fifteen Lacs only) divided into 1,31,50,000 (One Crore Thirty One Lacs Fifty Thousand) Equity shares of Rs. 10/-each.

We, the several persons, whose names, addresses and description are hereunder subscribed, are desirous of being formed into a Company in pursuance of this Memoranda of Association and we respectively agree to take the number of shares in the Capital of the Company set opposite to our respective names.

Sr. No.	Name of Subscribers Address, description and occupation	No. of equity shares taken by each Subscriber	Name, Address, description and Signature of Witness
1	For and on behalf of M/s Mundra Port And Special Economic Zone Limited having its registered office at Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad - 380009 through its authorised person vide Board Resolution passed on 27th June 2007. Mrs. Dipti Y. Shah W/o Mr. Yogesh N. Shah residing at 601, Shailraj Tower, Nehru Park, Vastrapur, Ahmedabad – 380 015 Occupation : Service Sd/-	9900 (Nine Thousand Nine Hundred only)	Common witness for all subscribers Kamlesh P. Bhagia S/o Prabhudas V. Bhagia K-11 Gangaram Flat, Dharamnagar, Sabarmati, Ahmedabad – 380 005. Company Secretary (Service) ACS No. 19198 Sd/-
2	For and on behalf of Rajesh S. Adani S/o Shantilal B. Adani residing at 15 Suryaja Bunglow, Behind Sunrise Park, Near Amaltas Bunglow, Vastrapur, Ahmedabad – 380 054 through his Power of Attorney holder vide Special Power of Attorney dated July 12, 2007 Mrs. Dipti Y. Shah W/o Mr. Yogesh N. Shah residing at 601, Shailraj Tower, Nehru Park, Vastrapur, Ahmedabad – 380 015 Occupation : Service Sd/-	100 (One Hundred only)	
Total		**10,000 (Ten Thousand)**	

Place: **Ahmedabad** Dated: **12th July, 2007**

THE COMPANIES ACT, 2013
[COMPANY LIMITED BY SHARES]

ARTICLES OF ASSOCIATION

OF

MPSEZ UTILITIES LIMITED*

PRELIMINARY AND INTERPRETATION

1. [1] The Regulations contained in Table "F" in Schedule I of the Companies Act, 2013 shall not apply to the Company, except in so far as the same are repeated, contained or expressly made applicable in these Articles or by the said Act.

[2] (a) The marginal notes used in these Articles shall not affect the construction thereof.

(b) In the interpretation of these Articles, the following expressions shall have the following meanings, unless repugnant to the subject or context

"Act" means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force and the Companies Act 1956, so far as may be applicable.

"Articles" means these articles of association of the Company or as altered from time to time.

"Board of Directors" or **"Board"** means collective body of Directors of the Company.

"Company" means **"MPSEZ UTILITIES LIMITED".***

"Depository" means and includes a Company as defined in the Depositories Act 1996.

---

*New Set of Articles of Association adopted pursuant to the Special Resolution passed by the Members of the Company in the Extra-Ordinary General Meeting held on 9th June, 2020.

"Rules" means the applicable rule for the time being in force as prescribed in relevant sections of the Act.

"Seal" means Common Seal of the Company.

"Secretarial Standards" means standards provided by the Institute of Companies Secretaries of India.

"Securities" means the securities as defined in clause (h) of Section 2 of the Securities Contracts (Regulation) Act 1956.

(c) Words importing the masculine gender also include, where the context requires or admits, the feminine and neuter gender.

(d) Words importing the singular number also include, where the context requires or admits, the plural number and vice-versa.

(e) Unless the context otherwise requires, words or expression contained in these Articles

shall bear the same meaning as in the Act or the Rules, as the case may be.

SHARE CAPITAL AND VARIATION OF RIGHTS

2. Subject to the provisions of the Act and these Articles, the shares in the capital of the 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. The 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.

3. (i) 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.

   (ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.

   (iii) In respect of any share or shares held jointly by several persons, the 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.

4. Every holder of or subscriber to Securities of the Company shall have the option to receive security certificates or to hold the Securities with a depository. Such a person who is the beneficial owner of the Securities can at any time opt out of a Depository, if permitted, by the law, in respect of any Securities in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates for the Securities.

5. (i) 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 the 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 the company and on execution of indemnity or such other documents as may be prescribed by the 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 the Board.

(ii) The provisions of the foregoing article relating to issue of certificates shall mutatis mutandis apply to debentures or other securities of the company.

6. Except as required by law, no person shall be recognized by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

6. (i) The company may exercise the powers of paying commissions conferred under the Act, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required under the Act and rules made thereunder.

(ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under the Act.

(iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

7. (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the 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 the holders of the shares of that class.

(ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply.

8. 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 paripassu therewith.

9. Subject to the provisions of the Act, any preference shares may be issued on the terms that they are to be redeemed or converted into equity shares on such terms and in such manner as the company before the issue of the shares may, determine.

10. The Board or the Company as the case may be, may, by way of right issue or preferential offer or private placement or any other manner, subject to and in accordance with Act and the Rules, issue further securities to;

(a) persons who, at the date of the offer, are holders of equity shares of the Company. Such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favor of other person or;

(b) employees under the employees' stock option or;

(c) any person whether or not those persons include the persons referred to in clause (a) or clause (b)above.

LIEN

11. (i) The company shall have a first and paramount lien-

(a) 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

(b) 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 the company:

Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

(ii) The 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.

12. The company may sell, in such manner as the Board thinks fit, any shares on which the company has alien:

Provided that no sale shall be made –

(a) unless a sum in respect of which the lien exists is presently payable; or

(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.

13. (i) To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof.

(ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

(iii) 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.

14. (i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

(ii) 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 the Company.

CALLS ON SHARES

15. (i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times: Provided that no call shall exceed one fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

(ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.

(iii) A call may be revoked or postponed at the discretion of the Board.

16. A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments.

17. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

18. (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine.

(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.

19. (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any

fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

(ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

20. The Board –

(a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

(b) upon all or any of the monies so advanced, may (until the same would, but for such advance,
become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.

TRANSFER OF SHARES

21. (i) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.

(ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

22. The Board may, subject to the right of appeal conferred by the Act decline to register -

(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or

(b) any transfer of shares on which the company has a lien.

23. The Board may decline to recognize any instrument of transfer unless -

(a) the instrument of transfer is in the form as prescribed in rules made under the Act;

(b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

(c) the instrument of transfer is in respect of only one class of shares.

24. On giving not less than seven days' previous notice in accordance with the Act and rules made there under, the registration of transfers may be suspended at such times and for such periods as the 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.

25. The provision of these Articles relating to transfer of shares shall mutatis mutandis apply to any other securities including debentures of the Company.

TRANSMISSION OF SHARES

26. (i) 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 recognized by the company as having any title to his interest in the shares.

(ii) Nothing in clause (i) 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.

27. (i) 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 the Board and subject as hereinafter provided, elect, either -

(a) to be registered himself as holder of the share; or

(b) to make such transfer of the share as the deceased or insolvent member could have made.

(ii) The 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.

28. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.

(ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

(iii) 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.

29. 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 the company:

Provided that the 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, the 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.

30. The 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 the 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 the company and the 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 the company, but the 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.

FOREFEITURE OF SHARES

31. If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.

32. 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.

33. 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 the Board to that effect.

34. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinksfit.

(ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

35. (i) 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 the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.

(ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.

36. (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the 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;

(ii) The 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 disposedof;

(iii) The transferee shall thereupon be registered as the holder of the share; and

(iv) 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.

37. 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 CAPITAL

38. Subject to provisions of the Act the 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.

39. Subject to the provisions of the Act , the 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.

40. Where shares are converted into stock,-

(a) 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 the 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.

(b) 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 the 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 the 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.

(c) such of the regulations of the 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.

41. The company may, subject to provisions of the Act, reduce in any manner and with, and subject to, any incident authorised and consent required by law,-

(a) its share capital;

(b) any capital redemption reserve account; or

(c) any share premium account.

(d) any other reserve in the nature of share capital

CAPITALISATION OF PROFITS

42. (i) The company in general meeting may, upon the recommendation of the Board, resolve -

(a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and

(b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards –

(a) paying up any amounts for the time being unpaid on any shares held by such members respectively;

(b) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;

(c) partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b);

(d) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;

(e) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

43. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall -

(a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid shares if any; and

(b) generally do all acts and things required to give effect thereto.

(ii) The Board shall have power -

(a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and

(b) to authorize any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalized, of the amount or any part of the amounts remaining unpaid on their existing shares;

(iii) Any agreement made under such authority shall be effective and binding on such members.

BUY-BACK OF SHARES

44. Notwithstanding anything contained in these articles but subject to the provisions of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

GENERAL MEETINGS

45. All General Meetings other than Annual General Meeting shall be called Extra ordinary General Meeting.

46. The Board may, whenever it thinks fit, call an Extra ordinary General Meeting.

PROCEEDINGS AT GENERAL MEETINGS

47. (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.

(ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in the Act.

48. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.

49. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.

50. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

51. On any business at any general meeting in the case of an equality of votes, whether on a show of hands, electronically or on a poll, the Chairman of the meeting shall have second or casting vote.

ADJOURNMENT OF MEETING

52 (i) The Chairperson may, suomoto and, in the absence of quorum shall adjourn the meeting from time to time and from place to place.

(ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

(v) Save as aforesaid, and as provided in the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

VOTING RIGHTS

53. Subject to any rights or restrictions for the time being attached to any class or classes of shares,-

   (a) on a show of hands, every member present in person shall have one vote; and

   (b) 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 of the company.

54. A member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.

55. (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

(ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

56. 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.

57. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

58. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.

59. (i) 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.

(ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

PROXY

60. The instrument appointing a proxy and the 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 the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or in the case of a poll, not less than 24 hours before the time appointed for taking of the poll; and in default the instrument of proxy shall not be treated as valid.

61. An instrument appointing a proxy shall be in the form as prescribed in the rules made under the Act.

62. 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 the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

BOARD OF DIRECTORS

63. (i) Until otherwise determined by a General Meeting of the Company and subject to the provisions of the Act, the number of Directors shall not be less than three nor more than fifteen.

(ii) The first Directors of the Company are:

1. Ameet H. Desai
2. Malay Mahadevia

64. Subject to provisions of the Act, the 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.

65. The same individual may, at the same time, be appointed as Chairman as well as Managing Director or Chief Executive Officer of the Company.

66. (i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

(ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them -

(a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or

(b) in connection with the business of the company.

67. The company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of under the Act) make and vary such regulations as it may thinks fit respecting the keeping of any such register.

68. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

69. Every director present at any meeting of the Board or of a committee thereof shall sign against his name in a book to be kept for that purpose.

70. (i) Subject to the provisions of the Act, the 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 the Board by the articles.

(ii) Such person shall hold office only up to the date of the next Annual General Meeting of the company but shall be eligible for appointment by the company as a Director at that meeting subject to the provisions of the Act.

71. (i) The 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.

(ii) 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.

(iii) If the term of office of the Original Director is determined before he return to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not the Alternate Director.

72. (i) If the office of any director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board.

(ii) 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.

NOMINEE DIRECTOR

73. Notwithstanding anything to the contrary contained in these Articles, so long as any moneys shall be owing by the Company to the any financial institutions, corporations, banks or such other financing entities, or so long as any of the aforesaid banks, financial institutions or such other financing entities hold any shares/debentures in the Company as a result of subscription or so long as any guarantee given by any of the aforesaid financial institutions or such other financing entities in respect of any financial obligation or commitment of the Company remains outstanding, then in that event any of the said financial institutions or such other financing entities shall, subject to an agreement in that behalf between it and the Company, have a right but not an obligation, to appoint one or more persons as Director(s) on the Board of Director as their nominee on the Board of Company. The aforesaid financial institutions or such other financing entities may at any time and from time to time remove the Nominee Director appointed by it and may in the event of such removal and also in case of the Nominee Director ceasing to hold office for any reason whatsoever including resignation or death, appoint other or others to fill up the vacancy. Such appointment or removal shall be made in writing by the relevant corporation and shall be delivered to the Company and the Company shall have no power to remove the Nominee Director from office. Each such Nominee Director shall be entitled to attend all General Meetings, Board Meetings and meetings of the Committee of which he is a member and he and the financial institutions or such other financing entities appointing him shall also be entitled to receive notice of all such meetings.

MANAGEMENT UNDER GENERAL CONTROL OF DIRECTORS

74. (i) The general control, management and supervision of the Company shall vest in the Board and the Board may exercise all such powers and do all such acts and things as the Company is by its Memorandum of Association or otherwise authorised except as are required to be exercised or done by the Company in General Meeting, but subject nevertheless to the provisions of the Act, and of these presents and to any regulations not being inconsistent with these presents from time to time made by the Company in General Meeting, provided that no such regulation shall invalidate any prior acts of the Directors which would have been valid if such regulation had not been made.

(ii) Subject to the provisions of the Act, the Director may borrow, raise and secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as they may think fit and in particular by the issue of bonds, perpetual or redeemable, debenture or debenture-stock or any mortgage or charge or other security on the undertaking of the whole of any part of the property of the Company (both present and future) including its uncalled capital for the time being.

(iii) Subject to the provisions of the Act, the Company may enter into any contract, arrangement or agreement in which a Director or Directors of the Company are, in any manner, interested.

(iv) A Director, Managing Director, officer or employee of the Company may be or become a

Director, of any company promoted by the Company or in which it may be interested as a vendor, member or otherwise, and no such Director shall be accountable for any benefits received as Director or member of such company except to the extent and under the circumstances as may be provided in the Act.

(v) If the Directors or any of them or any other person, shall become personally liable for the payment of sum primarily due from the Company, the Board may subject to the provisions of the Act execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or persons so becoming liable as aforesaid from any loss in respect of such liability.

(vi) A Director may resign from his office upon giving notice in writing to the Company.

PROCEEDINGS OF THE BOARD

75. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

(ii) A Director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

76. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

(ii) In case of an equality of votes, the Chairperson of the Board shall have a second or casting vote.

77. The continuing Directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.

78. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.

(ii) 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.

79. (i) The 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.

(ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

80. (i) A committee may elect a Chairperson of its meetings.

(ii) 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.

81. (i) A committee may meet and adjourn as it thinks fit.

(ii) 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.

82. All acts done in any meeting of the 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.

83. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, whether manually or electronically, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

MANAGING DIRECTORS

84. (i) Subject to the provisions of the Act and of these Articles the 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 the 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 the Board thinks fit, and the Board may by resolution vest in such Managing Director or Managing Directors/Whole Time Director(s), such of the power hereby vested in the 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 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.

(ii) 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.

(iii) Subject to the provisions of the 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 OR CHIEF FINANCIAL OFFICER

85. Subject to the provisions of the Act, -

(i) A Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer may be appointed by the 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;

(ii) A Director may be appointed as Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer.

A provision of the 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.

THE SEAL

86. (i) The Board shall provide for the safe custody of the seal.

(ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least one Director or of the Manager or secretary or such other person as the Board or Committee may appoint for the purpose; and the Director or Manager or Secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in his /her presence.

DIVIDENDS AND RESERVE

87. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board, but the Company in a general meeting may declare a lesser dividend.

88. Subject to the provisions of the Act, the 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 the company.

89. (i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the 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 the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, thinksfit.

(ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

(iii) 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.

92. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.

93. (i) 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.

(ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

(iii) Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for any payment which is lost or delayed. The 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.

94. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.

95. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

96. The waiver in whole or in part of any dividend on any share by any document shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.

97. No dividend shall bear interest against the company.

ACCOUNTS

98. (i) The books of accounts and books and papers of the Company, or any of them, shall be open to the inspection of Directors in accordance with the applicable provisions of the Act and the Rules.

(ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

WINDING UP

99. Subject to the applicable provisions of the Act and rules made thereunder -

(i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.

(ii) 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.

(iii) 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

100. Every officer of the company shall be indemnified out of the assets of the 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.

GENERAL POWER

101. Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is authorised by its Articles, then in that case this Article authorises and empowers the Company to have such rights, privileges or authorities and to carry such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

We, the several persons, whose names and addresses are subscribed are desirous of being formed into a Company in pursuance of this Memorandum of Association:

Sr. No.	**Name, addresses, descriptions, occupation and signatures of the subscribers**	**Name, Address, Signature Description and Occupation of the Common Witness**
1.	For and on behalf of M/s Mundra Port And Special Economic Zone Limited having its registered office at Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad - 380009 through its authorised person vide Board Resolution passed on 27th June 2007. Mrs. Dipti Y. Shah W/o Mr. Yogesh N. Shah residing at 601, Shailraj Tower, Nehru Park, Vastrapur, Ahmedabad – 380 015 Occupation : Service Sd/-	Common witness for all subscribers Kamlesh P. Bhagia S/o Prabhudas V. Bhagia K-11 Gangaram Flat, Dharamnagar, Sabarmati, Ahmedabad – 380 005. Company Secretary (Service) ACS No. 19198 Sd/-
2.	For and on behalf of Rajesh S. Adani S/o Shantilal B. Adani residing at 15 Suryaja Bunglow, Behind Sunrise Park, Near Amaltas Bunglow, Vastrapur, Ahmedabad – 380 054 through his Power of Attorney holder vide Special Power of Attorney dated July 12, 2007 Mrs. Dipti Y. Shah W/o Mr. Yogesh N. Shah residing at 601, Shailraj Tower, Nehru Park, Vastrapur, Ahmedabad – 380 015 Occupation : Service Sd/-	

Place: **Ahmedabad**

Dated: **12th July, 2007**

Annexure - 4

Original Power of Attorney of the signatory to commit the Applicant or its Promoters

EXTRACT OF MINUTES OF MEETING OF BOARD OF DIRECTORS OF MPSEZ UTILITIES LIMITED ("THE COMPANY") HELD ON WEDNESDAY, THE 27TH DAY OF APRIL, 2022 AT 11.00 A.M. ADANI CORPORATE HOUSE, SHANTIGRAM, S. G. HIGHWAY, AHMEDABAD - 382 421

"**RESOLVED THAT** the Company do make petition before Gujarat Electricity Regulatory Commission (GERC) for grant of distribution license in the area of Mundra Taluka, District Kachchh in the State of Gujarat.

RESOLVED FURTHER THAT Mr. Kandarp Patel or Mr. Mehul Rupera or Mr. Sanjay Kumar or Mr. Anil Kumar Rabadia, Authorised Signatories of the Company be and are hereby severally authorized to make petition before GERC and to sign, execute, file and institute all applications, affidavits, plaints, petitions, suits, appeals, written statements, rejoinders and such other documents and to do all necessary acts, deeds and things as may be required for obtaining the distribution license in the area of Mundra Taluka, District Kachchh in the State of Gujarat"

Certified True Copy
For, MPSEZ Utilities Limited

Rohit Soni
Director
DIN: 09336186

Annexure - 5

Income Tax Registration
(PAN Card of MUL)

आयकर विभाग
INCOME TAX DEPARTMENT

भारत सरकार
GOVT. OF INDIA

ई– स्थायी लेखा संख्या कार्ड
e - Permanent Account Number (e-PAN) Card

AAFCM1901Q

नाम / Name	MPSEZ UTILITIES LIMITED
निगमन/गठन की तारीख Date of Incorporation / Formation	13/07/2007

Signature valid

Digitally signed by Income Tax
PAN Services Unit, NSDL
eGovernance
Date: [illegible]0.08.09 [illegible]:47:28 IST
Reason: NSDL e-PAN Sign
Location: Mumbai

- ✓ Permanent Account Number (PAN) facilitate Income Tax Department linking of various documents, including payment of taxes, assessment, tax demand tax arrears, matching of information and easy maintenance & retrieval of electronic information etc. relating to a taxpayer.
  स्थायी लेखा संख्या (पैन) एक करदाता से संबंधित विभिन्न दस्तावेजों को जोड़ने में आयकर विभाग को सहायक होता है, जिसमें करों के भुगतान, आकलन, कर मांग, टैक्स बकाया, सूचना के मिलान और इलेक्ट्रॉनिक जानकारी का आसान रखरखाव व बहाली आदि भी शामिल है।
- ✓ Quoting of PAN is now mandatory for several transactions specified under Income Tax Act, 1961 (Refer Rule 114B of Income Tax Rules, 1962)
  आयकर अधिनियम, 1961 के तहत निर्दिष्ट कई लेनदेन के लिए स्थायी लेखा संख्या (पैन) का उल्लेख अब अनिवार्य है (आयकर नियम, 1962 के नियम 114B, का संदर्भ लें)
- ✓ Possessing or using more than one PAN is against the law & may attract penalty of upto Rs 10,000.
  एक से अधिक स्थायी लेखा संख्या (पैन) का रखना या उपयोग करना, कानून के विरुद्ध है और इसके लिए 10,000 रुपये तक का दंड लगाया जा सकता है।
- ✓ The PAN Card enclosed contains Enhanced QR Code which is readable by a specific Android Mobile App. Keyword to search this specific Mobile App on Google Play Store is "Enhanced QR Code Reader for PAN Card.
  संलग्न पैन कार्ड में एनहान्स क्यूआर कोड शामिल है जो एक विशिष्ट एंड्रॉइड मोबाइल ऐप द्वारा पठनीय है। Google Play Store पर इस विशिष्ट मोबाइल ऐप को खोजने के लिए कीवर्ड "Enhanced QR Code Reader for PAN Card" है।

Cut

आयकर विभाग
INCOME TAX DEPARTMENT

भारत सरकार
GOVT. OF INDIA

स्थायी लेखा संख्या कार्ड
Permanent Account Number Card

AAFCM1901Q

नाम / Name
MPSEZ UTILITIES LIMITED

निगमन/गठन की तारीख
Date of Incorporation/Formation
13/07/2007

इस कार्ड के खोने/पाने पर कृपया सूचित करें/लौटाएं:
आयकर पैन सेवा इकाई, एन एस डी एल
5 वी मंजिल, मंत्री स्टर्लिंग,
प्लॉट नं. 341, सर्वे नं. 997/8,
मॉडल कालोनी, दीप बंगला चौक के पास,
पुणे - 411 016.

If this card is lost / someone's lost card is found, please inform / return to :

Income Tax PAN Services Unit, NSDL
5th Floor, Mantri Sterling,
Plot No. 341, Survey No. 997/8,
Model Colony, Near Deep Bungalow Chowk,
Pune - 411 016.

Tel: 91-20-2721 8080, Fax: 91-20-2721 8081
e-mail: tininfo@nsdl.co.in

Electronically Issued and Digitally signed ePAN is a valid mode of issue of Permanent Account Number (PAN) post amendments in clause (c) in the Explanation occurring after sub-section (8) of Section 139A of Income Tax Act, 1961 and sub-rule (6) of Rule 114 of the Income Tax Rules, 1962. For more details, click here

Annexure - 6

Draft Licence

GUJARAT ELECTRICITY REGULATORY COMMISSION

GANDHINAGAR

DISTRIBUTION LICENCE

1. The Gujarat Electricity Regulatory Commission (hereinafter referred to as "the Commission"), in exercise of the powers conferred under Section 14 of the Electricity Act, 2003 and Section 20 of the Gujarat Electricity Industry (Reorganisation and Regulation) Act, 2003 (hereinafter referred to as "the Acts"), hereby grants this licence to MPSEZ Utilities Limited hereinafter referred to as the licensee) to distribute electricity in the area of distribution as specified below, subject to the provisions made in the Acts, the rules, general conditions of Distribution Licence specified under the Gujarat Electricity Regulatory Commission (Distribution Licence) Regulations, 2005 and other Regulations specified by the Commission (herein after referred to as "Regulations"), including statutory amendments, alterations, modifications, re-enactments thereof, which shall be read as part and parcel of this licence.

2. Area of Distribution

   The area of Distribution shall be the whole of the area of Mundra Taluka of Kachchh District in the State of Gujarat.

   - Towards the south of the proposed license area lies the seacoast & Gulf of Kachchh,
   - Mandvi taluka lies to the west
   - Bhuj taluka lies to the north and north west and
   - Anjar taluka lies to the east and northeast side of the proposed area

3. This licence is not transferable, except in accordance with the provisions of the Acts, the Rules and the Regulations.

4. (1) The licensee shall not without prior approval of the Commission –
   a. undertake any transaction to acquire by purchase or take over or otherwise, the utility of any other licensee; or
   b. merge its utility with utility of any other licensee;

   (2) The licensee shall not at any time assign its licence, or transfer its utility, or any part thereof, by sale, lease, exchange or otherwise without the prior approval of the Commission.

(3) Any agreement relating to any transaction referred to in sub clause (1) and sub clause (2) unless made with the approval of the Commission, shall be void.

5. The grant of this licence to the licensee shall not in any way hinder or restrict the right of the Commission to grant a licence to any other person within the same area for Distribution of electricity. The licensee shall not claim any exclusivity.

6. This licence shall commence on the date of its issue and unless revoked earlier, shall continue to be in force for a period of 25 (twenty-five) years.

7. The licensee may with prior intimation to the Commission, engage in any business for optimum utilisation of its assets.

8. The licensee shall pay licence fee as specified by the Commission.

9. The provisions contained in the Acts shall apply to the licensee with regard to revocation of licence and sale of his utility.

Sd/-

SECRETARY

GUJARAT ELECTRICITY REGULATORY COMMISSION

Annexure - 7

Details of any financial holdings of the Applicant in the power sector (Annual accounts of MUL and its holding company ATL)

G. K. Choksi & Co.
Chartered Accountants

'Madhuban', Nr. Madalpur Underbridge, Ellisbridge, Ahmedabad - 380 006.
Dial : 91 - 79 - 30012009, 9925174555-56 Fax : 91 - 79 - 26569929 E-mail : info@gkcco.com

Independent Auditor's Report

To the Members of MPSEZ Utilities Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **MPSEZ Utilities Private Limited ("the Company")** which comprises the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and the profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibility for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant for audit of financial statement under the provisions of the Act and Rules made thereunder, we have fulfilled our ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 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 is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Directors' Report including the Annexures to the Directors' report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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 Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for

M/S. G.K. CHOKSI & CO.

ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls..

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of cash flows dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended :
In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid the remuneration to its directors during the year.

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, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations as on Balance Sheet date.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure-B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

FOR G. K. CHOKSI & CO.
[Firm Registration No.101895W]
Chartered Accountants

SANDIP PARIKH
Partner
Mem. No. 040727

Place : Ahmedabad
Date : 29th April, 2019

Annexure -A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date)

Report on the Internal Financial Controls over financial reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **MPSEZ Utilities Private Limited** ("the Company") as of 31st March, 2019 in conjunction with our audit of financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting of the company.

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 authorizations 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 and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR G. K. CHOKSI & CO.
[Firm Registration No.101895W]
Chartered Accountants

SANDIP PARIKH
Partner
Mem. No. 040727

Place : Ahmedabad
Date : 29th April, 2019

ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date)

(i) In respect of the Company's fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and its situation.

(b) The Company has a regular programme for physical verification, in a phased periodic manner, which in our opinion is reasonable having regard to size of the Company and nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of the immovable property are held in the name of the Company. In respect of immovable properties of land that has been taken on lease and disclosed as fixed assets in the financial statements. the lease agreements are in the name of the Company.

(ii) As explained to us, the Management of the Company has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

(iii) According to information and explanation given to us the Company has not granted loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) In our opinion and according to information and explanations given to us. the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, Investment, guarantees and security.

(v) According to information and explanation given to us the Company has not accepted any deposits as defined in The Companies (Acceptance of Deposits) Rules 2014. Accordingly, reporting under Clause 3 (v) of the order is not applicable to the Company.

(vi) The Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013, for the business activities carried out by the Company and therefore, reporting under Clause 3(vi) of the Order is not applicable to the Company.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

(c) The Company has no disputed outstanding statutory dues as at 31st March, 2019.

(viii) In our opinion and according to information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not issued any debenture and has not taken any loan or borrowings from government and financial institutions.

(ix) In our opinion and according to information and explanations given to us the term loans have been applied by the Company during the year for the purpose for which they were raised.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid provided any managerial remuneration. Accordingly reporting under clause 3 (xi) of the order is not applicable to the Company.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly reporting under clause 3 (xii) of the order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable for all transactions with related parties and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and therefore, the reporting under clause 3 (xiv) of the order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into non-cash transactions with directors or directors of its holding ,subsidiary or associate Company or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore, the reporting under clause 3 (xvi) of the order is not applicable to the Company.

FOR G. K. CHOKSI & CO.
[Firm Registration No. 101895W]
Chartered Accountants

SANDIP PARIKH
Partner
Mem. No. 040727

Place : Ahmedabad
Date : 29th April, 2019

MPSEZ Utilities Private Limited
Balance Sheet as at March 2019

(Amount in ₹)

Particulars	Notes	As at March 2019	As at March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	75,36,72,659	61,24,78,620
Capital work-in-progress	3	1,59,19,847	15,62,32,812
Other financial assets	4	34,899	3,960
Deferred tax assets (net)	5	45,90,802	2,12,559
Income Tax Assets (net)	6	31,76,751	30,08,565
Other non-current assets	7	13,80,32,427	13,81,67,314
Total Non-Current Assets		**91,54,27,385**	**91,01,03,830**
Current assets			
Inventories	8	42,71,432	12,49,493
Financial assets			
Investments	9	12,304	57,71,161
Trade receivables	10	16,19,43,900	2,76,95,089
Cash and cash equivalents	11	64,23,428	11,34,34,590
Bank balance other than cash and cash equivalents	12	8,10,00,000	32,851
Loans	13	1,40,00,000	-
Other financial assets	4	12,88,078	5,64,400
Other current assets	7	15,07,04,754	14,04,80,771
Total Current Assets		**41,96,43,896**	**28,92,28,355**
Total Assets		1,33,50,71,281	1,19,93,32,185
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	14	13,13,50,000	13,13,50,000
Other equity	15	73,16,19,119	65,77,61,298
Total Equity		**86,29,69,119**	**78,91,11,298**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	16	-	10,00,000
Other financial liabilities	17	4,28,54,225	2,12,17,130
Provisions	18	19,20,186	14,41,873
Other non-current liabilities	19	32,61,30,226	27,78,97,741
Total Non-Current Liabilities		**37,09,04,637**	**30,15,56,744**
Current liabilities			
Financial liabilities			
Trade payables			
(a) Total outstanding dues of micro and small enterprises	20	21,600	-
(b) Total outstanding dues of creditors other than micro and small enterprises	20	8,24,28,983	6,52,94,646
Other current financial liabilities	17	1,42,17,781	2,16,98,595
Other current liabilities	19	30,42,723	1,46,98,795
Provisions	18	14,86,438	3,46,507
Provisions for current tax (net)	21	-	66,25,600
Total Current Liabilities		**10,11,97,525**	**10,86,64,143**
Total Liabilities		**47,21,02,162**	**41,02,20,887**
Total Equity and Liabilities		1,33,50,71,281	1,19,93,32,185
Summary of Significant accounting policies	2.3		

The accompanying notes form an integral part of financials statements
As per our report of even date

For G.K. CHOKSI & CO.
Firm Registration No.: 101895W
Chartered Accountants

SANDIP A. PARIKH
Partner
Membership No. 040727

Place: Ahmedabad
Date: April 29,2019

For and on behalf of Board of Directors of

Jai Khurana
Managing Director
DIN: 05140233

Ennarasu Karunesan
Director
DIN: 00200432

Manoj Chanduka
Chief Financial Officer

Paresh Patel
Company Secretary

Place: Ahmedabad
Date: April 29,2019

MPSEZ Utilities Private Limited
Statement of Changes in Equity for the year ended March 31, 2019

(Amount in ₹)

Particulars	Equity Share Capital	Other Equity		Total
		Share Premium	Reserves and Surplus Retained Earning	
Balance as on April 01, 2017	13,13,50,000	39,37,50,000	13,24,33,130	**65,75,33,130**
Profit for the year	-	-	13,15,16,210	**13,15,16,210**
Other Comprehensive Income	-	-	61,958	**61,958**
Total Comprehensive Income for the year	-	-	**13,15,78,168**	**13,15,78,168**
Balance as on March 31, 2018	13,13,50,000	39,37,50,000	26,40,11,298	**78,91,11,298**
Profit for the year	-	-	7,43,92,041	7,43,92,041
Other Comprehensive Income	-	-	(5,34,220)	(5,34,220)
Total Comprehensive Income for the year	-	-	**7,38,57,821**	**7,38,57,821**
Balance as on March 31, 2019	13,13,50,000	39,37,50,000	33,78,69,119	**86,29,69,119**

For G.K. CHOKSI & CO.
Firm Registration No.: 101895W
Chartered Accountants

SANDIP A. PARIKH
Partner
Membership No. 040727

For and on behalf of Board of Directors of

Jai Khurana
Managing Director
DIN: 05140233

Ennarasu Karunesan
Director
DIN: 00200432

Manoj Chanduka
Chief Financial Officer

Paresh Patel
Company Secretary

Place: Ahmedabad
Date: April 29,2019

Place: Ahmedabad
Date: April 29,2019

MPSEZ Utilities Private Limited
Statement of Cash Flows for the year ended March 31, 2019

adani
Ports and Logistics

(Amount in ₹)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Cash flow from operating activities		
Net profit before tax	8,85,65,521	12,74,16,606
Adjustments for:		
Depreciation and amortisation	4,74,62,902	4,56,54,486
Provision for doubtful debts	-	45,48,122
Amortisations of service line contibutions	(1,84,05,120)	(1,64,27,739)
Interest income	(14,29,065)	(4,72,49,863)
Net (gain)/loss on sale of current investments	(1,13,83,138)	(38,19,242)
Interest expense	13,06,409	4,94,73,715
Operating profit before working capital changes	10,61,17,509	15,95,96,085
Movements in working capital :		
(Increase) in trade receivables	(13,42,48,810)	(1,64,76,169)
(Increase) in inventories	(30,21,940)	(90,061)
Decrease in financial assets	70,331	1,22,000
(Increase) in other assets	(1,02,23,998)	(2,99,95,173)
Increase in trade payables	1,71,55,950	1,72,59,958
Increase in other liabilities	5,49,81,536	4,41,50,854
Increase in provisions	8,87,894	1,64,212
Increase/(Decrease) in financial liabilities	2,22,16,900	(34,59,644)
Cash generated from operations	5,39,35,372	17,12,72,061
Direct taxes paid (net of refunds)	(2,51,49,379)	(2,14,11,605)
Net cash flow from operating activities (A)	2,87,85,993	14,98,60,456
Cash flows from investing activities		
Purchase of Property plant & equipment (Including capital work in progress and capital advances)	(5,74,00,503)	(2,32,61,386)
Intercorporate deposit / loans given	(1,40,00,000)	(2,00,50,00,000)
Intercorporate deposit / loans received back	-	2,00,90,00,000
Interest received	6,04,117	4,73,31,529
Investment in Mutual Fund	(2,25,20,00,000)	(2,61,21,00,000)
Proceeds from sale of Mutual Fund	2,26,91,41,995	2,61,39,61,314
Deposit of margin money	(8,09,67,149)	(2,301)
Net cash inflow/ (outflow) investing activities (B)	(13,46,21,540)	2,99,29,156
Cash flows from financing activities		
Repayment of long-term borrowings	(10,00,000)	(10,00,000)
Proceeds from inter corporate deposit	7,18,00,000	2,66,77,50,000
Repayment of inter corporate deposit	(7,08,00,000)	(2,68,37,50,000)
Interest paid	(11,75,615)	(4,98,73,217)
Net cash inflow/ (outflow) financing activities (C)	(11,75,615)	(6,68,73,217)
Net increase / (decrease) in cash & cash equivalents (A + B + C)	(10,70,11,162)	11,29,16,395
Cash and cash equivalents at the beginning of the year	11,34,34,590	5,18,195
Cash and cash equivalents at the end of the year (Refer note-11)	64,23,428	11,34,34,590

Notes:

Component of cash and cash equivalents		
Balances with scheduled bank		
On current accounts	64,23,428	11,34,34,590
Total cash and cash equivalents	64,23,428	11,34,34,590
Margin money deposits (restricted cash)	8,10,00,000	32,851

Summary of significant accounting policies 2.3

Note :

(1) The Cash flow statement has been prepared under the indirect method as set out in the Ind AS 7 on Cash Flow Statements notified under section 133 of The Companies Act, 2013, read together with paragraph 7 of the Companies (Indian Accounting Standard) Rules, 2015 (as amended).

(2) Disclosure required under Para 44A as set out in Ind AS 7 on cash flow statements under Companies (Indian Accounting Standards) Rules, 2017 (as amended) is presented in note - 42

(3) The company considers interest paid to customers on security deposit as cash outflow from operating activity. Therefore, the interest paid under financing activities relates to interest paid on bank loan, interest paid on Inter Corporate Deposits and finance costs.

As per our report of even date

For G.K. CHOKSI & CO.
Firm Registration No.: 101895W
Chartered Accountants

SANDIP A. PARIKH
Partner
Membership No. 040727

For and on behalf of Board of Directors of

Jai Khurana
Managing Director
DIN: 05140233

Ennarasu Karunesan
Director
DIN: 00200432

Manoj Chanduka
Chief Financial Officer

Paresh Patel
Company Secretary

Place: Ahmedabad
Date: April 29,2019

Place: Ahmedabad
Date: April 29,2019

1 Corporate Information

The financial statements comprise financial statements of MPSEZ Utilities Private Limited (the "Company, MUPL") for the year ended March 31, 2019. The Company is a private limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. It is 100% Subsidiary company of Adani Ports and Special Economic Zone Limited (APSEZL), incorporated on 13th July, 2007 and a Co-developer to provide infrastructure facilities in Mundra Special Economic Zone. The main objective of the company is to provide facility of distribution of electricity, effluent & sewage in Mundra SEZ area, Kutch, Gujarat. The registered office of the Company is located at "Adani House", Mithakhali Six Roads, Navrangpura, Ahmedabad-380009, Gujarat, INDIA.

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

The Financial Statements have been prepared on the historical cost basis, except for certain financial instruments (including derivative instruments) which are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

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

The financial statements are presented in Indian rupees (INR) and all values are rounded to the nearest rupees, except numbers.

2.2 Significant accounting estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based on its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

The significant estimates and judgements are listed below:

(i) 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.

(ii) Judgements by actuaries in respect of discount rates, future salary increments, mortality rates and inflation rate used for computation of defined benefit liability.

(iii) Significant judgement is required in assessing at each reporting date whether there is indication that a financial asset may be impaired.

(iv) The impairment provision for financial assets are based on the assumptions about risk of default and expected loss rates. The company uses judgements in making the assumptions and selecting the inputs to the impairment calculations, based on the company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(v) Significant judgement is required in assessing at each reporting date whether there is indication that a non-financial asset may be impaired.

(vi) Significant judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

(VII) In estimating the fair value of financial assets and financial liabilities, the Company uses market observable data to the extent available. Where such Level 1 inputs are not available, the Company establishes appropriate valuation techniques and inputs to the model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments 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. Refer note 29 for further disclosures.

(VIII) Significant judgment has been exercised by management in recognition of MAT credit and estimating the period of its utilisation.

2.3 Summary of significant accounting policies

a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realised 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.

A liability is current when:

- It is expected to be settled in normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b) Inventories

Stores and Spares:

- Valued at lower of cost and net realizable value. Cost is determined on a moving weighted average basis.
- Stores and Spares which do not meet the definition of property, plant and equipment are accounted as inventories.
- Net Realizable Value in respect of store and spares is the estimated current procurement price in the ordinary course of the business.

c) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprises cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the company's cash management.

d) Property, plant and equipment (PPE)

Property, plant and equipment (including capital work in progress) is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.The cost comprises the purchase price, directly and indirectly attributable costs arising directly from the development of the asset / project to its working condition for the intended use. When significant parts of plant and equipment are required to be replaced at intervals, the company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Borrowing cost relating to acquisition / construction of property, plant & equipment which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as prescribed under rates as per Appendix III of CERC (Terms and conditions of Tariff) Regulations, 2009 which are in line with Annexure I of Gujarat Electricity Regulatory Commission (Multi Year Tariff) Regulation, 2011.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

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.

Leasehold land is amortized over the lease period.

For all periods up to and including the year ended 31 March 2017, 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. The company during the year has changed its presentation and elected to 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, consequent to change in presentation, of such service line contribution, the depreciation is presented on gross and amortisation of such line is being presented as other operating income.

e) Revenue recognition

IND AS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced IND AS 18 "Revenue", IND AS 11 "Construction Contracts" and related interpretations. Under IND AS 115, revenue is recognised when a customer obtains control of the goods or services. Revenue is recognised to the extent that it is probable that the Company will collect the consideration to which it is entitled. Determining the timing of the transfer of control – at a point in time or over time – requires judgement.

The Company 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. April 01, 2018). Accordingly, the information presented for March 31, 2018 has not been restated. The Company's current practises for recognising revenue have shown to comply in all material aspects with the concepts and principles encompassed by the new standard. Therefore, IND AS 115 did not have a significant impact on the Company's accounting for revenue recognition.

Revenue is recognised upon transfer of control of promised goods/ services to customers in an amount that reflects the consideration we expect to receive in exchange of those products and services.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

i) Sale of power

Revenue from power supply and distribution charges are accounted for on the basis of billings to consumers and in accordance with tariff orders issued by Gujarat Electricity Regulatory Commission. Revenue recognized in excess of billing has been reflected under "other current assets" as unbilled revenue.

Further, in view of the uncertainties involved in the recoverability, the quarterly Fuel and Power Purchase Price Adjustment ("FPPPA") claims are accounted for as and when allowed by the regulatory authorities and truing up adjustments claims are accounted for as and when billed to the consumers.

ii) 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.

iii) Dividend

Dividend is recognised when the share holders' right to receive payment is established on the balance sheet date.

iv) Interest Income

For all debt instruments measured either at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

f) Retirement and other employee benefits

All employee benefits payable wholly within 12 months rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short term compensated absences, performance incentives etc. and the expected cost of bonus, ex-gratia are recognised during the period in which the employee renders related service.

i) Provident fund

Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid.

ii) Gratuity fund

The company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Re-measurements, 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. Re-measurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

> Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
> Net interest expense or income.

iii) Compensated absences

Provision for compensated absence is determined using the projected unit credit method with actuarial valuation being carried out at each balance sheet date. Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short term employee benefits. The company treats accumulated leave expected to be carried forward beyond twelve months as long term compensated absence. The company measures the expected cost of such absence as the additional amount that is expected to pay as a result of the unused estimate that has accumulated at the reporting date.

g) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. 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.

h) Segment reporting

The Chief Operational Decision Maker monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

In accordance with the Ind-As 108 -" Operating Segments" , the Company has determined its business segment of distribution of electricity, effluent & sewage facilities. Since there are no other business segments in which the Company operates, there are no other primary reportable segments. Therefore, the segment revenue, results, segment assets, segment liabilities, total cost incurred to acquire segment assets, depreciation charge are all as is reflected in the financial statement.

i) Related party transactions

Disclosure of transactions with Related Parties, as required by Ind-AS 24 "Related Party Disclosures" has been set out in a separate note. Related parties as defined under Ind-AS 24 have been identified on the basis of representations made by key managerial personnel and information available with the Company.

j) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

The Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs . Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

The Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

k) Earnings per share

The Basic EPS has been computed by dividing the income available to equity shareholders by the weighted average number of equity shares outstanding during the accounting year. For the purpose of calculating diluted earning per share, the profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

l) Taxes

Tax expense comprises of current and deferred tax.

i) Current income tax

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted, at the reporting date.

Current income tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss (either in OCI or in equity). Current tax items are recognized 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 in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

ii) Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except

> When the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

> When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that affects neither the accounting profit nor taxable profit or loss.

The Company is eligible and claiming tax deductions available under section 80IA of the Income Tax Act, 1961 In view of Company availing tax deduction under Section 80IA of the Income Tax Act, 1961, deferred tax has been recognized in respect of temporary difference, which reverse after the tax holiday period in the year in which the temporary difference originate and no deferred tax (assets or liabilities) is recognized in respect of temporary difference which reverse during tax holiday period, to the extent such gross total income is subject to the deduction during the tax holiday period. For recognition of deferred tax, the temporary difference which originate first are considered to reverse first.

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 future taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. Deferred tax include MAT Credit Entitlement. The Company reviews the such tax credit asset at each reporting date and writes down the asset to the extent The Company does not have sufficient taxable temporary difference /convincing evidence that it will pay normal tax during the specified period. Deferred tax includes MAT tax credit.

m) Impairment of non-financial assets

The company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, The Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

M/S. G.K. CHOKSI & CO. CHARTERED ACCOUNTANTS

AHMEDABAD

The company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

Intangible assets with indefinite useful lives are tested for impairment annually as at year end at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

n) Provisions, contingent liabilities and contingent assets

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss.

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.

Contingent liabilities and contingent assets

Contingent liabilities is disclosed in the case of :

a present obligation arising from past events, when it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

a present obligation arising from past events, when no reliable estimate can be made.

a possible obligation arising from past events, unless the probability of outflow of resources is remote.

Commitments includes the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

o) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

> In the principal market for the asset or liability, or
> In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

> Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities .
> Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
> Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value.

External valuers are involved for valuation of unquoted financial assets and financial liabilities, such as contingent consideration. Involvement of external valuers is decided upon annually by the management. Selection criteria includes market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the company's accounting policies. For this analysis, the Company verifies the major inputs applied in the latest

The Company , in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable on a yearly basis.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

-Disclosures for valuation methods, significant estimates and assumptions (refer note 29 and 2.2)

-Quantitative disclosures of fair value measurement of financial instruments (refer note 29)

-Investment in unquoted equity shares (refer note 30)

p) 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. The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. It is broadly classified in financial assets, financial liabilities, derivatives & equity.

(A) Financial assets

Initial recognition and measurement

All financial assets, except investment in subsidiaries, associates and joint ventures are recognised initially at fair value.

M/s. G.K. Choksi & Co. Chartered Accountants

AHMEDABAD

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

> Debt instruments at amortised cost.
> Debt instruments at fair value through other comprehensive income (FVTOCI).
> Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL).
> Equity instruments measured at fair value through other comprehensive income (FVTOCI).

i) Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

(a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

(b)Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. 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 in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

ii) Debt instrument at FVTOCI

A debt instrument 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. The Company has not classified any financial asset into this category.

iii) Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

(B) Equity instruments

All equity instruments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, The Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

> The rights to receive cash flows from the asset have expired, or

> The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure ;

a) Financial assets that are debt instruments, and are measured at amortised cost e.g. loans, debt securities, deposits, trade receivables and bank balances.

b) Financial assets that are debt instruments and are measured as at other comprehensive income (FVTOCI).

c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18.

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

> Trade receivables or contract revenue receivables; and
> All lease receivables resulting from transactions within the scope of Ind AS 17.

Under the simplified approach the Company does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk said initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

M/s. G.K. Choksi & Co. Chartered Accountants

MPSEZ Utilities Private Limited Ahmedabad

ECL is the difference between all contracted cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original EIR. ECL impairment loss allowance (or reversal) recognised during the period is recognised as (expense) / income in the statement of profit and loss (P&L). This amount is reflected under the head " Other Expense" In the P&L.

Financial liabilities

Initial recognition and measurement

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.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, The Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at FVTPL.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the 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.

Derecognition

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

Reclassification of financial instruments

After initial recognition, no reclassification is made for financial assets which are equity instruments. 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. If the Company reclassifies the 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 the

Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(The space has been intentionally kept blank)

M/s. G.K. CHOKSI & CO. CHARTERED ACCOUNTANTS

AHMEDABAD

MPSEZ Utilities Private Limited

Notes to Financials statements for the year ended March 31, 2019

Note 3 - Property, plant and equipment

(Amount in ₹)

Particulars	Property, Plant and Equipment							
	Leasehold land	Building	Plant & machinery	Furniture & fixtures	Office equipments	Computer equipment	Vehicles	Total
Cost								
As at March 31, 2017	**5,39,72,951**	**2,10,38,381**	**64,62,51,237**	**1,27,169**	**-**	**86,816**	**1,90,193**	**72,16,66,747**
Additions	-	-	2,73,33,110	-	60,000	-	-	2,73,93,110
Deductions/Adjustment	-	-	-	-	-	-	-	-
As at March 31, 2018	**5,39,72,951**	**2,10,38,381**	**67,35,84,347**	**1,27,169**	**60,000**	**86,816**	**1,90,193**	**74,90,59,857**
Additions	3,37,28,590	96,71,855	14,44,94,100	-	-	7,62,396	-	18,86,56,940
Deductions/Adjustment	-	-	-	-	-	-	-	-
As at March 31, 2019	**8,77,01,541**	**3,07,10,236**	**81,80,78,447**	**1,27,169**	**60,000**	**8,49,212**	**1,90,193**	**93,77,16,797**
Depreciation and Impairment								
As at March 31, 2017	**42,58,500**	**16,65,417**	**8,49,06,191**	**19,474**	**-**	**35,339**	**41,830**	**9,09,26,751**
Depreciation for the year	21,29,250	8,32,709	4,26,44,517	10,143	3,797	13,155	20,915	4,56,54,486
Deductions/(Adjustment)	-	-	-	-	-	-	-	-
As at March 31, 2018	**63,87,750**	**24,98,126**	**12,75,50,708**	**29,617**	**3,797**	**48,494**	**62,745**	**13,65,81,237**
Depreciation for the year	22,77,398	8,62,800	4,42,64,040	10,143	3,798	23,808	20,915	4,74,62,902
Deductions/(Adjustment)	-	-	-	-	-	-	-	-
As at March 31, 2019	**86,65,148**	**33,60,926**	**17,18,14,748**	**39,760**	**7,595**	**72,302**	**83,660**	**18,40,44,139**
Net Block								
As at March 31, 2019	7,90,36,393	2,73,49,310	64,62,63,699	87,409	52,405	7,76,910	1,06,533	75,36,72,659
As at March 31, 2018	4,75,85,201	1,85,40,255	54,60,33,639	97,552	56,203	38,322	1,27,448	61,24,78,620

Note :-

For development of infrastructure at Mundra, the Company has been allotted land on lease basis by Adani Ports and Special Economic Zone Limited.

The Company has recorded rights in the Adani Ports and Special Economic Zone Limited Land at lower of fair value of leased land and present value of future annual lease payments, in the books. The same has been classified as leasehold land.

Capital Work-In-Progress :-

Particulars	Amount in ₹
Carring amount:	
As at March 2019	1,59,19,847
As at March 2018	15,62,32,812

Capital Working in progress consists of Project Material Items.

M/S. G.K. CHOKSI & CO. CHARTERED ACCOUNTANTS

AHMEDABAD

4 Other financial assets	March 31,2019 Amt in ₹	March 31,2018 Amt in ₹
Non-current		
Security and other deposits		
- Considered good	-	3,960
Bank Deposits having maturity over 12 months	34,899	-
	34,899	3,960
Current		
Security and other deposits		
- Considered good	1,83,130	74,400
Interest accrued on deposits and loans	8,24,948	-
Loans and advance to employees	2,80,000	4,90,000
	12,88,078	5,64,400

5 Deferred tax liabilities/Assets (net)	March 31,2019 Amt in ₹	March 31,2018 Amt in ₹
Deferred tax assets		
Tax credit entitlement under MAT	4,17,30,023	2,67,09,908
Deferred tax liability		
Deferred Tax Liabilities (net)	(3,71,39,221)	(2,64,97,350)
	45,90,802	2,12,559

6 Income tax assets (net)	March 31,2019 Amt in ₹	March 31,2018 Amt in ₹
Advance income tax (Net of provision for taxation)	31,76,751	30,08,565
	31,76,751	30,08,565

7 Other assets		March 31,2019 Amt in ₹	March 31,2018 Amt in ₹
Non Current			
Capital advances			
Unsecured, considered good (refer note 44)		13,80,32,427	13,81,67,314
		13,80,32,427	13,81,67,314
Current			
Advances recoverable in cash or in kind			
Unsecured, considered good		37,18,803	99,84,080
	(a)	37,18,803	99,84,080
Others (Unsecured)			
Prepaid Expenses		2,18,284	85,412
Accrued revenue		14,62,96,214	12,98,48,753
Balances with statutory/ Government authorities		4,71,453	3,98,160
Gratuity fund		-	1,64,366
	(b)	14,69,85,951	13,04,96,691
	(a + b)	15,07,04,754	14,04,80,771

8 Inventories	March 31,2019 Amt in ₹	March 31,2018 Amt in ₹
Stores and spares	42,71,432	12,49,493
	42,71,432	12,49,493

9 Investments	March 31, 2019 Amt in ₹	March 31, 2018 Amt in ₹
Current		
Financial Assets at fair value through Profit or Loss (FVTPL)		
Unquoted Mutual Funds		
4.78 Unit of ₹ 1000 each in Invesco India Liquid Fund - Direct Plan Growth (LF-D1) as on 31st March, 2019	12,304	-
22457.17 Unit of ₹ 100 each in ICICI Prudential Liquidity - Direct Plan Growth as on 31st March, 2018	-	57,71,161
	12,304	57,71,161

M/s. G.K. Choksi & Co. Chartered Accountants

10 Trade receivables

	March 31, 2019 Amt in ₹	March 31, 2018 Amt in ₹
Current		
Unsecured considered good unless stated otherwise		
Trade receivables	16,19,43,900	2,76,95,089
Considered doubtful	45,48,123	45,48,123
	16,64,92,023	3,22,43,212
Provision for doubtful debts	(45,48,123)	(45,48,123)
	16,19,43,900	**2,76,95,089**

Note :-
No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person; nor any trade or other receivable are due from firms or private companies in which any director is a partner, a director or a member.

11 Cash and cash equivalents

	March 31,2019 Amt in ₹	March 31,2018 Amt in ₹
Balances with banks:		
Balance in current account	64,23,428	11,34,34,590
	64,23,428	**11,34,34,590**

12 Bank balances other than cash and cash equivalents

	March 31,2019 Amt in ₹	March 31,2018 Amt in ₹
Margin money deposits	-	32,851
Deposits with original maturity over 3 months but less than 12 months	8,10,00,000	-
	8,10,00,000	**32,851**

13 Loans

	March 31,2019 Amt in ₹	March 31,2018 Amt in ₹
Current		
Loan to related parties (refer note 44)		
- Unsecured, considered good	1,40,00,000	-
	1,40,00,000	**-**

14 Equity Share capital

	March 31,2019 Amt in ₹	March 31,2018 Amt in ₹
Authorised		
1,31,50,000 Equity Shares of ₹ 10 each (1,31,50,000 Equity Shares of ₹ 10 each as at March 31, 2018)	13,15,00,000	13,15,00,000
	13,15,00,000	**13,15,00,000**
Issued, subscribed and fully paid up shares		
1,31,35,000 Equity Shares of ₹ 10 each (1,31,35,000 Equity Shares of ₹ 10 each as at March 31, 2018)	13,13,50,000	13,13,50,000
	13,13,50,000	**13,13,50,000**

Notes:

(a) Reconciliation of the number of the shares outstanding as the beginning and end of the year:

	March, 31, 2019		March, 31, 2018	
	Nos	**Amt in ₹**	**Nos**	**Nos**
At the beginning of the year	1,31,35,000	13,13,50,000	1,31,35,000	1,31,35,000
New Shares Issued during the year	-	-	-	-
At the end of the year	**1,31,35,000**	**13,13,50,000**	**1,31,35,000**	**1,31,35,000**

(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.

In the event of liquidation of the company, the holders of 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.

M/S. G.K. CHOKSI & CO. * CHARTERED ACCOUNTANTS *

AHMEDABAD

Out of equity shares issued by the company, shares held by its holding company is as below.

(c) Shares held by holding company	**March 31, 2019** **Amt in ₹**	**March 31, 2018** **Amt in ₹**
Adani Ports and Special Economic Zone Limited, the holding company and its nominee		
1,31,35,000 equity shares (Previous year 1,31,50,000) of ₹ 10 each	13,13,50,000	13,13,50,000

(d) Details of shareholder holding more than 5% shares in the Company

Equity shares of ₹ 10 each fully paid	**Particulars**	**March 31,2019**	**March 31,2018**
Adani Ports and Special Economic Zone Limited, the holding company and its nominee	Nos	1,31,35,000	1,31,35,000
	% Holding	100.00%	100.00%

15 Other equity

		March 31,2019 **Amt in ₹**	**March 31,2018** **Amt in ₹**
Share premium (refer note a)	(A)	39,37,50,000	39,37,50,000
Retained earnings (refer note b)			
Opening Balance		26,40,11,298	13,24,33,130
Add:- Profit during the year		7,43,92,041	13,15,16,210
Add:- Other comprehensive income		(5,34,220)	61,958
	(B)	33,78,69,119	26,40,11,298
	(A+B)	**73,16,19,119**	**65,77,61,298**

Note :-

a) Securities premium represents the premium received on issue of shares over and above the face value of equity shares. Such amount is available for utilisation in accordance with the provisions of the Companies Act, 2013.

b) The portion of profits not distributed among the shareholders are termed as retained earnings. The Company may utilize the retained earnings for making investments for future growth and expansion plans, for the purpose of generating higher returns for the shareholders or for any other specific purpose, as approved by the Board of Directors of the Company.

16 Borrowings

	March 31,2019 **Amt in ₹**	**March 31,2018** **Amt in ₹**
Non-Current		
Indian rupee loan from bank (refer notes a & b below)	-	10,00,000
	-	10,00,000
Current		
Current maturity of		
Inter Corporate Deposit (refer note (c) below and 44)	10,00,000	-
Indian rupee loan from bank	10,00,000	10,00,000
Total current borrowing	**20,00,000**	**10,00,000**
Less: Amount shown under "other current finanacial liabilities"	(20,00,000)	(10,00,000)
Net current borrowing	-	-
The above amount includes		
Secured borrowings	10,00,000	20,00,000
Unsecured borrowings	10,00,000	-
Total borrowings	**20,00,000**	**20,00,000**

Notes:

(a)The loan is repayable in equal quarterly instalment after moratorium of 3 months. Which is chargeable at interest rate of @ 1% above base rate. The Tenure of loan is up to 31st March 2020.

(b)Term Loan from Banks are secured by way of hypothecation of Plant and Machinery of Company's distribution Business.

(c)Unsecured loan is taken from Adani Port and Special Economic Zone Limited at 7.5% interest rate & is repayable by 11th July , 2019.

17 Other financial liabilities

	March 31,2019 **Amt in ₹**	**March 31,2018** **Amt in ₹**
Non-Current		
Deposit from customers	3,13,39,940	2,12,17,130
Obligations under lease land	1,15,14,285	-
	4,28,54,225	**2,12,17,130**
Current		
Current maturities of long term borrowings (refer note 16)	20,00,000	10,00,000
Interest accrued but not due on borrowings	12,08,048	10,77,254
Capital creditors, retention money and other payable	1,04,29,928	1,96,21,341
Obligations under lease land	5,79,805	-
	1,42,17,781	**2,16,98,595**

M/S. G.K. CHOKSI & CO. * CHARTERED ACCOUNTANTS *

AHMEDABAD

Notes:

a) Assets taken under finance leases –

The Company has entered into long term land lease agreement for land measuring 14,484 sq. mtrs. at multi product special economic zone at Mundra with Adani Ports and Special Economic Zone Limited for its electricity distribution facility. The annual lease rent is subject to revision every three years from September 01, 2019 by 20% escalation of the previous amount. The lease rent terms are for the period of 30 years. There is no contingent rent and no restrictions imposed by the lease arrangements. The Company has taken land on finance leases with lease terms of 26 years and 5 months. The Company has paid ₹ 2,16,34,500/- during the year towards upfront payment to lessor, whereas NIL amount has been paid towards minimum lease payment (MLP) because 1st lease rental payment start from the date of April 01, 2019. Future minimum rentals payable under finance leases as at 31 March are as follows:

Amt in ₹

Particulars	**As at March 31, 2019**	
	Minimum lease payments	**Present value of MLP**
Within one year	5,79,805	5,79,805
After one year but not later than five years	34,37,289	27,03,341
More than five years	3,23,97,888	88,04,333
Total minimum lease payables	**3,64,14,982**	**1,20,87,479**
Less: Amounts representing finance charges	(2,43,20,892)	-
Present value of minimum lease Payables	**1,20,94,090**	**1,20,87,479**

18 Net employee defined benefit liabilities	**March 31,2019 Amt in ₹**	**March 31,2018 Amt in ₹**
Non-current		
Provision for compensated absences	19,20,186	14,41,873
	19,20,186	**14,41,873**
Current		
Provision for gratuity (refer note 36)	9,19,541	-
Provision for compensated absences	5,66,897	3,46,507
	14,86,438	**3,46,507**

19 Other liabilities	**March 31,2019 Amt in ₹**	**March 31,2018 Amt in ₹**
Non Current		
Deferred revenue - service line contributions from customers	32,61,30,226	27,78,97,741
	32,61,30,226	**27,78,97,741**
Current		
Statutory liability	22,87,448	9,40,619
Advance from customers	7,55,275	1,37,58,176
	30,42,723	**1,46,98,795**

20 Trade payables	**March 31,2019 Amt in ₹**	**March 31,2018 Amt in ₹**
Total outstanding dues of micro and small enterprises (refer note -37)	21,600	-
Total outstanding dues other than micro and small enterprises	8,24,28,983	6,52,94,646
	8,24,50,583	**6,52,94,646**

21 Liabilities for current tax (net)	**March 31,2019 Amt in ₹**	**March 31,2018 Amt in ₹**
Provision for Income Tax (net of advance tax)	-	66,25,600
	-	**66,25,600**

(The space has been intentionally kept blank)

M/S. G.K. CHOKSI & CO. CHARTERED ACCOUNTANTS

AHMEDABAD

22 Revenue from operations

	March 31,2019 Amt in ₹	March 31,2018 Amt in ₹
Revenue from power sales	1,59,83,82,202	1,52,41,11,563
Less :- Discount for prompt payment of bills	(1,09,28,264)	-
Other revenue related to Power Business		
Meter rent	-	4,29,624
Miscellaneous income	94,93,638	70,92,743
Amortisations of service line contibutions	1,84,05,120	1,64,27,739
Income from common effluent treatment services	66,56,064	55,18,705
	1,62,20,08,760	**1,55,35,80,374**

23 Other income

	March 31,2019 Amt in ₹	March 31,2018 Amt in ₹
Interest income from		
Bank	12,62,626	2,301
Income tax refund	2,70,765	20,890
Group company	1,66,439	2,47,562
Others	-	4,70,00,000
Profit on sale of investment (Mutual fund)	1,13,83,138	38,19,242
Miscellaneous income	4,21,810	54,92,516
Total other income	**1,35,04,778**	**5,65,82,511**

24 Operating expenses

	March 31,2019 Amt in ₹	March 31,2018 Amt in ₹
Power purchase	1,33,58,00,479	1,25,65,34,794
Reactive energy charges	7,17,862	10,54,982
Unscheduled interchange charges	6,59,11,668	4,02,07,100
SLCD charges	1,50,549	3,10,598
	1,40,25,80,558	**1,29,81,07,474**

25 Employee benefit expense

	March 31,2019 Amt in ₹	March 31,2018 Amt in ₹
Salaries, wages and Bonus	2,85,01,073	1,91,23,110
Contribution to provident and other funds	12,33,646	9,99,537
Gratuity (refer note 36)	3,77,751	3,30,783
Staff welfare expenses	9,17,028	7,54,206
	3,10,29,498	**2,12,07,636**

26 Finance costs

	March 31,2019 Amt in ₹	March 31,2018 Amt in ₹
Interest on		
Security deposit	12,32,591	11,52,712
Borrowings	2,36,897	4,85,38,958
Others	5,77,053	5,40,371
Bank charges and commission	4,92,459	3,94,386
	25,39,000	**5,06,26,427**

(The space has been intentionally kept blank)

M/S. G.K. CHOKSI & CO. CHARTERED ACCOUNTANTS

27 Other expenses

	March 31,2019 Amt in ₹	March 31,2018 Amt in ₹
Infrastructure usage charges (refer note 1 below)	3,60,78,977	2,86,68,604
Lease rent (refer note 1 below)	18,91,560	18,19,984
Insurance (net of reimbursement)	8,751	3,718
Advertisement and publicity	5,40,453	2,57,806
Repairs & maintenance		
Plant and machinery	40,69,423	55,82,327
Building	1,05,819	6,998
Others	16,01,998	11,83,052
Stores, spares and consumables	57,95,235	1,05,18,651
Legal and professional expenses	58,98,234	80,01,472
Payment to auditors (refer note 2 below)	2,10,000	1,80,000
Security expenses	16,06,851	19,01,048
Communication expenses	3,33,737	1,49,418
Electric power expenses	4,14,282	81,520
Travelling and conveyance	13,18,858	10,94,496
Directors sitting fee	-	1,33,501
Charity & donations (refer note 3 below)	9,00,000	10,50,000
Provision for doubtful debts	-	45,48,122
Miscellaneous expenses	25,61,881	19,69,538
	6,33,36,059	**6,71,50,256**

Note : 1

Assets taken under Operating Leases –

An infrastructure area and common effluent plant for providing power and effluent treatment facility respectively, have been obtained on operating leases. There are no sub-leases and leases are cancellable in nature. There are no restrictions imposed by the lease arrangements. There is no contingent rent in the lease agreements. Expenses of ₹ 3,79,70,537/- (previous year ₹ 3,04,88,588/-) incurred under such leases have been expensed in the statement of profit & loss.

Note: 2

Payment to Auditor

	March 31,2019 Amt in ₹	March 31,2018 Amt in ₹
As Auditor:		
Audit fee	1,50,000	1,50,000
Other Services	60,000	30,000
	2,10,000	1,80,000

Note: 3

Details of CSR Expenses

	March 31,2019 Amt in ₹	March 31,2018 Amt in ₹
Gross amount required to be spent by the company during the year	8,64,098	10,47,573
Amount spent during the year ending March 31, 2019		
(i) Construction/acquisition of any Asset	-	-
(ii) On Purpose other than (i) above	9,00,000	10,50,000

The company has paid ₹ 9.00 lacs (previous year ₹ 10.50 lacs) towards corporate social responsibilities to Adani Foundation.

28 Income Tax

(a) 'The major components of income tax expenses for the years ended March 31, 2019 and March 31, 2018

Statement of profit and loss	March 31,2019 Amt in ₹	March 31,2018 Amt in ₹
Current income tax:		
Current income tax charge	1,83,55,594	2,81,85,880
Adjustment in respect of current income tax of previous years	-	(1,32,026)
Deferred tax:		
Relating to origination and reversal of temporary differences	1,08,38,001	(54,43,550)
Tax (credit) under minimum alternate tax (MAT)	(1,50,20,115)	(2,67,09,908)
Income tax expenses reported in statement of profit and loss	**1,41,73,480**	**(40,99,604)**

(The space has been intentionally kept blank)

(b) 'OCI section

Deferred tax related to items recognised in OCI during the year	March 31,2019 Amt in ₹	March 31,2018 Amt in ₹
Net loss/(gain) on remeasurements of defined benefit plans	(1,96,130)	25,307

G.K. CHOKSI & CO.

Income tax charged to OCI	(1,96,130)	25,307

(c) Reconciliation of tax expense and the accounting profit multiplied by applicable tax rate for March 31, 2019 and March 31, 2018

	March 31, 2019 Amt In ₹	March 31, 2018 Amt In ₹
Accounting profit before taxation	8,85,65,521	12,74,16,606
Applicable tax rate	27.82%	30.90%
Computed tax expenses	2,46,38,928	3,93,71,731
Tax on reduction in 80IA reversal	(2,28,72,437)	(4,24,75,832)
Reversal during tax holiday period	1,22,31,483	-
Temporary differences reversed in tax holiday period	3,32,519	7,39,598
Non-deductible expenses	7,58,053	7,93,101
Effect of change in tax rates	-	(15,89,841)
Adjustment of earlier years	-	(1,32,026)
Others	(9,15,067)	(8,06,335)
Income tax expenses charged to profit and loss	1,41,73,480	(40,99,604)

(d) Deferred tax relates to following

Particulars	Balance Sheet		Profit and Loss	
	March 31, 2019 Amt in ₹	March 31, 2018 Amt In ₹	March 31, 2019 Amt in ₹	March 31, 2018 Amt in ₹
Temporary difference in value of Property, Plant and Equipment as per books of accounts and tax	(4,99,46,011)	(5,27,05,636)	(27,59,625)	1,21,13,607
Reversal of 80IA period	1,28,06,790	2,62,08,286	1,34,01,496	(58,10,298)
Defined benefit liability	-	-	-	(8,85,066)
Deferred tax liabilities	(3,71,39,221)	(2,64,97,350)	1,06,41,871	54,18,243

(e) Reconciliation of deferred tax liabilities	March 31, 2018 Amt in ₹	March 31, 2018 Amt in ₹
Opening balance as at 1st April	(2,64,97,350)	(3,19,15,593)
Tax expense during the period recognised in profit and loss	1,08,38,001	(54,43,550)
Tax expense during the period recognised in OCI	(1,96,130)	25,307
Closing balance as at 31st March	(3,71,39,221)	(2,64,97,350)

29 Fair Value Measurement

a) The carrying value of financial instruments by categories as of March 31, 2019 is as follows :

Particulars	Fair Value through other Comprehensive Income	Fair Value through Profit & Loss	Derivative Instruments not in hedging relationship	Amortised Cost	Amortised Cost
Financial Asset					
Investments	-	12,304	-	-	12,304
Trade receivables	-	-	-	16,19,43,900	16,19,43,900
Cash and Cash Equivalents	-	-	-	64,23,428	64,23,428
Other Bank balance	-	-	-	8,10,00,000	8,10,00,000
Loans	-	-	-	1,40,00,000	1,40,00,000
Others financial assets	-	-	-	13,22,977	13,22,977
	-	12,304	-	26,46,90,305	26,47,02,609
Financial Liabilities					
Borrowings	-	-	-	20,00,000	20,00,000
Trade payables	-	-	-	8,24,50,583	8,24,50,583
Other financial liabilities		-	-	5,50,72,006	5,50,72,006
	-	-	-	13,95,22,588	13,95,22,588

M/s. G.K. CHOKSI & CO. * CHARTERED ACCOUNTANTS *

b) The carrying value of financial instruments by categories as of March 31, 2018 is as follows :

Particulars	Fair Value through other Comprehensive income	Fair Value through Profit & Loss	Derivative instruments not in hedging relationship	Amortised Cost	Amortised Cost
Financial Asset					
Investments	-	57,71,161	-	-	57,71,161
Trade receivables	-	-	-	2,76,95,089	2,76,95,089
Cash and Cash Equivalents	-	-	-	11,34,34,590	11,34,34,590
Other Bank balance	-	-	-	32,851	32,851
Others financial assets	-	-	-	5,68,360	5,68,360
	-	57,71,161	-	14,17,30,890	14,75,02,051
Financial Liabilities					
Borrowings	-	-	-	20,00,000	20,00,000
Trade payables	-	-	-	6,52,94,646	6,52,94,646
Other financial liabilities	-	-	-	4,19,15,725	4,19,15,725
	-	-	-	10,92,10,371	10,92,10,371

c) The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

30 Fair Value hierarchy :

Particulars	As at March 31, 2019			
	Level 1	Level 2	Level 3	Level 3
Assets				
Investment (Unquoted Mutual Fund)	-	12,304	-	-
Total	-	12,304	-	-

Particulars	As at March 31, 2018			
	Level 1	Level 2	Level 3	Level 3
Assets				
Investment (Unquoted Mutual Fund)	-	57,71,161	-	-
Total	-	57,71,161	-	-

31 Financial risk objective and policies

The Company's principal financial liabilities, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations/projects and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

In the ordinary course of business, the Company is mainly exposed to risks resulting from interest rate movements (interest rate risk) collectively referred as market risk, credit risk, liquidity risk and other price risks such as equity price risk. The Company's senior management oversees the management of these risks.

The Company's risk management activities are subject to the management, direction and control of Central Treasury Team of the Adani Group under the framework of Risk Management Policy for Currency and Interest rate risk as approved by the Board of Directors of the Company. The Company's central treasury team ensures appropriate financial risk governance framework for the Company through appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken.

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings.

The sensitivity analysis in the following sections relate to the position as at March 31, 2019 and March 31, 2018.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant as at March 31, 2019.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2019 and March 31, 2018.

M/s. G.K. Choksi & Co. * Chartered Accountants *

i) **Interest rate risk**

The Company is exposed to changes in market interest rates due to financing, investing and cash management activities. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Interest rate sensitivity

The following paragraph demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

If interest rates had been 50 basis points higher / lower and all other variables were held constant, the Company's profit for the year ended March 31, 2019 would decrease / increase by ₹. 5,000/- (previous year ₹. 10,000/-). This is mainly attributable to interest rates on variable rate long term borrowings.

b) **Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.The Company is exposed to credit risk from its operating activities (primarily trade receivables and other financial assets) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive evaluation and individual credit limits are defined in accordance with this assessment.

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Concentrations of Credit Risk form part of Credit Risk

Considering that the Company provides transmission and distribution of electricity serv.ices at SEZ area located at mundra, the Company is significantly depend on transmission and distribution lines provided to customers. Out of total revenue, the Company earns of ₹ 1,20,49,75,682/- from top six customers during the year ended March 31 ,2019 which constitute 74.94%. A loss of these customers could adversely affect the operating result or cashflow of the Company.

c) **Liquidity risk**

Liquidity risk is the risk that the company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial assets. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

Maturities of financial liability

The table below analysis the Company's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at March 31, 2019 Amt in ₹

Particulars	**Refer Note**	**On Demand**	**Within 1 year**	**Over 1 year within 5 years**	**Over 5 years**	**Total**
Borrowings	16	-	20,00,000	-	-	20,00,000
Other financial liabilities	17	-	1,22,24,392	3,40,43,281	88,04,333	5,50,72,006
Trade payables	20	-	8,24,50,583	-	-	8,24,50,583
		-	**9,66,74,975**	**3,40,43,281**	**88,04,333**	**13,95,22,588**

As at March 31, 2018 Amt in ₹

Particulars	**Refer Note**	**On Demand**	**Within 1 year**	**Over 1 year within 5 years**	**Over 5 years**	**Total**
Borrowings	16	-	10,00,000	10,00,000	-	20,00,000
Other financial liabilities	17	-	2,06,98,595	2,12,17,130	-	4,19,15,725
Trade payables	20	-	6,52,94,646	-	-	6,52,94,646
		-	**8,69,93,241**	**2,22,17,130**	-	**10,92,10,371**

32 Earnings per share

	March 31,2019 Amt in ₹	**March 31,2018** Amt in ₹
Profit attributable to equity shareholders of the company	7,43,92,041	13,15,16,210
Weighted average number of equity shares	1,31,35,000	1,31,35,000
Face value per share (in ₹)	10	10
Basic and Diluted earning per share (in ₹)	5.66	10.01

M/s. G.K. CHOKSI & CO. * CHARTERED ACCOUNTANTS *

MPSEZ Utilities Private Limited AHMEDABAD

33 Capital commitments

Particulars	March 31,2019	March 31,2018
Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for	3,52,36,835	3,40,58,307

34 Contingent liabilities not provided for

Particulars	March 31,2019	March 31,2018
Contingent liabilities not provided for	Nil	Nil

35 Segment information

The Company is primarily engaged in the business of providing facility of distribution of electricity, effluent & sewage facilities . The entire business has been considered as a single segment in terms of Ind AS - 108 on Segment Reporting issued by the Institute of Chartered Accountants of India. There being no business outside India, the entire business has been considered as single geographic Considering the inter relationship of various activities of business, the chief operational decision maker monitors the operating results of business segment on over all basis. Segment performance is evaluated based on profit and loss and is measured consistently with profit or loss in financial statement.

36 Disclosures as required by Ind AS - 19 Employee Benefits

The company has recognised, in the Statement of Profit and Loss for the current year, an amount of ₹ 12,11,828/- (Previous year ₹ 9,97,234/-) as expenses under the following defined contribution plan.

The company has a defined gratuity plan. Under the plan every employee who has completed at least five year of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Company of India (LIC) in form of a qualifying insurance policy.
The following tables summarise the component of the net benefits expense recognised in the statement of profit and loss account and the funded status and amounts recognized in the balance sheet for the respective plan.

Gratuity

a)Changes in present value of the defined benefit obligation are as follows:

Particulars	March 31,2019	March 31,2018
Present value of the defined benefit obligation at the beginning of the year	23,56,679	20,53,576
Current service cost	3,92,448	3,34,433
Interest cost	1,81,804	1,55,960
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in demographic assumptions	(1,01,682)	-
- change in financial assumptions	6,52,748	(77,255)
- experience variance	1,79,284	(35,328)
Benefits paid	-	-
Acquisition adjustment	(24,194)	(74,707)
Present value of the defined benefit obligation at the end of the year	**36,37,087**	**23,56,679**

b)Changes in fair value of plan assets are as follows:

Particulars	March 31,2019	March 31,2018
Fair value of plan assets at the beginning of the year	25,21,045	21,01,634
Investment income	1,96,501	1,59,610
Contributions by employer	-	2,85,120
Benefits paid	-	-
Return on plan assets , excluding amount recognised in net interest expense	-	(25,319)
Acquisition adjustment	-	-
Fair value of plan assets at the end of the year	**27,17,546**	**25,21,045**

c) Net asset/(liability) recognised in the balance sheet

Contribution to	March 31,2019	March 31,2018
Present value of the defined benefit obligation at the end of the year	36,37,087	23,56,679
Fair value of plan assets at the end of the year	27,17,546	25,21,045
Amount recognised in the balance sheet	(9,19,541)	1,64,366
Net (liability)/asset - Current	-	1,64,366
Net (liability)/asset - Non-current	(9,19,541)	-

d) Expense recognised in the statement of profit and loss for the year

Particulars	March 31,2019	March 31,2018
Current service cost	3,92,448	3,34,433
Interest cost on benefit obligation	(14,697)	(3,650)
Total Expense included in employee benefits expense	**3,77,751**	**3,30,783**

M/S. G. K. CHOKSI & CO. CHARTERED ACCOUNTANTS

AHMEDABAD

e) Recognised in the other comprehensive income for the year

Particulars	March 31,2019	March 31,2018
Actuarial (gain)/losses arising from		
- change in demographic assumptions	(1,01,682)	-
- change in financial assumptions	6,52,748	(77,255)
- experience variance	1,79,284	(35,328)
Return on plan assets, excluding amount recognised in net interest expense	-	25,319
Recognised in comprehensive income	**7,30,350**	**(87,264)**

f) Maturity profile of Defined Benefit Obligation

Particulars	March 31,2019	March 31,2018
Weighted average duration (based on discounted cash flows)	10 Years	17 Years

g) Quantitative sensitivity analysis for significant assumption is as below

Increase/(decrease) on present value of defined benefits obligation at the end of the year

Particulars	March 31, 2019		March 31, 2018	
Assumptions	Discount rate			
Sensitivity level	1% Increase	1% Decrease	1% Increase	1% Decrease
Impact on defined benefit obligations	Amt in ₹	Amt in ₹	Amt in ₹	Amt in ₹
	(3,13,615)	3,63,079	(3,43,829)	4,18,623

Particulars	March 31, 2019		March 31, 2018	
Assumptions	Salary Growth rate			
Sensitivity level	1% Increase	1% Decrease	1% Increase	1% Decrease
Impact on defined benefit obligations	Amt in ₹	Amt in ₹	Amt in ₹	Amt in ₹
	3,58,063	(3,15,250)	4,17,768	(3,49,112)

Particulars	March 31, 2019		March 31, 2018	
Assumptions	Attrition rate			
Sensitivity level	0.5% Increase	0.5% Decrease	0.5% Increase	0.5% Decrease
Impact on defined benefit obligations	Amt in ₹	Amt in ₹	Amt in ₹	Amt in ₹
	(36,880)	53,628	10,340	(11,359)

Particulars	March 31, 2019		March 31, 2018	
Assumptions	Mortality rate			
Sensitivity level	0.1% Increase	0.1% Decrease	0.1% Increase	0.1% Decrease
Impact on defined benefit obligations	Amt in ₹	Amt in ₹	Amt in ₹	Amt in ₹
	(247)	247	920	(924)

Sensitivity Analysis Method

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.

h)The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	March 31,2019	March 31,2018
Investments with insurer	100%	100%

The company expects to contribute ₹ 13,82,749/- to gratuity fund in the next year. (Previous year ₹ 1,80,197/-)

* As the gratuity fund is managed by life insurance company, details of fund invested by insurer are not available with company.

i)The principle assumptions used in determining gratuity obligations are as follows:

Particulars	March 31,2019	March 31,2018
Discount rate	7.60%	7.80%
Rate of escalation in salary (per annum)	7.00%	7.00%
Mortality	Indian assured mortality table 2006-08	Indian assured mortality table 2006-08
Attrition rate	10% for 4 years & below and 1% thereafter	7.75% for 4 years & below and 7.75% thereafter

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been significant change in expected rate of return on assets due to change in the market scenario.

M/S. G.K. CHOKSI & CO. CHARTERED ACCOUNTANTS

j) The expected cash flows of defined benefit obligation over the future periods (valued on undiscounted basis)

Amt in ₹

Particulars	March 31, 2019	March 31, 2018
Within the next 12 months (next annual reporting period)	2,91,078	32,719
Between 2 and 5 years	11,93,051	1,64,811
Between 6 and 10 years	19,32,046	10,55,346
Beyond 10 years	52,48,292	85,85,867
Total Expected Payments	**86,64,467**	**98,38,743**

37 Details as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act).This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

Amt in ₹

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year.		
Principal	21,600/-	-
Interest	Nil	Nil
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 a long with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	Nil	Nil

38 **Capital management**

For the purposes of the company's capital management, capital includes issued capital and all other equity reserves. The primary objective of the company's capital management is to maximize shareholder value. The company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The company monitors capital using gearing ratio, which is net debt (total debt less cash and cash equivalents) divided by total capital plus net debt.

Amt in ₹

Particulars	Refer note	As at March 31, 2019	As at March 31, 2018
Total borrowings	16	20,00,000	20,00,000
Less: Cash and cash equivalents	11	64,23,428	11,34,34,590
Net Debt (A)		(44,23,428)	(11,14,34,590)
Total Equity (B)	14 & 15	86,29,69,119	78,91,11,298
Total Equity and Net Debt (C = A + B)		85,85,45,691	67,76,76,708
Gearing ratio		-0.52%	-16.44%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31,2018

M/s. G.K. Choksi & Co. Chartered Accountants

39 The company is engaged in the business of distribution of power. Quantitative information in respect of purchase and sale of power are as under.

Particulars	**2018-19 (Unit In Mus)**	**2017-18 (Unit In Mus)**
Unit Purchased - Schedule	278.89	270.44
Unscheduled Interchange (UI)	31.45	23.50
Third Party Sale		-
Total Units Purchased	310.34	293.94
Unit Sold	299.61	283.98
Transmission & Distribution Losses	10.73	9.96
Transmission & Distribution Losses (%)	3.46%	3.39%

40 *As per directives of Gujarat Electricity Regulatory Commission with respect to Renewable Purchase Obligation (RPO) to be adhered by the company during the current financial year, during the year 2017-18, company has made a provision for the RPO obligation of Rs. 103.72 lacs. The cost of such obligation is included in Cost of Power Purchased In Note - 24.

41 Details of Income & Expenses for the Common Effluent Treatment (CETP) Service rendered during the year are as under

Particulars	**For the year ended March 31, 2019 Amt in ₹**	**For the year ended March 31, 2018 Amt in ₹**
Income	66,61,423	55,18,706
Expenses		
Employee benefits expenses	10,60,465	7,83,477
Electricity Expense	8,66,844	9,36,944
Other Expense	40,47,192	26,47,922
Total Expenditure	**6,86,923**	**11,50,363**

42 Disclosure under Para 44A as set out in Ind AS 7 on cash flow statements under Companies (Indian Accounting Standards) Rules, 2017

Amt in ₹

Particulars of Liabilities arising from Financing activity	**Note No.**	**As at March 31, 2018**	**Cash flows**	**Non Cash Changes**		**As at March 31, 2019**
				Effect due to changes in foreign exchange rates	**Other changes**	
Long term borrowing - Rupee term loan	16	20,00,000	(10,00,000)	-	-	10,00,000
Long term borrowing - Inter Corporate Deposits	16	-	10,00,000	-	-	10,00,000
Interest accrued but not due	17	10,77,254	(11,75,615)	-	13,06,409	12,08,048
Total		**30,77,254**	**(11,75,615)**	-	13,06,409	**32,08,048**

43 Standard issued but not effective:

The amendments to standards and new standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective. The Ministry of Corporate Affairs("MCA") has issued new standards / certain amendments to Ind AS through (Indian Accounting Standards) Amendment Rules, 2019. These amendments maintain convergence with IFRS by incorporating amendments Issued by International Accounting Standards Board(IASB) into Ind AS and has amended / issued the following standards:
1. Ind AS 116 - Lease
2. Ind AS 12 - Income Taxes (Amended)
3. Ind AS 19 - Plan Amendment, Curtailment or Settlement (Amended)
4. Ind AS 23 - Borrowing Cost (Amended)
5. Ind AS 109 - Prepayment Features with Negative Compensation (Amended)
6. Ind AS 28 – Long-term Interests in Associates and Joint Ventures (Amended)
7. Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements (Amended)

These amendments / new issued standards are effective for annual periods beginning on or after April 01, 2019. Application of these amendments / new issued standards will not have any recognition and measurement impact. However, it will require additional disclosure in the financial statements.

The Company is assessing the potential effect of the amendments / new issued standards on its financial statements. The Company will adopt these amendments, if applicable, from their applicability date.

MPSEZ UTILITIES PRIVATE LIMITED

44 Related Parties transactions for the year ended March 31, 2019

Holding company	Adani Ports and Special Economic Zone Limited
Fellow subsidiary	Mundra SEZ Textile and Apparel Park Private Limited
	Adani Logistics Limited
Entities and venturers over which shareholders of the company are able to exercise significant influence through voting power	Adani Mundra SEZ Infrastructure Private Limited
Entities over which key management personnel,directors and their relatives are able to exercise significant influence	Adani Foundation
	Adani Skill Development Centre Private Limited
Key management personnel	Mr. Amit Uplenchwar (upto 12/01/2018), Director
	Mr. Ennarasu Karunesan , Director
	Mr. Mukesh Saxena (upto 04/08/2018) , Director
	Mr. Pritpal Singh (w.e.f 03/08/2018), Director
	Mr. Jai Singh Khurana, Managing Director
	Mr. Paresh Pate, Company Secretary
	Mr. Manoj Chanuka, Chief Financial Officer

Detail of Related Party Transactions for the year ended March 31, 2019

Amt in ₹

Category	**Name of Related Party**	**March 31, 2019**	**March 31, 2018**
Rendering of Services(including reimbursement)	Mundra SEZ Textile and Apparel Park Private Limited	1,25,397	1,44,942
Services Availed (incl reimb of expenses)	Adani Ports and Special Economic Zone Limited	1,79,612	-
	Mundra SEZ Textile and Apparel Park Private Limited	3,61,560	-
Interest Expense	Adani Ports and Special Economic Zone Limited	68,219	4,82,50,025
Interest Income	Adani Skill Development Centre Private Limited	1,66,439	2,47,562
Director Sitting Fees	Jay Shah	-	83,298
	Krishnankumar Chhandulal Mishra	-	65,203
Donation	Adani Foundation	9,00,000	10,50,000
Loan taken	Adani Ports and Special Economic Zone Limited	7,18,00,000	2,66,77,50,000
Loan Repaid	Adani Ports and Special Economic Zone Limited	7,08,00,000	2,68,37,50,000
Loan received back	Adani Skill Development Centre Private Limited	-	90,00,000
Loan Given	Adani Skill Development Centre Private Limited	1,40,00,000	50,00,000

Closing Balances

Amt in ₹

Category	**Name of the Related Party**	**March 31, 2019**	**March 31, 2018**
Loans and Advances	Adani Ports and Special Economic Zone Limited	67,230	78,360
	Adani Logistics Limited	-	60,000
	Adani Skill Development Centre Private Limited	1,40,00,000	-
Trade Payables	Mundra SEZ Textile and Apparel Park Private Limited	1,03,189	-
	Adani Ports and Special Economic Zone Limited	13,425	-
Capital Advances	Adani Mundra SEZ Infrastructure Private Limited	13,80,00,000	13,80,00,000
Inter Corporate Deposit (taken)	Adani Ports and Special Economic Zone Limited	10,00,000	-

Note :-

Public utilities as covered under Ind AS - 24 "Related Party Disclosures", are not related parties. Hence transactions and outstanding balances related with power business , have not been reported as related party transactions.

M/s. G.K. CHOKSI & CO. * CHARTERED ACCOUNTANTS *

AHMEDABAD

45 The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to the approval of financial statements to determine the necessity for recognisation and/or reporting of any of this events and transactions in the financial statements. As of 29th April, 2019 there are no subsequent events to be recognised or reported that are not already disclosed.

46 **Approval of financial statements**
The financial statements were approved for issue by the board of directors on 29, April 2019.

The accompanying notes form an integral part of financials statements
As per our report of even date

For G.K. CHOKSI & CO.
Firm Registration No.: 101895W
Chartered Accountants

SANDIP A. PARIKH
Partner
Membership No. 040727

For and on behalf of Board of Directors of

Jai Khurana
Managing Director
DIN: 05140233

Ennarasu Karunesan
Director
DIN: 00200432

Manoj Chanduka
Chief Financial Officer

Paresh Patel
Company Secretary

Place: Ahmedabad
Date: April 29,2019

Place: Ahmedabad
Date: April 29,2019

MPSEZ Utilities Private Limited
Balance Sheet as at March 2019

(Amount in ₹)

Particulars	Notes	As at March 2019	As at March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	75,36,72,659	61,24,78,620
Capital work-in-progress	3	1,59,19,847	15,62,32,812
Other financial assets	4	34,899	3,960
Deferred tax assets (net)	5	45,90,802	2,12,559
Income Tax Assets (net)	6	31,76,751	30,08,565
Other non-current assets	7	13,80,32,427	13,81,67,314
Total Non-Current Assets		**91,54,27,385**	**91,01,03,830**
Current assets			
Inventories	8	42,71,432	12,49,493
Financial assets			
Investments	9	12,304	57,71,161
Trade receivables	10	16,19,43,900	2,76,95,089
Cash and cash equivalents	11	64,23,428	11,34,34,590
Bank balance other than cash and cash equivalents	12	8,10,00,000	32,851
Loans	13	1,40,00,000	-
Other financial assets	4	12,88,078	5,64,400
Other current assets	7	15,07,04,754	14,04,80,771
Total Current Assets		**41,96,43,896**	**28,92,28,355**
Total Assets		**1,33,50,71,281**	**1,19,93,32,185**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	14	13,13,50,000	13,13,50,000
Other equity	15	73,16,19,119	65,77,61,298
Total Equity		**86,29,69,119**	**78,91,11,298**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	16	-	10,00,000
Other financial liabilities	17	4,28,54,225	2,12,17,130
Provisions	18	19,20,186	14,41,873
Other non-current liabilities	19	32,61,30,226	27,78,97,741
Total Non-Current Liabilities		**37,09,04,637**	**30,15,56,744**
Current liabilities			
Financial liabilities			
Trade payables			
(a) Total outstanding dues of micro and small enterprises	20	21,600	-
(b) Total outstanding dues of creditors other than micro and small enterprises	20	8,24,28,983	6,52,94,646
Other current financial liabilities	17	1,42,17,781	2,16,98,595
Other current liabilities	19	30,42,723	1,46,98,795
Provisions	18	14,86,438	3,46,507
Provisions for current tax (net)	21	-	66,25,600
Total Current Liabilities		**10,11,97,525**	**10,86,64,143**
Total Liabilities		**47,21,02,162**	**41,02,20,887**
Total Equity and Liabilities		**1,33,50,71,281**	**1,19,93,32,185**
Summary of Significant accounting policies	2.3		

The accompanying notes form an integral part of financials statements

As per our report of even date

For G.K. CHOKSI & CO.
Firm Registration No.: 101895W
Chartered Accountants

SANDIP A. PARIKH
Partner
Membership No. 040727

Place: Ahmedabad
Date: April 29,2019

For and on behalf of Board of Directors of

Jai Khurana
Managing Director
DIN: 05140233

Ennarasu Karunesan
Director
DIN: 00200432

Manoj Chanduka
Chief Financial Officer

Paresh Patel
Company Secretary

Place: Ahmedabad
Date: April 29,2019

AHMEDABAD

MPSEZ Utilities Private Limited
Statement of Profit and Loss for the year 31 March, 2019

adani
Ports and Logistics

(Amount in ₹)

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
INCOME			
Revenue from operations	22	1,62,20,08,760	1,55,35,80,374
Other income	23	1,35,04,778	5,65,82,511
Total Income		**1,63,55,13,538**	**1,61,01,62,885**
EXPENSES			
Operating expenses	24	1,40,25,80,558	1,29,81,07,474
Employee benefits expense	25	3,10,29,498	2,12,07,636
Depreciation and amortization expense	3	4,74,62,902	4,56,54,486
Finance costs	26	25,39,000	5,06,26,427
Other expenses	27	6,33,36,059	6,71,50,256
Total expenses		**1,54,69,48,017**	**1,48,27,46,279**
Profit before exceptional items and tax		**8,85,65,521**	**12,74,16,606**
Exceptional Items			
Profit before tax		**8,85,65,521**	**12,74,16,606**
Tax expense:	28		
Current tax		1,83,55,594	2,81,85,880
Adjustment of tax relating to earlier periods		-	(1,32,026)
Deferred tax		1,08,38,001	(54,43,550)
MAT credit entitlement		(1,50,20,115)	(2,67,09,908)
Total tax expense		**1,41,73,480**	**(40,99,604)**
Profit for the year		**7,43,92,041**	**13,15,16,210**
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Re-measurement gains (losses) on defined benefit plans		(7,30,350)	87,265
Income Tax effect	28	1,96,130	(25,307)
Other comprehensive income for the year		**(5,34,220)**	**61,958**
Total comprehensive income for the year		**7,38,57,821**	**13,15,78,168**
Basic and diluted earnings per equity shares (in ₹) face value of ₹ 10 each	32	**5.66**	**10.01**
Summary of Significant accounting policies	2.3		

The accompanying notes form an integral part of financials statements
As per our report of even date

For G.K. CHOKSI & CO.
Firm Registration No.: 101895W
Chartered Accountants

SANDIP A. PARIKH
Partner
Membership No. 040727

Place: Ahmedabad
Date: April 29,2019

For and on behalf of Board of Directors of

Jai Khurana
Managing Director
DIN: 05140233

Ennarasu Karunesan
Director
DIN: 00200432

Manoj Chanduka
Chief Financial Officer

Paresh Patel
Company Secretary

Place: Ahmedabad
Date: April 29,2019

MPSEZ Utilities Private Limited
Statement of Changes in Equity for the year ended March 31, 2019

(Amount in ₹)

Particulars	Equity Share Capital	Other Equity		Total
		Share Premium	Reserves and Surplus	
			Retained Earning	
Balance as on April 01, 2017	13,13,50,000	39,37,50,000	13,24,33,130	**65,75,33,130**
Profit for the year	-	-	13,15,16,210	**13,15,16,210**
Other Comprehensive Income	-	-	61,958	**61,958**
Total Comprehensive Income for the year	-	-	13,15,78,168	**13,15,78,168**
Balance as on March 31, 2018	13,13,50,000	39,37,50,000	26,40,11,298	**78,91,11,298**
Profit for the year	-	-	7,43,92,041	7,43,92,041
Other Comprehensive Income	-	-	(5,34,220)	(5,34,220)
Total Comprehensive Income for the year	-	-	7,38,57,821	**7,38,57,821**
Balance as on March 31, 2019	13,13,50,000	39,37,50,000	33,78,69,119	**86,29,69,119**

For G.K. CHOKSI & CO.
Firm Registration No.: 101895W
Chartered Accountants

SANDIP A. PARIKH
Partner
Membership No. 040727

Place: Ahmedabad
Date: April 29,2019

For and on behalf of Board of Directors of

Jai Khurana
Managing Director
DIN: 05140233

Ennarasu Karunesan
Director
DIN: 00200432

Manoj Chanduka
Chief Financial Officer

Paresh Patel
Company Secretary

Place: Ahmedabad
Date: April 29,2019

MPSEZ Utilities Private Limited

Statement of Cash Flows for the year ended March 31, 2019

(Amount in ₹)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Cash flow from operating activities		
Net profit before tax	8,85,65,521	12,74,16,606
Adjustments for:		
Depreciation and amortisation	4,74,62,902	4,56,54,486
Provision for doubtful debts	-	45,48,122
Amortisations of service line contibutions	(1,84,05,120)	(1,64,27,739)
Interest Income	(14,29,065)	(4,72,49,863)
Net (gain)/loss on sale of current investments	(1,13,83,138)	(38,19,242)
Interest expense	13,06,409	4,94,73,715
Operating profit before working capital changes	**10,61,17,509**	**15,95,96,085**
Movements in working capital :		
(Increase) in trade receivables	(13,42,48,810)	(1,64,76,169)
(Increase) in inventories	(30,21,940)	(90,061)
Decrease In financial assets	70,331	1,22,000
(Increase) in other assets	(1,02,23,998)	(2,99,95,173)
Increase in trade payables	1,71,55,950	1,72,59,958
Increase in other liabilities	5,49,81,536	4,41,50,854
Increase in provisions	8,87,894	1,64,212
Increase/(Decrease) in financial liabilities	2,22,16,900	(34,59,644)
Cash generated from operations	5,39,35,372	17,12,72,061
Direct taxes paid (net of refunds)	(2,51,49,379)	(2,14,11,605)
Net cash flow from operating activities (A)	**2,87,85,993**	**14,98,60,456**
Cash flows from investing activities		
Purchase of Property plant & equipment (including capital work in progress and capital advances)	(5,74,00,503)	(2,32,61,386)
Intercorporate deposit / loans given	(1,40,00,000)	(2,00,50,00,000)
Intercorporate deposit / loans received back	-	2,00,90,00,000
Interest received	6,04,117	4,73,31,529
Investment in Mutual Fund	(2,25,20,00,000)	(2,61,21,00,000)
Proceeds from sale of Mutual Fund	2,26,91,41,995	2,61,39,61,314
Deposit of margin money	(8,09,67,149)	(2,301)
Net cash inflow/ (outflow) investing activities (B)	(13,46,21,540)	2,99,29,156
Cash flows from financing activities		
Repayment of long-term borrowings	(10,00,000)	(10,00,000)
Proceeds from inter corporate deposit	7,18,00,000	2,66,77,50,000
Repayment of inter corporate deposit	(7,08,00,000)	(2,68,37,50,000)
Interest paid	(11,75,615)	(4,98,73,217)
Net cash inflow/ (outflow) financing activities (C)	(11,75,615)	(6,68,73,217)
Net increase / (decrease) in cash & cash equivalents (A + B + C)	(10,70,11,162)	11,29,16,395
Cash and cash equivalents at the beginning of the year	11,34,34,590	5,18,195
Cash and cash equivalents at the end of the year (Refer note-11)	64,23,428	11,34,34,590

Notes:

Component of cash and cash equivalents		
Balances with scheduled bank		
On current accounts	64,23,428	11,34,34,590
Total cash and cash equivalents	64,23,428	11,34,34,590
Margin money deposits (restricted cash)	8,10,00,000	32,851
Summary of significant accounting policies 2.3		

Note :

(1) The Cash flow statement has been prepared under the indirect method as set out in the Ind AS 7 on Cash Flow Statements notified under section 133 of The Companies Act, 2013, read together with paragraph 7 of the Companies (Indian Accounting Standard) Rules, 2015 (as amended).

(2) Disclosure required under Para 44A as set out in Ind AS 7 on cash flow statements under Companies (Indian Accounting Standards) Rules, 2017 (as amended) is presented in note - 42

(3) The company considers interest paid to customers on security deposit as cash outflow from operating activity. Therefore, the interest paid under financing activities relates to interest paid on bank loan, interest paid on Inter Corporate Deposits and finance costs.

As per our report of even date

For G.K. CHOKSI & CO.
Firm Registration No.: 101895W
Chartered Accountants

SANDIP A. PARIKH
Partner
Membership No. 040727

For and on behalf of Board of Directors of

Jai Khurana
Managing Director
DIN 05140233

Ennarasu Karunesan
Director
DIN 00200432

Manoj Chanduka
Chief Financial Officer

Paresh Patel
Company Secretary

Place: Ahmedabad
Date: April 29,2019

Place: Ahmedabad
Date: April 29,2019

1 Corporate Information

The financial statements comprise financial statements of MPSEZ Utilities Private Limited (the "Company, MUPL") for the year ended March 31, 2019. The Company is a private limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. It is 100% Subsidiary company of Adani Ports and Special Economic Zone Limited (APSEZL), incorporated on 13th July, 2007 and a Co-developer to provide infrastructure facilities in Mundra Special Economic Zone. The main objective of the company is to provide facility of distribution of electricity, effluent & sewage in Mundra SEZ area, Kutch, Gujarat. The registered office of the Company is located at "Adani House", Mithakhali Six Roads, Navrangpura, Ahmedabad-380009, Gujarat, INDIA.

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

The Financial Statements have been prepared on the historical cost basis, except for certain financial instruments (including derivative instruments) which are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

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

The financial statements are presented in Indian rupees (INR) and all values are rounded to the nearest rupees, except numbers.

2.2 Significant accounting estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based on its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

The significant estimates and judgements are listed below:

(i) 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.

(ii) Judgements by actuaries in respect of discount rates, future salary increments, mortality rates and inflation rate used for computation of defined benefit liability.

(iii) Significant judgement is required in assessing at each reporting date whether there is indication that a financial asset may be impaired.

(iv) The impairment provision for financial assets are based on the assumptions about risk of default and expected loss rates. The company uses judgements in making the assumptions and selecting the inputs to the impairment calculations, based on the company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(v) Significant judgement is required in assessing at each reporting date whether there is indication that a non-financial asset may be impaired.

(vi) Significant judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

(vii) In estimating the fair value of financial assets and financial liabilities, the Company uses market observable data to the extent available. Where such Level 1 inputs are not available, the Company establishes appropriate valuation techniques and inputs to the model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments 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. Refer note 29 for further disclosures.

(viii) Significant judgment has been exercised by management in recognition of MAT credit and estimating the period of its utilisation.

2.3 Summary of significant accounting policies

a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realised 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.

A liability is current when:

- It is expected to be settled in normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

M/s. G. K. CHOKSI & CO.

b) Inventories

Stores and Spares:

- Valued at lower of cost and net realizable value. Cost is determined on a moving weighted average basis.
- Stores and Spares which do not meet the definition of property, plant and equipment are accounted as inventories.
- Net Realizable Value in respect of store and spares is the estimated current procurement price in the ordinary course of the business.

c) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprises cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the company's cash management.

d) Property, plant and equipment (PPE)

Property, plant and equipment (including capital work in progress) is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.The cost comprises the purchase price, directly and indirectly attributable costs arising directly from the development of the asset / project to its working condition for the intended use. When significant parts of plant and equipment are required to be replaced at intervals, the company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Borrowing cost relating to acquisition / construction of property, plant & equipment which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as prescribed under rates as per Appendix III of CERC (Terms and conditions of Tariff) Regulations, 2009 which are in line with Annexure I of Gujarat Electricity Regulatory Commission (Multi Year Tariff) Regulation, 2011.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

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.

Leasehold land is amortized over the lease period.

For all periods up to and including the year ended 31 March 2017, 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. The company during the year has changed its presentation and elected to 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, consequent to change in presentation, of such service line contribution, the depreciation is presented on gross and amortisation of such line is being presented as other operating income.

e) Revenue recognition

IND AS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced IND AS 18 "Revenue", IND AS 11 "Construction Contracts" and related interpretations. Under IND AS 115, revenue is recognised when a customer obtains control of the goods or services. Revenue is recognised to the extent that it is probable that the Company will collect the consideration to which it is entitled. Determining the timing of the transfer of control - at a point in time or over time - requires judgement.

The Company 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. April 01, 2018). Accordingly, the information presented for March 31, 2018 has not been restated. The Company's current practises for recognising revenue have shown to comply in all material aspects with the concepts and principles encompassed by the new standard. Therefore, IND AS 115 did not have a significant impact on the Company's accounting for revenue recognition.

Revenue is recognised upon transfer of control of promised goods/ services to customers in an amount that reflects the consideration we expect to receive in exchange of those products and services.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

i) Sale of power

Revenue from power supply and distribution charges are accounted for on the basis of billings to consumers and in accordance with tariff orders issued by Gujarat Electricity Regulatory Commission. Revenue recognized in excess of billing has been reflected under "other current assets" as unbilled revenue.

Further, in view of the uncertainties involved in the recoverability, the quarterly Fuel and Power Purchase Price Adjustment ("FPPPA") claims are accounted for as and when allowed by the regulatory authorities and truing up adjustments claims are accounted for as and when billed to the consumers.

ii) 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.

M/S. G.K. CHOKSI & CO. CHARTERED ACCOUNTANTS

AHMEDABAD

iii) Dividend

Dividend is recognised when the share holders' right to receive payment is established on the balance sheet date.

iv) Interest Income

For all debt instruments measured either at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

f) Retirement and other employee benefits

All employee benefits payable wholly within 12 months rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short term compensated absences, performance incentives etc. and the expected cost of bonus, ex-gratia are recognised during the period in which the employee renders related service.

i) Provident fund

Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid.

ii) Gratuity fund

The company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Re-measurements, 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. Re-measurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

> Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

> Net interest expense or income.

iii) Compensated absences

Provision for compensated absence is determined using the projected unit credit method with actuarial valuation being carried out at each balance sheet date. Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short term employee benefits. The company treats accumulated leave expected to be carried forward beyond twelve months as long term compensated absence. The company measures the expected cost of such absence as the additional amount that is expected to pay as a result of the unused estimate that has accumulated at the reporting date.

g) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. 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.

h) Segment reporting

The Chief Operational Decision Maker monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

In accordance with the Ind-As 108 -" Operating Segments" , the Company has determined its business segment of distribution of electricity, effluent & sewage facilities. Since there are no other business segments in which the Company operates, there are no other primary reportable segments. Therefore, the segment revenue, results, segment assets, segment liabilities, total cost incurred to acquire segment assets, depreciation charge are all as is reflected in the financial statement.

i) Related party transactions

Disclosure of transactions with Related Parties, as required by Ind-AS 24 "Related Party Disclosures" has been set out in a separate note. Related parties as defined under Ind-AS 24 have been identified on the basis of representations made by key managerial personnel and information available with the Company.

j) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

The Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs . Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

The Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

k) Earnings per share

The Basic EPS has been computed by dividing the income available to equity shareholders by the weighted average number of equity shares outstanding during the accounting year. For the purpose of calculating diluted earning per share, the profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

l) Taxes

Tax expense comprises of current and deferred tax.

i) Current income tax

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted, at the reporting date.

Current income tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss (either in OCI or in equity). Current tax items are recognized 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 in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

ii) Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except

> When the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

> When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that affects neither the accounting profit nor taxable profit or loss.

The Company is eligible and claiming tax deductions available under section 80IA of the Income Tax Act, 1961 In view of Company availing tax deduction under Section 80IA of the Income Tax Act, 1961, deferred tax has been recognized in respect of temporary difference, which reverse after the tax holiday period in the year in which the temporary difference originate and no deferred tax (assets or liabilities) is recognized in respect of temporary difference which reverse during tax holiday period, to the extent such gross total income is subject to the deduction during the tax holiday period. For recognition of deferred tax, the temporary difference which originate first are considered to reverse first.

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 future taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. Deferred tax include MAT Credit Entitlement. The Company reviews the such tax credit asset at each reporting date and writes down the asset to the extent The Company does not have sufficient taxable temporary difference /convincing evidence that it will pay normal tax during the specified period. Deferred tax includes MAT tax credit.

m) Impairment of non-financial assets

The company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, The Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

G.K. CHOKSI & CO.

The company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

Intangible assets with indefinite useful lives are tested for impairment annually as at year end at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

n) Provisions, contingent liabilities and contingent assets

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss.

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.

Contingent liabilities and contingent assets

Contingent liabilities is disclosed in the case of :

a present obligation arising from past events, when it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

a present obligation arising from past events, when no reliable estimate can be made.

a possible obligation arising from past events, unless the probability of outflow of resources is remote.

Commitments includes the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

o) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

> In the principal market for the asset or liability, or
> In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

> Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities .
> Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
> Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value.

External valuers are involved for valuation of unquoted financial assets and financial liabilities, such as contingent consideration. Involvement of external valuers is decided upon annually by the management. Selection criteria includes market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the company's accounting policies. For this analysis, the Company verifies the major inputs applied in the latest

The Company , in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable on a yearly basis.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

-Disclosures for valuation methods, significant estimates and assumptions (refer note 29 and 2.2)

-Quantitative disclosures of fair value measurement of financial instruments (refer note 29)

-Investment in unquoted equity shares (refer note 30)

p) 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. The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. It is broadly classified in financial assets, financial liabilities, derivatives & equity.

(A) Financial assets

Initial recognition and measurement

All financial assets, except investment in subsidiaries, associates and joint ventures are recognised initially at fair value.

M/s. G.K. CHOKSI & CO. CHARTERED ACCOUNTANTS

AHMEDABAD

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

> Debt instruments at amortised cost.

> Debt instruments at fair value through other comprehensive income (FVTOCI).

> Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL).

> Equity instruments measured at fair value through other comprehensive income (FVTOCI).

i) Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

(a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

(b)Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. 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 in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

ii) Debt instrument at FVTOCI

A debt instrument 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. The Company has not classified any financial asset into this category.

iii) Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

(B) Equity instruments

All equity instruments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, The Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

> The rights to receive cash flows from the asset have expired, or

> The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure ;

a) Financial assets that are debt instruments, and are measured at amortised cost e.g. loans, debt securities, deposits, trade receivables and bank balances.

b) Financial assets that are debt instruments and are measured as at other comprehensive income (FVTOCI).

c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18.

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

> Trade receivables or contract revenue receivables; and

> All lease receivables resulting from transactions within the scope of Ind AS 17.

Under the simplified approach the Company does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk said initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

G.K. CHOKSI & CO.
CHARTERED ACCOUNTANTS

ECL is the difference between all contracted cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original EIR. ECL impairment loss allowance (or reversal) recognised during the period is recognised as (expense) / income in the statement of profit and loss (P&L). This amount is reflected under the head " Other Expense" in the P&L.

Financial liabilities

Initial recognition and measurement

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.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, The Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at FVTPL.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the 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.

Derecognition

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

Reclassification of financial instruments

After initial recognition, no reclassification is made for financial assets which are equity instruments. 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. If the Company reclassifies the 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 the

Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(The space has been intentionally kept blank)

M/s. G.K. Choksi & Co. Chartered Accountants

MPSEZ Utilities Private Limited

Notes to Financials statements for the year ended March 31, 2019

Note 3 - Property, plant and equipment

(Amount in ₹)

Particulars	Property, Plant and Equipment							
	Leasehold land	Building	Plant & machinery	Furniture & fixtures	Office equipments	Computer equipment	Vehicles	Total
<u>Cost</u>								
As at March 31, 2017	5,39,72,951	2,10,38,381	64,62,51,237	1,27,169	-	86,816	1,90,193	72,16,66,747
Additions	-	-	2,73,33,110	-	60,000	-	-	2,73,93,110
Deductions/Adjustment	-	-	-	-	-	-	-	-
As at March 31, 2018	5,39,72,951	2,10,38,381	67,35,84,347	1,27,169	60,000	86,816	1,90,193	74,90,59,857
Additions	3,37,28,590	96,71,855	14,44,94,100	-	-	7,62,396	-	18,86,56,940
Deductions/Adjustment	-	-	-	-	-	-	-	-
As at March 31, 2019	8,77,01,541	3,07,10,236	81,80,78,447	1,27,169	60,000	8,49,212	1,90,193	93,77,16,797
<u>Depreciation and Impairment</u>								
As at March 31, 2017	42,58,500	16,65,417	8,49,06,191	19,474	-	35,339	41,830	9,09,26,751
Depreciation for the year	21,29,250	8,32,709	4,26,44,517	10,143	3,797	13,155	20,915	4,56,54,486
Deductions/(Adjusment)	-	-	-	-	-	-	-	-
As at March 31, 2018	63,87,750	24,98,126	12,75,50,708	29,617	3,797	48,494	62,745	13,65,81,237
Depreciation for the year	22,77,398	8,62,800	4,42,64,040	10,143	3,798	23,808	20,915	4,74,62,902
Deductions/(Adjustment)	-	-	-	-	-	-	-	-
As at March 31, 2019	86,65,148	33,60,926	17,18,14,748	39,760	7,595	72,302	83,660	18,40,44,139
<u>Net Block</u>								
As at March 31, 2019	7,90,36,393	2,73,49,310	64,62,63,699	87,409	52,405	7,76,910	1,06,533	75,36,72,659
As at March 31, 2018	4,75,85,201	1,85,40,255	54,60,33,639	97,552	56,203	38,322	1,27,448	61,24,78,620

Note :-

For development of infrastructure at Mundra, the Company has been allotted land on lease basis by Adani Ports and Special Economic Zone Limited.

The Company has recorded rights in the Adani Ports and Special Economic Zone Limited Land at lower of fair value of leased land and present value of future annual lease payments, in the books. The same has been classified as leasehold land.

Capital Work-in-Progress :-

Particulars	Amount in ₹
Carring amount:	
As at March 2019	1,59,19,847
As at March 2018	15,62,32,812

Capital Working in progress consists of Project Material Items.

M/s. G.K. Choksi & Co. Chartered Accountants

4 Other financial assets

		March 31,2019 Amt in ₹	March 31,2018 Amt in ₹
Non-current			
Security and other deposits			
- Considered good		-	3,960
Bank Deposits having maturity over 12 months		34,899	-
		34,899	3,960
Current			
Security and other deposits			
- Considered good		1,83,130	74,400
Interest accrued on deposits and loans		8,24,948	-
Loans and advance to employees		2,80,000	4,90,000
		12,88,078	**5,64,400**

5 Deferred tax liabilities/Assets (net)

	March 31,2019 Amt in ₹	March 31,2018 Amt in ₹
Deferred tax assets		
Tax credit entitlement under MAT	4,17,30,023	2,67,09,908
Deferred tax liability		
Deferred Tax Liabilities (net)	(3,71,39,221)	(2,64,97,350)
	45,90,802	**2,12,559**

6 Income tax assets (net)

	March 31,2019 Amt in ₹	March 31,2018 Amt in ₹
Advance Income tax (Net of provision for taxation)	31,76,751	30,08,565
	31,76,751	30,08,565

7 Other assets

		March 31,2019 Amt in ₹	March 31,2018 Amt in ₹
Non Current			
Capital advances			
Unsecured, considered good (refer note 44)		13,80,32,427	13,81,67,314
		13,80,32,427	13,81,67,314
Current			
Advances recoverable in cash or in kind			
Unsecured, considered good		37,18,803	99,84,080
	(a)	**37,18,803**	**99,84,080**
Others (Unsecured)			
Prepaid Expenses		2,18,284	85,412
Accrued revenue		14,62,96,214	12,98,48,753
Balances with statutory/ Government authorities		4,71,453	3,98,160
Gratuity fund		-	1,64,366
	(b)	14,69,85,951	13,04,96,691
	(a + b)	**15,07,04,754**	**14,04,80,771**

8 Inventories

	March 31,2019 Amt in ₹	March 31,2018 Amt in ₹
Stores and spares	42,71,432	12,49,493
	42,71,432	**12,49,493**

9 Investments

	March 31, 2019 Amt in ₹	March 31, 2018 Amt in ₹
Current		
Financial Assets at fair value through Profit or Loss (FVTPL)		
Unquoted Mutual Funds		
4.78 Unit of ₹ 1000 each in Invesco India Liquid Fund - Direct Plan Growth (LF-D1) as on 31st March, 2019	12,304	-
22457.17 Unit of ₹ 100 each in ICICI Prudential Liquidity - Direct Plan Growth as on 31st March, 2018	-	57,71,161
	12,304	**57,71,161**

G. K. CHOKSI & CO. CHARTERED ACCOUNTANTS

10 Trade receivables

	March 31, 2019 Amt in ₹	March 31, 2018 Amt in ₹
Current		
Unsecured considered good unless stated otherwise		
Trade receivables	16,19,43,900	2,76,95,089
Considered doubtful	45,48,123	45,48,123
	16,64,92,023	3,22,43,212
Provision for doubtful debts	(45,48,123)	(45,48,123)
	16,19,43,900	2,76,95,089

Note :-

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person; nor any trade or other receivable are due from firms or private companies in which any director is a partner, a director or a member.

11 Cash and cash equivalents

	March 31,2019 Amt in ₹	March 31,2018 Amt in ₹
Balances with banks:		
Balance in current account	64,23,428	11,34,34,590
	64,23,428	11,34,34,590

12 Bank balances other than cash and cash equivalents

	March 31,2019 Amt in ₹	March 31,2018 Amt in ₹
Margin money deposits	-	32,851
Deposits with original maturity over 3 months but less than 12 months	8,10,00,000	-
	8,10,00,000	32,851

13 Loans

	March 31,2019 Amt in ₹	March 31,2018 Amt in ₹
Current		
Loan to related parties (refer note 44)		
- Unsecured, considered good	1,40,00,000	-
	1,40,00,000	-

14 Equity Share capital

	March 31,2019 Amt in ₹	March 31,2018 Amt in ₹
Authorised		
1,31,50,000 Equity Shares of ₹ 10 each (1,31,50,000 Equity Shares of ₹ 10 each as at March 31, 2018)	13,15,00,000	13,15,00,000
	13,15,00,000	13,15,00,000
Issued, subscribed and fully paid up shares		
1,31,35,000 Equity Shares of ₹ 10 each (1,31,35,000 Equity Shares of ₹ 10 each as at March 31, 2018)	13,13,50,000	13,13,50,000
	13,13,50,000	13,13,50,000

Notes:

(a) Reconciliation of the number of the shares outstanding as the beginning and end of the year:

	March, 31, 2019		March, 31, 2018	
	Nos	Amt in ₹	Nos	Nos
At the beginning of the year	1,31,35,000	13,13,50,000	1,31,35,000	1,31,35,000
New Shares issued during the year	-	-	-	-
At the end of the year	1,31,35,000	13,13,50,000	1,31,35,000	1,31,35,000

(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.

In the event of liquidation of the company, the holders of 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.

M/S. G.K. CHOKSI & CO. * CHARTERED ACCOUNTANTS

Out of equity shares issued by the company, shares held by its holding company is as below.

(c) Shares held by holding company	March 31, 2019 Amt in ₹	March 31, 2018 Amt in ₹
Adani Ports and Special Economic Zone Limited, the holding company and its nominee 1,31,35,000 equity shares (Previous year 1,31,50,000) of ₹ 10 each	13,13,50,000	13,13,50,000

(d) Details of shareholder holding more than 5% shares in the Company

Equity shares of ₹ 10 each fully paid	Particulars	March 31,2019	March 31,2018
Adani Ports and Special Economic Zone Limited, the holding company and its nominee	Nos	1,31,35,000	1,31,35,000
	% Holding	100.00%	100.00%

15 Other equity

		March 31,2019 Amt in ₹	March 31,2018 Amt in ₹
Share premium (refer note a)	(A)	39,37,50,000	39,37,50,000
Retained earnings (refer note b)			
Opening Balance		26,40,11,298	13,24,33,130
Add:- Profit during the year		7,43,92,041	13,15,16,210
Add:- Other comprehensive income		(5,34,220)	61,958
	(B)	33,78,69,119	26,40,11,298
	(A+B)	73,16,19,119	65,77,61,298

Note :-

a) Securities premium represents the premium received on issue of shares over and above the face value of equity shares. Such amount is available for utilisation in accordance with the provisions of the Companies Act, 2013.

b) The portion of profits not distributed among the shareholders are termed as retained earnings. The Company may utilize the retained earnings for making investments for future growth and expansion plans, for the purpose of generating higher returns for the shareholders or for any other specific purpose, as approved by the Board of Directors of the Company.

16 Borrowings

	March 31,2019 Amt in ₹	March 31,2018 Amt in ₹
Non-Current		
Indian rupee loan from bank (refer notes a & b below)	-	10,00,000
	-	10,00,000
Current		
Current maturity of		
Inter Corporate Deposit (refer note (c) below and 44)	10,00,000	-
Indian rupee loan from bank	10,00,000	10,00,000
Total current borrowing	20,00,000	10,00,000
Less: Amount shown under "other current finanacial liabilities"	(20,00,000)	(10,00,000)
Net current borrowing	-	-
The above amount includes		
Secured borrowings	10,00,000	20,00,000
Unsecured borrowings	10,00,000	-
Total borrowings	20,00,000	20,00,000

Notes:

(a)The loan is repayable in equal quarterly instalment after moratorium of 3 months. Which is chargeable at interest rate of @ 1% above base rate. The Tenure of loan is up to 31st March 2020.

(b)Term Loan from Banks are secured by way of hypothecation of Plant and Machinery of Company's distribution Business.

(c)Unsecured loan is taken from Adani Port and Special Economic Zone Limited at 7.5% interest rate & is repayable by 11th July , 2019.

17 Other financial liabilities

	March 31,2019 Amt in ₹	March 31,2018 Amt in ₹
Non-Current		
Deposit from customers	3,13,39,940	2,12,17,130
Obligations under lease land	1,15,14,285	-
	4,28,54,225	2,12,17,130
Current		
Current maturities of long term borrowings (refer note 16)	20,00,000	10,00,000
Interest accrued but not due on borrowings	12,08,048	10,77,254
Capital creditors, retention money and other payable	1,04,29,928	1,96,21,341
Obligations under lease land	5,79,805	-
	1,42,17,781	2,16,98,595

M/S. G.K. CHOKSI & CO. CHARTERED ACCOUNTANTS

MPSEZ Utilities Private Limited AHMEDABAD

Notes:

a) Assets taken under finance leases –

The Company has entered into long term land lease agreement for land measuring 14,484 sq. mtrs. at multi product special economic zone at Mundra with Adani Ports and Special Economic Zone Limited for its electricity distribution facility. The annual lease rent is subject to revision every three years from September 01, 2019 by 20% escalation of the previous amount. The lease rent terms are for the period of 30 years. There is no contingent rent and no restrictions imposed by the lease arrangements. The Company has taken land on finance leases with lease terms of 26 years and 5 months. The Company has paid ₹ 2,16,34,500/- during the year towards upfront payment to lessor, whereas NIL amount has been paid towards minimum lease payment (MLP) because 1st lease rental payment start from the date of April 01, 2019. Future minimum rentals payable under finance leases as at 31 March are as follows:

Amt in ₹

Particulars	**As at March 31, 2019**	
	Minimum lease payments	**Present value of MLP**
Within one year	5,79,805	5,79,805
After one year but not later than five years	34,37,289	27,03,341
More than five years	3,23,97,888	88,04,333
Total minimum lease payables	**3,64,14,982**	**1,20,87,479**
Less: Amounts representing finance charges	(2,43,20,892)	-
Present value of minimum lease Payables	1,20,94,090	1,20,87,479

18 Net employee defined benefit liabilities

	March 31,2019 Amt in ₹	**March 31,2018 Amt in ₹**
Non-current		
Provision for compensated absences	19,20,186	14,41,873
	19,20,186	**14,41,873**
Current		
Provision for gratuity (refer note 36)	9,19,541	-
Provision for compensated absences	5,66,897	3,46,507
	14,86,438	**3,46,507**

19 Other liabilities

	March 31,2019 Amt in ₹	**March 31,2018 Amt in ₹**
Non Current		
Deferred revenue - service line contributions from customers	32,61,30,226	27,78,97,741
	32,61,30,226	**27,78,97,741**
Current		
Statutory liability	22,87,448	9,40,619
Advance from customers	7,55,275	1,37,58,176
	30,42,723	1,46,98,795

20 Trade payables

	March 31,2019 Amt in ₹	**March 31,2018 Amt in ₹**
Total outstanding dues of micro and small enterprises (refer note -37)	21,600	-
Total outstanding dues other than micro and small enterprises	8,24,28,983	6,52,94,646
	8,24,50,583	**6,52,94,646**

21 Liabilities for current tax (net)

	March 31,2019 Amt in ₹	**March 31,2018 Amt in ₹**
Provision for Income Tax (net of advance tax)	-	66,25,600
	-	66,25,600

(The space has been intentionally kept blank)

M/s. G.K. Choksi & Co. Chartered Accountants

MPSEZ Utilities Pvt. Ltd. Ahmedabad

22 Revenue from operations	March 31,2019 Amt in ₹	March 31,2018 Amt in ₹
Revenue from power sales	1,59,83,82,202	1,52,41,11,563
Less :- Discount for prompt payment of bills	(1,09,28,264)	-
Other revenue related to Power Business		
Meter rent	-	4,29,624
Miscellaneous income	94,93,638	70,92,743
Amortisations of service line contibutions	1,84,05,120	1,64,27,739
Income from common effluent treatment services	66,56,064	55,18,705
	1,62,20,08,760	1,55,35,80,374

23 Other Income	March 31,2019 Amt in ₹	March 31,2018 Amt in ₹
Interest income from		
Bank	12,62,626	2,301
Income tax refund	2,70,765	20,890
Group company	1,66,439	2,47,562
Others	-	4,70,00,000
Profit on sale of investment (Mutual fund)	1,13,83,138	38,19,242
Miscellaneous Income	4,21,810	54,92,516
Total other income	1,35,04,778	5,65,82,511

24 Operating expenses	March 31,2019 Amt in ₹	March 31,2018 Amt in ₹
Power purchase	1,33,58,00,479	1,25,65,34,794
Reactive energy charges	7,17,862	10,54,982
Unscheduled interchange charges	6,59,11,668	4,02,07,100
SLCD charges	1,50,549	3,10,598
	1,40,25,80,558	1,29,81,07,474

25 Employee benefit expense	March 31,2019 Amt in ₹	March 31,2018 Amt in ₹
Salaries, wages and Bonus	2,85,01,073	1,91,23,110
Contribution to provident and other funds	12,33,646	9,99,537
Gratuity (refer note 36)	3,77,751	3,30,783
Staff welfare expenses	9,17,028	7,54,206
	3,10,29,498	2,12,07,636

26 Finance costs	March 31,2019 Amt in ₹	March 31,2018 Amt in ₹
Interest on		
Security deposit	12,32,591	11,52,712
Borrowings	2,36,897	4,85,38,958
Others	5,77,053	5,40,371
Bank charges and commission	4,92,459	3,94,386
	25,39,000	5,06,26,427

(The space has been intentionally kept blank)

M/S. G.K. CHOKSI & CO. CHARTERED ACCOUNTANTS

AHMEDABAD

27 Other expenses

	March 31,2019 Amt in ₹	March 31,2018 Amt in ₹
Infrastructure usage charges (refer note 1 below)	3,60,78,977	2,86,68,604
Lease rent (refer note 1 below)	18,91,560	18,19,984
Insurance (net of reimbursement)	8,751	3,718
Advertisement and publicity	5,40,453	2,57,806
Repairs & maintenance		
Plant and machinery	40,69,423	55,82,327
Building	1,05,819	6,998
Others	16,01,998	11,83,052
Stores, spares and consumables	57,95,235	1,05,18,651
Legal and professional expenses	58,98,234	80,01,472
Payment to auditors (refer note 2 below)	2,10,000	1,80,000
Security expenses	16,06,851	19,01,048
Communication expenses	3,33,737	1,49,418
Electric power expenses	4,14,282	81,520
Travelling and conveyance	13,18,858	10,94,496
Directors sitting fee	-	1,33,501
Charity & donations (refer note 3 below)	9,00,000	10,50,000
Provision for doubtful debts	-	45,48,122
Miscellaneous expenses	25,61,881	19,69,538
	6,33,36,059	**6,71,50,256**

Note : 1

Assets taken under Operating Leases –

An infrastructure area and common effluent plant for providing power and effluent treatment facility respectively, have been obtained on operating leases. There are no sub-leases and leases are cancellable in nature. There are no restrictions imposed by the lease arrangements. There is no contingent rent in the lease agreements. Expenses of ₹ 3,79,70,537/- (previous year ₹ 3,04,88,588/-) incurred under such leases have been expensed in the statement of profit & loss.

Note: 2

Payment to Auditor	March 31,2019 Amt in ₹	March 31,2018 Amt in ₹
As Auditor:		
Audit fee	1,50,000	1,50,000
Other Services	60,000	30,000
	2,10,000	**1,80,000**

Note: 3

Details of CSR Expenses	March 31,2019 Amt in ₹	March 31,2018 Amt in ₹
Gross amount required to be spent by the company during the year	8,64,098	10,47,573
Amount spent during the year ending March 31, 2019		
(i) Construction/acquisition of any Asset	-	-
(ii) On Purpose other than (i) above	9,00,000	10,50,000

The company has paid ₹ 9.00 lacs (previous year ₹ 10.50 lacs) towards corporate social responsibilities to Adani Foundation.

28 Income Tax

(a) 'The major components of income tax expenses for the years ended March 31, 2019 and March 31, 2018

Statement of profit and loss	March 31,2019 Amt in ₹	March 31,2018 Amt in ₹
Current income tax:		
Current income tax charge	1,83,55,594	2,81,85,880
Adjustment in respect of current income tax of previous years	-	(1,32,026)
Deferred tax:		
Relating to origination and reversal of temporary differences	1,08,38,001	(54,43,550)
Tax (credit) under minimum alternate tax (MAT)	(1,50,20,115)	(2,67,09,908)
Income tax expenses reported in statement of profit and loss	**1,41,73,480**	**(40,99,604)**

(The space has been intentionally kept blank)

(b) 'OCI section

Deferred tax related to items recognised in OCI during the year	March 31,2019 Amt in ₹	March 31,2018 Amt in ₹
Net loss/(gain) on remeasurements of defined benefit plans	(1,96,130)	25,307

G.K. CHOKSI & CO.

Income tax charged to OCI	(1,96,130)	25,307

(c) Reconciliation of tax expense and the accounting profit multiplied by applicable tax rate for March 31, 2019 and March 31, 2018

	March 31, 2019 Amt in ₹	March 31, 2018 Amt in ₹
Accounting profit before taxation	8,85,65,521	12,74,16,606
Applicable tax rate	27.82%	30.90%
Computed tax expenses	2,46,38,928	3,93,71,731
Tax on reduction in 80IA reversal	(2,28,72,437)	(4,24,75,832)
Reversal during tax holiday period	1,22,31,483	-
Temporary differences reversed in tax holiday period	3,32,519	7,39,598
Non-deductible expenses	7,58,053	7,93,101
Effect of change in tax rates	-	(15,89,841)
Adjustment of earlier years	-	(1,32,026)
Others	(9,15,067)	(8,06,335)
Income tax expenses charged to profit and loss	1,41,73,480	(40,99,604)

(d) Deferred tax relates to following

Particulars	**Balance Sheet**		**Profit and Loss**	
	March 31, 2019 Amt in ₹	**March 31, 2018 Amt in ₹**	**March 31, 2019 Amt in ₹**	**March 31, 2018 Amt in ₹**
Temporary difference in value of Property, Plant and Equipment as per books of accounts and tax	(4,99,46,011)	(5,27,05,636)	(27,59,625)	1,21,13,607
Reversal of 80IA period	1,28,06,790	2,62,08,286	1,34,01,496	(58,10,298)
Defined benefit liability	-	-	-	(8,85,066)
Deferred tax liabilities	**(3,71,39,221)**	**(2,64,97,350)**	**1,06,41,871**	**54,18,243**

(e) Reconciliation of deferred tax liabilities	**March 31, 2018 Amt in ₹**	**March 31, 2018 Amt in ₹**
Opening balance as at 1st April	(2,64,97,350)	(3,19,15,593)
Tax expense during the period recognised in profit and loss	1,08,38,001	(54,43,550)
Tax expense during the period recognised in OCI	(1,96,130)	25,307
Closing balance as at 31st March	(3,71,39,221)	(2,64,97,350)

29 Fair Value Measurement

a) The carrying value of financial instruments by categories as of March 31, 2019 is as follows ;

Particulars	**Fair Value through other Comprehensive Income**	**Fair Value through Profit & Loss**	**Derivative Instruments not in hedging relationship**	**Amortised Cost**	**Amortised Cost**
Financial Asset					
Investments	-	12.304	-	-	12,304
Trade receivables	-	-	-	16,19,43,900	16,19,43,900
Cash and Cash Equivalents	-	-	-	64,23,428	64,23,428
Other Bank balance	-	-	-	8,10,00,000	8,10,00,000
Loans	-	-	-	1,40,00,000	1,40,00,000
Others financial assets	-	-	-	13,22,977	13,22,977
	-	12,304	-	26,46,90,305	26,47,02,609
Financial Liabilities					
Borrowings	-	-	-	20,00,000	20,00,000
Trade payables	-	-	-	8,24,50,583	8,24,50,583
Other financial liablities		-	-	5,50,72,006	5,50,72,006
	-	-	-	13,95,22,588	13,95,22,588

M/s. G.K. Choksi & Co.

b) The carrying value of financial instruments by categories as of March 31, 2018 is as follows :

Particulars	Fair Value through other Comprehensive Income	Fair Value through Profit & Loss	Derivative instruments not in hedging relationship	Amortised Cost	Amortised Cost
Financial Asset					
Investments	-	57,71,161	-	-	57,71,161
Trade receivables	-	-	-	2,76,95,089	2,76,95,089
Cash and Cash Equivalents	-	-	-	11,34,34,590	11,34,34,590
Other Bank balance	-	-	-	32,851	32,851
Others financial assets	-	-	-	5,68,360	5,68,360
	-	57,71,161	-	14,17,30,890	14,75,02,051
Financial Liabilities					
Borrowings	-	-	-	20,00,000	20,00,000
Trade payables	-	-	-	6,52,94,646	6,52,94,646
Other financial liabilities	-	-	-	4,19,15,725	4,19,15,725
	-	-	-	10,92,10,371	10,92,10,371

c) The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

30 Fair Value hierarchy :

Particulars	As at March 31, 2019			
	Level 1	Level 2	Level 3	Level 3
Assets				
Investment (Unquoted Mutual Fund)	-	12,304	-	-
Total	-	12,304	-	-

Particulars	As at March 31, 2018			
	Level 1	Level 2	Level 3	Level 3
Assets				
Investment (Unquoted Mutual Fund)	-	57,71,161	-	-
Total	-	57,71,161	-	-

31 Financial risk objective and policies

The Company's principal financial liabilities, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations/projects and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

In the ordinary course of business, the Company is mainly exposed to risks resulting from interest rate movements (interest rate risk) collectively referred as market risk, credit risk, liquidity risk and other price risks such as equity price risk. The Company's senior management oversees the management of these risks.

The Company's risk management activities are subject to the management, direction and control of Central Treasury Team of the Adani Group under the framework of Risk Management Policy for Currency and Interest rate risk as approved by the Board of Directors of the Company. The Company's central treasury team ensures appropriate financial risk governance framework for the Company through appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken.

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings.

The sensitivity analysis in the following sections relate to the position as at March 31, 2019 and March 31, 2018.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant as at March 31, 2019.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2019 and March 31, 2018.

M/s. G.K. CHOKSI & CO. CHARTERED ACCOUNTANTS

i) **Interest rate risk**

The Company is exposed to changes in market interest rates due to financing, investing and cash management activities. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Interest rate sensitivity

The following paragraph demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

If interest rates had been 50 basis points higher / lower and all other variables were held constant, the Company's profit for the year ended March 31, 2019 would decrease / increase by ₹. 5,000/- (previous year ₹. 10,000/-). This is mainly attributable to interest rates on variable rate long term borrowings.

b) **Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.The Company is exposed to credit risk from its operating activities (primarily trade receivables and other financial assets) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive evaluation and individual credit limits are defined in accordance with this assessment.

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Concentrations of Credit Risk form part of Credit Risk

Considering that the Company provides transmission and distribution of electricity serv.ices at SEZ area located at mundra, the Company is significantly depend on transmission and distribution lines provided to customers. Out of total revenue, the Company earns of ₹ 1,20,49,75,682/- from top six customers during the year ended March 31 ,2019 which constitute 74.94%. A loss of these customers could adversely affect the operating result or cashflow of the Company.

c) **Liquidity risk**

Liquidity risk is the risk that the company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial assets. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

Maturities of financial liability

The table below analysis the Company's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at March 31, 2019 Amt in ₹

Particulars	Refer Note	On Demand	Within 1 year	Over 1 year within 5 years	Over 5 years	Total
Borrowings	16	-	20,00,000	-	-	20,00,000
Other financial liabilities	17	-	1,22,24,392	3,40,43,281	88,04,333	5,50,72,006
Trade payables	20	-	8,24,50,583	-	-	8,24,50,583
		-	**9,66,74,975**	**3,40,43,281**	**88,04,333**	**13,95,22,588**

As at March 31, 2018 Amt in ₹

Particulars	Refer Note	On Demand	Within 1 year	Over 1 year within 5 years	Over 5 years	Total
Borrowings	16	-	10,00,000	10,00,000	-	20,00,000
Other financial liabilities	17	-	2,06,98,595	2,12,17,130	-	4,19,15,725
Trade payables	20	-	6,52,94,646	-	-	6,52,94,646
		-	**8,69,93,241**	**2,22,17,130**	-	**10,92,10,371**

32 Earnings per share

	March 31,2019 Amt in ₹	March 31,2018 Amt in ₹
Profit attributable to equity shareholders of the company	7,43,92,041	13,15,16,210
Weighted average number of equity shares	1,31,35,000	1,31,35,000
Face value per share (in ₹)	10	10
Basic and Diluted earning per share (In ₹)	5.66	10.01

M/s. G.K. Choksi & Co.

33 Capital commitments

Particulars	March 31,2019	March 31,2018
Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for	3,52,36,835	3,40,58,307

34 Contingent liabilities not provided for

Particulars	March 31,2019	March 31,2018
Contingent liabilities not provided for	Nil	Nil

35 Segment information

The Company is primarily engaged in the business of providing facility of distribution of electricity, effluent & sewage facilities . The entire business has been considered as a single segment in terms of Ind AS - 108 on Segment Reporting issued by the Institute of Chartered Accountants of India. There being no business outside India, the entire business has been considered as single geographic Considering the inter relationship of various activities of business, the chief operational decision maker monitors the operating results of business segment on over all basis. Segment performance is evaluated based on profit and loss and is measured consistently with profit or loss in financial statement.

36 Disclosures as required by Ind AS - 19 Employee Benefits

The company has recognised, in the Statement of Profit and Loss for the current year, an amount of ₹ 12,11,828/- (Previous year ₹ 9,97,234/-) as expenses under the following defined contribution plan.

The company has a defined gratuity plan. Under the plan every employee who has completed at least five year of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Company of India (LIC) in form of a qualifying insurance policy.

The following tables summarise the component of the net benefits expense recognised in the statement of profit and loss account and the funded status and amounts recognized in the balance sheet for the respective plan.

Gratuity

a)Changes in present value of the defined benefit obligation are as follows:

Particulars	March 31,2019	March 31,2018
Present value of the defined benefit obligation at the beginning of the year	23,56,679	20,53,576
Current service cost	3,92,448	3,34,433
Interest cost	1,81,804	1,55,960
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in demographic assumptions	(1,01,682)	-
- change in financial assumptions	6,52,748	(77,255)
- experience variance	1,79,284	(35,328)
Benefits paid	-	-
Acquisition adjustment	(24,194)	(74,707)
Present value of the defined benefit obligation at the end of the year	**36,37,087**	**23,56,679**

b)Changes in fair value of plan assets are as follows:

Particulars	March 31,2019	March 31,2018
Fair value of plan assets at the beginning of the year	25,21,045	21,01,634
Investment income	1,96,501	1,59,610
Contributions by employer	-	2,85,120
Benefits paid	-	-
Return on plan assets , excluding amount recognised in net interest expense	-	(25,319)
Acquisition adjustment	-	-
Fair value of plan assets at the end of the year	**27,17,546**	**25,21,045**

c) Net asset/(liability) recognised in the balance sheet

Contribution to	March 31,2019	March 31,2018
Present value of the defined benefit obligation at the end of the year	36,37,087	23,56,679
Fair value of plan assets at the end of the year	27,17,546	25,21,045
Amount recognised in the balance sheet	(9,19,541)	1,64,366
Net (liability)/asset - Current	-	1,64,366
Net (liability)/asset - Non-current	(9,19,541)	-

d) Expense recognised in the statement of profit and loss for the year

Particulars	March 31,2019	March 31,2018
Current service cost	3,92,448	3,34,433
Interest cost on benefit obligation	(14,697)	(3,650)
Total Expense included in employee benefits expense	**3,77,751**	**3,30,783**

e) Recognised in the other comprehensive income for the year

Particulars	March 31,2019	March 31,2018
Actuarial (gain)/losses arising from		
- change in demographic assumptions	(1,01,682)	-
- change in financial assumptions	6,52,748	(77,255)
- experience variance	1,79,284	(35,328)
Return on plan assets, excluding amount recognised in net interest expense	-	25,319
Recognised in comprehensive income	**7,30,350**	**(87,264)**

f) Maturity profile of Defined Benefit Obligation

Particulars	March 31,2019	March 31,2018
Weighted average duration (based on discounted cash flows)	10 Years	17 Years

g) Quantitative sensitivity analysis for significant assumption is as below

Increase/(decrease) on present value of defined benefits obligation at the end of the year

Particulars	March 31, 2019		March 31, 2018	
Assumptions	Discount rate			
Sensitivity level	**1% Increase**	**1% Decrease**	**1% Increase**	**1% Decrease**
Impact on defined benefit obligations	Amt in ₹	Amt in ₹	Amt in ₹	Amt in ₹
	(3,13,615)	3,63,079	(3,43,829)	4,18,623

Particulars	March 31, 2019		March 31, 2018	
Assumptions	Salary Growth rate			
Sensitivity level	**1% Increase**	**1% Decrease**	**1% Increase**	**1% Decrease**
Impact on defined benefit obligations	Amt in ₹	Amt in ₹	Amt in ₹	Amt in ₹
	3,58,063	(3,15,250)	4,17,768	(3,49,112)

Particulars	March 31, 2019		March 31, 2018	
Assumptions	Attrition rate			
Sensitivity level	**0.5% Increase**	**0.5% Decrease**	**0.5% Increase**	**0.5% Decrease**
Impact on defined benefit obligations	Amt in ₹	Amt in ₹	Amt in ₹	Amt in ₹
	(36,880)	53,628	10,340	(11,359)

Particulars	March 31, 2019		March 31, 2018	
Assumptions	Mortality rate			
Sensitivity level	**0.1% Increase**	**0.1% Decrease**	**0.1% Increase**	**0.1% Decrease**
Impact on defined benefit obligations	Amt in ₹	Amt in ₹	Amt in ₹	Amt in ₹
	(247)	247	920	(924)

Sensitivity Analysis Method

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.

h)The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	March 31,2019	March 31,2018
Investments with insurer	100%	100%

The company expects to contribute ₹ 13,82,749/- to gratuity fund in the next year. (Previous year ₹ 1,80,197/-)

* As the gratuity fund is managed by life insurance company, details of fund invested by insurer are not available with company.

i)The principle assumptions used in determining gratuity obligations are as follows:

Particulars	March 31,2019	March 31,2018
Discount rate	7.60%	7.80%
Rate of escalation in salary (per annum)	7.00%	7.00%
Mortality	Indian assured mortality table 2006-08	Indian assured mortality table 2006-08
Attrition rate	10% for 4 years & below and 1% thereafter	7.75% for 4 years & below and 7.75% thereafter

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been significant change in expected rate of return on assets due to change in the market scenario.

M/S. G.K. CHOKSI & CO. CHARTERED ACCOUNTANTS

AHMEDABAD

j) The expected cash flows of defined benefit obligation over the future periods (valued on undiscounted basis)

Amt in ₹

Particulars	March 31, 2019	March 31, 2018
Within the next 12 months (next annual reporting period)	2,91,078	32,719
Between 2 and 5 years	11,93,051	1,64,811
Between 6 and 10 years	19,32,046	10,55,346
Beyond 10 years	52,48,292	85,85,867
Total Expected Payments	**86,64,467**	**98,38,743**

37 Details as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act).This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

Amt in ₹

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Principal amount and Interest due thereon remaining unpaid to any supplier as at the end of each accounting year. Principal Interest	 21,600/- Nil	 - Nil
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 a long with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	Nil	Nil

38 Capital management

For the purposes of the company's capital management, capital includes issued capital and all other equity reserves. The primary objective of the company's capital management is to maximize shareholder value. The company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The company monitors capital using gearing ratio, which is net debt (total debt less cash and cash equivalents) divided by total capital plus net debt.

Amt in ₹

Particulars	Refer note	As at March 31, 2019	As at March 31, 2018
Total borrowings	16	20,00,000	20,00,000
Less: Cash and cash equivalents	11	64,23,428	11,34,34,590
Net Debt (A)		(44,23,428)	(11,14,34,590)
Total Equity (B)	14 & 15	86,29,69,119	78,91,11,298
Total Equity and Net Debt (C = A + B)		85,85,45,691	67,76,76,708
Gearing ratio		-0.52%	-16.44%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31,2018

39 The company is engaged in the business of distribution of power. Quantitative information in respect of purchase and sale of power are as under.

Particulars	2018-19 (Unit in Mus)	2017-18 (Unit in Mus)
Unit Purchased - Schedule	278.89	270.44
Unscheduled interchange (UI)	31.45	23.50
Third Party Sale		-
Total Units Purchased	310.34	293.94
Unit Sold	299.61	283.98
Transmission & Distribution Losses	10.73	9.96
Transmission & Distribution Losses (%)	3.46%	3.39%

40 *As per directives of Gujarat Electricity Regulatory Commission with respect to Renewable Purchase Obligation (RPO) to be adhered by the company during the current financial year, during the year 2017-18, company has made a provision for the RPO obligation of Rs. 103.72 lacs. The cost of such obligation is included in Cost of Power Purchased in Note - 24.

41 **Details of Income & Expenses for the Common Effluent Treatment (CETP) Service rendered during the year are as under**

Particulars	For the year ended March 31, 2019 Amt in ₹	For the year ended March 31, 2018 Amt in ₹
Income	66,61,423	55,18,706
Expenses		
Employee benefits expenses	10,60,465	7,83,477
Electricity Expense	8,66,844	9,36,944
Other Expense	40,47,192	26,47,922
Total Expenditure	**6,86,923**	**11,50,363**

42 **Disclosure under Para 44A as set out in Ind AS 7 on cash flow statements under Companies (Indian Accounting Standards) Rules, 2017**

Amt in ₹

Particulars of Liabilities arising from Financing activity	Note No.	As at March 31, 2018	Cash flows	Non Cash Changes		As at March 31, 2019
				Effect due to changes in foreign exchange rates	Other changes	
Long term borrowing - Rupee term loan	16	20,00,000	(10,00,000)	-	-	10,00,000
Long term borrowing - Inter Corporate Deposits	16	-	10,00,000	-	-	10,00,000
Interest accrued but not due	17	10,77,254	(11,75,615)	-	13,06,409	12,08,048
Total		30,77,254	(11,75,615)	-	13,06,409	32,08,048

43 **Standard Issued but not effective:**

The amendments to standards and new standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective. The Ministry of Corporate Affairs("MCA") has issued new standards / certain amendments to Ind AS through (Indian Accounting Standards) Amendment Rules, 2019. These amendments maintain convergence with IFRS by incorporating amendments issued by International Accounting Standards Board(IASB) into Ind AS and has amended / issued the following standards:

1. Ind AS 116 - Lease
2. Ind AS 12 - Income Taxes (Amended)
3. Ind AS 19 - Plan Amendment, Curtailment or Settlement (Amended)
4. Ind AS 23 - Borrowing Cost (Amended)
5. Ind AS 109 - Prepayment Features with Negative Compensation (Amended)
6. Ind AS 28 – Long-term interests in Associates and Joint Ventures (Amended)
7. Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements (Amended)

These amendments / new issued standards are effective for annual periods beginning on or after April 01, 2019. Application of these amendments / new issued standards will not have any recognition and measurement impact. However, it will require additional disclosure in the financial statements.

The Company is assessing the potential effect of the amendments / new issued standards on its financial statements. The Company will adopt these amendments, if applicable, from their applicability date.

MPSEZ UTILITIES PRIVATE LIMITED

44 Related Parties transactions for the year ended March 31, 2019

Holding company	Adani Ports and Special Economic Zone Limited
Fellow subsidiary	Mundra SEZ Textile and Apparel Park Private Limited
	Adani Logistics Limited
Entities and venturers over which shareholders of the company are able to exercise significant influence through voting power	Adani Mundra SEZ Infrastructure Private Limited
Entities over which key management personnel,directors and their relatives are able to exercise significant influence	Adani Foundation
	Adani Skill Development Centre Private Limited
Key management personnel	Mr. Amit Uplenchwar (upto 12/01/2018), Director
	Mr. Ennarasu Karunesan , Director
	Mr. Mukesh Saxena (upto 04/08/2018) , Director
	Mr. Pritpal Singh (w.e.f 03/08/2018), Director
	Mr. Jai Singh Khurana, Managing Director
	Mr. Paresh Pate, Company Secretary
	Mr. Manoj Chanuka, Chief Financial Officer

Detail of Related Party Transactions for the year ended March 31, 2019

Amt in ₹

Category	Name of Related Party	March 31, 2019	March 31, 2018
Rendering of Services(Including reimbursement)	Mundra SEZ Textile and Apparel Park Private Limited	1,25,397	1,44,942
Services Availed (incl reimb of expenses)	Adani Ports and Special Economic Zone Limited	1,79,612	-
	Mundra SEZ Textile and Apparel Park Private Limited	3,61,560	-
Interest Expense	Adani Ports and Special Economic Zone Limited	68,219	4,82,50,025
Interest Income	Adani Skill Development Centre Private Limited	1,66,439	2,47,562
Director Sitting Fees	Jay Shah	-	83,298
	Krishnankumar Chhandulal Mishra	-	65,203
Donation	Adani Foundation	9,00,000	10,50,000
Loan taken	Adani Ports and Special Economic Zone Limited	7,18,00,000	2,66,77,50,000
Loan Repaid	Adani Ports and Special Economic Zone Limited	7,08,00,000	2,68,37,50,000
Loan received back	Adani Skill Development Centre Private Limited	-	90,00,000
Loan Given	Adani Skill Development Centre Private Limited	1,40,00,000	50,00,000

Closing Balances

Amt in ₹

Catogory	Name of the Related Party	March 31, 2019	March 31, 2018
Loans and Advances	Adani Ports and Special Economic Zone Limited	67,230	78,360
	Adani Logistics Limited	-	60,000
	Adani Skill Development Centre Private Limited	1,40,00,000	-
Trade Payables	Mundra SEZ Textile and Apparel Park Private Limited	1,03,189	-
	Adani Ports and Special Economic Zone Limited	13,425	-
Capital Advances	Adani Mundra SEZ Infrastructure Private Limited	13,80,00,000	13,80,00,000
Inter Corporate Deposit (taken)	Adani Ports and Special Economic Zone Limited	10,00,000	-

Note :-

Public utilities as covered under Ind AS - 24 "Related Party Disclosures", are not related parties. Hence transactions and outstanding balances related with power business , have not been reported as related party transactions.

M/s. G.K. CHOKSI & CO. CHARTERED ACCOUNTANTS

45 The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to the approval of financial statements to determine the necessity for recognisation and/or reporting of any of this events and transactions in the financial statements. As of 29th April, 2019 there are no subsequent events to be recognised or reported that are not already disclosed.

46 **Approval of financial statements**
The financial statements were approved for issue by the board of directors on 29. April 2019.

The accompanying notes form an integral part of financials statements
As per our report of even date

For G.K. CHOKSI & CO.
Firm Registration No.: 101895W
Chartered Accountants

SANDIP A. PARIKH
Partner
Membership No. 040727

Place: Ahmedabad
Date: April 29,2019

For and on behalf of Board of Directors of

Jai Khurana
Managing Director
DIN: 05140233

Ennarasu Karunesan
Director
DIN: 00200432

Manoj Chanduka
Chief Financial Officer

Paresh Patel
Company Secretary

Place: Ahmedabad
Date: April 29,2019

G. K. Choksi & Co.
Chartered Accountants
'Madhuban', Nr. Madalpur Underbridge, Ellisbridge, Ahmedabad - 380 006.
Dial : 91 - 79 - 6819 8900, 9925174555 - 56 ; E-mail : info@gkcco.com

Independent Auditor's Report

To the Members of MPSEZ Utilities Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **MPSEZ Utilities Private Limited ("the Company")** which comprises the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and the profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibility for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant for audit of financial statement under the provisions of the Act and Rules made thereunder, we have fulfilled our ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 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 is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter:

We draw attention to note 42(b) to the financial statements in respect of non-appointment of full time Company Secretary as required under Section 203 of the Companies Act, 2013. Our opinion is not qualified in respect this matter.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Directors' Report including the Annexures to the Directors' report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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 Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section

143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls..

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of cash flows dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended :
In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid the remuneration to its directors during the year.

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, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed details of pending litigations in Note 33 to the Financial Statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure-B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

FOR G. K. CHOKSI & CO.
[Firm Registration No.101895W]
Chartered Accountants

SANDIP PARIKH
Partner
Mem. No. 040727

Place : Ahmedabad
Date : 21st April, 2020
UDIN: 20040727AAAAFX2836

ANNEXURE -A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date)

Report on the Internal Financial Controls over financial reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **MPSEZ Utilities Private Limited** ("the Company") as on 31st March, 2020 in conjunction with our audit of financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting of the company.

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 authorizations 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 and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020, based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR G. K. CHOKSI & CO.
[Firm Registration No.101895W]
Chartered Accountants

SANDIP PARIKH
Partner
Mem. No. 040727

Place : Ahmedabad
Date : 21st April, 2020
UDIN: 20040727AAAAFX2836

ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date)

(i) In respect of the Company's fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and its situation.

(b) The Company has a regular programme for physical verification, in a phased periodic manner, which in our opinion is reasonable having regard to size of the Company and nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of the immovable property are held in the name of the Company. In respect of immovable properties of land that has been taken on lease and disclosed as fixed assets in the financial statements, the lease agreements are in the name of the Company.

(ii) As explained to us, the Management of the Company has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

(iii) According to information and explanation given to us the Company has not granted loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) In our opinion and according to information and explanations given to us, the Company has not made any loan, investment, guarantees or security and therefore the provision of Clause 3(iii) of the Order is not applicable to the Company.

(v) According to information and explanation given to us the Company has not accepted any deposits as defined in The Companies (Acceptance of Deposits) Rules 2014. Accordingly, reporting under Clause 3 (v) of the order is not applicable to the Company.

(vi) The Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013, for the business activities carried out by the Company and therefore, reporting under Clause 3(vi) of the Order is not applicable to the Company.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.

(c) Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as at 31st March, 2020 on account of dispute are given below:

Name of the Statue	**Nature of Dues**	**Disputed Amount**	**Amount Paid under Protest**	**Period of Dues**	**Forum at which Dispute is Pending**
Income-tax Act, 1961	Income Tax	40,146	NIL	2017-18	The Commissioner of Income-tax (Appeals)

(viii) In our opinion and according to information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not issued any debenture and has not taken any loan or borrowings from government and financial institutions.

(ix) In our opinion and according to information and explanations given to us the term loans have been applied by the Company during the year for the purpose for which they were raised.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid provided any managerial remuneration. Accordingly reporting under clause 3 (xi) of the order is not applicable to the Company.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly reporting under clause 3 (xii) of the order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable for all transactions with related parties and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and therefore, the reporting under clause 3 (xiv) of the order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into non-cash transactions with directors or directors of its holding ,subsidiary or associate Company or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore, the reporting under clause 3 (xvi) of the order is not applicable to the Company.

FOR G. K. CHOKSI & CO.
[Firm Registration No. 101895W]
Chartered Accountants

SANDIP PARIKH
Partner
Mem. No. 040727

Place : Ahmedabad
Date : 21st April, 2020
UDIN: 20040727AAAAFX2836

MPSEZ Utilities Private Limited
Balance Sheet as at March 31, 2020

(Amount in ₹)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	64,02,01,652	75,36,72,659
Right of use assets	3	10,66,97,894	-
Capital work-in-progress	3	2,52,38,968	1,59,19,847
Other financial assets	4	-	34,899
Deferred tax assets (net)	5	3,20,26,509	45,90,802
Income Tax Assets (net)	6	50,55,009	31,76,751
Other non-current assets	7	13,81,36,627	13,80,32,427
Total Non-Current Assets		94,73,56,659	91,54,27,385
Current assets			
Inventories	8	51,61,843	42,71,432
Financial assets			
Investments	9	13,049	12,304
Trade receivables	10	12,07,10,560	16,19,43,900
Cash and cash equivalents	11	6,74,70,800	64,23,428
Bank balance other than cash and cash equivalents	12	1,00,36,396	8,10,00,000
Loans	13	25,00,00,000	1,40,00,000
Other financial assets	4	1,88,47,755	12,88,078
Other current assets	7	15,67,02,220	15,07,04,754
Total Current Assets		**62,89,42,623**	41,96,43,896
Total Assets		1,57,62,99,282	1,33,50,71,281
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	14	.13,13,50,000	13,13,50,000
Other equity	15	83,82,65,292	73,16,19,119
Total Equity		96,96,15,292	**86,29,69,119**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	16	10,00,000	-
Other financial liabilities	17	4,47,14,613	4,28,54,225
Provisions	18	21,24,012	19,20,186
Other non-current liabilities	19	43,86,53,915	32,61,30,226
Total Non-Current Liabilities		48,64,92,540	**37,09,04,637**
Current liabilities			
Financial liabilities			
Trade payables			
(a) Total outstanding dues of micro and small enterprises	20	-	21,600
(b) Total outstanding dues of creditors other than micro and small enterprises	20	6,69,20,307	8,24,28,983
Other current financial liabilities	17	3,89,90,744	1,42,17,781
Other current liabilities	19	1,30,58,208	30,42,723
Provisions	18	12,22,191	14,86,438
Total Current Liabilities		**12,01,91,450**	10,11,97,525
Total Liabilities		60,66,83,990	**47,21,02,162**
Total Equity and Liabilities		1,57,62,99,282	1,33,50,71,281
Summary of Significant accounting policies	2.3		

The accompanying notes form an integral part of financials statements
As per our report of even date

For G.K. CHOKSI & CO.
Firm Registration No.: 101895W
Chartered Accountants

SANDIP A. PARIKH
Partner
Membership No. 040727

Place: Ahmedabad
Date: April 21, 2020

For and on behalf of Board of Directors of
MPSEZ Utilities Private Limited

B.V.J.K. Sharma

BVJK Sharma
Managing Director
DIN: 00017758
Place: Mumbai

Avinash Rai
Director
DIN: 08406981
Place: Mundra

Avinash Patel
Chief Financial Officer
Place: Mundra

Date: April 21, 2020

MPSEZ Utilities Private Limited
Statement of Profit and Loss for the year ended March 31, 2020

(Amount in ₹)

Particulars	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
INCOME			
Revenue from operations	21	1,80,13,35,862	1,62,20,08,760
Other income	22	1,73,91,179	1,35,04,778
Total income		1,81,87,27,041	**1,63,55,13,538**
EXPENSES			
Operating expenses	23	1,55,69,49,219	1,40,25,80,558
Employee benefits expense	24	2,66,50,433	3,10,29,498
Depreciation and amortization expense	3	5,72,97,108	4,74,62,902
Finance costs	25	70,93,583	25,39,000
Other expenses	26	7,52,20,396	6,33,36,059
Total expenses		1,72,32,10,739	1,54,69,48,017
Profit before exceptional items and tax		**9,55,16,302**	8,85,65,521
Exceptional items			
Profit before tax		**9,55,16,302**	8,85,65,521
Tax expense:	27		
Current tax		1,59,46,391	1,83,55,594
Deferred tax		(1,59,82,671)	1,08,38,001
MAT credit entitlement		(1,13,53,038)	(1,50,20,115)
Total tax expense		(1,13,89,318)	1,41,73,480
Profit for the year		10,69,05,620	7,43,92,041
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Re-measurement gains (losses) on defined benefit plans		(3,59,445)	(7,30,350)
Income Tax effect	27	99,998	1,96,130
Other comprehensive income for the year		(2,59,447)	(5,34,220)
Total comprehensive income for the year		10,66,46,173	7,38,57,821
Basic and diluted earnings per equity shares (in ₹) face value of ₹ 10 each	31	8.14	5.66
Summary of Significant accounting policies	2.3		

The accompanying notes form an integral part of financials statements
As per our report of even date

For G.K. CHOKSI & CO.
Firm Registration No: 101895W
Chartered Accountants

SANDIP A. PARIKH
Partner
Membership No. 040727

Place: Ahmedabad
Date: April 21, 2020

For and on behalf of Board of Directors of
MPSEZ Utilities Private Limited

BVJK Sharma
Managing Director
DIN: 00017758
Place: Mumbai

Avinash Rai
Director
DIN: 08406981
Place: Mundra

Avinash Patel
Chief Financial Officer
Place: Mundra

Date: April 21, 2020

MPSEZ Utilities Private Limited
Statement of Cash Flows for the year ended March 31, 2020

(Amount in ₹)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash flow from operating activities		
Net profit before tax	9,55,16,302	8,85,65,521
Adjustments for:		
Depreciation and amortization	5,72,97,108	4,74,62,902
Amortizations of service line contributions	(2,12,98,241)	(1,84,05,120)
Interest income	(1,59,02,034)	(14,29,065)
Net (gain)/loss on sale of current investments	(12,84,735)	(1,13,83,138)
Interest expense	55,80,475	13,06,409
Operating profit before working capital changes	**11,99,08,875**	**10,61,17,508**
Movements in working capital :		
Decrease/(increase) in trade receivables	4,12,33,340	(13,42,48,810)
(Increase) in Inventories	(8,90,410)	(30,21,939)
(increase)/Decrease in financial assets	(79,54,044)	70,331
(Increase) in other assets	(59,97,481)	(1,02,23,998)
(decrease)/Increase in trade payables	(1,55,30,264)	1,71,55,950
Increase in other liabilities	14,38,37,418	5,49,81,536
(decrease)/Increase in provisions	(4,19,866)	8,87,894
(Decrease)/Increase in financial liabilities	(57,23,499)	2,22,16,900
Cash generated from operations	**26,84,64,069**	**5,39,35,371**
Direct taxes paid (net of refunds)	(1,78,24,649)	(2,51,49,379)
Net cash generated from operating activities (A)	**25,06,39,420**	**2,87,85,993**
Cash flows from investing activities		
Purchase of Property plant & equipment (including capital work in progress and capital advances)	(2,67,84,643)	(5,74,00,503)
Intercorporate deposit / loans given	(25,00,00,000)	(1,40,00,000)
Intercorporate deposit / loans received back	1,40,00,000	-
Interest received	62,96,401	6,04,117
Investment in Mutual Fund	(1,01,20,00,000)	(2,25,20,00,000)
Proceeds from sale of Mutual Fund	1,01,32,83,989	2,26,91,41,995
Redemption/(Deposit) of margin money	7,09,98,503	(8,09,67,149)
Net cash inflow/ (outflow) investing activities (B)	**(18,42,05,750)**	**(13,46,21,540)**
Cash flows from financing activities		
Repayment of long-term borrowings	(10,00,000)	(10,00,000)
Proceeds from inter corporate deposit	8,00,00,000	7,18,00,000
Repayment of inter corporate deposit	(8,00,00,000)	(7,08,00,000)
Interest portion of lease obligation	(17,08,581)	-
Interest paid	(26,77,717)	(11,75,615)
Net cash inflow/ (outflow) financing activities (C)	**(53,86,298)**	**(11,75,615)**
Net increase / (decrease) in cash & cash equivalents (A + B + C)	6,10,47,372	(10,70,11,162)
Cash and cash equivalents at the beginning of the year	64,23,428	11,34,34,590
Cash and cash equivalents at the end of the year (Refer note-11)	**6,74,70,800**	**64,23,428**
Notes:		
Component of cash and cash equivalents		
Balances with scheduled bank		
On current accounts	6,74,70,800	64,23,428
Total cash and cash equivalents	**6,74,70,800**	**64,23,428**
Margin money deposits (restricted cash)	1,00,36,396	8,10,00,000
Summary of significant accounting policies 2.3		

Note :

(1) The Cash flow statement has been prepared under the indirect method as set out in the Ind AS 7 on Cash Flow Statements notified under section 133 of The Companies Act, 2013, read together with paragraph 7 of the Companies (Indian Accounting Standard) Rules, 2015 (as amended).

(2) Disclosure required under Para 44A as set out in Ind AS 7 on cash flow statements under Companies (Indian Accounting Standards) Rules, 2017 (as amended) is presented in note - 41

(3) The company considers interest paid to customers on security deposit as cash outflow from operating activity. Therefore, the interest paid under financing activities relates to interest paid on bank loan, interest paid on Inter Corporate Deposits and finance costs.

As per our report of even date

For G.K. CHOKSI & CO.
Firm Registration No.: 101895W
Chartered Accountants

SANDIP A. PARIKH
Partner
Membership No. 040727

For and on behalf of Board of Directors of
MPSEZ Utilities Private Limited

AHMEDABAD

BVJK Sharma
Managing Director
DIN: 00017758
Place: Mumbai

Avinash Rai
Director
DIN: 08406981
Place: Mundra

Avinash Patel
Chief Financial Officer
Place: Mundra

Place: Ahmedabad
Date: April 21, 2020

Date: April 21, 2020

MPSEZ Utilities Private Limited
Statement of Changes in Equity for the year ended March 31, 2020

(Amount in ₹)

Particulars	Equity Share Capital	Other Equity		Total
		Share Premium	Reserves and Surplus	
			Retained Earning	
Balance as on April 01, 2018	13,13,50,000	39,37,50,000	26,40,11,298	78,91,11,298
Profit for the year	-	-	7,43,92,041	7,43,92,041
Other Comprehensive Income	-	-	(5,34,220)	(5,34,220)
Total Comprehensive Income for the year	-	-	7,38,57,821	7,38,57,821
Balance as on March 31, 2019	13,13,50,000	39,37,50,000	33,78,69,119	86,29,69,119
Profit for the year	-	-	10,69,05,620	10,69,05,620
Other Comprehensive Income	-	-	(2,59,447)	(2,59,447)
Total Comprehensive Income for the year	-	-	10,66,46,173	10,66,46,173
Balance as on March 31, 2020	13,13,50,000	39,37,50,000	44,45,15,292	96,96,15,292

For G.K. CHOKSI & CO.
Firm Registration No.: 101895W
Chartered Accountants

SANDIP A. PARIKH
Partner
Membership No. 040727

Place: Ahmedabad
Date: April 21, 2020

For and on behalf of Board of Directors of
MPSEZ Utilities Private Limited

BVJK Sharma
Managing Director
DIN: 00017758
Place: Mumbai

Avinash Rai
Director
DIN: 08406981
Place: Mundra

Avinash Patel
Chief Financial Officer
Place: Mundra

Date: April 21, 2020

1 Corporate information

The financial statements comprise financial statements of MPSEZ Utilities Private Limited (the "Company, MUPL") for the year ended March 31, 2019. The Company is a private limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. It is 100% Subsidiary company of Adani Ports and Special Economic Zone Limited (APSEZL), incorporated on 13th July, 2007 and a Co-developer to provide infrastructure facilities in Mundra Special Economic Zone. The main objective of the company is to provide facility of distribution of electricity, effluent & sewage in Mundra SEZ area, Kutch, Gujarat. The registered office of the Company is located at "Adani House", Mithakhali Six Roads, Navrangpura, Ahmedabad-380009, Gujarat, INDIA.

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

The Financial Statements have been prepared on the historical cost basis, except for certain financial instruments (including derivative instruments) which are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

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

The financial statements are presented in Indian rupees (INR) and all values are rounded to the nearest rupees, except numbers.

2.2 Significant accounting estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based on its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

The significant estimates and judgements are listed below:

(i) 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.

(ii) Judgements by actuaries in respect of discount rates, future salary increments, mortality rates and inflation rate used for computation of defined benefit liability.

(iii) Significant judgement is required in assessing at each reporting date whether there is indication that a financial asset may be impaired.

(iv) The impairment provision for financial assets are based on the assumptions about risk of default and expected loss rates. The company uses judgements in making the assumptions and selecting the inputs to the impairment calculations, based on the company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(v) Significant judgement is required in assessing at each reporting date whether there is indication that a non-financial asset may be impaired.

(vi) Significant judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

(Vii) In estimating the fair value of financial assets and financial liabilities, the Company uses market observable data to the extent available. Where such Level 1 inputs are not available, the Company establishes appropriate valuation techniques and inputs to the model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments 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. Refer note 28 for further disclosures.

'ii) Significant judgment has been exercised by management in recognition of MAT credit and estimating the period of its utilisation.

2.3 Summary of significant accounting policies

a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realised 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.

A liability is current when:
- It is expected to be settled in normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.
Deferred tax assets and liabilities are classified as non-current assets and liabilities.
The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company ha: identified twelve months as its operating cycle.

b) Inventories

Stores and Spares:

- Valued at lower of cost and net realizable value. Cost is determined on a moving weighted average basis.
- Stores and Spares which do not meet the definition of property, plant and equipment are accounted as inventories.
- Net Realizable Value in respect of store and spares is the estimated current procurement price in the ordinary course of the business.

c) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprises cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the company's cash management.

d) Property, plant and equipment (PPE)

Property, plant and equipment (including capital work in progress) is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.The cost comprises the purchase price, directly and indirectly attributable costs arising directly from the development of the asset / project to its working condition for the intended use. When significant parts of plant and equipment are required to be replaced at intervals, the company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Borrowing cost relating to acquisition / construction of property, plant & equipment which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as prescribed under rates as per Appendix III of CERC (Terms and conditions of Tariff) Regulations, 2009 which are in line with Annexure I of Gujarat Electricity Regulatory Commission (Multi Year Tariff) Regulation, 2011.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

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.

Leasehold land is amortized over the lease period.

For all periods up to and including the year ended 31 March 2017, 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. The company during the year has changed its presentation and elected to 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. Consequent to change in presentation of such service line contribution, the depreciation is presented on gross value and amortisation of such line is being presented as other operating income.

e) Revenue recognition

IND AS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced IND AS 18 "Revenue", IND AS 11 "Construction Contracts" and related interpretations. Under IND AS 115, revenue is recognised when a customer obtains control of the goods or services. Revenue is recognised to the extent that it is probable that the Company will collect the consideration to which it is entitled. Determining the timing of the transfer of control – at a point in time or over time – requires judgement.

The Company 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. April 01, 2018). The Company's current practises for recognising revenue have shown to comply in all material aspects with the concepts and principles encompassed by the new standard. Therefore, IND AS 115 did not have a significant impact on the Company's accounting for revenue recognition.

Revenue is recognised upon transfer of control of promised goods/ services to customers in an amount that reflects the consideration we expect to receive in exchange of those products and services.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

i) Sale of power

Revenue from power supply and distribution charges are accounted for on the basis of billings to consumers and in accordance with tariff orders issued by Gujarat Electricity Regulatory Commission. Revenue recognized in excess of billing has been reflected under "other current assets" as accrued revenue. Further, in view of the uncertainties involved in the recoverability, the quarterly Fuel and Power Purchase Price Adjustment ("FPPPA") claims are accounted for as and when allowed by the regulatory authorities and truing up adjustments claims are accounted for as and when billed to the consumers.

ii) 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.

iii) Dividend

Dividend is recognised when the share holders' right to receive payment is established on the balance sheet date.

iv) Interest income

For all debt instruments measured either at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

f) Retirement and other employee benefits

All employee benefits payable wholly within 12 months rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short term compensated absences, performance incentives etc. and the expected cost of bonus, ex-gratia are recognised during the period in which the employee renders related service.

i) Provident fund

Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid.

ii) Gratuity fund

The company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Re-measurements, 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. Re-measurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

> Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

> Net interest expense or income.

iii) Compensated absences

Provision for compensated absence is determined using the projected unit credit method with actuarial valuation being carried out at each balance sheet date. Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short term employee benefits. The company treats accumulated leave expected to be carried forward beyond twelve months as long term compensated absence. The company measures the expected cost of such absence as the additional amount that is expected to pay as a result of the unused estimate that has accumulated at the reporting date.

g) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. 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.

h) Segment reporting

The Chief Operational Decision Maker monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

In accordance with the Ind-As 108 -" Operating Segments" , the Company has determined its business segment of distribution of electricity, effluent & sewage facilities. Since there are no other business segments in which the Company operates, there are no other primary reportable segments. Therefore, the segment revenue, results, segment assets, segment liabilities, total cost incurred to acquire segment assets, depreciation charge are all as is reflected in the financial statement.

i) Related party transactions

Disclosure of transactions with Related Parties, as required by Ind-AS 24 "Related Party Disclosures" has been set out in a separate note. Related parties as defined under Ind-AS 24 have been identified on the basis of representations made by key managerial personnel and information available with the Company.

j) Leases

Ind AS 116 supersedes Ind AS 17 Leases and IFRIC 4 Determining whether an Arrangement contains a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases.

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

The Company adopted Ind AS 116 using the modified retrospective method of adoption and applied the Standard to its leases on a prospective basis. The Company elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying Ind AS 17 and IFRIC 4 at the date of initial application. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets').

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certainty obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

k) Earnings per share

The Basic EPS has been computed by dividing the income available to equity shareholders by the weighted average number of equity shares outstanding during the accounting year. For the purpose of calculating diluted earning per share, the profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

l) Taxes

Tax expense comprises of current and deferred tax.

i) Current income tax

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted, at the reporting date.

Current income tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss (either in OCI or in equity). Current tax items are recognized 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 in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

ii) Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except

> When the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

> When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that affects neither the accounting profit nor taxable profit or loss.

The Company is eligible and claiming tax deductions available under section 80IA of the Income Tax Act, 1961 In view of Company availing tax deduction under Section 80IA of the Income Tax Act, 1961, deferred tax has been recognized in respect of temporary difference, which reverse after the tax holiday period in the year in which the temporary difference originate and no deferred tax (assets or liabilities) is recognized in respect of temporary difference which reverse during tax holiday period, to the extent such gross total income is subject to the deduction during the tax holiday period. For recognition of deferred tax, the temporary difference which originate first are considered to reverse first.

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 future taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. Deferred tax include MAT Credit Entitlement. The Company reviews the such tax credit asset at each reporting date and writes down the asset to the extent The Company does not have sufficient taxable temporary difference /convincing evidence that it will pay normal tax during the specified period. Deferred tax includes MAT tax credit.

m) Impairment of non-financial assets

The company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, The Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

MPSEZ Utilities Private Limited
AHMEDABAD

The company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

Intangible assets with indefinite useful lives are tested for impairment annually as at year end at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

n) Provisions, contingent liabilities and contingent assets

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss.

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.

Contingent liabilities and contingent assets

Contingent liabilities is disclosed in the case of :

a present obligation arising from past events, when it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

a present obligation arising from past events, when no reliable estimate can be made.

a possible obligation arising from past events, unless the probability of outflow of resources is remote.

Commitments includes the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

o) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

> In the principal market for the asset or liability, or

> In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

> Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities .

> Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

> Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value.

External valuers are involved for valuation of unquoted financial assets and financial liabilities, such as contingent consideration. Involvement of external valuers is decided upon annually by the management. Selection criteria includes market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the company's accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Company , in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable on a yearly basis.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

-Disclosures for valuation methods, significant estimates and assumptions (refer note 28 and 2.2)

-Quantitative disclosures of fair value measurement of financial instruments (refer note 28)

-Investment in unquoted equity shares (refer note 29)

p) 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. The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. It is broadly classified in financial assets, financial liabilities, derivatives & equity.

(A) Financial assets

Initial recognition and measurement

All financial assets, except investment in subsidiaries, associates and joint ventures are recognised initially at fair value.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

> Debt instruments at amortised cost.

> Debt instruments at fair value through other comprehensive income (FVTOCI).

> Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL).

> Equity instruments measured at fair value through other comprehensive income (FVTOCI).

i) **Debt instruments at amortised cost**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

(a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

(b)Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. 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 in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

ii) **Debt instrument at FVTOCI**

A debt instrument 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. The Company has not classified any financial asset into this category.

iii) **Debt instrument at FVTPL**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

(B) **Equity instruments**

All equity instruments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, The Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

> The rights to receive cash flows from the asset have expired, or

> The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure ;

a) Financial assets that are debt instruments, and are measured at amortised cost e.g. loans, debt securities, deposits, trade receivables and bank balances.

b) Financial assets that are debt instruments and are measured as at other comprehensive income (FVTOCI).

c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18.

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

> Trade receivables or contract revenue receivables; and

> All lease receivables resulting from transactions within the scope of Ind AS 17.

Under the simplified approach the Company does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs a each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increas in the credit risk said initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credi risk has increased significantly, lifetime ECL is used.

AHMEDABAD

ECL is the difference between all contracted cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original EIR. ECL impairment loss allowance (or reversal) recognised during the period is recognised as (expense) / income in the statement of profit and loss (P&L). This amount is reflected under the head " Other Expense" in the P&L.

Financial liabilities

Initial recognition and measurement

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.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, The Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at FVTPL.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the 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.

Derecognition

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

Reclassification of financial instruments

After initial recognition, no reclassification is made for financial assets which are equity instruments. 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. If the Company reclassifies the 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 the business model.

Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(The space has been intentionally kept blank)

2.4 New and amended standards adopted by the Company

The Company has applied the following standards and amendments for the first time for annual reporting period commencing from April 01, 2019

i) Ind AS 116 Leases

Nature of the effect of adoption of Ind AS 116

The Company has lease contracts for various items of property including land. Before the adoption of Ind AS 116, the Company classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. A lease was classified as a finance lease if it transferred substantially all of the risks and rewards incidental to ownership of the leased asset to the Company; otherwise it was classified as an operating lease. Finance leases were capitalised at the commencement of the lease at the inception date at fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments were apportioned between interest (recognised as finance costs) and reduction of the lease liability.

In an operating lease, the leased property was not capitalised and the lease payments were recognised as rent expense in profit or loss on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognised under Prepayments and Trade and other payables, respectively.

Upon adoption of Ind AS 116, the Company applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which has been applied by the Company.

Leases previously accounted for as operating leases

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

The operating lease commitments as of March 31, 2019 reconciled with lease liabilities as at April 01, 2019 as follows:

Particulars	(Amount in ₹)
Future operating lease commitments as at March 31, 2019	7,17,78,299
Weighted average incremental borrowing rate as at April 01, 2019	7.50%
Discounted operating lease commitments at April 01, 2019	3,21,53,977
Less:	
Commitments relating to short-term leases	-
Add:	
Commitments relating to leases previously classified as finance leases	-
Lease liabilities as at April 01, 2019	**3,21,53,977**

The Company also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months at the date of initial application

The effect of adoption Ind AS 116 as at April 01, 2019 (increase/(decrease)) is as follows:

Particulars	(Amount in ₹)
Assets	
Right of use assets	11,11,90,370
Property, plant and equipement (Re-classification)	(7,90,36,393)
Total Assets	**3,21,53,977**
Liabilities	
Financial Liabilities - Lease Liabilities (Current + Non Current)	3,21,53,977
Total Liabilities	**3,21,53,977**

Summary of new accounting policies

Set out below are the new accounting policies of the Company upon adoption of Ind AS 116:

> **Right-of-use assets**

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

> **Lease liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

> **Short-term leases and leases of low-value assets**
The Company applies the short-term lease recognition exemption to its short-term leases of property, plant and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

> **Significant judgement in determining the lease term of contracts with renewal options**
The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

> **Amounts recognised in the Balance sheet and statement of profit and loss:**
Set out below, are the carrying amounts of the Company's right-of-use assets and lease liabilities and the movements during the year:

(Amount in ₹)

Particulars	Right to Use of Assets	Lease Liabilities
	Land	
As at April 01, 2019	-	1,20,94,090
Recognition on Intial application of Ind As 116	3,21,53,977	3,21,53,977
Re-class from Leasehold Land	7,90,36,393	-
Depreciation and Amortisation Expenses	(44,92,476)	-
Interest Expenses	-	22,83,412
Payments	-	(22,88,304)
As at March 31, 2020	**10,66,97,894**	**4,42,43,175**

Set out below, are the amounts recognised in statement of profit or loss:

(Amount in ₹)

Particulars	For the year March 31, 2020
Post-amendement in Ind AS 116	
Depreciation expense of right-of-use assets	44,92,476
Interest expense on lease liabilities	22,83,412
Total amounts recognised in profit or loss	**67,75,888**
Pre-amendement in Ind AS 116	
Rent expense	17,08,500
Depreciation expenses	32,55,785
Total amount that would have been recognised in profit or loss	**49,64,285**

Note 3 - Property, plant and equipment

(Amount in ₹)

Particulars	Property, Plant and Equipment							
	Leasehold land	Building	Plant & machinery	Furniture & fixtures	Office equipments	Computer equipment	Vehicles	Total
<u>**Cost**</u>								
As at March 31, 2018	**5,39,72,951**	**2,10,38,381**	**67,35,84,347**	**1,27,169**	**60,000**	**86,816**	**1,90,193**	**74,90,59,857**
Additions	3,37,28,590	96,71,855	14,44,94,100	-	-	7,62,396	-	18,86,56,941
Deductions/Adjustment	-	-	-	-	-	-	-	-
As at March 31, 2019	**8,77,01,541**	**3,07,10,236**	**81,80,78,447**	**1,27,169**	**60,000**	**8,49,212**	**1,90,193**	**93,77,16,798**
Additions	-	-	1,83,00,018	-	70,000	-	-	1,83,70,018
Deductions/Adjustment	-	-	-	-	-	-	-	-
Re-class to Right of Use assets	(8,77,01,541)	-	-	-	-	-	-	(8,77,01,541)
As at March 31, 2020	-	**3,07,10,236**	**83,63,78,465**	**1,27,169**	**1,30,000**	**8,49,212**	**1,90,193**	**86,83,85,275**
<u>**Depreciation and Impairment**</u>								
As at March 31, 2018	**63,87,750**	**24,98,126**	**12,75,50,708**	**29,617**	**3,797**	**48,494**	**62,745**	**13,65,81,237**
Depreciation for the year	22,77,398	8,62,800	4,42,64,040	10,143	3,798	23,808	20,915	4,74,62,902
Deductions/(Adjustment)	-	-	-	-	-	-	-	-
As at March 31, 2019	**86,65,148**	**33,60,926**	**17,18,14,748**	**39,760**	**7,595**	**72,302**	**83,660**	**18,40,44,139**
Depreciation for the year	-	11,55,748	5,14,84,806	10,143	5,505	1,27,515	20,915	5,28,04,632
Deductions/(Adjustment)	-	-	-	-	-	-	-	-
Re-class to Right of Use assets	(86,65,148)	-	-	-	-	-	-	(86,65,148)
As at March 31, 2020	-	**45,16,674**	**22,32,99,554**	**49,903**	**13,100**	**1,99,817**	**1,04,575**	**22,81,83,623**
<u>Net Block</u>								
As at March 31, 2020	-	2,61,93,562	61,30,78,911	77,266	1,16,900	**6,49,395**	85,618	64,02,01,652
As at March 31, 2019	7,90,36,393	2,73,49,310	64,62,63,699	87,409	52,405	7,76,910	1,06,533	75,36,72,659

Note :-

(1) For development of infrastructure at Mundra, the Company has been allotted land on lease basis by Adani Ports and Special Economic Zone Limited.

(2) With effect from April 01, 2019, the company has adopted Ind AS 116 "Leases" and consequently Leasehold land has been re-classified as Right of Use assets.

AHMEDABAD

Right of use assets:-

(₹ in Lacs)

Particulars	Amount
Recognition on Intial application of Ind As 116 as at April 01, 2019	3,21,53,977
Re-class from Leasehold Land	7,90,36,393
Deductions/Adjustment	-
As at March 31, 2020	**11,11,90,370**
Accumulated Depreciation	
Depreciation for the year	44,92,476
Deductions/(Adjustment)	-
As at March 31, 2020	**44,92,476**
Net Block	
As at March 31, 2020	**10,66,97,894**

Note - Right of Use of asset has been recognised in accordance with Ind AS 116, which represents Land taken on lease from Adani Ports and Special Economic Zone Limited.

Capital Work-in-Progress :-

Particulars	(Amount in ₹)
Carring amount:	
As at March 2020	2,52,38,968
As at March 2019	1,59,19,847

Capital Working in progress consists of Project Material Items.

4 Other financial assets

	March 31, 2020 (Amount in ₹)	March 31, 2019 (Amount in ₹)
Non-current		
Bank Deposits having maturity over 12 months	-	34,899
	-	**34,899**
Current		
Security and other deposits		
- Considered good	76,83,130	1,83,130
Interest accrued on deposits and loans	1,04,30,581	8,24,948
Loans and advance to employees	7,34,044	2,80,000
	1,88,47,755	**12,88,078**

5 Deferred tax liabilities/Assets (net)

	March 31, 2020 (Amount in ₹)	March 31, 2019 (Amount in ₹)
Deferred tax assets		
Tax credit entitlement under MAT	5,30,83,061	4,17,30,023
Deferred tax liability		
Deferred Tax Liabilities (net)	(2,10,56,552)	(3,71,39,221)
	3,20,26,509	**45,90,802**

6 Income tax assets (net)

	March 31, 2020 (Amount in ₹)	March 31, 2019 (Amount in ₹)
Advance income tax (Net of provision for taxation)	50,55,009	31,76,751
	50,55,009	**31,76,751**

7 Other assets

		March 31, 2020 (Amount in ₹)	March 31, 2019 (Amount in ₹)
Non Current			
Capital advances			
Unsecured, considered good		13,81,36,627	13,80,32,427
		13,81,36,627	13,80,32,427
Current			
Advances recoverable in cash or in kind			
Unsecured, considered good		72,35,592	37,18,803
	(a)	**72,35,592**	**37,18,803**
Others (Unsecured)			
Prepaid Expenses		2,47,437	2,18,284
Accrued revenue		14,91,07,010	14,62,96,214
Balances with statutory/ Government authorities		1,12,181	4,71,453
	(b)	**14,94,66,628**	**14,69,85,951**
	(a + b)	**15,67,02,220**	**15,07,04,754**

8 Inventories

	March 31, 2020 (Amount in ₹)	March 31, 2019 (Amount in ₹)
Stores and spares	51,61,843	42,71,432
	51,61,843	**42,71,432**

9 Investments

	March 31, 2020 (Amount in ₹)	March 31, 2019 (Amount in ₹)
Current		
Financial Assets at fair value through Profit or Loss (FVTPL)		
Unquoted Mutual Funds		
4.78 Unit of ₹ 1000 each in Invesco India Liquid Fund - Direct Plan Growth (LF-D1) as on 31st March, 2020	13,049	-
4.78 Unit of ₹ 1000 each in Invesco India Liquid Fund - Direct Plan Growth (LF-D1) as on 31st March, 2019	-	12,304
	13,049	**12,304**

10 Trade receivables	**March 31, 2020 (Amount in ₹)**	**March 31, 2019 (Amount in ₹)**
Current		
Unsecured considered good unless stated otherwise		
Trade receivables	12,07,10,560	16,19,43,900
Considered doubtful	45,48,123	45,48,123
	12,52,58,683	16,64,92,023
Provision for doubtful debts	(45,48,123)	(45,48,123)
	12,07,10,560	16,19,43,900

Note :-

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person; nor any trade or other receivable are due from firms or private companies in which any director is a partner, a director or a member.

11 Cash and cash equivalents	**March 31, 2020 (Amount in ₹)**	**March 31, 2019 (Amount in ₹)**
Balances with banks:		
Balance in current account	6,74,70,800	64,23,428
	6,74,70,800	**64,23,428**

12 Bank balances other than cash and cash equivalents	**March 31, 2020 (Amount in ₹)**	**March 31, 2019 (Amount in ₹)**
Margin money deposits	36,396	-
Deposits with original maturity over 3 months but less than 12 months	1,00,00,000	8,10,00,000
	1,00,36,396	**8,10,00,000**

13 Loans	**March 31, 2020 (Amount in ₹)**	**March 31, 2019 (Amount in ₹)**
Current		
Loan to related parties (refer note 43)		
- Unsecured, considered good	-	1,40,00,000
Loans to others		
- Unsecured, considered good	25,00,00,000	-
	25,00,00,000	**1,40,00,000**

14 Equity Share capital	**March 31, 2020 (Amount in ₹)**	**March 31, 2019 (Amount in ₹)**
Authorised		
1,31,50,000 Equity Shares of ₹ 10 each (1,31,50,000 Equity Shares of ₹ 10 each as at March 31, 2019)	13,15,00,000	13,15,00,000
	13,15,00,000	**13,15,00,000**
Issued, subscribed and fully paid up shares		
1,31,35,000 Equity Shares of ₹ 10 each (1,31,35,000 Equity Shares of ₹ 10 each as at March 31, 2019)	13,13,50,000	13,13,50,000
	13,13,50,000	**13,13,50,000**

Notes:

(a) Reconciliation of the number of the shares outstanding at the beginning and end of the year:

	March, 31, 2020		**March, 31, 2019**	
	Nos	**(Amount in ₹)**	**Nos**	**(Amount in ₹)**
At the beginning of the year	1,31,35,000	13,13,50,000	1,31,35,000	13,13,50,000
New Shares Issued during the year	-	-	-	-
At the end of the year	1,31,35,000	13,13,50,000	1,31,35,000	13,13,50,000

(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.

In the event of liquidation of the company, the holders of 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.

Out of equity shares issued by the company, shares held by its holding company is as below.

(c) Shares held by holding company	**March 31, 2020 (Amount in ₹)**	**March 31, 2019 (Amount in ₹)**
Adani Ports and Special Economic Zone Limited, the holding company and its nominee 1,31,35,000 equity shares (Previous year 1,31,50,000) of ₹10 each	13,13,50,000	13,13,50,000

(d) Details of shareholder holding more than 5% shares in the Company

Details	Particulars	March 31, 2020	March 31, 2019
Adani Ports and Special Economic Zone Limited, the holding company and its nominee	Nos	1,31,35,000	1,31,35,000
	% Holding	100.00%	100.00%

15 Other equity

		March 31, 2020 (Amount in ₹)	**March 31, 2019 (Amount in ₹)**
Share premium (refer note a)	(A)	39,37,50,000	39,37,50,000
Retained earnings (refer note b)			
Opening Balance		33,78,69,119	26,40,11,298
Add:- Profit during the year		10,69,05,620	7,43,92,041
Add:- Other comprehensive income		(2,59,447)	(5,34,220)
	(B)	44,45,15,292	33,78,69,119
	(A+B)	83,82,65,292	73,16,19,119

Note :-

a) Securities premium represents the premium received on issue of shares over and above the face value of equity shares. Such amount is available for utilization in accordance with the provisions of the Companies Act, 2013.

b) The portion of profits not distributed among the shareholders are termed as retained earnings. The Company may utilize the retained earnings for making investments for future growth and expansion plans, for the purpose of generating higher returns for the shareholders or for any other specific purpose, as approved by the Board of Directors of the Company.

16 Borrowings

	March 31, 2020 (Amount in ₹)	**March 31, 2019 (Amount in ₹)**
Non-Current		
Inter corporate deposit (Unsecured)	10,00,000	-
	10,00,000	-
Current		
Current maturity of		
Inter Corporate Deposit (refer note (c) below and 43)	-	10,00,000
Indian rupee loan from bank	-	10,00,000
Total current borrowing	-	**20,00,000**
Less: Amount shown under "other current financial liabilities"	-	(20,00,000)
Net current borrowing	-	-
The above amount includes		
Secured borrowings	-	10,00,000
Unsecured borrowings	10,00,000	10,00,000
Total borrowings	10,00,000	20,00,000

Notes:

(a) Term loan of ₹ Nil (March 31, 2019, ₹ 10,00,000/-) is repaid during the current year in equal quarterly instalment The Tenure of loan was up to 31st March, 2020.

(b)Unsecured loan is taken from Adani Port and Special Economic Zone Limited at 7.5% interest rate & is repayable by July 10, 2022.

17 Other financial liabilities

	March 31, 2020 (Amount in ₹)	**March 31, 2019 (Amount in ₹)**
Non-Current		
Deposit from customers	4,71,438	3,13,39,940
Obligations under lease land	4,42,43,175	1,15,14,285
	4,47,14,613	**4,28,54,225**
Current		
Current maturities of long term borrowings (refer note 16)	-	20,00,000
Interest accrued but not due on borrowings	14,00,018	12,08,048
Interest accrued and due on borrowings	4,27,376	-
Deposits from customers	2,57,24,728	-
Capital creditors, retention money and other payable	1,14,38,622	1,04,29,928
Obligations under lease land	-	5,79,805
	3,89,90,744	**1,42,17,781**

Notes:

a) Assets taken under finance leases -

The Company has entered into long term land lease agreement for land measuring 14,484 sq. meters. at multi product special economic zone at Mundra with Adani Ports and Special Economic Zone Limited for its electricity distribution facility. The annual lease rent is subject to revision every three years from September 01, 2019 by 20% escalation of the previous amount. The lease rent terms are for the period of 30 years. There is no contingent rent and no restrictions imposed by the lease arrangements. The Company has taken land on finance leases with lease terms of 26 years and 5 months. Future minimum rentals payable under finance leases as at 31 March are as follows:

(Amount in ₹)

Particulars	**As at March 31, 2020**	
	Minimum lease payments	**Present value of MLP**
Within one year	6,23,074	5,75,588
After one year but not later than five years	28,14,216	21,27,753
More than five years	3,23,97,888	88,10,944
Total minimum lease payables	**3,58,35,178**	**1,15,14,285**
Less: Amounts representing finance charges	(2,43,20,893)	
Present value of minimum lease Payables	**1,15,14,285**	**1,15,14,285**

18 Net employee defined benefit liabilities	**March 31, 2020 (Amount in ₹)**	**March 31, 2019 (Amount in ₹)**
Non-current		
Provision for compensated absences	21,24,012	19,20,186
	21,24,012	**19,20,186**
Current		
Provision for gratuity (refer note 35)	6,50,699	9,19,541
Provision for compensated absences	5,71,492	5,66,897
	12,22,191	14,86,438

19 Other liabilities	**March 31, 2020 (Amount in ₹)**	**March 31, 2019 (Amount in ₹)**
Non Current		
Deferred revenue - service line contributions from customers	43,86,51,826	32,61,30,226
Other liabilities	2,089	-
	43,86,53,915	**32,61,30,226**
Current		
Statutory liability	1,25,03,799	22,87,448
Advance from customers	5,54,409	7,55,275
	1,30,58,208	**30,42,723**

20 Trade payables	**March 31, 2020 (Amount in ₹)**	**March 31, 2019 (Amount in ₹)**
Total outstanding dues of micro and small enterprises (refer note -36)	-	21,600
Total outstanding dues other than micro and small enterprises	6,69,20,307	8,24,28,983
	6,69,20,307	**8,24,50,583**

(The space has been intentionally kept blank)

21 **Revenue from operations**	**March 31, 2020 (Amount in ₹)**	**March 31, 2019 (Amount in ₹)**
Revenue from power sales	1,75,76,25,881	1,59,83,82,202
Less :- Discount for prompt payment of bills	(10,91,701)	(1,09,28,264)
Other revenue related to Power Business		
Miscellaneous Income	1,60,16,969	94,93,638
Amortisations of service line contributions	2,12,98,241	1,84,05,120
Income from common effluent treatment services	54,86,472	66,56,064
	1,80,13,35,862	**1,62,20,08,760**

22 **Other Income**	**March 31, 2020 (Amount in ₹)**	**March 31, 2019 (Amount in ₹)**
Interest income from		
Bank	31,99,735	12,62,626
Income tax refund	-	2,70,765
Group company	13,32,436	1,66,439
Others	1,13,69,863	-
Profit on sale of investment (Mutual fund)	12,84,735	1,13,83,138
Miscellaneous Income	2,04,410	4,21,810
Total other income	1,73,91,179	1,35,04,778

3 **Operating expenses**	**March 31, 2020 (Amount in ₹)**	**March 31, 2019 (Amount in ₹)**
Power purchase	1,51,87,41,505	1,33,58,00,479
Reactive energy charges	16,60,640	7,17,862
Unscheduled interchange charges	3,62,75,933	6,59,11,668
SLCD charges	2,71,141	1,50,549
	1,55,69,49,219	**1,40,25,80,558**

24 **Employee benefit expense**	**March 31, 2020 (Amount in ₹)**	**March 31, 2019 (Amount in ₹)**
Salaries, wages and Bonus	2,40,36,120	2,85,01,073
Contribution to provident and other funds	12,72,539	12,33,646
Gratuity (refer note 35)	5,15,378	3,77,751
Staff welfare expenses	8,26,396	9,17,028
	2,66,50,433	3,10,29,498

25 **Finance costs**	**March 31, 2020 (Amount in ₹)**	**March 31, 2019 (Amount in ₹)**
Interest on		
Security deposit	15,13,108	12,32,591
Borrowings	29,07,028	2,36,897
Finance charges on lease	22,83,412	-
Others	-	5,77,053
Bank charges and commission	3,90,035	4,92,459
	70,93,583	**25,39,000**

(The space has been intentionally kept blank)

AHMEDABAD

26 Other expenses

	March 31, 2020 (Amount in ₹)	March 31, 2019 (Amount in ₹)
Infrastructure usage charges	3,94.60,145	3.60.78.977
Lease rent (refer note 1 below)	-	18,91,560
Insurance (net of reimbursement)	3,668	8,751
Advertisement and publicity	87,842	5,40,453
<u>Repairs & maintenance</u>		
Plant and machinery	59,34,246	40,69,423
Building	-	1,05,819
Others	29,11,544	16,01,998
Contractual Manpower cost	49,76,498	-
Stores, spares and consumables	55,80,869	57,95,235
Legal and professional expenses	73,90,367	58,98,234
Payment to auditors (refer note 2 below)	2,10,000	2,10,000
Security expenses	13,28,435	16,06,851
Communication expenses	1,18,124	3,33,737
Electric power expenses	16,365	4,14,282
Travelling and conveyance	16,27,830	13,18,858
Charity & donations (refer note 3 below)	14,75,000	9,00,000
Miscellaneous expenses	40,99,463	25,61,881
	7,52,20,396	**6,33,36,059**

Note : 1

Assets taken under Operating Leases –

An infrastructure area and common effluent plant for providing power and effluent treatment facility respectively, have been obtained on operating leases. There are no sub-leases and leases cancellable in nature. There are no restrictions imposed by the lease arrangements. There is no contingent rent in the lease agreements. Expenses of ₹ Nil (previous year ₹ 18,91,560) incurred under such leases have been expensed in the statement of profit & loss.

Note: 2

Payment to Auditor

	March 31, 2020 (Amount in ₹)	March 31, 2019 (Amount in ₹)
As Auditor:		
Audit fee	1,50,000	1,50,000
Other Services	60,000	60,000
	2,10,000	**2,10,000**

Note: 3

Details of CSR Expenses

	March 31, 2020 (Amount in ₹)	March 31, 2019 (Amount in ₹)
Gross amount required to be spent by the company during the year	14,75,000	8,64,098
Amount spent during the year ending March 31, 2020		
(i) Construction/acquisition of any Asset	-	-
(ii) On Purpose other than (i) above	14,75,000	9,00,000

The company has paid ₹ 14.75 lacs (previous year ₹ 9.00 lacs) towards corporate social responsibilities to Adani Foundation.

27 Income Tax

(a) 'The major components of income tax expenses for the years ended March 31, 2020 and March 31, 2019

Statement of profit and loss	March 31, 2020 (Amount in ₹)	March 31, 2019 (Amount in ₹)
Current income tax:		
Current income tax charge	1,59,46,391	1,83,55,594
Deferred tax:		
Relating to origination and reversal of temporary differences	(1,59,82,671)	1,08,38,001
Tax (credit) under minimum alternate tax (MAT)	(1,13,53,038)	(1,50,20,115)
Income tax expenses reported in statement of profit and loss	**(1,13,89,318)**	**1,41,73,480**

AHMEDABAD

(b) 'OCI section

Deferred tax related to items recognised in OCI during the year	**March 31, 2020 (Amount in ₹)**	**March 31, 2019 (Amount in ₹)**
Net loss/(gain) on remeasurements of defined benefit plans	(99,998)	(1,96,130)
Income tax charged to OCI	**(99,998)**	**(1,96,130)**

(c) Reconciliation of tax expense and the accounting profit multiplied by applicable tax rate for March 31, 2020 and March 31, 2019

	March 31, 2020 (Amount in ₹)	**March 31, 2019 (Amount in ₹)**
Accounting profit before taxation	9,55,16,302	8,85,65,521
Applicable tax rate	27.82%	27.82%
Computed tax expenses	**2,65,72,635**	**2,46,38,928**
Deduction under Chapter VI A	(3,00,72,668)	(2,28,72,437)
Reversal during tax holiday period	(83,05,924)	1,22,31,483
Temporary differences on which deferred tax not created	1,41,643	3,32,519
Non-deductible expenses	7,97,530	7,58,053
Others	(5,22,534)	(9,15,067)
Income tax expenses charged to profit and loss	**(1,13,89,318)**	**1,41,73,480**

(d) Deferred tax relates to following

Particulars	**Balance Sheet**		**Profit and Loss**	
	March 31, 2020 (Amount in ₹)	**March 31, 2019 (Amount in ₹)**	**March 31, 2020 (Amount in ₹)**	**March 31, 2019 (Amount in ₹)**
Temporary difference in value of Property, Plant and Equipment as per books of accounts and tax	(4,22,69,263)	(4,99,46,011)	(76,76,748)	(27,59,625)
Reversal of 80IA period	2,11,12,714	1,28,06,790	(83,05,924)	1,34,01,496
Income tax effect on re-measurement gains (losses) on defined benefit plans	99,998	-	(99,998)	-
Deferred tax liabilities	**(2,10,56,551)**	**(3,71,39,221)**	**(1,60,82,670)**	**1,06,41,871**

(e) Reconciliation of deferred tax liabilities	**March 31, 2020 (Amount in ₹)**	**March 31, 2019 (Amount in ₹)**
Opening balance as at 1st April	(3,71,39,221)	(2,64,97,350)
Tax expense during the period recognised in profit and loss	(1,59,82,671)	1,08,38,001
Tax expense during the period recognised in OCI	(99,998)	(1,96,130)
Closing balance as at 31st March	(2,10,56,552)	(3,71,39,221)

28 Fair Value Measurement

a) The carrying value of financial instruments by categories as of March 31, 2020 is as follows :

Particulars	**Fair Value through other Comprehensive Income**	**Fair Value through Profit & Loss**	**Derivative instruments not in hedging relationship**	**Amortised Cost**	**Amortised Cost**
Financial Asset					
Investments	-	13,049	-	-	13,049
Trade receivables	-	-	-	12,07,10,560	12,07,10,560
Cash and Cash Equivalents	-	-	-	6,74,70,800	6,74,70,800
Other Bank balance	-	-	-	1,00,36,396	1,00,36,396
Loans	-	-	-	25,00,00,000	25,00,00,000
Others financial assets	-	-	-	1,88,47,755	1,88,47,755
	-	**13,049**	-	**46,70,65,511**	**46,70,78,561**
Financial Liabilities					
Borrowings	-	-	-	10,00,000	10,00,000
Trade payables	-	-	-	6,69,20,307	6,69,20,307
Other financial liabilities		-	-	8,37,05,356	8,37,05,356
	-	-	-	**15,16,25,664**	**15,16,25,664**

AHMEDABAD

b) The carrying value of financial instruments by categories as of March 31, 2019 is as follows :

Particulars	Fair Value through other Comprehensive Income	Fair Value through Profit & Loss	Derivative instruments not in hedging relationship	Amortised Cost	Amortised Cost
Financial Asset					
Investments	-	12,304	-	-	12,304
Trade receivables	-	-	-	16,19,43,900	16,19,43,900
Cash and Cash Equivalents	-	-	-	64,23,428	64,23,428
Other Bank balance	-	-	-	8,10,00,000	8,10,00,000
Loans	-	-	-	1,40,00,000	1,40,00,000
Others financial assets	-	-	-	13,22,977	13,22,977
	-	12,304	-	26,46,90,305	26,47,02,609
Financial Liabilities					
Borrowings	-	-	-	20,00,000	20,00,000
Trade payables	-	-	-	8,24,50,583	8,24,50,583
Other financial liabilities	-	-	-	5,50,72,006	5,50,72,006
	-	-	-	13,95,22,589	13,95,22,589

c) The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

29 Fair Value hierarchy :

Particulars	As at March 31, 2020			
	Level 1	Level 2	Level 3	Level 3
Assets				
Investment (Unquoted Mutual Fund)	-	13,049	-	-
Total	-	13,049	-	-

Particulars	As at March 31, 2019			
	Level 1	Level 2	Level 3	Level 3
Assets				
Investment (Unquoted Mutual Fund)	-	12,304	-	-
Total	-	12,304	-	-

30 Financial risk objective and policies

The Company's principal financial liabilities, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations/projects and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

In the ordinary course of business, the Company is mainly exposed to risks resulting from interest rate movements (interest rate risk) collectively referred as market risk, credit risk, liquidity risk and other price risks such as equity price risk. The Company's senior management oversees the management of these risks.

The Company's risk management activities are subject to the management, direction and control of Central Treasury Team of the Adani Group under the framework of Risk Management Policy for Currency and Interest rate risk as approved by the Board of Directors of the Company. The Company's central treasury team ensures appropriate financial risk governance framework for the Company through appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken.

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings.

The sensitivity analysis in the following sections relate to the position as at March 31, 2020 and March 31, 2019.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant as at March 31, 2019.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2020 and March 31, 2019.

AHMEDABAD

i) **Interest rate risk**

The Company is exposed to changes in market interest rates due to financing, investing and cash management activities. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Interest rate sensitivity

The following paragraph demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

If interest rates had been 50 basis points higher / lower and all other variables were held constant, the Company's profit for the year ended March 31, 2020 would decrease / increase by ₹ 5,000/- (previous year ₹ 5,000/-). This is mainly attributable to interest rates on variable rate long term borrowings.

b) **Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and other financial assets) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive evaluation and individual credit limits are defined in accordance with this assessment.

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Finance Committee. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

- **Concentrations of Credit Risk form part of Credit Risk**

Considering that the Company provides transmission and distribution of electricity services at SEZ area located at Mundra, the Company is significantly depend on transmission and distribution lines provided to customers. Out of total revenue, the Company earns of ₹ 132,80,59,228 from top six customers during the year ended March 31 ,2020 which constitute 73.92%. A loss of these customers could adversely affect the operating result or cash flow of the Company.

c) **Liquidity risk**

Liquidity risk is the risk that the company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial assets. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

Maturities of financial liability

The table below analysis the Company's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at March 31, 2020 **(Amount in ₹)**

Particulars	**Refer Note**	**On Demand**	**Within 1 year**	**Over 1 year within 5 years**	**Over 5 years**	**Total**
Borrowings	16	-	-	10,00,000	-	10,00,000
Other financial liabilities	17	-	3,89,90,744	-	4,47,14,613	8,37,05,356
Trade payables	20	-	6,69,20,307	-	-	6,69,20,307
		-	**10,59,11,050**	**10,00,000**	**4,47,14,613**	**15,16,25,663**

As at March 31, 2019 **(Amount in ₹)**

Particulars	**Refer Note**	**On Demand**	**Within 1 year**	**Over 1 year within 5 years**	**Over 5 years**	**Total**
Borrowings	16	-	20,00,000	-	-	20,00,000
Other financial liabilities	17	-	1,22,24,392	3.40.43.281	88,04,333	5,50,72,006
Trade payables	20	-	8,24,50,583	-	-	8,24,50,583
		-	**9,66,74,975**	**3,40,43,281**	**88,04,333**	**13,95,22,588**

31 Earnings per share

	March 31, 2020 **(Amount in ₹)**	**March 31, 2019** **(Amount in ₹)**
Profit attributable to equity shareholders of the company	10,69,05,620	7,43,92,041
Weighted average number of equity shares	1,31,35,000	1,31,35,000
Face value per share (in ₹)	10	10
Basic and Diluted earning per share (in ₹)	8.14	5.66

AHMEDABAD

32 Capital commitments

Particulars	March 31, 2020	March 31, 2019
Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for	66,54,767	3,52,36,835

33 Contingent liabilities not provided for

Particulars	March 31, 2020	March 31, 2019
The company has received intimation order u/s 143(1) disallowing claims of expenditure of INR 1,29,210. Consequently, interest u/s 234B and 234C is increased and refund amount is reduced to that extent. against which company has preferred appeal before CIT(A).	40,146.00	Nil

34 Segment Information

The Company is primarily engaged in the business of providing facility of distribution of electricity, effluent & sewage facilities . The entire business has been considered as a single segment in terms of Ind AS - 108 on Segment Reporting issued by the Institute of Chartered Accountants of India. There being no business outside India, the entire business has been considered as single geographic segment.

Considering the inter relationship of various activities of business, the chief operational decision maker monitors the operating results of business segment on over all basis. Segment performance is evaluated based on profit and loss and is measured consistently with profit or loss in financial statement.

35 Disclosures as required by Ind AS - 19 Employee Benefits

The company has recognised, in the Statement of Profit and Loss for the current year, an amount of ₹ 8,74,822/- (Previous year ₹ 11,08,101/-) as expenses under the following defined contribution plan.
The company has a defined gratuity plan. Under the plan every employee who has completed at least five year of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Company of India (LIC) in form of a qualifying insurance policy.
The following tables summarize the component of the net benefits expense recognised in the statement of profit and loss account and the funded status and amounts recognized in the balance sheet for the respective plan.

Gratuity

a)Changes in present value of the defined benefit obligation are as follows:

Particulars	March 31, 2020	March 31, 2019
Present value of the defined benefit obligation at the beginning of the year	36,37,087	23,56,679
Current service cost	4,70,392	3,92,448
Interest cost	2,51,958	1,81,804
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in demographic assumptions	38,972	(1,01,682)
- change in financial assumptions	3,08,519	6,52,748
- experience variance	11,954	1,79,284
Benefits paid	(4,30,081)	-
Acquisition adjustment	(3,28,888)	(24,194)
Present value of the defined benefit obligation at the end of the year	**39,59,913**	**36,37,087**

b)Changes in fair value of plan assets are as follows:

Particulars	March 31, 2020	March 31, 2019
Fair value of plan assets at the beginning of the year	27,17,546	25,21,045
Investment income	2,06,973	1,96,501
Contributions by employer	3,84,695	-
Benefits paid		-
Return on plan assets , excluding amount recognised in net interest expense		-
Acquisition adjustment		-
Fair value of plan assets at the end of the year	**33,09,214**	**27,17,546**

c) Net asset/(liability) recognised in the balance sheet

Contribution to	March 31, 2020	March 31, 2019
Present value of the defined benefit obligation at the end of the year	39,59,913	36,37,087
Fair value of plan assets at the end of the year	33,09,214	27,17,546
Amount recognised in the balance sheet	(6,50,699)	(9,19,541)
Net (liability)/asset - Current	-	(9,19,541)
Net (liability)/asset - Non-current	(6,50,699)	-

d) Expense recognised in the statement of profit and loss for the year

Particulars	March 31, 2020	March 31, 2019
Current service cost	4,70,392	3,92,448
Interest cost on benefit obligation	44,985	(14,697)
Total Expense Included in employee benefits expense	**5,15,377**	**3,77,751**

e) Recognised in the other comprehensive income for the year

Particulars	**March 31, 2020**	**March 31, 2019**
Actuarial (gain)/losses arising from		
- change in demographic assumptions	38,972	(1,01,682.00)
- change in financial assumptions	3,08,519	6,52,748
- experience variance	11,954	1,79,284
Return on plan assets, excluding amount recognised in net interest expense	-	-
Recognised in comprehensive income	**3,59,445**	**7,30,350**

f) Maturity profile of Defined Benefit Obligation

Particulars	March 31, 2020	March 31, 2019
Weighted average duration (based on discounted cash flows)	10 Years	10 Years

g) Quantitative sensitivity analysis for significant assumption is as below

Increase/(decrease) on present value of defined benefits obligation at the end of the year

Particulars	**March 31, 2020**		**March 31, 2019**	
Assumptions	**Discount rate**			
Sensitivity level	**1% Increase**	**1% Decrease**	**1% Increase**	**1% Decrease**
Impact on defined benefit obligations	(Amount in ₹)	(Amount in ₹)	(Amount in ₹)	(Amount in ₹)
	(3,69,073)	4,29,516	(3,13,615)	3,63,079

Particulars	**March 31, 2020**		**March 31, 2019**	
Assumptions	**Salary Growth rate**			
Sensitivity level	**1% Increase**	**1% Decrease**	**1% Increase**	**1% Decrease**
Impact on defined benefit obligations	(Amount in ₹)	(Amount in ₹)	(Amount in ₹)	(Amount in ₹)
	4,19,792	(3,68,113)	3,58,063	(3,15,250)

Particulars	**March 31, 2020**		**March 31, 2019**	
Assumptions	**Attrition rate**			
Sensitivity level	**0.5% Increase**	**0.5% Decrease**	**0.5% Increase**	**0.5% Decrease**
Impact on defined benefit obligations	(Amount in ₹)	(Amount in ₹)	(Amount in ₹)	(Amount in ₹)
	(1,09,821)	1,57,925	(36,880)	53,628

Particulars	**March 31, 2020**		**March 31, 2019**	
Assumptions	Mortality rate			
Sensitivity level	**0.1% Increase**	**0.1% Decrease**	**0.1% Increase**	**0.1% Decrease**
Impact on defined benefit obligations	(Amount in ₹)	(Amount in ₹)	(Amount in ₹)	(Amount in ₹)
	(942)	946	(247)	247

Sensitivity Analysis Method

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.

h)The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	**March 31, 2020**	**March 31, 2019**
Investments with Insurer	100%	100%

The company expects to contribute ₹ 11,85,642/- to gratuity fund in the next year. (Previous year ₹ 13,82,749/-)
* As the gratuity fund is managed by life insurance company, details of fund invested by insurer are not available with company.

i)The principle assumptions used in determining gratuity obligations are as follows:

Particulars	March 31, 2020	March 31, 2019
Discount rate	6.70%	7.60%
Rate of escalation in salary (per annum)	8.00%	8.00%
Mortality	Indian Assured Live Mortality 2012-14	Indian Assured Live Mortality 2006-08
Attrition rate	6.71%	7.75%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been significant change in expected rate of return on assets due to change in the market scenario.

AHMEDABAD

j) The expected cash flows of defined benefit obligation over the future periods (valued on undiscounted basis)

(Amount in ₹)

Particulars	March 31, 2020	March 31, 2019
Within the next 12 months (next annual reporting period)	2,50,905	2,91,078
Between 2 and 5 years	10,59,895	11,93,051
Between 6 and 10 years	19,47,842	19,32,046
Beyond 10 years	55,62,082	52,48,292
Total Expected Payments	**88,20,724**	**86,64,467**

36 Details as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act).This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

(Amount in ₹)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year.		
Principal	Nil	21,600/-
Interest	Nil	Nil
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 a long with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	Nil	Nil

37 Capital management

For the purposes of the company's capital management, capital includes issued capital and all other equity reserves. The primary objective of the company's capital management is to maximize shareholder value. The company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The company monitors capital using gearing ratio, which is net debt (total debt less cash and cash equivalents) divided by total capital plus net debt.

(Amount in ₹)

Particulars	Refer note	As at March 31, 2020	As at March 31, 2019
Total borrowings	16	10,00,000	20,00,000
Less: Cash and cash equivalents	11	6,74,70,800	64,23,428
Net Debt (A)		(6,64,70,800)	(44,23,428)
Total Equity (B)	14 & 15	96,96,15,292	86,29,69,119
Total Equity and Net Debt (C = A + B)		90,31,44,491	85,85,45,691
Gearing ratio		-7.36%	-0.52%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2020 and March 31, 2019

38 The company is engaged in the business of distribution of power. Quantitative information in respect of purchase and sale of power are as under.

Particulars	2019-20 (Unit In Mus)	2018-19 (Unit In Mus)
Unit Purchased - Schedule	270.02	278.89
Unit Purchased - Wind	50.36	-
Unscheduled interchange (UI)	21.10	31.45
Total Units Purchased	341.48	310.34
Unit Sold	327.16	299.61
Transmission & Distribution Losses	14.32	10.73
Transmission & Distribution Losses (%)	4.19%	3.46%

39 "As per directives of Gujarat Electricity Regulatory Commission with respect to Renewable Purchase Obligation (RPO) to be adhered by the company during the current financial year, during the year 2019-20, company has made a provision for the RPO obligation of INR 93,16,087/-. The cost of such obligation is included in Cost of Power Purchased in Note - 24.

40 Details of Income & Expenses for the Common Effluent Treatment (CETP) Service rendered during the year are as under

Particulars	**For the year ended March 31, 2020 (Amount in ₹)**	**For the year ended March 31, 2019 (Amount in ₹)**
Income	54,86,472	66,61,423
Expenses		
Employee benefits expenses	8,94,942	10,60,465
Electricity Expense	8,79,087	8,56,844
Other Expense	35,14,094	40,47,192
Total Expenditure	**1,98,349**	**6,86,923**

41 Disclosure under Para 44A as set out in Ind AS 7 on cash flow statements under Companies (Indian Accounting Standards) Rules, 2017 (as amended)

(Amount in ₹)

Particulars of Liabilities arising from Financing activity	**Note No.**	**As at March 31, 2019**	**Cash flows**	**Non Cash Changes**		**As at March 31, 2020**
				Effect due to changes in foreign exchange rates	**Other changes**	
Long term borrowing - Rupee term loan	16	10,00,000	(10,00,000)	-	-	-
Long term borrowing - Inter Corporate Deposits	16	10,00,000	-	-	-	10,00,000
Interest accrued but not due	17	12,08,048	(46,18,201)	-	48,10,171	14,00,018
Total		**32,08,048**	**(56,18,201)**	-	**48,10,171**	**24,00,018**

42 (a) As at the date of Issue of financial statements, there are no new standards or amendments which have been notified by the MCA but not yet adopted by the Company. Hence, the disclosure is not applicable.

(b) The company is in the process of appointing a full time Company Secretary as required under provisions of Section 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. However, the secretarial work of the company is being managed by Company Secretary of parent Company.

AHMEDABAD

43 Related Parties transactions for the year ended March 31, 2020

The Management has identified the following entities as related parties of the Company, which are as under:

Holding company	Adani Ports and Special Economic Zone Limited
Fellow subsidiary	Mundra SEZ Textile and Apparel Park Private Limited
Entities and venturers over which shareholders of the company are able to exercise significant influence through voting power	Adani Mundra SEZ Infrastructure Private Limited
Entities over which key management personnel,directors and their relatives are able to exercise significant influence	Adani Foundation
	Adani Skill Development Centre Private Limited
Key Management personnel	Mr. Avinash Rai , Director
	Mr. Jai Singh Khurana, Director
	Mr. Paresh Patel, Company Secretary (Upto May 01, 2019)
	Mr. Pritpal Singh, Director (Upto April 04, 2019)
	Mr. Ennarasu Karunesan (Upto July 30, 2019)
	Capt. BVJK Sharma, Managing Director
	Mr. Avinash Patel, Chief Financial officer
	Mr. Manoj Chanuka, Chief Financial Officer (Upto Janaury 31, 2020

Detail of Related Party Transactions for the year ended March 31, 2020

(Amount in ₹)

Category	Name of Related Party	For the year ended March 31, 2020	For the year ended March 31, 2019
Rendering of Services(including reimbursement)	Mundra SEZ Textile and Apparel Park Private Limited	1,74,785	1,25,397
Services Availed (incl reimb of expenses)	Adani Ports and Special Economic Zone Limited	1,59,360	1,79,612
	Mundra SEZ Textile and Apparel Park Private Limited	3,40,031	3,61,560
Interest Expense	Adani Ports and Special Economic Zone Limited	28,36,849	68,219
Interest Income	Adani Skill Development Centre Private Limited	13,32,436	1,66,439
Donation	Adani Foundation	14,75,000	9,00,000
Loan taken	Adani Ports and Special Economic Zone Limited	8,00,00,000	7,18,00,000
Loan Repaid	Adani Ports and Special Economic Zone Limited	8,00,00,000	7,08,00,000
Loan received back	Adani Skill Development Centre Private Limited	1,50,00,000	-
Loan Given	Adani Skill Development Centre Private Limited	10,00,000	1,40,00,000

Closing Balances

(Amount in ₹)

Catogory	Name of the Related Party	As at March 31, 2020	As at March 31, 2019
Loans and Advances	Adani Ports and Special Economic Zone Limited	67,230	67,230
	Adani Skill Development Centre Private Limited	-	1,40,00,000
Trade Payables	Mundra SEZ Textile and Apparel Park Private Limited	73,014	1,03,189
	Adani Ports and Special Economic Zone Limited	-	13,425
Capital Advances	Adani Mundra SEZ Infrastructure Private Limited	13,80,00,000	13,80,00,000
Inter Corporate Deposit (taken)	Adani Ports and Special Economic Zone Limited	10,00,000	10,00,000

Note :-
Public utilities as covered under Ind AS - 24 "Related Party Disclosures", are not related parties. Hence transactions and outstanding balances related with power business . have not been reported as related party transactions.

44 In the last week of March 2020, an outbreak situation arose in India on account of COVID-2019. The Company has considered such outbreak situation as subsequent event to the Balance Sheet date i.e., March 31, 2020 in terms of Ind AS 10 "Reporting on Event After Balance Sheet Date" and has assessed the operational and financial risk on going forward basis.

In assessing the impact on the recoverability of financial and non-financial assets, the Company has considered internal and external information up to the date of approval of these financial statements including credit reports and economic forecasts whereby it expects to recover the carrying amounts of the assets. The Company has performed sensitivity analysis on the assumptions used on assessing the impact on the Company's operations. On overall basis, the management does not see any medium to long term risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due, and compliance with the debt covenants, as applicable.

The impact on the operations and earnings/ cash flows of the Company due to COVID- 2019 outbreak may be different from that estimated as at date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

45 Approval of financial statements
The financial statements were approved for issue by the board of directors on April 21, 2020 .

The accompanying notes form an integral part of financials statements

As per our report of even date

For G.K. CHOKSI & CO.
Firm Registration No.: 101895W
Chartered Accountants

SANDIP A. PARIKH
Partner
Membership No. 040727

For and on behalf of Board of Directors of
MPSEZ Utilities Private Limited

B.V.J.K Sharma

BVJK Sharma
Managing Director
DIN: 00017758
Place: Mumbai

Avinash Rai
Director
DIN: 08406981
Place: Mundra

Avinash Patel
Chief Financial Officer
Place: Mundra

Place: Ahmedabad
Date: April 21, 2020

Date: April 21, 2020

G. K. Choksi & Co.
Chartered Accountants

'Madhuban', Nr. Madalpur Underbridge, Ellisbridge, Ahmedabad - 380 006.
Dial : 91 - 79 - 6819 8900, 9925174555 - 56 ; E-mail : info@gkcco.com

Independent Auditor's Report

To the Members of MPSEZ Utilities Limited
(Formerly known as MPSEZ Utilities Private Limited)
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **MPSEZ Utilities Limited (formerly known as MPSEZ Utilities Private Limited) ("the Company")** which comprises the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and the profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibility for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant for audit of financial statement under the provisions of the Act and Rules made thereunder, we have fulfilled our ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 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 is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter:

We draw attention to note 42(b) to the financial statements in respect of non-appointment of full time Company Secretary as required under Section 203 of the Companies Act, 2013. Our opinion is not qualified in respect of this matter.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Directors' Report including the Annexures to the Directors' report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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 Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the

Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of cash flows dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended :
   In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid the remuneration to its directors during the year.

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, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed details of pending litigations in Note 33 to the Financial Statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure-B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

FOR G. K. CHOKSI & CO.
[Firm Registration No.101895W]
Chartered Accountants

SANDIP PARIKH
Partner
Mem. No. 040727

Place : Ahmedabad
Date : 28th April, 2021
UDIN: 21040727AAAAVU3166

Annexure -A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date)

Report on the Internal Financial Controls over financial reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **MPSEZ Utilities Limited (formerly known as MPSEZ Utilities Private Limited)** ("the Company") as on 31st March, 2021 in conjunction with our audit of financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting of the company.

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 authorizations 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 and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2021, based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR G. K. CHOKSI & CO.
[Firm Registration No.101895W]
Chartered Accountants

SANDIP PARIKH
Partner
Mem. No. 040727

Place : Ahmedabad
Date : 28th April, 2021
UDIN: 21040727AAAAVU3166

ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date)

(i) In respect of the Company's fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and its situation.

(b) The Company has a regular program for physical verification, in a phased periodic manner, which in our opinion is reasonable having regard to size of the Company and nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of the immovable property are held in the name of the Company. In respect of immovable properties of land that has been taken on lease and disclosed as fixed assets in the financial statements, the lease agreements are in the name of the Company.

(ii) As explained to us, the Management of the Company has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

(iii) According to information and explanation given to us the Company has not granted loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) In our opinion and according to information and explanations given to us, the Company has not made any loan, investment, guarantees or security and therefore the provision of Clause 3(iii) of the Order is not applicable to the Company.

(v) According to information and explanation given to us the Company has not accepted any deposits as defined in The Companies (Acceptance of Deposits) Rules 2014. Accordingly, reporting under Clause 3 (v) of the order is not applicable to the Company.

(vi) Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its services. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.

(c) The Company has no disputed outstanding statutory dues as at 31st March, 2021.

(viii) In our opinion and according to information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not issued any debenture and has not taken any loan or borrowings from government and financial institutions.

(ix) In our opinion and according to information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid provided any managerial remuneration. Accordingly reporting under clause 3 (xi) of the order is not applicable to the Company.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly reporting under clause 3 (xii) of the order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable for all transactions with related parties and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and therefore, the reporting under clause 3 (xiv) of the order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into non-cash transactions with directors or directors of its holding ,subsidiary or associate Company or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore, the reporting under clause 3 (xvi) of the order is not applicable to the Company.

FOR G. K. CHOKSI & CO.
[Firm Registration No. 101895W]
Chartered Accountants

SANDIP PARIKH
Partner
Mem. No. 040727

Place : Ahmedabad
Date : 28th April, 2021
UDIN: 21040727AAAAVU3166

MPSEZ Utilities Limited
(Formerly MPSEZ Utilities Private Limited)
Balance Sheet as at March 31, 2021

(Amount in ₹)

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	60,47,04,302	64,02,01,652
Right of use assets	3	10,22,05,419	10,66,97,894
Intangible assets	3	54,945	-
Capital work-in-progress	3	2,15,95,707	2,52,38,968
Other financial assets	4	39,100	-
Deferred tax assets (net)	5	6,21,30,183	3,20,26,509
Income Tax Assets (net)	6	14,21,227	50,55,009
Other non-current assets	7	13,80,00,000	13,81,36,627
Total Non-Current Assets		**93,01,50,883**	**94,73,56,659**
Current assets			
Inventories	8	39,19,199	51,61,843
Financial assets			
Investments	9	15,517	13,049
Trade receivables	10	1,84,474	12,07,10,560
Cash and cash equivalents	11	8,20,486	6,74,70,800
Bank balance other than cash and cash equivalents	12	-	1,00,36,396
Loans	13	64,17,82,919	25,00,00,000
Other financial assets	4	3,92,40,944	1,88,47,755
Other current assets	7	17,44,37,432	15,67,02,220
Total Current Assets		**86,03,98,971**	**62,89,42,623**
Total Assets		**1,79,05,49,854**	**1,57,62,99,282**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	14	13,13,50,000	13,13,50,000
Other equity	15	1,06,74,58,945	83,82,65,292
Total Equity		**1,19,88,08,945**	**96,96,15,292**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	16	-	10,00,000
Other financial liabilities	17	4,50,91,243	4,47,14,613
Provisions	18	17,69,378	21,24,012
Other non-current liabilities	19	43,07,45,562	43,86,53,915
Total Non-Current Liabilities		**47,76,06,183**	**48,64,92,540**
Current liabilities			
Financial liabilities			
Trade payables			
(a) Total outstanding dues of micro and small enterprises	20	-	-
(b) Total outstanding dues of creditors other than micro and small enterprises	20	4,92,54,273	6,69,20,307
Other current financial liabilities	17	6,25,03,504	3,89,90,744
Other current liabilities	19	17,49,042	1,30,58,208
Provisions	18	6,27,907	12,22,191
Total Current Liabilities		**11,41,34,726**	**12,01,91,450**
Total Liabilities		**59,17,40,909**	**60,66,83,990**
Total Equity and Liabilities		**1,79,05,49,854**	**1,57,62,99,282**
Summary of Significant accounting policies	2.3		

The accompanying notes form an integral part of financials statements
As per our report of even date

For G.K. CHOKSI & CO.
Firm Registration No.: 101895W
Chartered Accountants

SANDIP A. PARIKH
Partner
Membership No. 040727

For and on behalf of Board of Directors of
MPSEZ Utilities Limited

BVJK Sharma
Managing Director
DIN: 00017758
Place: Mumbai

Avinash Rai
Director
DIN: 08406981
Place: Mundra

Avinash Patel
Chief Financial Officer
Place: Mundra

MPSEZ Utilities Ltd. AHMEDABAD

M/s. G.K. CHOKSI & CO. CHARTERED ACCOUNTANTS

Place: Ahmedabad
Date: April 28, 2021

Date: April 28, 2021

MPSEZ Utilities Limited
(Formerly MPSEZ Utilities Private Limited)
Statement of Profit and Loss for the year ended March 31, 2021

adani

(Amount in ₹)

Particulars	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
INCOME			
Revenue from operations	21	2,03,31,65,821	1,80,13,35,862
Other income	22	4,51,72,993	1,73,91,179
Total income		2,07,83,38,814	1,81,87,27,041
EXPENSES			
Operating expenses	23	1,66,56,00,707	1,55,69,49,219
Employee benefits expense	24	2,87,34,432	2,66,50,433
Depreciation and amortization expense	3	5,83,86,301	5,72,97,108
Finance costs	25	45,38,049	70,93,583
Other expenses	26	8,01,23,563	7,52,20,396
Total expenses		1,83,73,83,052	1,72,32,10,739
Profit before exceptional items and tax		24,09,55,762	9,55,16,302
Exceptional items			
Profit before tax		24,09,55,762	9,55,16,302
Tax expense:	27		
Current tax		4,21,40,195	1,59,46,391
Adjustment of tax relating to earlier periods		(2,363)	-
Deferred tax		3,10,921	(1,59,82,671)
MAT credit entitlement		(3,05,31,880)	(1,13,53,038)
Total tax expense		1,19,16,873	(1,13,89,318)
Profit for the year		22,90,38,889	10,69,05,620
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent years			
Re-measurement gains (losses) on defined benefit plans		2,14,414	(3,59,445)
Income Tax effect	27	(59,650)	99,998
Other comprehensive income for the year		1,54,764	(2,59,447)
Total comprehensive income for the year		22,91,93,653	10,66,46,173
Basic and diluted earnings per equity shares (in ₹) face value of ₹ 10 each	31	17.44	8.14
Summary of Significant accounting policies	2.3		

The accompanying notes form an integral part of financials statements
As per our report of even date

For G.K. CHOKSI & CO.
Firm Registration No.: 101895W
Chartered Accountants

SANDIP A. PARIKH
Partner
Membership No. 040727

Place: Ahmedabad
Date: April 28, 2021

For and on behalf of Board of Directors of
MPSEZ Utilities Limited

BVJK Sharma
Managing Director
DIN: 00017758
Place: Mumbai

Avinash Rai
Director
DIN: 08406981
Place: Mundra

Avinash Patel
Chief Financial Officer
Place: Mundra

Date: April 28, 2021

MPSEZ Utilities Limited
(Formerly MPSEZ Utilities Private Limited)
Statement of Cash Flows for the year ended March 31, 2021

(Amount in ₹)

Particulars	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
Cash flow from operating activities		
Net profit before tax	24,09,55,762	9,55,16,302
Adjustments for:		
Depreciation and amortization	5,83,86,301	5,72,97,108
Amortizations of service line contributions	(2,87,18,742)	(2,12,98,241)
Interest income	(4,33,11,236)	(1,59,02,034)
Net (gain)/loss on sale of current investments	(8,03,110)	(12,84,735)
Interest expense	33,21,617	55,80,475
Operating profit before working capital changes	**22,98,30,592**	**11,99,08,875**
Movements in working capital :		
Decrease/(increase) in trade receivables	12,05,26,086	4,12,33,340
(Increase) in inventories	12,42,644	(8,90,410)
(increase)/Decrease in financial assets	14,483	(79,54,044)
(Increase) in other assets	(1,77,35,213)	(59,97,481)
(decrease)/Increase in trade payables	(1,76,66,034)	(1,55,30,264)
Increase in other liabilities	95,01,221	14,38,37,418
(decrease)/Increase in provisions	(7,34,504)	(4,19,866)
(Decrease)/Increase in financial liabilities	1,61,58,963	(57,23,499)
Cash generated from operations	**34,11,38,238**	**26,84,64,069**
Direct taxes paid (net of refunds)	(3,84,46,415)	(1,78,24,649)
Net cash generated from operating activities (A)	**30,26,91,823**	**25,06,39,420**
Cash flows from investing activities		
Purchase of Property plant & equipment (Including capital work in progress and capital advances)	(70,28,487)	(2,67,84,643)
Intercorporate deposit / loans given	(2,54,73,41,919)	(25,00,00,000)
Intercorporate deposit / loans received back	2,15,55,59,000	1,40,00,000
Interest received	2,29,03,564	62,96,401
Investment in Mutual Fund	(1,04,51,00,000)	(1,01,20,00,000)
Proceeds from sale of Mutual Fund	1,04,59,02,642	1,01,32,83,989
Redemption/(Deposit) of margin money	99,97,296	7,09,98,503
Net cash inflow/ (outflow) investing activities (B)	**(36,51,07,904)**	**(18,42,05,750)**
Cash flows from financing activities		
Repayment of long-term borrowings	(10,00,000)	(10,00,000)
Proceeds from inter corporate deposit	-	8,00,00,000
Repayment of inter corporate deposit	-	(8,00,00,000)
Interest portion of lease obligation	(24,59,074)	(17,08,581)
Interest paid	(7,75,160)	(26,77,717)
Net cash inflow/ (outflow) financing activities (C)	**(42,34,234)**	**(53,86,298)**
Net increase / (decrease) in cash & cash equivalents (A + B + C)	(6,66,50,315)	6,10,47,372
Cash and cash equivalents at the beginning of the year	6,74,70,800	64,23,428
Cash and cash equivalents at the end of the year (Refer note-11)	**8,20,486**	**6,74,70,800**

Notes:

Component of cash and cash equivalents		
Balances with scheduled bank		
On current accounts	8,20,486	6,74,70,800
Total cash and cash equivalents	**8,20,486**	**6,74,70,800**
Margin money deposits (restricted cash)	-	1,00,36,396

Summary of significant accounting policies 2.3

Note :

(1) The Cash flow statement has been prepared under the indirect method as set out in the Ind AS 7 on Cash Flow Statements notified under section 133 of The Companies Act, 2013, read together with paragraph 7 of the Companies (Indian Accounting Standard) Rules, 2015 (as amended).

(2) Disclosure required under Para 44A as set out in Ind AS 7 on cash flow statements under Companies (Indian Accounting Standards) Rules, 2017 (as amended) is presented in note - 41

(3) The company considers interest paid to customers on security deposit as cash outflow from operating activity. Therefore, the interest paid under financing activities relates to interest paid on bank loan, interest paid on Inter Corporate Deposits and finance costs.

As per our report of even date

For G.K. CHOKSI & CO.
Firm Registration No.: 101895W
Chartered Accountants

SANDIP A. PARIKH
Partner
Membership No. 040727

Place: Ahmedabad
Date: April 28, 2021

For and on behalf of Board of Directors of
MPSEZ Utilities Limited

BVJK Sharma
Managing Director
DIN: 00017758
Place: Mumbai

Avinash Rai
Director
DIN: 08406981
Place: Mundra

Avinash Patel
Chief Financial Officer
Place: Mundra

Date: April 28, 2021

MPSEZ Utilities Limited
(Formerly MPSEZ Utilities Private Limited)
Statement of Changes in Equity for the year ended March 31, 2021

(Amount in ₹)

Particulars	Equity Share Capital	Other Equity		Total
		Share Premium	Reserves and Surplus	
			Retained Earning	
Balance as on April 01, 2019	13,13,50,000	39,37,50,000	33,78,69,119	86,29,69,119
Profit for the year	-	-	10,69,05,620	10,69,05,620
Other Comprehensive Income	-	-	(2,59,447)	(2,59,447)
Total Comprehensive Income for the year	-	-	10,66,46,173	10,66,46,173
Balance as on March 31, 2020	13,13,50,000	39,37,50,000	44,45,15,292	96,96,15,292
Profit for the year	-	-	22,90,38,889	22,90,38,889
Other Comprehensive Income	-	-	1,54,764	1,54,764
Total Comprehensive Income for the year	-	-	22,91,93,653	22,91,93,653
Balance as on March 31, 2021	13,13,50,000	39,37,50,000	67,37,08,945	1,19,88,08,945

For G.K. CHOKSI & CO.
Firm Registration No.: 101895W
Chartered Accountants

SANDIP A. PARIKH
Partner
Membership No. 040727

Place: Ahmedabad
Date: April 28, 2021

For and on behalf of Board of Directors of
MPSEZ Utilities Limited

B.V.J.K. Sharma

BVJK Sharma
Managing Director
DIN: 00017758
Place: Mumbai

Avinash Rai
Director
DIN: 08406981
Place: Mundra

Avinash Patel
Chief Financial Officer
Place: Mundra

Date: April 28, 2021

1 Corporate information

The financial statements comprise financial statements of MPSEZ Utilities Limited (Formerly "MPSEZ Utilities Private Limited") for the year ended March 31, 2021. The Company is a private limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. It is 100% Subsidiary company of Adani Ports and Special Economic Zone Limited (APSEZL), incorporated on 13th July, 2007 and a Co-developer to provide infrastructure facilities in Mundra Special Economic Zone. The main objective of the company is to provide facility of distribution of electricity, effluent & sewage in Mundra SEZ area, Kutch, Gujarat. The registered office of the Company is located at "Adani House", Mithakhali Six Roads, Navrangpura, Ahmedabad-380009, Gujarat, INDIA.

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

The Financial Statements have been prepared on the historical cost basis, except for certain financial instruments (including derivative instruments) which are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

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

New and amended standards adopted by the Company

The Company has applied the following amendments for the first time for annual reporting period commencing from April 01, 2020 which do not have material impact on the financial statement:-
Ind AS 1 - Presentation of Financial Statements
Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
Ind AS 10 - Events after the Reporting Period
Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets
Ind AS 107 - Financial Instruments: Disclosures
Ind AS 109 - Financial Instrument
Ind AS 116 - Leases

The financial statements are presented in Indian rupees (INR) and all values are rounded to the nearest rupees, except numbers.

2.2 Significant accounting estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based on its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

The significant estimates and judgements are listed below:

(i) 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.

(ii) Judgements by actuaries in respect of discount rates, future salary increments, mortality rates and inflation rate used for computation of defined benefit liability.

(iii) Significant judgement is required in assessing at each reporting date whether there is indication that a financial asset may be impaired.

(iv) The impairment provision for financial assets are based on the assumptions about risk of default and expected loss rates. The company uses judgements in making the assumptions and selecting the inputs to the impairment calculations, based on the company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(v) Significant judgement is required in assessing at each reporting date whether there is indication that a non-financial asset may be impaired.

(vi) Significant judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

(Vii) In estimating the fair value of financial assets and financial liabilities, the Company uses market observable data to the extent available. Where such Level 1 inputs are not available, the Company establishes appropriate valuation techniques and inputs to the model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments 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. Refer note 28 for further disclosures.

(Viii) Significant judgment has been exercised by management in recognition of MAT credit and estimating the period of its utilisation.

2.3 Summary of significant accounting policies

a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realised 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.

A liability is current when:
- It is expected to be settled in normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b) Inventories

Stores and Spares:
- Valued at lower of cost and net realizable value. Cost is determined on a moving weighted average basis.
- Stores and Spares which do not meet the definition of property, plant and equipment are accounted as inventories.
- Net Realizable Value in respect of store and spares is the estimated current procurement price in the ordinary course of the business.

c) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprises cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the company's cash management.

d) Property, plant and equipment (PPE)

Property, plant and equipment (including capital work in progress) is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.The cost comprises the purchase price, directly and indirectly attributable costs arising directly from the development of the asset / project to its working condition for the intended use. When significant parts of plant and equipment are required to be replaced at intervals, the company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Borrowing cost relating to acquisition / construction of property, plant & equipment which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as prescribed under rates as per Appendix III of CERC (Terms and conditions of Tariff) Regulations, 2009 which are in line with Annexure I of Gujarat Electricity Regulatory Commission (Multi Year Tariff) Regulation, 2011.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

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.

Leasehold land is amortized over the lease period.

For all periods up to and including the year ended 31 March 2017, 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. The company during the year has changed its presentation and elected to 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. Consequent to change in presentation of such service line contribution, the depreciation is presented on gross value and amortisation of such line is being presented as other operating income.

e) 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) Sale of power

Revenue from power supply and distribution charges are accounted for on the basis of billings to consumers and in accordance with tariff orders issued by Gujarat Electricity Regulatory Commission. Revenue recognized in excess of billing has been reflected under "other current assets" as accrued revenue.

Further, in view of the uncertainties involved in the recoverability, the periodly Fuel and Power Purchase Price Adjustment ("FPPPA") claims are accounted for as and when allowed by the regulatory authorities and truing up adjustments claims are accounted for as and when billed to the consumers.

ii) 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.

iii) Dividend

Dividend is recognised when the share holders' right to receive payment is established on the balance sheet date.

iv) Interest income

For all debt instruments measured either at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

f) Retirement and other employee benefits

All employee benefits payable wholly within 12 months rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short term compensated absences, performance incentives etc. and the expected cost of bonus, ex-gratia are recognised during the period in which the employee renders related service.

i) Provident fund

Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid.

ii) Gratuity fund

The company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Re-measurements, 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. Re-measurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

> Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

> Net interest expense or income.

iii) Compensated absences

Provision for compensated absence is determined using the projected unit credit method with actuarial valuation being carried out at each balance sheet date. Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short term employee benefits. The company treats accumulated leave expected to be carried forward beyond twelve months as long term compensated absence. The company measures the expected cost of such absence as the additional amount that is expected to pay as a result of the unused estimate that has accumulated at the reporting date.

g) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. 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.

h) Segment reporting

The Chief Operational Decision Maker monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

In accordance with the Ind-As 108 -" Operating Segments" , the Company has determined its business segment of distribution of electricity, effluent & sewage facilities. Since there are no other business segments in which the Company operates, there are no other primary reportable segments. Therefore, the segment revenue, results, segment assets, segment liabilities, total cost incurred to acquire segment assets, depreciation charge are all as is reflected in the financial statement.

i) Related party transactions

Disclosure of transactions with Related Parties, as required by Ind-AS 24 "Related Party Disclosures" has been set out in a separate note. Related parties as defined under Ind-AS 24 have been identified on the basis of representations made by key managerial personnel and information available with the Company.

j) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

1. Right-of-use assets.

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certainto obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

2. Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate.The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date in case the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

3. Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of property, plant and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

4. Significant judgement in determining the lease term of contracts with renewal options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods coveredby an option to terminate the lease, if it is reasonably certain not to be exercised.

k) Earnings per share

The Basic EPS has been computed by dividing the income available to equity shareholders by the weighted average number of equity shares outstanding during the accounting year. For the purpose of calculating diluted earning per share, the profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

l) Taxes

Tax expense comprises of current and deferred tax.

i) Current income tax

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted, at the reporting date.

Current income tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss (either in OCI or in equity). Current tax items are recognized 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 in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

ii) Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except

> When the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

> When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that affects neither the accounting profit nor taxable profit or loss.

The Company is eligible and claiming tax deductions available under section 80IA of the Income Tax Act, 1961. In view of Company availing tax deduction under Section 80IA of the Income Tax Act, 1961, deferred tax has been recognized in respect of temporary difference, which reverse after the tax holiday period in the year in which the temporary difference originate and no deferred tax (assets or liabilities) is recognized in respect of temporary difference which reverse during tax holiday period, to the extent such gross total income is subject to the deduction during the tax holiday period. For recognition of deferred tax, the temporary difference which originate first are considered to reverse first.

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 future taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. Deferred tax include MAT Credit Entitlement. The Company reviews the such tax credit asset at each reporting date and writes down the asset to the extent The Company does not have sufficient taxable temporary difference /convincing evidence that it will pay normal tax during the specified period. Deferred tax includes MAT tax credit.

m) Impairment of non-financial assets

The company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, The Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

Intangible assets with indefinite useful lives are tested for impairment annually as at year end at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

n) Provisions, contingent liabilities and contingent assets

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss.

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.

Contingent liabilities and contingent assets

Contingent liabilities is disclosed in the case of :

a present obligation arising from past events, when it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

a present obligation arising from past events, when no reliable estimate can be made.

a possible obligation arising from past events, unless the probability of outflow of resources is remote.

Commitments includes the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

o) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

> In the principal market for the asset or liability, or
> In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

> Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities .
> Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

> Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value.

External valuers are involved for valuation of unquoted financial assets and financial liabilities, such as contingent consideration. Involvement of external valuers is decided upon annually by the management. Selection criteria includes market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the company's accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Company , in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable on a yearly basis.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

-Disclosures for valuation methods, significant estimates and assumptions (refer note 28 and 2.2)

-Quantitative disclosures of fair value measurement of financial instruments (refer note 28)

-Investment in unquoted equity shares (refer note 29)

p) 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. The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. It is broadly classified in financial assets, financial liabilities, derivatives & equity.

(A) Financial assets

Initial recognition and measurement

All financial assets, except investment in subsidiaries, associates and joint ventures are recognised initially at fair value.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

> Debt instruments at amortised cost.
> Debt instruments at fair value through other comprehensive income (FVTOCI).
> Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL).
> Equity instruments measured at fair value through other comprehensive income (FVTOCI).

i) Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

(a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

(b)Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. 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 in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

ii) Debt instrument at FVTOCI

A debt instrument 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. The Company has not classified any financial asset into this category.

iii) Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt Instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

(B) Equity instruments

All equity instruments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, The Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

> The rights to receive cash flows from the asset have expired, or
> The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing Involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure :

a) Financial assets that are debt instruments, and are measured at amortised cost e.g. loans, debt securities, deposits, trade receivables and bank balances.

b) Financial assets that are debt instruments and are measured as at other comprehensive income (FVTOCI).
c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18.

The Company follows 'simplified approach' for recognition of impairment loss allowance on:
> Trade receivables or contract revenue receivables; and
> All lease receivables resulting from transactions within the scope of Ind AS 116.
Under the simplified approach the Company does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk said initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

ECL is the difference between all contracted cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original EIR. ECL impairment loss allowance (or reversal) recognised during the period is recognised as (expense) / income in the statement of profit and loss (P&L). This amount is reflected under the head " Other Expense" in the P&L.

Financial liabilities

Initial recognition and measurement

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.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit or loss.
Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, The Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at FVTPL.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the 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.

Derecognition

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

Reclassification of financial instruments

After initial recognition, no reclassification is made for financial assets which are equity instruments. 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. If the Company reclassifies the 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 the business model.

Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(The space has been intentionally kept blank)

Note 3 - Property, plant and equipment

(Amount in ₹)

Particulars	Property, Plant and Equipment							
	Leasehold land	Building	Plant & machinery	Furniture & fixtures	Office equipments	Computer equipment	Vehicles	Total
<u>Cost</u>								
As at March 31, 2019	8,77,01,541	3,07,10,236	81,80,78,447	1,27,169	60,000	8,49,212	1,90,193	93,77,16,798
Additions	-	-	1,83,00,018	-	70,000	-	-	1,83,70,018
Deductions/Adjustment	-	-	-	-	-	-	-	-
Re-class to Right of Use assets	(8,77,01,541)	-	-	-	-	-	-	
As at March 31, 2020	-	3,07,10,236	83,63,78,465	1,27,169	1,30,000	8,49,212	1,90,193	86,83,85,275
Additions	-	-	1,76,36,790	-	-	1,12,504	-	1,77,49,294
Deductions/Adjustment	-	-	6,42,125	-	-	-	-	-
Re-class to Right of Use assets	-	-	-	-	-	-	-	-
As at March 31, 2021	-	3,07,10,236	85,46,57,380	1,27,169	1,30,000	9,61,716	1,90,193	88,67,76,694
<u>Depreciation and Impairment</u>								
As at March 31, 2019	86,65,148	33,60,926	17,18,14,748	39,760	7,595	72,302	83,660	18,40,44,139
Depreciation for the year	-	11,55,748	5,14,84,806	10,143	5,505	1,27,515	20,915	5,28,04,632
Deductions/(Adjustment)	-	-	-	-	-	-	-	-
Re-class to Right of Use assets	(86,65,148)	-	-	-	-	-	-	
As at March 31, 2020	-	45,16,674	22,32,99,554	49,903	13,100	1,99,817	1,04,575	22,81,83,623
Depreciation for the year	-	11,55,748	5,25,45,511	10,143	8,229	1,26,827	20,915	5,38,67,374
Deductions/Adjustment	-	-	21,395	-		-	-	21,395
Re-class to Right of Use assets	-	-	-	-	-	-	-	-
As at March 31, 2021	-	56,72,472	27,58,66,460	50,046	21,329	3,26,644	1,25,490	28,20,72,392
<u>**Net Block**</u>								
As at March 31, 2021	-	2,50,37,814	57,87,90,919	67,123	1,08,671	6,35,072	64,703	60,47,04,302
As at March 31, 2020	-	2,61,93,562	61,30,78,911	77,266	1,16,900	6,49,395	85,618	64,02,01,652

Note :-

(1) For development of infrastructure at Mundra, the Company has been allotted land on lease basis by Adani Ports and Special Economic Zone Limited.

(2) With effect from April 01, 2019, the company has adopted Ind AS 116 "Leases" and consequently Leasehold land has been re-classified as Right of Use assets.

Right of use assets:-

Particulars	(Amount in ₹)
Recognition on Initial application of Ind AS 116 as at April 01, 2019	3,21,53,977
Re-class from Leasehold Land	7,90,36,393
Deductions/Adjustment	-
As at March 31, 2020	**11,11,90,370**
Additions	-
Deductions/Adjustment	-
As at March 31, 2021	**11,11,90,370**
<u>**Accumulated Depreciation**</u>	
Depreciation for the year	44,92,476
Deductions/(Adjustment)	-
As at March 31, 2020	**44,92,476**
Depreciation for the year	44,92,476
Deductions/Adjustment	-
As at March 31, 2021	**89,84,952**
<u>**Net Block**</u>	
As at March 31, 2021	**10,22,05,418**
As at March 31, 2020	10,66,97,894

Note - Right of Use of asset has been recognised in accordance with Ind AS 116, which represents Land taken on lease from Adani Ports and Special Economic Zone Limited.

Capital Work-in-Progress :-

Particulars	**(Amount in ₹)**
Carring amount:	
As at March 31, 2021	2,15,95,707
As at March 31, 2020	2,52,38,968

Capital Working in progress consists of Project Material Items.

Intangible assets:-

Computer Software	(Amount in ₹)
Cost	
As at March 31, 2020	-
Additions	60,000
Deductions/Adjustment	-
As at March 31, 2021	**60,000**
Accumulated Depreciation	
As at March 31, 2020	-
Depreciation for the year	5,055
Deductions/(Adjustment)	-
As at March 31, 2021	**5,055**
Net Block	
As at March 31, 2021	54,945

4 Other financial assets

		March 31, 2021 (Amount in ₹)	March 31, 2020 (Amount in ₹)
Non-current			
Bank Deposits having maturity over 12 months		39,100	-
		39,100	**-**
Current			
Security and other deposits			
- Considered good		77,05,810	76,83,130
Interest accrued on deposits and loans		3,08,38,253	1,04,30,581
Loans and advance to employees		6,96,881	7,34,044
		3,92,40,944	**1,88,47,755**

5 Deferred tax liabilities/Assets (net)

		March 31, 2021 (Amount in ₹)	March 31, 2020 (Amount in ₹)
Deferred tax assets			
Tax credit entitlement under MAT		8,35,57,306	5,30,83,061
Deferred tax liability			
Deferred Tax Liabilities (net)		(2,14,27,123)	(2,10,56,552)
		6,21,30,183	**3,20,26,509**

6 Income tax assets (net)

		March 31, 2021 (Amount in ₹)	March 31, 2020 (Amount in ₹)
Advance income tax (Net of provision for taxation)		14,21,227	50,55,009
		14,21,227	50,55,009

7 Other assets

		March 31, 2021 (Amount in ₹)	March 31, 2020 (Amount in ₹)
Non Current			
Capital advances			
Unsecured, considered good		13,80,00,000	13,81,36,627
		13,80,00,000	13,81,36,627
Current			
Advances recoverable in cash or in kind			
Unsecured, considered good		13,82,030	72,35,592
	(a)	13,82,030	72,35,592
Others (Unsecured)			
Prepaid Expenses		13,488	2,47,437
Accrued revenue		17,26,56,560	14,91,07,010
Balances with statutory/ Government authorities		1,12,271	1,12,181
Gratuity fund		73,063	-
	(b)	**17,30,55,402**	**14,94,66,628**
	(a + b)	**17,44,37,432**	**15,67,02,220**

8 Inventories

		March 31, 2021 (Amount in ₹)	March 31, 2020 (Amount in ₹)
Stores and spares		39,19,199	51,61,843
		39,19,199	**51,61,843**

9 Investments

		March 31, 2021 (Amount in ₹)	March 31, 2020 (Amount in ₹)
Current			
Financial Assets at fair value through Profit or Loss (FVTPL)			
Unquoted Mutual Funds			
4.78 Unit of ₹ 1000 each in Invesco India Liquid Fund - Direct Plan Growth (LF-D1) as on March 31, 2021		13,517	-
4.78 Unit of ₹ 1000 each in Invesco India Liquid Fund - Direct Plan Growth (LF-D1) as on March 31, 2020		-	13,049
		13,517	**13,049**

10 Trade receivables

	March 31, 2021 (Amount in ₹)	March 31, 2020 (Amount in ₹)
<u>**Current**</u>		
Unsecured considered good unless stated otherwise		
Trade receivables	1,64,474	12,07,10,560
Considered doubtful	45,48,123	45,48,123
	47,32,597	12,52,58,683
Provision for doubtful debts	(45,48,123)	(45,48,123)
	1,84,474	**12,07,10,560**

Note :-
No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person; nor any trade or other receivable are due from firms or private companies in which any director is a partner, a director or a member.

11 Cash and cash equivalents

	March 31, 2021 (Amount in ₹)	March 31, 2020 (Amount in ₹)
Balances with banks:		
Balance in current account	8,20,466	6,74,70,800
	8,20,466	**6,74,70,800**

12 Bank balances other than cash and cash equivalents

	March 31, 2021 (Amount in ₹)	March 31, 2020 (Amount in ₹)
Margin money deposits	-	36,396
Deposits with original maturity over 3 months but less than 12 months	-	1,00,00,000
	-	**1,00,36,396**

13 Loans

	March 31, 2021 (Amount in ₹)	March 31, 2020 (Amount in ₹)
<u>**Current**</u>		
Loan to related parties (refer note 43)		
- Unsecured, considered good	64,17,82,919	-
Loans to others		
- Unsecured, considered good	-	25,00,00,000
	64,17,82,919	**25,00,00,000**

14 Equity Share capital

	March 31, 2021 (Amount in ₹)	March 31, 2020 (Amount in ₹)
Authorised		
1,31,50,000 Equity Shares of ₹ 10 each (1,31,50,000 Equity Shares of ₹ 10 each as at March 31, 2020)	13,15,00,000	13,15,00,000
	13,15,00,000	**13,15,00,000**
Issued, subscribed and fully paid up shares		
1,31,35,000 Equity Shares of ₹ 10 each (1,31,35,000 Equity Shares of ₹ 10 each as at March 31, 2020)	13,13,50,000	13,13,50,000
	13,13,50,000	**13,13,50,000**

Notes:

(a) Reconciliation of the number of the shares outstanding at the beginning and end of the year:

	March 31, 2021		March, 31, 2020	
	Nos	(Amount in ₹)	Nos	(Amount in ₹)
At the beginning of the year	1,31,35,000	13,13,50,000	1,31,35,000	13,13,50,000
New Shares issued during the year	-	-	-	-
At the end of the year	**1,31,35,000**	**13,13,50,000**	**1,31,35,000**	**13,13,50,000**

(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.
In the event of liquidation of the company, the holders of 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.

Out of equity shares issued by the company, shares held by its holding company is as below,

(c) Shares held by holding company	**March 31, 2021 (Amount in ₹)**	**March 31, 2020 (Amount in ₹)**
Adani Ports and Special Economic Zone Limited, the holding company and its nominee 1,31,35,000 equity shares (Previous year 1,31,50,000) of ₹10 each	13,13,50,000	13,13,50,000

(d) Details of shareholder holding more than 5% shares in the Company

Details	Particulars	March 31, 2021	March 31, 2020
Adani Ports and Special Economic Zone Limited, the holding company and its nominee	Nos	1,31,35,000	1,31,35,000
	% Holding	100.00%	100.00%

15 Other equity		**March 31, 2021 (Amount in ₹)**	**March 31, 2020 (Amount in ₹)**
Share premium (refer note a)	(A)	39,37,50,000	39,37,50,000
Retained earnings (refer note b)			
Opening Balance		44,45,15,292	33,78,69,119
Add:- Profit during the year		22,90,38,889	10,69,05,620
Add:- Other comprehensive income		1,54,764	(2,59,447)
	(B)	67,37,08,945	44,45,15,292
	(A+B)	**1,06,74,58,945**	**83,82,65,292**

Note :-

a) Securities premium represents the premium received on issue of shares over and above the face value of equity shares. Such amount is available for utilization in accordance with the provisions of the Companies Act, 2013.

b) The portion of profits not distributed among the shareholders are termed as retained earnings. The Company may utilize the retained earnings for making investments for future growth and expansion plans, for the purpose of generating higher returns for the shareholders or for any other specific purpose, as approved by the Board of Directors of the Company.

16 Borrowings	**March 31, 2021 (Amount in ₹)**	**March 31, 2020 (Amount in ₹)**
Non-Current		
Inter corporate deposit (Unsecured)	-	10,00,000
	-	10,00,000
The above amount includes		
Secured borrowings	-	-
Unsecured borrowings	-	10,00,000
Total borrowings	-	10,00,000

Notes:

(a)Unsecured loan was taken from Adani Ports and SEZ Limited and repaid during the current year.

17 Other financial liabilities	**March 31, 2021 (Amount in ₹)**	**March 31, 2020 (Amount in ₹)**
Non-Current		
Deposit from customers	40,247	4,71,438
Obligations under lease land	4,50,50,996	4,42,43,175
	4,50,91,243	**4,47,14,613**
Current		
Interest accrued but not due	11,06,956	14,00,018
Interest accrued and due on borrowings	-	4,27,376
Deposits from customers	4,23,14,881	2,57,24,728
Capital creditors, retention money and other payable	1,90,81,667	1,14,38,622
	6,25,03,504	**3,89,90,744**

Notes:

a) Assets taken under leases –

The Company has entered into long term land lease agreement for land measuring 56,923 sq. meters, at multi product special economic zone at Mundra with Adani Ports and Special Economic Zone Limited for its electricity distribution facility. The annual lease rent is subject to revision every three years from September 01, 2019 by 20% escalation of the previous amount. The lease rent terms are for the period of 30 years. There is no contingent rent and no restrictions imposed by the lease arrangements. The Company has taken land on finance leases with lease terms of 26 years and 5 months. Future minimum rentals payable under finance leases as at 31 March are as follows:

(Amount in ₹)

Particulars	**As at March 31, 2021**	
	Minimum lease payments	**Present value of MLP**
Within one year	24,59,074	22,87,510
After one year but not later than five years	1,19,42,901	92,56,420
More than five years	8,90,43,929	3,35,07,066
Total minimum lease payables	**10,34,45,904**	**4,50,50,996**
Less: Amounts representing finance charges	5,83,94,907	
Present value of minimum lease Payables	**4,50,50,996**	**4,50,50,996**

18 **Net employee defined benefit liabilities**	**March 31, 2021 (Amount in ₹)**	**March 31, 2020 (Amount in ₹)**
Non-current		
Provision for compensated absences	17,69,378	21,24,012
	17,69,378	**21,24,012**
Current		
Provision for gratuity (refer note 35)	-	6,50,699
Provision for compensated absences	6,27,907	5,71,492
	6,27,907	**12,22,191**

19 **Other liabilities**	**March 31, 2021 (Amount in ₹)**	**March 31, 2020 (Amount in ₹)**
Non Current		
Deferred revenue - service line contributions from customers	43,07,39,142	43,86,51,826
Other liabilities	6,420	2,089
	43,07,45,562	43,86,53,915
Current		
Statutory liability	10,99,775	1,25,03,799
Advance from customers	6,49,267	5,54,409
	17,49,042	1,30,58,208

20 **Trade payables**	**March 31, 2021 (Amount in ₹)**	**March 31, 2020 (Amount in ₹)**
Total outstanding dues of micro and small enterprises (refer note -36)	-	-
Total outstanding dues other than micro and small enterprises	4,92,54,273	6,69,20,307
	4,92,54,273	**6,69,20,307**

(The space has been intentionally kept blank)

MPSEZ Utilities Ltd
AHMEDABAD

21 Revenue from operations

	March 31, 2021 (Amount in ₹)	March 31, 2020 (Amount in ₹)
Revenue from power sales	1,99,77,16,334	1,75,76,25,881
Less :- Discount for prompt payment of bills	-	(10,91,701)
Other revenue related to Power Business		
Miscellaneous income	9,21,223	1,80,16,969
Amortisations of service line contributions	2,87,18,742	2,12,98,241
Income from common effluent treatment services	58,09,522	54,86,472
	2,03,31,65,821	**1,80,13,35,862**

22 Other income

	March 31, 2021 (Amount in ₹)	March 31, 2020 (Amount in ₹)
Interest income from		
Bank	-	31,99,735
Income tax refund	1,66,873	-
Parent company	3,33,38,633	13,32,436
Others	99,72,603	1,13,69,863
Liability no longer required written back	7,27,358	-
Profit on sale of investment (Mutual fund)	8,03,110	12,84,735
Miscellaneous income	1,64,416	2,04,410
Total other income	**4,51,72,993**	**1,73,91,179**

23 Operating expenses

	March 31, 2021 (Amount in ₹)	March 31, 2020 (Amount in ₹)
Power purchase	1,63,69,30,657	[illegible]
Reactive energy charges	20,17,351	16,60,640
Unscheduled Interchange charges	2,63,00,443	3,62,75,933
SLCD charges	3,52,256	2,71,141
	1,66,56,00,707	**1,55,69,49,219**

24 Employee benefit expense

	March 31, 2021 (Amount in ₹)	March 31, 2020 (Amount in ₹)
Salaries, wages and Bonus	2,58,04,840	2,40,36,120
Contribution to provident and other funds	13,09,169	12,72,[illegible]9
Gratuity (refer note 35)	5,27,651	5,15,378
Staff welfare expenses	10,92,572	8,26,396
	2,87,34,432	**2,66,50,433**

25 Finance costs

	March 31, 2021 (Amount in ₹)	March 31, 2020 (Amount in ₹)
Interest on		
Security deposit	12,16,432	15,13,108
Borrowings	5,959	29,07,028
Finance charges on lease	32,66,895	22,83,412
Bank charges and commission	48,763	3,90,035
	45,38,049	**70,93,583**

(The space has been intentionally kept blank)

26 Other expenses

	March 31, 2021 (Amount in ₹)	March 31, 2020 (Amount in ₹)
Infrastructure usage charges	4,43,55,149	3,94,60,145
Insurance (net of reimbursement)	3,776	3,668
Advertisement and publicity	44,134	87,842
Repairs & maintenance		
Plant and machinery	16,28,057	59,34,246
Building	77,068	-
Others	65,74,699	29,11,544
Contractual Manpower cost	54,09,259	49,76,498
Stores, spares and consumables	51,13,828	55,80,869
Legal and professional expenses	91,23,575	73,90,367
Payment to auditors (refer note 1 below)	2,10,000	2,10,000
Security expenses	18,96,695	13,28,435
Communication expenses	2,23,281	1,18,124
Electric power expenses	3,40,164	16,365
Travelling and conveyance	4,70,518	16,27,830
Charity & donations (refer note 2 below)	21,00,000	14,75,000
Miscellaneous expenses	25,53,360	40,99,463
	8,01,23,563	7,52,20,396

Note : 1
Payment to Auditor

	March 31, 2021 (Amount in ₹)	March 31, 2020 (Amount in ₹)
As Auditor:		
Audit fee	1,75,000	1,75,000
Other Services	35,000	35,000
	2,10,000	2,10,000

Note: 3
Details of CSR Expenses

	March 31, 2021 (Amount in ₹)	March 31, 2020 (Amount in ₹)
Gross amount required to be spent by the company during the year	21,00,000	14,75,000
Amount spent during the year ending March 31		
(i) Construction/acquisition of any Asset	-	-
(ii) On Purpose other than (i) above	21,00,000	14,75,000

The company has paid ₹ 21 lacs (previous year ₹ 14.75 lacs) towards corporate social responsibilities to Adani Foundation.

27 Income Tax

(a) The major components of income tax expenses for the years ended March 31, 2021 and March 31, 2020

Statement of profit and loss	March 31, 2021 (Amount in ₹)	March 31, 2020 (Amount in ₹)
Current income tax:		
Current income tax charge	4,21,40,195	1,59,46,391
Adjustment in respect of current income tax of previous years	(2,363)	-
Deferred tax:		
Relating to origination and reversal of temporary differences	3,10,921	(1,59,82,671)
Tax (credit) under minimum alternate tax (MAT)	(3,05,31,880)	(1,13,53,038)
Income tax expenses reported in statement of profit and loss	1,19,16,873	(1,13,89,318)

(b) 'OCI section

Deferred tax related to items recognised in OCI during the year	**March 31, 2021 (Amount in ₹)**	**March 31, 2020 (Amount in ₹)**
Net loss/(gain) on remeasurements of defined benefit plans	59,650	(99,998)
Income tax charged to OCI	59,650	(99,998)

(c) Reconciliation of tax expense and the accounting profit multiplied by applicable tax rate for March 31, 2021 and March 31, 2020

	March 31, 2021 (Amount in ₹)	**March 31, 2020 (Amount in ₹)**
Accounting profit before taxation	**24,09,55,762**	**9,55,16,302**
Applicable tax rate	27.82%	27.82%
Computed tax expenses	6,70,33,893	2,65,72,635
Deduction under Chapter VI A	(6,33,61,748)	(3,00,72,668)
Reversal during tax holiday period	53,59,606	(83,05,924)
Temporary differences on which deferred tax not created	16,70,552	1,41,643
Non-deductible expenses	11,97,869	7,97,530
Adjustment of earlier years	(2,363)	-
Others	19,064	(5,22,534)
Income tax expenses charged to profit and loss	**1,19,16,873**	**(1,13,89,318)**

(d) Deferred tax relates to following

Particulars	Balance Sheet		Profit and Loss	
	March 31, 2021 (Amount in ₹)	**March 31, 2020** (Amount in ₹)	**March 31, 2021** (Amount in ₹)	**March 31, 2020** (Amount in ₹)
Temporary difference in value of Property, Plant and Equipment as per books of accounts and tax	(3,71,20,581)	(4,22,69,263)	**(51,48,682)**	(76,76,748)
Reversal of BCIA period	1,57,53,108	[illegible],11,12,714	53,59,606	(63,05,924)
Income tax effect on re-measurement gains (losses) on defined benefit plans	(59,650)	99,998	59,650	(99,998)
Deferred tax liabilities	(2,14,27,123)	(2,10,56,551)	2,70,574	(1,60,82,670)

(e) Reconciliation of deferred tax liabilities	**March 31, 2021 (Amount in ₹)**	**March 31, 2020 (Amount in ₹)**
Opening balance as at 1st April	(2,10,56,551)	(3,71,39,221)
Tax expense during the year recognised in profit and loss	3,10,921	(1,59,82,671)
Tax expense during the year recognised in OCI	59,650	(99,998)
Closing balance as at 31st March	**(2,14,27,123)**	**(2,10,56,552)**

28 Fair Value Measurement

a) The carrying value of financial instruments by categories as of March 31, 2021 is as follows :

Particulars	**Fair Value through other Comprehensive Income**	**Fair Value through Profit & Loss**	**Derivative instruments not in hedging relationship**	**Amortised Cost**	**Amortised Cost**
Financial Asset					
Investments	-	13,517	-	-	13,517
Trade receivables	-	-	-	1,84,474	1,84,474
Cash and Cash Equivalents	-	-	-	8,20,486	8,20,486
Loans	-	-	-	64,17,82,919	64,17,82,919
Others financial assets	-	-	-	3,92,80,044	3,92,80,044
	-	**13,517**	-	**68,20,67,923**	**68,20,81,440**
Financial Liabilities					
Trade payables	-	-	-	4,92,54,273	4,92,54,273
Other financial liabilities		-	-	10,75,94,747	10,75,94,747
	-	-	-	**15,68,49,020**	**15,68,49,020**

b) The carrying value of financial instruments by categories as of March 31, 2020 is as follows :

Particulars	**Fair Value through other Comprehensive Income**	**Fair Value through Profit & Loss**	**Derivative instruments not in hedging relationship**	**Amortised Cost**	**Amortised Cost**
Financial Asset					
Investments	-	13,049	-	-	13,049
Trade receivables	-	-	-	12,07,10,560	12,07,10,560
Cash and Cash Equivalents	-	-	-	6,74,70,800	6,74,70,800
Other Bank balance	-	-	-	1,00,36,396	1,00,36,396
Loans	-	-	-	25,00,00,000	25,00,00,000
Others financial assets	-	-	-	1,88,47,755	1,88,47,755
	-	**13,049**	-	**46,70,65,511**	**46,70,78,560**
Financial Liabilities					
Borrowings	-	-	-	10,00,000	10,00,000
Trade payables	-	-	-	6,69,20,307	6,69,20,307
Other financial liabilities	-	-	-	8,37,05,356	8,37,05,356
	-	-	-	**15,16,25,663**	**15,16,25,663**

c) The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

29 Fair Value hierarchy :

Particulars	As at March 31, 2021			
	Level 1	Level 2	Level 3	Level 3
Assets				
Investment (Unquoted Mutual Fund)	-	13,517	-	-
Total	-	13,517	-	-

Particulars	As at March 31, 2020			
	Level 1	Level 2	Level 3	Level 3
Assets				
Investment (Unquoted Mutual Fund)	-	13,049	-	-
Total	-	13,049	-	-

30 Financial risk objective and policies

The Company's principal financial liabilities, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations/projects and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

In the ordinary course of business, the Company is mainly exposed to risks resulting from interest rate movements (interest rate risk) collectively referred as market risk, credit risk, liquidity risk and other price risks such as equity price risk. The Company's senior management oversees the management of these risks.

The Company's risk management activities are subject to the management, direction and control of Central Treasury Team of the Adani Group under the framework of Risk Management Policy for Currency and Interest rate risk as approved by the Board of Directors of the Company. The Company's central treasury team ensures appropriate financial risk governance framework for the Company through appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken.

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings.

The sensitivity analysis in the following sections relate to the position as at March 31, 2021 and March 31, 2020.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant as at March 31, 2021.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2021 and March 31, 2020.

i) **Interest rate risk**

The Company is exposed to changes in market interest rates due to financing, investing and cash management activities. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Interest rate sensitivity

The following paragraph demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

If interest rates had been 50 basis points higher / lower and all other variables were held constant, the Company's profit for the year ended March 31, 2021 would decrease / increase by ₹ Nil (previous year ₹ 5,000/-). This is mainly attributable to interest rates on variable rate long term borrowings.

b) **Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and other financial assets) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive evaluation and individual credit limits are defined in accordance with this assessment.

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Finance Committee. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Concentrations of Credit Risk form part of Credit Risk

Considering that the Company provides transmission and distribution of electricity services at SEZ area located at Mundra, the Company is significantly depend on transmission and distribution lines provided to customers. Out of total revenue, the Company earns of ₹ 140,90,02,544 from top six customers during the year ended March 31, 2021 which constitute 70.61%. A loss of these customers could adversely affect the operating result or cash flow of the Company.

c) **Liquidity risk**

Liquidity risk is the risk that the company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial assets. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

Maturities of financial liability

The table below analysis the Company's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at March 31, 2021 (Amount in ₹)

Particulars	Refer Note	On Demand	Within 1 year	Over 1 year within 5 years	Over 5 years	Total
Other financial liabilities	17	-	6,49,62,578	1,19,42,901	8,90,43,929	16,59,49,408
Trade payables	20	-	4,92,54,273	-	-	4,92,54,273
		-	**11,42,16,850**	**1,19,42,901**	**8,90,43,929**	**21,52,03,680**

As at March 31, 2020 **(Amount in ₹)**

Particulars	Refer Note	On Demand	Within 1 year	Over 1 year within 5 years	Over 5 years	Total
Borrowings	16	-	-	10,00,000	-	10,00,000
Other financial liabilities	17	-	4,14,49,817	1,11,06,816	9,28,10,526	14,53,67,159
Trade payables	20	-	6,69,20,307	-	-	6,69,20,307
		-	**10,83,70,125**	**1,21,06,816**	**9,28,10,526**	**21,32,87,467**

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.

31 **Earnings per share**	**March 31, 2021** **(Amount in ₹)**	**March 31, 2020** **(Amount in ₹)**
Profit attributable to equity shareholders of the company	22,90,38,889	10,69,05,620
Weighted average number of equity shares	1,31,35,000	1,31,35,000
Face value per share (in ₹)	10	10
Basic and Diluted earning per share (in ₹)	17.44	8.14

32 Capital commitments

Particulars	**March 31, 2021**	**March 31, 2020**
Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for	2,20,61,867	56,54,767

33 Contingent liabilities not provided for

Particulars	**March 31, 2021**	**March 31, 2020**
The company has received intimation order u/s 143(1) disallowing claims of expenditure of INR 1,29,210. Consequently, interest u/s 234B and 234C is increased and refund amount is reduced to that extent, against which company has preferred appeal before CIT(A).	-	40,146.00

34 Segment information

The Company is primarily engaged in the business of providing facility of distribution of electricity, effluent & sewage facilities . The entire business has been considered as a single segment in terms of Ind AS - 108 on Segment Reporting issued by the Institute of Chartered Accountants of India. There being no business outside India, the entire business has been considered as single geographic segment.

Considering the inter relationship of various activities of business, the chief operational decision maker monitors the operating results of business segment on over all basis. Segment performance is evaluated based on profit and loss and is measured consistently with profit or loss in financial statement.

35 Disclosures as required by Ind AS - 19 Employee Benefits

The company has recognised, in the Statement of Profit and Loss for the current year, an amount of ₹ 3,12,437 (Previous year ₹ 6,74,822/-) as expenses under the following defined contribution plan.
The company has a defined gratuity plan. Under the plan every employee who has completed at least five year of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Company of India (LIC) in form of a qualifying insurance policy.
The following tables summarize the component of the net benefits expense recognised in the statement of profit and loss account and the funded status and amounts recognized in the balance sheet for the respective plan.

Gratuity

a)Changes in present value of the defined benefit obligation are as follows:

Particulars	March 31, 2021	March 31, 2020
Present value of the defined benefit obligation at the beginning of the year	39,59,913	36,37,087
Current service cost	5,21,170	4,70,392
Interest cost	2,28,241	2,51,958
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in demographic assumptions	(95,811)	38,972
- change in financial assumptions		3,08,519
- experience variance	1,84,491	11,954
Benefits paid	(1,01,596)	(4,30,081)
Acquisition adjustment	(5,50,908)	(3,28,888)
Present value of the defined benefit obligation at the end of the year	**41,45,500**	**39,59,913**

b)Changes in fair value of plan assets are as follows:

Particulars	March 31, 2021	March 31, 2020
Fair value of plan assets at the beginning of the year	33,09,214	27,17,546
Investment income	2,21,560	2,06,973
Contributions by employer	3,84,695	3,84,695
Benefits paid		
Return on plan assets , excluding amount recognised in net interest expense	3,03,094	
Acquisition adjustment		
Fair value of plan assets at the end of the year	**42,18,563**	**33,09,214**

c) Net asset/(liability) recognised in the balance sheet

Contribution to	**March 31, 2021**	**March 31, 2020**
Present value of the defined benefit obligation at the end of the year	41,45,500	39,59,913
Fair value of plan assets at the end of the year	42,18,563	33,09,214
Amount recognised in the balance sheet	73,063	(6,50,699)
Net (liability)/asset - Current	-	(6,50,699)
Net (liability)/asset - Non-current	73,063	-

d) Expense recognised in the statement of profit and loss for the year

Particulars	March 31, 2021	March 31, 2020
Current service cost	5,21,170	4,70,392
Interest cost on benefit obligation	6,681	44,985
Total Expense included in employee benefits expense	**5,27,851**	**5,15,377**

e) Recognised in the other comprehensive income for the year

Particulars	March 31, 2021	March 31, 2020
Actuarial (gain)/losses arising from		
- change in demographic assumptions	(95,811)	38,972
- change in financial assumptions	-	3,08,519
- experience variance	1,84,491	11,954
Return on plan assets, excluding amount recognised in net interest expense	(3,03,094)	-
Recognised in comprehensive income	**(2,14,414)**	**3,59,445**

f) Maturity profile of Defined Benefit Obligation

Particulars	March 31, 2021	March 31, 2020
Weighted average duration (based on discounted cash flows)	8 years	10 Years

g) Quantitative sensitivity analysis for significant assumption is as below

Increase/(decrease) on present value of defined benefits obligation at the end of the year

Particulars	**March 31, 2021**		**March 31, 2020**	
Assumptions	**Discount rate**			
Sensitivity level	**1% Increase**	**1% Decrease**	**1% Increase**	**1% Decrease**
Impact on defined benefit obligations	(Amount in ₹)	(Amount in ₹)	(Amount in ₹)	(Amount in ₹)
	(3,11,600)	3,55,121	(3,69,073)	4,29,516

Particulars	March 31, 2021		**March 31, 2020**	
Assumptions	**Salary Growth rate**			
Sensitivity level	1% Increase	1% Decrease	1% Increase	1% Decrease
Impact on defined benefit obligations	(Amount in ₹)	(Amount in ₹)	(Amount in ₹)	(Amount in ₹)
	3,47,126	(3,10,781)	4,19,792	(3,68,113)

Particulars	March 31, 2021		March 31, 2020	
Assumptions	Attrition rate			
Sensitivity level	0.5% Increase	0.5% Decrease	0.5% Increase	0.5% Decrease
Impact on defined benefit obligations	(Amount in ₹)	(Amount in ₹)	(Amount in ₹)	(Amount in ₹)
	(1,15,237)	1,81,761	(1,09,821)	1,57,925

Particulars	March 31, 2021		March 31, 2020	
Assumptions	Mortality rate			
Sensitivity level	0.1% Increase	0.1% Decrease	0.1% Increase	0.1% Decrease
Impact on defined benefit obligations	(Amount in ₹)	(Amount in ₹)	(Amount in ₹)	(Amount in ₹)
	(697)	700	(942)	946

Sensitivity Analysis Method

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.

h)The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	March 31, 2021	March 31, 2020
Investments with insurer	100%	100%

The company expects to contribute ₹ 4,23,220/- to gratuity fund in the next year. (Previous year ₹ 11,85,642/-)

* As the gratuity fund is managed by life insurance company, details of fund invested by insurer are not available with company.

i)The principle assumptions used in determining gratuity obligations are as follows:

Particulars	**March 31, 2021**	**March 31, 2020**
Discount rate	6.70%	6.70%
Rate of escalation in salary (per annum)	8.00%	8.00%
Mortality	Indian Assured Live Mortality 2012-14	Indian Assured Live Mortality 2012-14
Attrition rate	9.50%	6.71%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been significant change in expected rate of return on assets due to change in the market scenario.

j) The expected cash flows of defined benefit obligation over the future periods (valued on undiscounted basis)

(Amount in ₹)

Particulars	**March 31, 2021**	**March 31, 2020**
Within the next 12 months (next annual reporting period)	3,78,980	2,50,905
Between 2 and 5 years	14,79,285	10,59,895
Between 6 and 10 years	20,99,742	19,47,842
Beyond 10 years	39,22,379	55,62,082
Total Expected Payments	**78,80,386**	**88,20,724**

36 Details as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act).This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

(Amount in ₹)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year.		
Principal	Nil	Nil
Interest	Nil	Nil
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 a long with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	Nil	Nil

37 Capital management

For the purposes of the company's capital management, capital includes issued capital and all other equity reserves. The primary objective of the company's capital management is to maximize shareholder value. The company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The company monitors capital using gearing ratio, which is net debt (total debt less cash and cash equivalents) divided by total capital plus net debt.

(Amount in ₹)

Particulars	**Refer note**	As at March 31, 2021	As at March 31, 2020
Total borrowings	16	-	10,00,000
Less: Cash and cash equivalents	11	8,20,486	6,74,70,800
Net Debt (A)		(8,20,486)	(6,64,70,800)
Total Equity (B)	14 & 15	1,19,88,08,945	96,96,15,292
Total Equity and Net Debt (C = A + B)		1,19,79,88,459	90,31,44,491
Gearing ratio		-0.07%	-7.36%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2021 and March 31, 2020.

38 The company is engaged in the business of distribution of power. Quantitative information in respect of purchase and sale of power are as under.

Particulars	**2020-21**	**2019-20**
	(Unit in MUs)	**(Unit in Mus)**
Unit Purchased - Schedule	321.47	270.02
Unit Purchased - Wind	41.05	50.36
Unscheduled interchange (UI)	14.74	21.10
Total Units Purchased	377.26	341.48
Unit Sold	363.33	327.16
Transmission & Distribution Losses	13.93	14.32
Transmission & Distribution Losses (%)	3.69%	4.19%

39 'As per directives of Gujarat Electricity Regulatory Commission with respect to Renewable Purchase Obligation (RPO) to be adhered by the company during the financial year, company has made a provision for the RPO obligation of INR 63,89,716/-. The cost of such obligation is included in Cost of Power Purchased in Note - 24.

40 **Details of Income & Expenses for the Common Effluent Treatment (CETP) Service rendered during the year are as under**

Particulars	**For the year ended March 31, 2021 (Amount in ₹)**	**For the year ended March 31, 2020 (Amount in ₹)**
Income	58,09,522	54,86,472
Expenses		
Employee benefits expenses	8,03,808	8,94,942
Electricity Expense	15,56,826	8,79,087
Other Expense	46,67,198	35,14,094
Total Expenditure	(12,18,311)	1,98,349

41 **Disclosure under Para 44A as set out in Ind AS 7 on cash flow statements under Companies (Indian Accounting Standards) Rules, 2017 (as amended)**

(Amount in ₹)

Particulars of Liabilities arising from Financing activity	**Note No.**	**As at March 31, 2020**	**Cash flows**	**Non Cash Changes**		**As at March 31, 2021**
				Effect due to changes in foreign exchange rates	**Other changes**	
Long term borrowing - Inter Corporate Deposits	16	10,00,000	(10,00,000)	-	-	-
Interest accrued but not due	17	18,27,394	(19,91,592)	-	12,71,154	11,06,956
Total		28,27,394	(29,91,592)	-	12,71,154	11,06,956

42 (a) As at the date of issue of financial statements, there are no new standards or amendments which have been notified by the MCA but not yet adopted by the Company. Hence, the disclosure is not applicable.

(b) The company is in the process of appointing a full time Company Secretary as required under provisions of Section 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. However, the secretarial work of the company is being managed by Company Secretary of parent Company.

43 Related Parties transactions for the year ended March 31, 2021

The Management has identified the following entities as related parties of the Company, which are as under:

Holding company	Adani Ports and Special Economic Zone Limited
Fellow subsidiary	Mundra SEZ Textile and Apparel Park Private Limited
Entities and venturers over which shareholders of the company are able to exercise significant influence through voting power	Adani Mundra SEZ Infrastructure Private Limited
Entities over which key management personnel,directors and their relatives are able to exercise significant influence	Adani Foundation
	Adani Skill Development Centre Private Limited
Key Management personnel	Mr. Avinash Rai , Director
	Mr. Jai Singh Khurana, Director
	Capt. BVJK Sharma, Managing Director
	Mr. Avinash Patel, Chief Financial officer

Detail of Related Party Transactions for the year ended March 31, 2021

(Amount in ₹)

Category	Name of Related Party	For the year ended March 31, 2021	For the year ended March 31, 2020
Rendering of Services(Including reimbursement)	Mundra SEZ Textile and Apparel Park Private Limited	1,98,768	1,74,785
Services Availed (incl reimb of expenses)	Adani Ports and Special Economic Zone Limited	4,48,206	1,59,360
	Mundra SEZ Textile and Apparel Park Private Limited	3,82,308	3,40,031
Interest Expense	Adani Ports and Special Economic Zone Limited	5,959	28,36,849
Interest income	Adani Skill Development Centre Private Limited	-	13,32,436
	Adani Ports and Special Economic Zone Limited	3,33,38,633	-
Donation	Adani Foundation	21,00,000	14,75,000
Loan taken	Adani Ports and Special Economic Zone Limited	-	8,00,00,000
Loan Repaid	Adani Ports and Special Economic Zone Limited	10,00,000	8,00,00,000
Loan received back	Adani Skill Development Centre Private Limited	-	1,50,00,000
	Adani Ports and Special Economic Zone Limited	2,15,55,59,000	-
Loan Given	Adani Ports and Special Economic Zone Limited	2,54,73,41,919	-
	Adani Skill Development Centre Private Limited	-	10,00,000

Closing Balances

(Amount in ₹)

Category	Name of the Related Party	As at March 31, 2021	As at March 31, 2020
Loans and Advances	Adani Ports and Special Economic Zone Limited	67,230	67,230
Trade Payables	Mundra SEZ Textile and Apparel Park Private Limited	3,82,308	73,014
	Adani Ports and Special Economic Zone Limited	2,52,100	-
Trade Receivables	Mundra SEZ Textile and Apparel Park Private Limited	47,400	-
Capital Advances	Adani Mundra SEZ Infrastructure Private Limited	13,80,00,000	13,80,00,000
Inter Corporate Deposit (taken)	Adani Ports and Special Economic Zone Limited	-	10,00,000
Inter Corporate Deposit (given)	Adani Ports and Special Economic Zone Limited	64,17,62,919	-

Note :-
Public utilities as covered under Ind AS - 24 "Related Party Disclosures", are not related parties. Hence transactions and outstanding balances related with power business , have not been reported as related party transactions.

44 The management has made assessment of likely impact from the COVID-19 pandemic on business and financial risks based on internal and external sources. The company has also considered the possible effects of COVID-19 on the carrying amounts of its financial and non financial assets using reasonably available information, estimates and judgments and has determined that none of these balances require a material adjustment to their carrying values. Further, The management does not see any medium to long term risks in the ability of the company to meet its liabilities as and when they fall due

45 **Approval of financial statements**
The financial statements were approved for issue by the board of directors on April 28, 2021.

The accompanying notes form an integral part of financials statements

As per our report of even date

For G.K. CHOKSI & CO.
Firm Registration No.: 101895W
Chartered Accountants

SANDIP A. PARIKH
Partner
Membership No. 040727

Place: Ahmedabad
Date: April 28, 2021

For and on behalf of Board of Directors of
MPSEZ Utilities Limited

B.V.J.K. Sharma

BVJK Sharma
Managing Director
DIN: 00017758
Place: Mumbai

Avinash Rai
Director
DIN: 08406981
Place: Mundra

Avinash Patel
Chief Financial Officer
Place: Mundra

Date: April 28, 2021

tte
skins & Sells LLP

Chartered Accountants
19th Floor, Shapath - V
S G Highway
Ahmedabad - 380 015
Gujarat, India

Tel: +91 79 6682 7300
Fax: +91 79 6682 7400

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 31st March, 2019, 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 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 31st March, 2019, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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	Auditor's Response
1	**Acquisitions — Adani Electricity Mumbai Limited** (Refer to Note 2.4(k), 61 and 62 to the consolidated financial statements) During the year, the Parent acquired 100% Equity Share Capital of Adani Electricity Mumbai Limited (formerly known as Reliance Electricity Generation and Supply Limited) (AEML), effective from 29th August, 2018. The acquisition is accounted for as a business combination (Ind AS 103) and required management to apply a number of significant and complex judgments, assumptions and estimates in the determination of the fair value of the assets and liabilities acquired, and the resulting goodwill; and for the purposes of purchase price allocation. As part of the purchase price allocation, the fair values of the assets and liabilities were determined using valuation reports from reputed valuation professionals. Fair value was determined using various valuation models, which were applied according to the assets and liabilities being measured. The measurement of intangible assets - Transmission and Distribution license was based on a valuation model that requires specific information as regards future cash flows. Furthermore, the assumptions considered for developing future cash flow were made based on estimates as regards capital expenditure, power procurement plan etc. Judgments were used to measure property, plant and equipment, especially with regard to the choice of the valuation method to be used and the inputs to be considered, which depend on the use of appropriate indices, current market environment, property development regulations etc. The management of the Company used judgment to measure contingent	**Principal audit procedure performed** Our audit procedures in relation to purchase price allocation included, inter-alia, verification of the consideration transferred by the Parent with share purchase agreement. External experts were engaged by the management, for valuation of the intangible assets and property, plant and equipment. We assessed the competence and capabilities of the experts, gained an understanding of work of the experts and assessed the suitability of the results as audit evidence for the relevant assertions. We also examined the data provided to the experts for completeness and accuracy. We examined using internal valuation experts, the calculation of the inputs used to measure the intangible assets, especially the discount rate applied, for substantive and arithmetical accuracy. We assessed using internal valuation experts, the choice of valuation methods / models used to measure property, plant and equipment in terms of their applicability and the internal valuation experts re-performed the calculations in the models and reconciled expected future cash flows underlying the measurements with inter-alia, the internal business plans. We compared the inputs and assumptions used in valuation with external data. In assessing the recognition and measurement of contingent liabilities, we examined the underlying process for the complete capture and measurement of the contingent liabilities. The management's estimate of the likelihood and amount of potential claims was assessed for the measurement of the contingent liabilities.

	liabilities with regards to the expected amount of the claims from legal disputes, especially ongoing antitrust cases. In this respect, the purchase price allocation for the business acquisition was a key audit matter.	
2	**Impairment of goodwill in Consolidated Financial Statements** (Refer to Note 3.4 to the Consolidated Financial Statements) The Group has carrying value of goodwill from past acquisitions of Adani Transmission India Limited (ATIL) amount of Rs. 25.74 crores and Maharashtra Eastern Grid Power Transmission Company Limited (MEGPTCL) amount of Rs. 288.16 crores and also Rs. 262.10 crores arising from the acquisition of Adani Electricity Mumbai Limited (AEML) during the year. Goodwill is assessed for impairment at each reporting date and is additionally tested annually for impairment. Recoverability of the carrying value of goodwill is predicated upon appropriate attribution of goodwill to a cash generating unit or group of cash generating units (CGU) and determination of recoverable amount of the underlying CGUs. Recoverability of the carrying values of goodwill is dependent on future cash flows of the underlying cash generating units (CGUs) and there is a risk that if these cash flows do not meet management's expectations the assets will be impaired. The cash flow forecasts and related value in use calculations include a number of significant judgements and estimates including profit growth, terminal growth rate and discount rate. Changes in the key assumptions underpinning these calculations have a significant impact on the headroom available in the impairment calculations.	**Principal audit procedure performed** Our audit procedures included a combination of testing the design, implementation and operating effectiveness in respect of management's basis for allocation of goodwill to CGUs, assessment of existence of indicators of impairment and where applicable determination of recoverable amounts to measure the impairment provision that needs to be accounted for. Our substantive testing procedures included evaluation of appropriateness of management's basis for allocation of goodwill to CGUs and determination of recoverable amounts to measure the impairment provision that needs to be accounted for. We obtained management's impairment model and tested the reasonableness of key assumptions, including revenue, profit and cash flow growth rates, terminal values and the selection of discount rates. We agreed the underlying cash flow projections and forecasts and assessed how these projections are compiled. We performed our own independent sensitivity analysis to understand the impact of reasonable changes in management's assumptions on the available headroom.
3	**Classification of lease arrangement with Vidarbha Industries Power Limited (VIPL):** (Refer to Note 2.4(q) and 42 to the Consolidated Financial Statements)	**Principal audit procedures performed:** We evaluated the design and implementation, and tested the operating effectiveness of the relevant controls over

	AEML has entered into a long term power purchase agreement with VIPL, and the arrangement has been classified as an operating lease. The classification as operating lease was based on significant management judgement that the capacity charges payable were variable in nature	Management's assessment as to whether the power purchase agreement contains a lease. We assessed the key terms of the power purchase agreement and understood how they were applied in the management's assessment of the lease classification. We assessed the appropriateness of the management's assessment of the lease classification by: • Comparing the lease terms in the agreement with the major part of economic lives of the asset. • assessing the basis of management assumption wherein the capacity charges payable were considered as variable in nature.
4	**Carrying value of intangible assets of AEML:** (Refer to Note 3.4 and 58 to the Consolidated Financial Statements) AEML has Intangible assets being Transmission License with indefinite life of Rs. 981.62 crores as at 31st March, 2019 arising out of Business acquisition as mentioned above. Intangible assets with indefinite life need to be tested for impairment at least on an annual basis. The determination of recoverable amount, being the higher of value-in-use and fair value less costs to dispose, requires estimations on the part of management in both identifying and then valuing the relevant Cash Generating Units (CGUs). Recoverable amounts are based on management's assumptions which are subject to judgements and the appropriate discount rate.	**Principal audit procedures performed:** We tested the design of controls over the appropriateness of management's identification of CGU's, review of intangible assets impairment analysis. We challenged the Management's analysis around the key drivers of the cash flow forecasts including the ability to achieve said cash flows. We also evaluated the appropriateness of the key assumptions including discount rate and short-term growth rate. We also involved internal valuation experts to examine/assess the valuation model and the calculation inputs used.

Information Other than the Financial Statements and Auditor's Report Thereon

The Parent's Board of Directors is responsible for the preparation of 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, 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 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 management either intends to liquidate or 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 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.

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 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 did not audit the financial statements of 16 subsidiaries, whose financial statements reflect total assets of Rs. 5,221.66 crores as at 31st March, 2019, total revenues of Rs. 354.92 crores and net cash inflows amounting to Rs. 1.96 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.

(b) We did not audit the financial statements of 1 subsidiary, whose financial statements reflect total assets of Rs. 7.19 crores as at 31st March, 2019, total revenues of Rs. NIL and net cash inflows/ (outflows) amounting to Rs. 0.04 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 Group.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the 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 31st March, 2019 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 31st March, 2019 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, there is no remuneration paid by the Parent to its directors during the year.

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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies incorporated in India.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Gaurav J. Shah
Partner
(Membership No. 35701)

Place: Ahmedabad
Date: 28th May, 2019

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 31st March, 2019, we have audited the internal financial controls over financial reporting of Adani Transmission Limited (hereinafter referred to as "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 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 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 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 other auditors referred to in the Other Matters paragraph below, 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 31st March, 2019, 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 Matter

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 16 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)

(Gaurav J. Shah)
(Partner)
(Membership No. 35701)

Place: Ahmedabad
Date: 28th May, 2019

ADANI TRANSMISSION LIMITED

Consolidated Balance Sheet as at 31st March, 2019

(₹ In Crores)

Particulars	**Notes**	**As at 31st March, 2019**	**As at 31st March, 2018**
ASSETS			
Non-current Assets			
Property, Plant and Equipment	5.1	22,836.64	8,970.46
Capital Work-In-Progress	5.2	694.06	2,352.79
Goodwill		590.14	320.56
Other Intangible Assets	5.1	985.22	0.22
Financial Assets			
(i) Investments	6	120.92	-
(ii) Loans	7	41.16	-
(iii) Other Financial Assets	8	1,312.09	1,124.15
Deferred Tax Assets (Net)	27.1	102.58	-
Income Tax Assets (Net)	9	36.62	19.40
Other Non-current Assets	10	274.20	2,728.21
Total Non-current Assets		**26,993.63**	**15,515.79**
Current Assets			
Inventories	11	366.18	35.34
Financial Assets			
(i) Investments	12	214.86	-
(ii) Trade Receivables	13	722.05	257.83
(iii) Cash and Cash Equivalents	14	188.25	609.09
(iv) Bank Balances other than (iii) above	15	513.31	56.40
(v) Loans	16	8.75	0.11
(vi) Other Financial Assets	17	1,685.98	761.21
Other Current Assets	18	130.29	29.69
Total Current Assets		**3,829.67**	**1,749.67**
Total Assets before Regulatory Deferral Account		**30,823.30**	17,265.46
Regulatory Deferral Assets Account	57	1,105.60	-
Total Assets		**31,928.90**	**17,265.46**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	19	1,099.81	1,099.81
Unsecured Perpetual Equity Instrument	20	3,408.03	1,848.63
Other Equity	21	3,535.04	3,108.05
Total Equity		**8,042.88**	6,056.49
Liabilities			
Non-current Liabilities			
Financial Liabilities			
(i) Borrowings	22	16,304.11	8,594.56
(ii) Trade Payable	23		
(A) total outstanding dues of micro enterprises and small enterprises; and		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		21.80	-
(iii) Other Financial Liabilities	24	182.96	281.64
Other Non Current Liabilities	25	224.82	
Provisions	26	447.07	3.55
Deferred Tax Liabilities (Net)	27.2	15.53	1.23
Total Non-current Liabilities		**17,196.29**	**8,880.98**
Current Liabilities			
Financial Liabilities			
(i) Borrowings	28	1,632.78	1,010.65
(ii) Trade Payables	29		
(A) total outstanding dues of micro enterprises and small enterprises; and		0.64	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		1,236.28	39.49
(iii) Other Financial Liabilities	30	3,211.27	1,259.14
Other Current Liabilities	31	258.46	13.29
Provisions	26	63.55	1.34
Current Tax Liabilities (Net)	32	15.19	4.08
Total Current Liabilities		**6,418.17**	**2,327.99**
Total Liabilities before Regulatory Deferral Account		**23,614.46**	**11,208.97**
Regulatory Deferral Account-Liabilities	57	271.56	-
Total Equity and Liabilities		**31,928.90**	**17,265.46**

See accompanying notes forming part of the consolidated financial statements

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

GAURAV J. SHAH
Partner
(Membership No. 35701)

Place : Ahmedabad
Date : 28th May, 2019

For and on behalf of the Board of Directors
ADANI TRANSMISSION LIMITED

GAUTAM S. ADANI
Chairman
DIN: 00006273

ANIL SARDANA
Managing Director and
Chief Executive Officer
DIN: 00006867

KAUSHAL SHAH
Chief Financial Officer

JALADHI SHUKLA
Company Secretary

Place : Ahmedabad
Date : 28th May, 2019

ADANI TRANSMISSION LIMITED

Consolidated Statement of Profit and Loss for the year ended 31st March, 2019

(₹ in Crores)

Particulars	Notes	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Income			
Revenue from Operations	33	7,305.45	3,944.48
Other Income	34	255.35	110.71
Total Income		7,560.80	4,055.19
Expenses			
Cost Of Power Purchased		1,648.62	-
Cost of Fuel		642.50	-
Purchase of Stock-in-Trade	35	838.94	815.61
Employee Benefits Expense	36	586.92	42.25
Finance Costs	37	1,391.03	885.63
Depreciation and Amortisation Expense	5.1	882.15	579.41
Other Expenses	38	826.24	260.61
Total Expenses		**6,816.40**	**2,583.51**
Profit Before Movement in Regulatory Deferral Balance, Exceptional Items and Tax		**744.40**	**1,471.68**
Add: Net Movement in Regulatory Deferral Balance		95.84	-
Profit Before Tax		**840.24**	**1,471.68**
Tax Expense:			
Current Tax	39	191.87	327.51
Deferred Tax	27.1 & 27.2	203.07	494.24
Less: MAT Credit entitlement		(19.58)	-
Less : Deferred Assets for Deferred Tax Liabilities		(94.32)	(493.01)
Total Tax expenses		**281.04**	**328.74**
Profit After Tax		**559.20**	**1,142.94**
Other Comprehensive Income			
(a) Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit plans [(Tax- Nil (Previous year - Nil)]		(1.42)	0.31
(b) Items that may be reclassified to profit or loss			
-Effective portion of gains and losses on designated portion of hedging instruments in a cash flow hedge [(Tax- Nil (Previous year - Nil)]		9.19	(25.91)
Total Other Comprehensive Income for the year (Net of Tax)		**7.77**	**(25.60)**
Total Comprehensive Income for the year		**566.97**	**1,117.34**
Profit for the year attributable to			
Owners of the Company		559.20	1,142.94
Non-controlling interests		-	-
		559.20	**1,142.94**
Total Comprehensive Income for the year attributable to			
Owners of the Company		566.97	1,117.34
Non-controlling interests		-	-
		566.97	**1,117.34**
Earnings Per Share (EPS) (in ₹)	40		
(Face Value ₹ 10 Per Share)			
Basic & Diluted Earnings Per Share including net Movement in Regulatory Deferral Balance		2.30	9.94
Basic & Diluted Earnings Per Share excluding net Movement in Regulatory Deferral Balance		1.43	9.94

See accompanying notes forming part of the consolidated financial statements

As per our attached report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration Number : 117366WW 100018

GAURAV J. SHAH
Partner
(Membership No. 35701)

Place : Ahmedabad
Date : 28th May, 2019

For and on behalf of the Board of Directors of
ADANI TRANSMISSION LIMITED

GAUTAM S. ADANI
Chairman
DIN: 00006273

ANIL SARDANA
Managing Director and
Chief Executive Officer
DIN: 00006867

KAUSHAL SHAH
Chief Financial Officer

JALADHI SHUKLA
Company Secretary

Place : Ahmedabad
Date : 28th May, 2019

ADANI TRANSMISSION LIMITED

Statement of Consolidated Cash flows for the year ended 31st March, 2019

(₹ In Crores)

	Particulars	**For the year ended 31st March, 2019**	**For the year ended 31st March 2018**
A.	**Cash flows from operating activities**		
	Profit before tax	840.24	1,471.68
	Adjustments for:		
	Depreciation and Amortisation Expense	882.15	579.41
	Amortisation of Consumer Contribution	(7.42)	-
	Income from Mutual Funds	(15.56)	(12.00)
	Finance Costs	1,391.03	885.63
	Unclaimed liabilities / Excess provision written back	(1.01)	-
	Interest Income	(179.02)	(96.83)
	Provision for Doubtful debts / Advance / Deposits	12.20	-
	Loss on sale of assets	15.68	-
	Bad Debt Recovery	(3.09)	-
	Operating profit before working capital changes	**2,935.20**	**2,827.89**
	Changes in Working Capital:		
	(Increase) / Decrease in Operating Assets :		
	Employee Loans, Other Financial Assets and Other Assets	(407.05)	49.40
	Inventories	(127.15)	3.32
	Trade Receivables	84.96	(25.40)
	Regulatory Deferral Account - Assets	372.05	-
	Increase / (Decrease) in Operating Liabilities :		
	Trade Payables	(98.35)	12.34
	Other Financial Liabilities, Other Liabilities and Provisions	22.53	(349.36)
	Cash generated from operations	**2,782.19**	**2,518.19**
	Tax paid (Net of Income tax Refund)	(190.81)	(319.88)
	Net cash generated from operating activities (A)	**2,591.38**	**2,198.31**
B.	**Cash flows from investing activities**		
	Payment of Capital expenditure on Property, Plant and Equipment, including capital advance and Capital Work in Progress	(1,198.55)	(961.40)
	Acquisition of Subsidiaries	(1,534.96)	(25.01)
	Advance for Business Acquisition		(2,602.00)
	Sale/(Purchase) of non current investment (net)	(2.92)	-
	Sale/(Purchase) of current investment (net)	(175.59)	117.00
	Proceeds from / (Deposits in) Bank deposits (net) (Including Margin money deposit)	(472.55)	355.27
	Investment in Service Concession Arrangements	(18.59)	(109.50)
	Interest Received	264.99	15.10
	Net cash used in investing activities (B)	**(3,138.17)**	**(3,210.54)**
C.	**Cash flows from financing activities**		
	Increase in Service Line Contribution	16.45	-
	Proceeds from Long-term borrowings	2,457.44	2,714.83
	Repayment of Long-term borrowings	(2,113.19)	(2,045.39)
	Proceeds from Short-term borrowings	7,028.35	3,262.73
	Repayment of Short-term borrowings	(7,284.50)	(3,191.60)
	Distribution on Unsecured Perpetual Equity Instrument	(0.31)	(0.88)
	Proceeds from issue of Unsecured Perpetual Equity Instrument	1,254.00	1,800.00
	Finance Cost paid	(1,320.20)	(950.51)
	Net cash genrated from financing activities (C)	**38.04**	**1,589.18**
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	**(508.75)**	**576.95**
	Cash and cash equivalents at the beginning of the year	**609.09**	**13.36**
	Cash and cash equivalents received on account of acquisition of subsidiaries	87.91	18.78
	Cash and cash equivalents at the end of the year (Refer note 14)	**188.25**	**609.09**

DELOITTE HASKINS & SELLS LLP AHMEDABAD CHARTERED ACCOUNTANTS

Notes to Consolidated statement of Cash Flows:

1 The Consolidated Statement of Cash Flows has been prepared under the Indirect method as set out in Ind AS 7 "Statement of Cash Flows"

2 Disclosure under Para 44A as set out in Ind AS 7 on Statement of Cash Flows under Companies (Indian Accounting Standards) Rules, 2017 (as amended) is given as per note 48.

3 Previous year's figures have been regrouped wherever necessary, to conform to this year's classification.

See accompanying notes forming part of the consolidated financial statements

As per our attached report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration Number : 117366W/W-100018

GAURAV J. SHAH
Partner
(Membership No. 35701)

Place : Ahmedabad
Date : 28th May, 2019

For and on behalf of the Board of Directors of
ADANI TRANSMISSION LIMITED

GAUTAM S. ADANI
Chairman
DIN: 00006273

ANIL SARDANA
Managing Director and
Chief Executive Officer
DIN: 00006867

KAUSHAL SHAH
Chief Financial Officer

JALADHI SHUKLA
Company Secretary

Place : Ahmedabad
Date : 28th May, 2019

ADANI TRANSMISSION LIMITED

Consolidated Statement of changes in equity for the year ended 31st March, 2019

A. Equity Share Capital

Particulars	No. Shares	(₹ in Crores)
Balance as at 1st April, 2017	1,09,98,10,083	1,099.81
i) Issue of shares during the year	-	-
Balance as at 31st March, 2018	1,09,98,10,083	1,099.81
i) Issue of shares during the year	-	-
Balance as at 31st March, 2019	1,09,98,10,083	1,099.81

B. Unsecured Perpetual Equity Instrument

Particulars	(₹ in Crores)
Balance as at 1st April, 2017	-
i) Add: Availed during the year	1,800.00
ii) Add: Distribution on Unsecured Perpetual Equity Instrument (Net of Tax)	48.63
Balance as at 31st March, 2018	1,848.63
i) Add: Availed during the year	1,254.00
ii) Add: Distribution on Unsecured Perpetual Equity Instrument (Net of Tax)	305.40
Balance as at 31st March, 2019	3,408.03

C. Other Equity

(₹ in Crores)

Particulars	**Reserves and** Surplus						Item of other comprehensive income	Total
	Capital Reserve	**General Reserve**	**Retained Earnings**	**Capital Redemption Reserve**	Debenture Redemption Reserve	Contingency Reserve	**Effective portion of cashflow Hedge**	
Balance as at 1st April, 2017	**15.37**	1,220.60	768.58			-	(157.83)	1,846.72
Profit for the year		-	1,142.94	-			-	1,142.94
Add/(Less): Other comprehensive income for the year (Net of Tax)			0.31	-	-	-	(25.91)	(25.60)
(Less): Distribution on Unsecured perpetual Equity Instrument			(49.51)	-		-	-	(49.51)
(Less): Transfer to Capital Redemption Reserve (CRR) on redemption of Optionally Convertible Redeemable Preference Shares			(801.25)	-		-	-	(801.25)
Add: Transfer from Retained Earning on redemption of Optionally Convertible Redeemable Preference Shares			-	**801**.25		-	-	801.25
Add: Capital Reserve during the year	193.50	-	-	-			-	193.50
Balance as at 31st March, 2018	208.87	1,220.60	**1,061.07**	**801**.25	-	-	(183.74)	3,108.05
Profit for the year			559.20	-	-	-	-	559.20
Add/(Less): Other comprehensive income for the year (Net of Tax)			(1.42)			-	9.19	7.77
(Less): Distribution on Unsecured perpetual Equity Instrument	-		(305.71)	-		-	-	(305.71)
(Less): Transfer to Capital Redemption Reserve (CRR) on redemption of Optionally Convertible Redeemable Preference Shares			(1,090.63)	-		-	-	(1,090.63)
(Less): Transfer to Contingency reserve	-	-	(37.44)	-	-	-	-	(37.44)
(Less): Transfer to Debenture Redemption Reserve	-		(12.87)	-	-		-	(12.87)
Add: Transfer from Retained Earning			-		12.87	37.44	-	50.31
Add: Acquired on Business Combination			-	-	-	165.73	-	165.73
Add: Transfer from Retained Earning on redemption of Optionally Convertible Redeemable Preference Shares		-	-	1,090.63		-	-	1,090.63
Balance as at 31st March, 2019	208.87	1,220.60	172.20	1,891.88	12.87	203.17	(174.55)	3,535.04

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
Firm Registration Number : 117366W/W-100018

GAURAV J. SHAH
Partner
(Membership No. 35701)

AHMEDABAD

Place : Ahmedabad
Date : 28th May, 2019

For and on behalf of the Board of Directors
ADANI TRANSMISSION LIMITED

GAUTAM S. ADANI
Chairman
DIN: 00006273

KAUSHAL SHAH
Chief Financial Officer

ANIL SARDANA
Managing Director and
Chief Executive Officer
DIN: 00006867

JALADHI SHUKLA
Company Secretary

Place : Ahmedabad
Date : 28th May, 2019

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 House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad 380 009, Gujarat, India. The Company and its Twenty 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 is providing transmission services in India spreading across Gujarat, Rajasthan, Maharashtra, Haryana, ,Chhattishgarh and Madhya Pradesh. The group is also developing additional projects in India spreading in Rajasthan, Jharkhand, Bihar, & Uttar Pradesh. The Group has entered in Generation and Distribution business in Mumbai through acquisition of Integrated Mumbai suburban Power i.e. Business Generation, Transmission and Distribution (GTD). The Group has entered in to new business opportunities through OPGW fibres on transmission lines with the ambition of expanding its telecom solutions to Telcos, Internet service providers and long distance communication operators .The commercialization of the network shall be done through leasing out spare capacities to potential communication players.

During the year, the Group has successfully won two transmission bids on Tariff Based Competitive Bidding model and has acquired one Operational transmission company.

The Group also deals as a trader in 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 financial statements of the Group have been prepared in accordance with Indian Accounting Standards (IndAS) as notified under the Companies (Indian Accounting Standards) Rules, 2017 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 Basis of consolidation

The consolidated financial statements incorporate the consolidated financial statements of the Company and its subsidiaries. Control is achieved when the Company:

- has power over 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 Company reassesses 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 listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company 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.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company 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 Company gains control until the date when the Company 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.

When necessary, adjustments are made to the consolidated financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

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, 2019

Sr. No.	Name of Company	Country of Incorporation	Relationship	Shareholding as on 31st March 2019	Shareholding as on 31st March 2018
1	Adani Transmission (India) Limited (ATIL)	India	Subsidiary	100%	100%
2	Maharashtra Eastern Grid Power Transmission Co. Limited (MEGPTCL)	India	Subsidiary	100%	100%
3	Sipat Transmission Limited (STL)	India	Subsidiary	100%	100%
4	Raipur-Rajnandgaon-Warora Transmission Limited (RRWTL)	India	Subsidiary	100%	100%
5	Chhattisgarh-WR Transmission Limited (CWRTL)	India	Subsidiary	100%	100%
6	Adani Transmission (Rajasthan) Limited (ATRL)	India	Subsidiary	100%	100%
7	North Karanpura Transco Limited (NKTL) (w.e.f. 8th July, 2016)	India	Subsidiary	100%	100%
8	Maru Transmission Service Company Limited (MTSCL)	India	Subsidiary	100%	100%
9	Aravali Transmission Service Company Limited (ATSCL) (Refer note 59)	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 (w.e.f. 19th June, 2018)	India	Subsidiary	100%	Not Applicable
17	Adani Electricity Mumbai Limited (w.e.f. 29th August, 2018) (AEML)	India	Subsidiary	100%	Not Applicable
18	AEML Infrastructure Ltd (w.e.f. 12th December, 2018)	India	Subsidiary	100%	Not Applicable
19	OBRA-C Badaun Transmission Limited (w.e.f. 21st December, 2018)	India	Subsidiary	100%	Not Applicable
20	KEC Bikaner Sikar Transmission Private Limited (w.e.f. 1st January, 2019)*	India	Subsidiary	100%	Not Applicable

Note: *The shares of KEC Bikaner Sikar Transmission Private Limited have actually got transferred to Adani Transmission Limited w.e.f. 8th February, 2019 although the control is taken over by Adani Transmission Limited on 1st January, 2019.

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 in respect of assets related to electricity generation, transmission and distribution 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.

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.

In respect of assets other than above, 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 value 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.

DELOITTE HASKINS & SELLS LLP
AHMEDABAD
CHARTERED ACCOUNTANTS

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	25-60 Years
Plant and Equipment	3-35 Years
Furniture and Fixtures	10-15 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

(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.

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.

Estimated useful lives of the intangible assets are as follows:

Type of Assets	Useful lives
Transmission License	Indefinite
Computer Software	3-5 years

(c) Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment losses (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash- generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(d) 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.

(e) Cash & Cash Equivalents

Cash comprises cash on hand and demand deposit with banks (with an original maturity of three months or less from the date of creation). Cash equivalents are short-term balances that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(f) 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.

(g) Financial Instruments

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 entity are recognised at the proceeds received, net of direct issue costs.

(A) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

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)

Investments in equity instruments are classified as at FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading. Other financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in the Statement of Profit and Loss.

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 Company'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.

(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 or at FVTPL.

iv) Financial liabilities at 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.

Fair values are determined in the manner described in note 45

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

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.

DELOITTE HASKINS & SELLS LLP AHMEDABAD CHARTERED ACCOUNTANTS

(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.

(h) Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps. Further details of derivatives financial instruments are disclosed in note 43.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in Statement of Profit and Loss immediately.

(i) Hedge Accounting

The Group designates certain hedging instruments, which includes derivatives and non-derivatives in respect of foreign currency risk, as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair value or cash flows of the hedged item attributable to the hedged risk.

Cash flow hedges

The Group designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in the cash flow hedging reserve being part of other comprehensive income. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction.

(j) Inventories

Inventories are stated at the lower of weighted average cost or net realisable value. Costs include all non-refundable duties and all charges incurred in bringing the goods to their present location and condition. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Unserviceable/damaged stores and spares are identified and written down based on technical evaluation.

(k) Business combinations and Goodwill

Acquisitions of business are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange of control of the acquiree. Acquisition related costs are recognised in the Statement of Profit and Loss as incurred.

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 directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

(l) Foreign currencies

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.
- Delayed payment charges, interest on delayed payment for Transmission charges and carrying cost are recognised on accrual basis.
- **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.
- **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.
- **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

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) Interest on Overdue Receivables / Delay Payment Charges on Distribution Income

Consumers are billed on a monthly/quarterly 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 receipt of invoice by customers.
Thereafter, DPC / IOA is charged / accrued at the rate prescribed in the tariff order/ Transmission service agreement on the outstanding amount.

(iv) 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.

(v) 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.

(vi) 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.

(vii) Dividend and Interest Income:

Dividend income from investments is recognised when the shareholder's right to receive payment has been established provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

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

(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.

(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:

Retirement Benefits in the form of Provident Fund and Family Pension Fund which are defined contribution schemes are charged to the statement of profit and loss for the period in which the contributions to the respective funds accrue.

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

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

As a Lessor

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Group's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

As a Lessee

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

(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, unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred tax includes Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

CERC/ MERC tariff norms provide the recovery of Income Tax from the beneficiaries by way of grossing up the return on equity based on effective 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 period which is fully recoverable from beneficiaries and known as "deferred assets for deferred tax liabilities". The same will be recovered when the related deferred tax liability forms a part of current tax.

) Earnings per share

Basic earnings per equity share is computed by dividing the net profit/(loss) attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per equity share are computed by adjusting the figures used in the determination of basic EPS to take into account:

- After tax effect of interest and other financing costs associated with dilutive potential equity shares.
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(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.

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

With respect to Distribution business, 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

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) 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.

ii) 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:

i) Current tax[1]
The Group has treated certain expenditure as being deductible for tax purposes. However, the tax legislation in relation to this expenditure is not clear and the Group has applied their judgement and interpretation for the purpose taking their tax position.

ii) 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 fo deferred tax liabilities". The same will be recovered when the related deferred tax liability forms a part of current tax.

3.3 Fair value of Assets and labilities acquired on business combination are considered at fair value. (Refer Note 62)

3.4 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 Judgment to estimate the amount of provision required or to determine required disclosure related to litigation and claim against the Group (Refer Note 41)

3.6 Estimates used for impairment of transmission license. (Refer Note 58)

3.7 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 45.

3.8 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 54.

[1] Critical accounting judgments
[2] Key sources of estimation uncertainties

4.1 Standards issued but not effective

The Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules has notified the following new and amendments to existing standards. These amendments are effective for annual periods beginning from April 1, 2019. The Company will adopt these new standards and amendments to existing standards once it become effective & are applicable to it.

Ind AS 116 – Leases
Ind AS 116 'Leases' replaces existing lease accounting guidance i.e. Ind AS 17 Leases. It sets out principles for the recognition, measurement, presentation and disclosure of leases and requires lessee to account for all leases, except short-term leases and leases for low-value items, under a single on-balance sheet lease accounting model. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The accounting from Lessor perspective largely remain unchanged from the existing standard – i.e. lessor will continue to classify the leases as finance or operating leases.

Based on the preliminary assessment and current conditions, the Company does not expect any significant impacts on transition to Ind AS 116. The quantitative impacts would be finalized based on a detailed assessment which has been initiated to identify the key impacts along with evaluation of appropriate transition options.

Amendments to existing Ind AS:
The MCA has carried amendments to the following existing standards which will be effective from 1st April, 2019. The Company is not expecting any significant impact in the financial statements from these amendments. The quantitative impacts would be finalized based on a detailed assessment which has been initiated to identify the key impacts along with evaluation of appropriate transition options.

Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)
The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

Ind AS 109 – Prepayment Features with Negative Compensation
The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

Ind AS 19 – Plan Amendment, Curtailment or Settlement
The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re- measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

Ind AS 23 – Borrowing Costs
The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

Ind AS 28 – Long-term Interests in Associates and Joint Ventures
The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The company does not currently have any such long-term interests in associates and joint ventures.

Ind AS 103 – Business Combinations and Ind AS 111 - Joint Arrangements
The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Company will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation.

4.2 Change in accounting policies and disclosures

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued on 28 March 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The application of Ind AS 115 did not have any significant impact on recognition and measurement of revenue and related items in the financial results.

DELOITTE HASKINS & SELLS LLP AHMEDABAD CHARTERED ACCOUNTANTS

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 Sidings	Distribution System	Jetties	Electrical Installation	Total	Computer Software	Transmission License	Total
I. Gross Carrying value															
Balance as at 1st April, 2017	91.07	86.91	10,477.96	1.86	3.38	0.06	0.24	-	-	-	-	10,661.48	0.31	-	0.31
Additions	0.44	0.33	13.95	0.04	0.80	0.74	0.02	-	-	-	-	16.32	-	-	-
Disposals	-	-	-		-	-							-	-	-
Acquisitions through business combinations	-	0.44	0.14	0.02	0.17	0.11	-					0.88			
Balance as at 31st March, 2018	91.51	87.68	10,492.05	1.92	4.35	0.91	0.26	-	-	-	-	10,678.68	0.31	-	0.31
Additions	2.24	52.86	2,780.00	4.29	3.17	10.17	2.52		275.93		2.07	3,133.25	-		-
Disposals	(3.11)	(0.26)	(26.12)	-	-	(0.02)	(0.24)				(0.01)	(29.76)			
Other Adjustment	-	-		-									(0.64)		(0.64)
Acquisitions through business combinations	2,636.87	810.88	3,790.18	13.24	5.53	16.20	11.75	6.70	4,332.48	1.23	14.32	11,639.47	7.50	981.62	989.12
Balance as at 31st March, 2019	2,727.51	951.16	17,036.11	19.45	13.05	27.35	14.29	6.70	4,608.41	1.23	16.38	25,421.64	7.17	981.62	988.79
II. Accumulated depreciation															
Balance as at 1st April, 2017	-	5.95	1,122.20	0.23	0.44	0.02	0.03					1,128.87	0.03		0.03
Depreciation and Amortisation Expense	-	3.30	575.52	0.13	0.25	0.12	0.03					579.35	0.06		0.06
Eliminated on disposal of assets	-	-	-		-										
Balance as at 31st March, 2018	-	9.25	1,697.72	0.36	0.69	0.14	0.06	-	-	-	-	1,708.22	0.09	-	0.09
Depreciation and Amortisation Expense	-	22.39	734.30	2.94	2.82	9.88	2.16	0.26	100.69	0.05	3.18	878.67	3.48		3.48
Eliminated on disposal of assets	-	-	(1.80)		-	(0.02)	(0.07)	-	-			(1.89)	-		-
Balance as at 31st March, 2019	-	31.64	2,430.22	3.30	3.51	10.00	2.15	0.26	100.69	0.05	3.18	2,585.00	3.57	-	3.57

(₹ 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 Sidings	Distribution System	Jetties	Electrical Installation	Total	Computer Software	Transmission License	Total
Net Carrying Value :															
As at 31st March, 2018	91.51	78.43	8,794.33	1.56	3.66	0.77	0.20	-			-	8,970.46	0.22	-	0.22
As at 31st March, 2019	2,727.51	919.52	14,605.89	16.15	9.54	17.35	12.14	6.44	4,507.72	1.18	13.20	22,836.64	3.60	981.62	985.22

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.

For charge created on aforesaid assets, refer note 22

5.2 Capital Work-In-Progress

(₹ in Crores)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Opening balance	2,352.79	1,342.64
Expenditure incurred during the year	895.82	836.75
Employee benefit expenses	44.26	3.47
Borrowing cost	159.05	111.22
Other expenses	64.73	74.59
Addition due to acquisitions through business combinations	310.66	-
Less: Capitalized during the year	(3,133.25)	(15.88)
Closing Balance	694.06	2,352.79

For charge created on aforesaid assets, refer note 22.

6 Investments

	Face Value	As at 31st March, 2019 (₹ in Crores)	As at 31st March, 2018 (₹ in Crores)
Non-Current investments			
Investment in Government or Trust Securities at amortised cost			
Contingency Reserve Investment (Quoted)			
8.12% Central Government of India-2020 (C.Y. 75,00,000 Units, P.Y. Nil)	100	76.89	-
8.27% Central Government of India-2020 (C.Y. 15,00,000 Units, P.Y. Nil)	100	15.39	-
7.68% Central Government of India-2023 (C.Y. 15,00,000 Units, P.Y. Nil)	100	15.34	-
7.68% Central Government of India-2023 (C.Y. 13,00,000 Units, P.Y. Nil)	100	13.30	-
	Total	120.92	-
Aggregate book value of Quoted Investments		120.92	
Aggregate market value of Quoted Investments		120.92	

7 Loans- At Amortised Cost

		As at 31st March, 2019 (₹ in Crores)	As at 31st March, 2018 (₹ in Crores)
Housing loans to employee against Hypothecation of the property (Secured, considered good)		35.79	-
Loan to employees (Unsecured, considered good)		5.37	-
	Total	41.16	-

8 Non-current Financial Assets- Others

(Unsecured, considered good)

		As at 31st March, 2019 (₹ in Crores)	As at 31st March, 2018 (₹ in Crores)
Fixed Deposits with maturity over 12 months (Margin money with banks for guarantees issued)		16.64	-
Financial Asset Under Service Concession Arrangement (SCA)		1,262.52	1,122.03
Balance with Government Authorities		6.95	-
Regulatory Assets other than Distribution		4.78	-
Security deposit - Considered Good		21.20	2.11
Security deposit -Considered doubtful		1.05	-
Balances held as Margin Money or security against borrowings		-	0.01
	Total	1,313.14	1,124.15
Less : Provision For Doubtful Deposits		(1.05)	-
	Total	1,312.09	1,124.15

9 Income Tax Assets (Net)

		As at 31st March, 2019 (₹ in Crores)	As at 31st March, 2018 (₹ in Crores)
Advance Income Tax [Net of Provision ₹ 357.50 Crores, 31st March, 2018 : ₹ 6.02 Crores)		36.62	19.40
	Total	36.62	19.40

10 Other Non-current Assets

(Unsecured, considered good)

		As at 31st March, 2019 (₹ in Crores)	As at 31st March, 2018 (₹ in Crores)
Capital advances		210.80	81.99
Advances for acquisition		-	2,602.00
Prepaid Lease Rent and Prepaid Expenses		63.40	44.22
	Total	274.20	2,728.21

11 Inventories

(At lower of Cost and Net Realisable Value)

		As at 31st March, 2019 (₹ in Crores)	As at 31st March, 2018 (₹ in Crores)
Fuel		178.30	-
Fuel -in Transit		50.72	-
Stores & spares		137.16	35.34
For charge created on aforesaid assets, refer note 22	Total	366.18	35.34

DELOITTE HASKINS & SELLS LLP AHMEDABAD CHARTERED ACCOUNTANTS

12 Current Financial Assets - Investments

	Face Value	As at 31st March, 2019 (₹ in Crores)	As at 31st March, 2018 (₹ in Crores)
Investment in Mutual Funds units at FVTPL (Unquoted)			
Contingency Reserve Investments			
1,48,706.31 Units (31 03 2018- Nil) SBI Liquid Fund Direct Growth Plan	1000	43.55	-
93,391.310 Units (31.03 2018 - Nil) SBI Premier Liquid Fund - Direct Growth Plan	1000	27.36	-
Other Investments			
5,28,93.26 Units (31 03 2018 - Nil) Kotak Liquid Fund - Direct Growth Plan	1000	20.02	-
96,570.58 Units (31.03.2018 - Nil) Axis Liquid Fund-Direct Growth Plan	1000	20.02	-
74,974.18 Units (31.03.2018 Nil) Edelweiss Liquid Fund Direct Growth Plan	1000	18.02	-
28,458.90 Units (31 03 2018 - Nil) UTI Liquid Cash Plan Direct Growth Plan	1000	8.71	-
2,95,894.44 Units (31.03 2018 - Nil) Yes Liquid Fund - Direct Growth Plan	1000	30.03	-
12,53,406.47 units (31st March,2018-Nil) ICICI Prudential Liquid Fund - Direct Growth Plan	100	34.65	-
10465.907 units (31st March, 2018 - Nil) Reliance Liquid Fund - Direct Growth Plan	1000	4.77	-
26,405.85 Units (31st March 2018 - Nil)- SBI Premier Liquid Fund - Direct Growth Plan	1000	7.73	-
	Total	**214.86**	-
Aggregate book value of unquoted investments		214.86	-
Aggregate market value of unquoted investments		214.86	-

13 Trade Receivables

(Unsecured)		As at 31st March, 2019 (₹ in Crores)	As at 31st March, 2018 (₹ in Crores)
Unsecured, considered good		722.05	257.83
Credit Impaired		29.50	2.46
		751.55	**260.29**
Less : Provision for doubtful trade receivables		(29.50)	(2.46)
	Total	**722.05**	**257.83**

For charge created on aforesaid assets, refer note 22

Age of receivables		As at 31st March, 2019 (₹ in Crores)	As at 31st March, 2018 (₹ in Crores)
Within the Credit Period		494.92	246.39
1-90 days past due		141.85	-
91-182 days past due		23.24	-
More than 182 days past due		62.04	11.44
	Total	722.05	257.83

Movement in the allowance for doubtful trade receivables	As at 31st March, 2019 (₹ in Crores)	As at 31st March, 2018 (₹ in Crores)
Balance at the beginning of the year	2.46	2.46
Add : Provision made during the year	27.04	
Balance at the end of the year	**29.50**	2.46

a) The Group holds security deposit amounting to ₹ 431.87 Crores in respect of trade receivable of Distribution of power business.

b) The Group considers for impairment its receivables from customers in its Mumbai distribution business. The risk of recovery in these businesses is reduced to the extent of security deposits already collected and held as collaterals. Balance amount receivable over and above the deposit is assessed for expected credit loss allowances. However, the Group has assessed that the concentrations of risk of risk in these balance is not material considering the high collection efficiency.

14 Cash and Cash Equivalents

		As at 31st March, 2019 (₹ in Crores)	As at 31st March, 2018 (₹ in Crores)
Balances with banks			
In current accounts		148.04	300.50
Fixed Deposits (with original maturity for three months or less)		28.54	308.59
(Lodged against Bank guarantees and Debt service reserve account)			
Cheque / Draft on Hand		9.06	-
Cash on Hand		2.61	-
	Total	**188.25**	**609.09**

For charge created on aforesaid assets, refer note 22

15 Bank Balance other than Cash and Cash Equivalents

		As at 31st March, 2019 (₹ in Crores)	As at 31st March, 2018 (₹ in Crores)
Balances held as Margin Money		27.10	42.42
Fixed Deposit (with original maturity of more than 3 months)		486.21	13.98
	Total	**513.31**	**56.40**

(Lodge against Bank Guarantee and Debt Service Reserve Account)

For charge created on aforesaid assets, refer note 22

16 Current Financial Assets - Loans

	As at 31st March, 2019 (₹ In Crores)	As at 31st March, 2018 (₹ In Crores)
Housing loans to employee against Hypothecation of the property (Secured, considered good)	4.29	-
Loans to employees (Unsecured, considered good)	4.46	0.11
Total	8.75	0.11

17 Current Financial Assets - Others

(Unsecured, considered good, unless otherwise stated)	As at 31st March, 2019 (₹ In Crores)	As at 31st March, 2018 (₹ in Crores)
Interest receivable	1.77	84.91
Unbilled Revenue	1,071.45	596.41
Financial Asset Under Service Concession Arrangement (SCA)	107.60	66.08
Security deposit	0.46	0.18
Derivative instruments designated in hedge accounting relationship	1.44	11.32
Other financial assets *	503.26	2.31
Total	1,685.98	761.21

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

18 Other Current Assets

(Unsecured, considered good)	As at 31st March, 2019 (₹ In Crores)	As at 31st March, 2018 (₹ in Crores)
Advance to Suppliers	86.89	9.35
Balances with Government authorities	10.41	13.11
Prepaid Lease Rent	2.61	2.35
Prepaid Expenses	17.74	4.80
Advance to Employees	12.64	0.08
Total	130.29	29.69

19 Equity Share Capital

	As at 31st March, 2019 (₹ in Crores)	As at 31st March, 2018 (₹ in Crores)
Authorised Share Capital 1,50,00,00,000 (As at 31st March 2018-1,50,00,00,000) 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 2018- 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

	As at 31st March, 2019		As at 31st March, 2018	
Equity Shares	No. Shares	(₹ in Crores)	No. Shares	(₹ in Crores)
At the beginning of the Year	1,09,98,10,083	1,099.81	1,09,98,10,083	1,099.81
Issued during the year	-	-	-	-
Outstanding at the end of the year	1,09,98,10,083	1099.81	1,09,98,10,083	1099.81

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend if proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Aggregate Number of shares issued other than cash, during the period of five years immediately preceding the reporting date:

Particulars	As at 31st March, 2019 (₹ in Crores)	As at 31st March, 2018 (₹ In Crores)
Company has issued and allotted fully paid up equity shares of ₹ 10 each, to the equity shareholders of Adani Enterprise Limited ("AEL") pursuant to the Composite Scheme of Arrangement during F.Y. 2015-16	1,09,98,10,083	1,09,98,10,083

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

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	No. Shares	% holding in the class	No. Shares	% holding in the class
Equity shares of ₹ 10 each fully paid				
Mr. Gautam S. Adani / Mr. Rajesh S. Adani (On the behalf of S.B. Adani Family Trust)	62,11,97,910	56.48%	62,11,97,910	56.48%
Adani Tradeline LLP (Formerly known as Parsa Kente Rail Infra LLP)	9,94,91,719	9.05%	9,94,91,719	9.05%
Total	72,06,89,629	65.53%	72,06,89,629	65.53%

20 **Unsecured Perpetual Equity Instrument**

	As at 31st March, 2019 (₹ in Crores)	As at 31st March, 2018 (₹ in Crores)
Opening Balance	1,848.63	-
Add: Availed during the year	1,254.00	1,600.00
Add: Distribution on Unsecured Perpetual Equity Instrument (Net of Tax)	305.40	48.63
Closing Balance	3,408.03	**1,848.63**

During the year, the Group raised ₹ 1,254.00 Crore (PY - ₹ 1,600 Crores) through issue of Unsecured Perpetual Equity Instrument (the "Instrument") from Adani Infra (India) Limited. These Borrowing are perpetual in nature with no maturity or redemption and are callable only at the option of the Company. The distribution on these Instrument are 11.80% with a step up provision if the Instrument are not called after 10 years. The distribution on the Instrument may be deferred at the option of the Company, if during the six months preceding the relevant distribution payment date, the Company has made no payment on, or redeemed or repurchased, any Instrument ranking pari passu with, or junior to the instrument. As these Instrument are perpetual in nature and ranked senior only to the Share Capital of the Group and the Group does not have any redemption obligation, these are considered to be in the nature of equity instruments

21 **Other Equity**

		As at 31st March, 2019 (₹ in Crores)	As at 31st March, 2018 (₹ in Crores)
a. Capital Reserve (Refer note (i) below)			
Opening Balance		208.87	15.37
Add : Addition during the year		-	193.50
Closing Balance	**Total (a)**	**208.87**	**208.87**
b. Effective portion of cashflow Hedge (Refer note (ii) below)			
Opening Balance		(183.74)	(157.83)
Effective portion of cash flow hedge for the year		9.19	(25.91)
Closing Balance	**Total (b)**	**(174.55)**	**(183.74)**
c. General Reserve (Refer note (iii) below)		1,220.60	1,220.60
	Total (c)	**1,220.60**	**1,220.60**
d. Capital Redemption Reserve (Refer note (iv) below)			
Opening Balance		801.25	-
Add: Transfer from Retained Earning on redemption of Optionally Convertible Redeemable Preference Shares		1,090.63	801.25
Closing Balance	**Total (d)**	**1,891.88**	801.25
e. Debenture Redemption Reserve (Refer note (v) below)			
Opening Balance		-	-
Transfer from Retained Earning		12.87	-
Closing Balance	**Total (e)**	12.87	-
f. Contingency Reserve (Refer note (vi) below)			
Opening Balance		-	
Acquired on Business Combination		165.73	
Addition during the year		37.44	-
Closing Balance	**Total (f)**	**203.17**	-
g. Surplus in the Statement of Profit and Loss (Refer note (vii) below)			
Opening Balance		1,061.07	768.58
Add : Profit for the year		559.20	1,142.94
Other comprehensive income arising from remeasurement of Defined Benefit Plans		(1.42)	0.31
Distribution on Unsecured Perpetual Equity Instrument		(305.71)	(49.51)
Transfer to Contingency reserve		(37.44)	-
Transfer to Debenture Redemption Reserve		(12.87)	-
(Less): Transfer to Capital Redemption Reserve (CRR) on redemption of Optionally Convertible Redeemable Preference Shares		(1,090.63)	(801.25)
	Total (g)	**172.20**	**1,061.07**
	Total (a+b+c+d+e+f+g)	**3,535.04**	**3,106.05**

i) Capital Reserve of ₹ 11.47 Crores was created due to acquisition of 100% stake in Maru Transmission Service Company Limited and 100% stake in Aravali Transmission Service Company Limited in the financial year 2016-17.

Capital reserve of ₹ 193.50 Crores have been created on issuance of Compulsory Convertible Preference Shares (CCPS) by wholly owned subsidiary companies namely Western Transco Power Limited and Western Transmission (Gujarat) Limited in the financial year 2017-18.

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) During the financial year 2015-16, General reserve of ₹ 1220.60 crores was created pursuant to the demerger of transmission undertaking of Adani Enterprises Limited into the company.

iv) Capital redemption reserve of ₹ 1090.63 Crores (F.Y. 2017-18 -₹ 801.25 Crores) was created due to transfer on redemption of optionally convertible redeemable preference shares from retained earnings.

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) Retained earnings 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.

Notes to Consolidated Financial Statements for the year ended on 31st March, 2019

22 Non current Financial Liabilities - Borrowings

	Non-current		Current	
	As at 31st March, 2019 (₹ in Crores)	As at 31st March, 2018 (₹ in Crores)	As at 31st March, 2019 (₹ in Crores)	As at 31st March, 2018 (₹ in Crores)
Secured				
Bonds				
9.10% INR Bonds (Masala Bond)	272.88	367.69	97.67	75.00
4.00% USD Bonds	3,392.62	3,186.24	-	-
Term Loans				
From Banks				
Rupee loan	9,310.61	781.69	1,019.24	56.52
Foreign currency loan	185.87	204.74	10.32	175.48
From Financial Institutions	1,321.26	672.20	29.02	16.27
Trade Credits & Buyers Credit				
From Banks	170.96	724.61	-	-
Non Convertible Debentures				
9.01% Non Convertible Debenture	139.08	-	12.31	-
9.25% Non Convertible Debenture		149.34	149.98	-
9.35% Non Convertible Debenture	363.70	362.60	-	-
9.45% Non Convertible Debenture	149.17	148.81	-	-
9.70% Non Convertible Debenture	-			499.86
9.85% Non Convertible Debenture	249.72	1,249.14	881.56	-
10.25% Non Convertible Debenture	748.24	747.50	-	-
Total	**16,304.11**	**8,594.56**	**2,200.10**	**823.13**
Amount disclosed under the head "Other current liabilities" (Refer Note 30)	-	-	(2,200.10)	(823.13)
Net amount	**16,304.11**	**8,594.56**	**-**	**-**

Security

1 The above INR Bonds (Masala Bond), USD Bonds and NCDs (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 respective Companies

c. pledge over 100% shares of Adani Transmission India Limited (ATIL) and Maharashtra Eastern Grid Power Transmission Company Limited (MEGPTCL), both are wholly owned subsidiaries of the Company i.e. Adani Transmission Limited

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

2 Rupee Term Loans aggregating ₹ 1,482.30 Crores (31st March, 2018 ₹ 772.96 crores) ,Foreign Currency Loans aggregating ₹ 199.00 Crores (31st March 2018: ₹ 218.70 Crores), Rupee Term Loan from Financial Institution of ₹ 1350.28 crores (31st March, 2018 ₹ 689.35 crores) and Trade credits aggregating ₹ 170.96 crores (31st March, 2018 ₹ 752.61 crores) 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, insurance contracts and rights of the respective entities.

3 Rupee Term Loans aggregating ₹ 8715.79 Crores (Including Short term working capital loan of ₹ 389.49 Crores and current maturities of ₹ 267.10 Crores) (31st March, 2018 Nil) and short term Buyers Credit aggregating ₹ 56.88 Crores (31st March, 2018 Nil) from banks are secured by way of:-

a. First pari-passu charge by way of Mortgage of 33 immovable properties of Adani Electricity Mumbai Limited (AEML)

b. First pari-passu charge by way of hypothecation over the movable assets, both present and future, of the Adani Electricity Mumbai Limited (AEML)

c. First charge by way of assignment of all documents, permits, approvals, rights, titles, interest, benefits, claims, insurance, demands, clearances etc. pertaining to the business of the Group by way of Hypothecation Deed / Indenture of Mortgage, both present and future.

d. First pari-passu charge on all book debts, operating cash flows, receivables (excluding Regulatory Assets and the bank accounts where such Regulatory Assets are deposited), commissions or revenues whatsoever arising both present and future of the Adani Electricity Mumbai Limited (AEML)

e. First pari-passu charge on all present and future bank accounts including the Trust and Retention accounts (excluding the Escrow bank account wherein the Regulatory Assets recovered are deposited)

f. First charge by way of assignment of transmission and distribution license of the Adani Electricity Mumbai Limited (AEML)

g. Pledge over 51% of the entire paid up share capital of Adani Electricity Mumbai Limited (AEML)

h. Negative Lien Undertaking (by way of NDU) in respect of the 90 freehold, 115 leasehold immoveable properties and 2 Right of way properties, including future immovable properties.

4 Rupee Term Loans aggregating ₹ 778.99 Crores (Including short term borrowing of ₹ 78.99 Crores) (31st March, 2018 Nil) from banks are secured by way of.-

a. First ranking pari-passu charge on identified Approved Regulatory Asset / Revenue Gap as approved by Maharashtra State Electricity Regulatory Commission (MERC) for FY 2019-20 as per MYT order dated September 12, 2018 of Adani Electricity Mumbai Limited (AEML)

b. First ranking pari-passu charge on Collection accounts opened with designated Banks of Adani Electricity Mumbai Limited (AEML)

Terms of Repayment

i) INR Bonds (Masala Bonds) aggregating ₹ 375.00 crores (31st March, 2018 ₹ 450.00 crores) are redeemable by quarterly structured payments from financial year 2018 to financial year 2022.

ii) USD Bonds aggregating ₹ 3,457.75 crores (31st March 2018 - ₹ 3,258.75 crores) are redeemable by bullet payment in financial year 2026.

iii) INR NCDs (Non-Convertible Debentures) aggregating to ₹ 2698.90 crores. (31st March, 2018 -₹ 3,165.00 crores) are redeemable at different maturities from financial year 2018 to financial year 2034.

iv) Trade credits & Buyers Credit (Foreign and Inland) from bank of ₹ 170.96 crores (31st March, 2018 ₹752.61 crores) carry interest rates ranging from 3.49% to 10%p.a. and it will be converted in to Rupee term loan as per the terms.

v) Rupee term loans from Banks of ₹ 10,508.79 crores (31st March, 2018 ₹ 772.96 crores) and Rupee Term Loan from Financial Institution of ₹ 1361.29 crores (31st March, 2018 ₹ 689.35 crores) carry interest rates ranging from 8.10% to 11.75%. The loan is repayable in structured quarterly instalments starting from FY 2017-18.

vi) Foreign Currency loan (ECB Loan) from bank aggregating ₹ 199.00 Crores (31st March 2018: ₹ 218.70 crores) carries an Interest @ 1.85% per annum. The entire FC loan is repayable in 19 quarterly instalments commencing from December 2017.

vii) Foreign Currency loan (ECB Loan) from Bank aggregating to ₹ Nil (as at 31st March 2018- ₹ 165.22 Crores) carries an Interest @ Libor + 1.25% per annum. The loan is repaid in June 2018.

DELOITTE HASKINS & SELLS LLP
AHMEDABAD
CHARTERED ACCOUNTANTS

23 Non Current Trade Payable

		As at 31st March, 2019 (₹ in Crores)	As at 31st March, 2018 (₹ 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		21 80	-
	Total	21.80	-

Refer note 29

24 Non Current Financial Liabilities - Others

		As at 31st March, 2019 (₹ in Crores)	As at 31st March, 2018 (₹ in Crores)
Payable on purchase of Property, Plant and Equipment		45 52	2 61
Derivative instruments designated in hedge accounting relationship		137.44	279.03
	Total	182.96	281.64

25 Other Non Current Liabilities

		As at 31st March, 2019 (₹ in Crores)	As at 31st March, 2018 (₹ in Crores)
Deferred Revenue- Service Line Contributions from Consumers		224.82	-
	Total	224.82	-

26 Provisions

	Non-Current		Current	
	As at 31st March, 2019 (₹ in Crores)	As at 31st March, 2018 (₹ in Crores)	As at 31st March, 2019 (₹ in Crores)	As at 31st March, 2018 (₹ in Crores)
Provision for Gratuity (Refer Note 54)	115 21	1.53	29 93	0 24
Provision for Compensated Absences	331 86	2.02	33 62	1.10
Total	447.07	3.55	63.55	1.34

27.1 Deferred Tax Assets (net)

	As at 31st March, 2019 (₹ in Crores)	As at 31st March, 2018 (₹ in Crores)
Deferred tax Assets in relation to:-		
Allowance for Doubtful Debts, Deposits and Advances	8.59	-
Provisions for employee benefits and others	186 74	-
	195.33	-
Deferred Tax liabilities in relation to:-		
Timing difference between book and tax depreciation	92 75	-
	92.75	-
Net Deferred tax Assets	**102.58**	-

27.2 Deferred Tax Liabilities (net)

		As at 31st March, 2019 (₹ in Crores)	As at 31st March, 2018 (₹ in Crores)
Deferred Tax Liabilities in relation to:-			
Timing difference between book and tax depreciation		767.25	639.05
Less :- MAT Credit Entitlement		(19 58)	-
Less :- Deferred Assets for deferred tax liabilities		(732.14)	(637 82)
Net deferred tax liabilities	**Total**	**15.53**	**1.23**

CERC / MERC 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 period which is fully recoverable from beneficiaries and known as "deferred assets for deferred tax liabilities". The same will be recovered when the related deferred tax liability forms a part of current tax

28 Current Financial Liabilities - Borrowings

		As at 31st March, 2019 (₹ in Crores)	As at 31st March, 2018 (₹ in Crores)
Secured Borrowings			
Working Capital Short term Loan			
From Banks		627 16	-
Buyers credit			
From Banks		56 88	-
	Total (a)	**684.04**	-
Unsecured Borrowings			
From Banks		100.00	-
From Related Parties (Refer Note 44)		35.79	319.24
Commercial Papers		812.95	691.41
	Total (b)	**948.74**	**1,010.65**
	Total (a+b)	**1,632.78**	**1,010.65**

(i) For Short Term Loan, Buyers Credit and Working capital loans - Please Refer No 22 (3)
(ii) For Short Term Loan against Regulatory Assets - Please Refer No 22 (4)

29	**Trade Payables**	**As at 31st March, 2019 (₹ in Crores)**	**As at 31st March, 2018 (₹ in Crores)**
	Trade Payables		
	Micro and Small Enterprises	0.64	-
	Other than Micro and Small Enterprises	1,236.28	39.49
	Total	1,236.92	39.49

The Disclosure in respect of the amounts payable to Micro and Small Enterprises have been made in the Consolidated Financial Statements based on the information received and available with the Group. The Group has not received any claim for interest from any supplier as at the balance sheet date. These facts have been relied upon by the auditors.

	As at 31st March, 2019 (₹ in Crores)	**As at 31st March, 2018 (₹ in Crores)**
(a) the principal amount remaining unpaid to any supplier at the end of each accounting year	0.64	-
(b) Interest due on principal amount remaining unpaid to any supplier at the end of each accounting year	0.00	-
(c) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(d) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	0.18	-
(e) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	0.18	-
(f) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	0.18	-

30	**Current Financial Liabilities - Others**	**As at 31st March, 2019 (₹ in Crores)**	**As at 31st March, 2018 (₹ in Crores)**
	Current maturities of long-term borrowings (Secured) (Refer Note 22)	2,200.10	823.13
	Interest accrued but not due on borrowings	255.75	306.00
	Payable on purchase of Property, Plant and Equipment	151.90	113.51
	Derivative Instruments designated in hedge accounting relationship	106.80	16.50
	Security Deposits from Consumers, Customers & Vendors	435.85	-
	Other Payables	60.87	-
	Total	**3,211.27**	**1,259.14**

31	**Other Current Liabilities**	**As at 31st March, 2019 (₹ in Crores)**	**As at 31st March, 2018 (₹ in Crores)**
	Statutory liabilities	181.46	7.94
	Advance from Customers	74.39	5.35
	Other Payables	2.61	-
	Total	**258.46**	**13.29**

32	**Current Tax Liabilities**	**As at 31st March, 2019 (₹ in Crores)**	**As at 31st March, 2018 (₹ in Crores)**
	Current Tax (Net of Advance tax ₹ 474.33 Crores (31st March, 2018 ₹ 602.21 Crores)	15.19	4.08
	Total	**15.19**	**4.08**

DELOITTE HASKINS & SELLS LLP AHMEDABAD CHARTERED ACCOUNTANTS

33 Revenue from Operations

	For the year ended 31st March, 2019 (₹ in Crores)	For the year ended 31st March, 2018 (₹ in Crores)
a) Income from sale of Power and Transmission Charges		
Income from sale of Power and Transmission Charges (net)	6,168.09	2,967.51
Income under Service Concession Arrangements (SCA)	155.86	160.87
Total (a)	**6,323.95**	3,128.38
b) Other Operating Revenue		
Street Light Maintenance Charges	62.14	-
Cross subsidy Surcharge	58.65	-
Amortisation of Service Line Contribution	7.42	-
Others	10.94	0.32
Total (b)	**139.15**	0.32
c) Sale of Traded Goods		
Sale of Traded Goods	842.35	815.78
Total (c)	**842.35**	815.78
Total (a+b+c)	**7,305.45**	**3,944.48**

34 Other Income

	For the year ended 31st March, 2019 (₹ in Crores)	For the year ended 31st March, 2018 (₹ in Crores)
Interest Income		
Bank	27.25	13.87
Others	151.77	82.96
Income from mutual funds	15.56	12.00
Sale of Scrap	0.19	0.11
Gain on Extinguishment of Financial Liabilities	55.39	-
Bad debt recovery	3.09	-
Unclaimed liabilities / Excess provision written back	1.01	-
Miscellaneous Income	1.09	1.77
Total	**255.35**	**110.71**

35 Purchase of Stock - in - Trade

	For the year ended 31st March, 2019 (₹ in Crores)	For the year ended 31st March, 2018 (₹ in Crores)
Purchase of Stock - in - Trade	838.94	815.61
Total	**838.94**	**815.61**

36 Employee Benefits Expenses

	For the year ended 31st March, 2019 (₹ in Crores)	For the year ended 31st March, 2018 (₹ in Crores)
Salaries, Wages and Bonus	432.20	38.48
Contribution to Provident and Other Funds (Refer Note 54)	99.44	2.63
Staff Welfare Expenses	55.28	1.14
Total	**586.92**	42.25

37 Finance costs

	For the year ended 31st March, 2019 (₹ in Crores)	For the year ended 31st March, 2018 (₹ in Crores)
Interest Expenses	1,171.99	673.04
Bank Charges & Other Borrowing Costs	20.86	16.58
Security Deposits From Consumer at amortised cost	22.04	-
Loss on Derivatives Contracts & Exchange rate difference (net)	176.14	196.01
Total	**1,391.03**	**885.63**

38 Other Expenses

	For the year ended 31st March, 2019 (₹ in Crores)	For the year ended 31st March, 2018 (₹ in Crores)
Stores and Spares	41.03	3.93
Transmission Charges	209.07	-
Construction Cost Under Service Concession Arrangements	14.20	102.08
Repairs and Maintenance - Plant and Equipment	197.41	71.25
Repairs and Maintenance -Building	8.26	0.17
Repairs and Maintenance - Others	9.80	0.70
Rent	33.41	8.34
Rates and Taxes	12.56	0.55
Legal & Professional Expenses	143.18	41.78
Travelling & Conveyance Expenses	22.46	4.22
Insurance Expenses	13.71	2.23
Foreign Exchange Fluctuation Loss	1.50	-
Corporate Social Responsibility expenses (Refer Note 55)	17.91	8.23
Security Charges	20.09	1.83
Prov- Doubtful Debts,Advances,Depoists	12.20	-
Loss on sale of assets	15.68	-
Miscellaneous Expenses	53.77	15.30
Total	**826.24**	260.61

DELOITTE HASKINS & SELLS LLP AHMEDABAD CHARTERED ACCOUNTANTS

39 Income Tax

	For the year ended 31st March 2019 (₹ in Crores)	For the year ended 31st March 2018 (₹ in Crores)
Current Tax :		
In respect of current year	191.87	327.48
In respect of Previous year		0.03
Deferred Tax	203.07	494.24
Total	**394.94**	821.75
Accounting profit before tax	840.24	1,471.68
Income tax expense at tax rates applicable to individual entities	293.61	509.32
Tax Effect of :		
Income and Expenses not allowed under Income Tax		
i) Depreciation allowable on assets (difference between income tax act and Companies act)	(22.40)	-
i) Non deductible Expenses	7.31	16.20
iii) Current year Losses for which no Deferred Tax Asset is created	(91.79)	-
iv) Provisions disallowed	0 12	(0.16)
v) Adjustments in respect of current income tax of previous year	26.03	-
vi) Temporary Difference Reversing during BOIA	(0.09)	(0.63)
vii) Change in estimate relating to prior year		75.63
viii) MAT Credit not recognised	162.82	211.69
ix) Others (Includes Tax at different rate)	(0.25)	9.67
Gross Tax	**375.36**	**821.72**
Deferred Assets for Deferred Tax Liabilities (Refer Note 2.4 (r) (ii))	**(94.32)**	**(493.01)**
Net Tax	**281.04**	**328.71**
Tax provisions :		
Current Tax: In respect of current year	191.87	327.48
Current Tax: In respect of Previous year		0.03
Net (DTL) / DTA recognised during the year	203.07	494.24
Deferred Assets for Deferred Tax Liabilities (Refer Note 2.4 (r) (ii))	(94.32)	(493.01)
MAT Credit entitlement	(19.58)	-
Income tax recognised in statement of profit and loss at effective rate	**281.04**	328.74

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 :

Unused tax credits	649.57	486.75
Unused tax losses (Revenue in nature) and Unabsorbed depreciation	1,311.33	30.29
	1,960.90	517.04

DELOITTE HASKINS & SELLS LLP AHMEDABAD CHARTERED ACCOUNTANTS

40 Earnings per share (EPS)		**For the year ended 31st March 2019**	**For the year ended 31st March 2018**
Basic and Diluted EPS - From Total Operations			
Profit after tax	(₹ in Crores)	559.20	1,142.94
Less: Distribution on Unsecured perpetual Equity Instrument	(₹ in Crores)	(305.71)	(49.51)
Profit attributable to equity shareholders	(₹ in Crores)	253.49	1,093.43
Weighted average number of equity shares	No	1,09,98,10,083	1,09,98,10,083
Nominal Value of equity share	₹	10	10
Basic and Diluted EPS including regulatory deferral account balance	₹	2.30	9.94
Basic and Diluted EPS excluding regulatory deferral account balance	₹	1.43	9.94

41 Contingent liabilities and Commitments	**As at 31st March, 2019 (₹ in Crores)**	**As at 31st March, 2018 (₹ in Crores)**
(i) Contingent liabilities :		
(a) Direct tax	1.01	1.01
(b) Vat and Entry tax	9.48	9.48
(c) Demand disputed by the Company relating to Service tax on street light Maintenance, wheeling charges and cross subsidy surcharges - (Refer note 1)	353.55	-
(d)Take or Pay dispute with The Tata Power Company Ltd (TPCL).(Refer Note 1 & 2)	323.87	-
(e) Claims raised by the Government authorities towards unearned income arising on alleged transfer of certain land parcels.(Refer Note 1)	127.65	-
(f)Demand towards fixed charges payable in respect of power drawn from the state pool	124.60	-
(g) 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	-
(h) Way Leave fees claims disputed by the Company relating to rates charged (Refer Note 1)	20.60	-
(i) Property related disputes (Refer Note 1)	2.59	-
(j) Other claims against the Company not acknowledged as debts	2.12	-
(k) Shortfall in meeting Renewable Purchase Obligation for the Financial Year ended 31 March, 2017, 2018 and 2019	@	-
(l) Towards the payment of Stamp duty under Gujarat Stamp Act, 1958 pursuant to the scheme of arrangement in the nature of Demerger of transmission division of Adani Power Limited and Adani Power Maharashtra Limited into the Company. An application under Section 53(1) of Gujarat Stamp Act, 1958, inter alia, challenging the said order dated 25.7.2018 passed by the Collector and Additional Superintendent of Stamp at Gandhinagar has been filed with the Chief Controlling Revenue Authority (CCRA) and the matter is sub judice.	27.82	-
	2,374.57	**10.49**

@ Amount not determinable

1 In terms of the Share Purchase Agreement entered into by the Company, AEML with RINFRA, in the event the above matters are decided against the Company and are not recoverable from the consumers, the same would be recovered from RINFRA.

2 Pursuant to the order passed by MERC dated December 12, 2007, in case No. 7 of 2002, TPCL has claimed an amount of ₹ 323.87 Crore towards the following:

a. Difference in the energy charge for energy supplied by TPCL at 220 kV interconnection for the period March 2001 to May 2004 along with interest at 24% per annum up to December 31, 2007, and

b. Minimum off-take charges for energy for the years 1998-99 to 1999-2000 along with interest at 24% per annum up to December 31, 2007.

In an appeal filed by the Company, ATE held that the amount in the matter (a) above is payable by the Company along with interest at State Bank of India prime lending rate for short term borrowings. The matter (b) was remanded to MERC for redetermination. The Company has filed an appeal against the said order before the Supreme Court, which while admitting the appeal, has by way of interim order restrained TPC from taking any coercive action in respect of the matter stated in (a) above and TPCL has also filed an appeal against the said order. The Company has complied with the interim order directions of depositing ₹ 25.00 Crores with the Registrar of Supreme Court which has been withdrawn by TPCL and has provided a Bank Guarantee of ₹ 9.98 Crore.

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

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

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

6 Bank guarantee given by the holding company on behalf of Special Purpose Vehicle (SPV) companies, which were taken over to carry out the business awarded under tariff-based bidding, towards performance of work awarded is ₹ 189.56 Crs. Against which Bank guarantee taken by the company from vendors is ₹ 122.62 Crs. in various form.

(ii) Commitments :	**As at 31st March, 2019 (₹ in Crores)**	**As at 31st March, 2018 (₹ in Crores)**
Estimated amount of contracts remaining to be executed on capital account and not provided for	1,886.49	367.38
	1,886.49	**367.38**

DELOITTE HASKINS & SELLS LLP
AHMEDABAD
CHARTERED ACCOUNTANTS

42 Operating Lease

(i) The Group's significant leasing arrangements, other than 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. Expenses of ₹ 9.04 crore (previous year ₹ Nil) incurred under such lease have been expensed in the statement of profit and loss.
Leasing arrangements with respect to land range between 20 years to 99 years generally.

The future minimum lease payments in respect of non-cancellable leases is as follow:-	**As at 31st March, 2019 (₹ in Crores)**	**As at 31st March, 2018 (₹ in Crores)**
Less than 1 year	8.58	-
Between 1 to 5 years	6.56	-
More than 5 years	-	-
	15.14	-

(ii) The Group has a 25 year long term Power Purchase Agreement (PPA) with Vidarbha 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.

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

(iv) During the current year a sum of Rs 277.60 crores have been paid under the above arrangement and accounted under Cost of Power Purchased.

43 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 2019**		**As at 31st March 2018**	
		₹ In Crores	**Foreign Currency (In Million)**	**₹ in Crores**	**Foreign Currency (In Million)**
(i) Principal only swaps	Hedging of foreign currency borrowings principal liability	199.00 2212.96	EUR 25.62 USD 320.00	218.71 2085.60	EUR 27.07 USD 320.00
(ii) Forward covers	Hedging of foreign currency bond principal and foreign currency loan principal	1,452.26	USD 210.00	1,338.37	USD 205.35
	Hedging of LC, Acceptances, Creditors and firm commitments	22.14	USD 3.20	-	-
(iii) Options	a) Hedging of Interest liability on foreign currency borrowings	-	-	65.18	USD 10.00
	b) Hedging of foreign currency Borrowing, Acceptances and Firm Commitments	-	-	284.78	USD 43.69

b) The details of foreign currency exposures not hedged by derivative instruments are as under :

Particulars	As at 31st March 2019		As at 31st March 2018	
	₹ in Crores	Foreign Currency (In Million)	₹ in Crores	Foreign Currency (In Million)
(i) Interest accrued but not due	0.57	USD 0.44	3.54	USD 0.54
(ii) Import Creditors and Acceptances	82.06	USD 11.87	1.45	USD 0.23
	0.04	GBP 0.00	0.00	GBP 0.05
	0.02	EUR 0.00	0.00	EUR 0.04
(iii) Buyer's Credit	56.88	USD 8.23	-	

DELOITTE HASKINS & SELLS LLP AHMEDABAD CHARTERED ACCOUNTANTS

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 Holding Entity	S. B. Adani Family Trust (SBAFT)
(B) Key Management Personnel:	Mr. Gautam S. Adani, Chairman
	Mr. Anil Sardana, Managing Director and Chief Executive Officer (w.e.f. 10th May, 2018)
	Mr. Kaushal Shah, Chief Financial Officer
	Mr. Jaladhi Shukla, Company Secretary
	Mr. Laxmi Narayana Mishra, Whole-time Director (Resigned w.e.f. 2nd May, 2018)
	Mr. K. Jairaj - Non Executive Director
	Dr. Ravindra H. Dholakia - Non Executive Director
	Ms. Meera Shankar - Non Executive Director

(C) Enterprises over which (A) or (B) above have significant influence :

Adani Infra (India) Limited
Adani Power (Mundra) Limited
Adani Power Maharashtra Limited
Adani Green Energy Limited
Adani Green Energy (Tamilnadu) Limited
Adani Enterprises Limited
Adani Power Rajasthan Limited
Adani Power Limited
Adani Ports and SEZ Ltd
Adani Hospitals Mundra Private Limited
Kamuthi Solar Power Limited
Mundra Solar PV Limited
Udupi Power Corporation Limited
Adani Wilmar Limited
Adani Estates Pvt Ltd
Karnavati Aviation Private Limited
Adani Foundation
Adani Finserve Private Limited
Parampujya Solar Energy Private Limited
Belvedere Golf and Country Club Private Limited
Adani Township & Real Estate Company Private Limited
Adani Transport Limited
Adani Institute for Education and Research
Adani Infrastructure Management Service Limited
Adani Properties Private Limited
Adani Institute of Infrastructure Management

(₹ in Crores)

Nature of Transactions	With Other Parties		**With Key Managerial Personnel**	
For the Year Ended	31st March, 2019	31st March, 2018	**31st March, 2019**	31st March, 2018
Interest Expenses	14.11	32.68	-	-
Distribution on Perpetual Equity Instrument (Refer Note: 1)	305.71	49.51	-	-
Purchase of Goods	**838.54**	677.71	-	-
Purchase of Power	79.97	-	-	-
Purchase of Property, Plant and Equipment	0.33	2.59	-	-
Service Income	-	0.32	-	-
Corporate allocation and Reimbursement of expenses	**128.08**	10.71	-	-
Rent Expense	0.74	0.31	-	-
Loan Taken	**444.10**	778.73	-	
Loan Repaid	727.55	636.60	-	
Employee Transfer	4.25	3.80	-	

(₹ in Crores)

Nature of Transactions	With Other Parties		With Key Managerial Personnel	
For the Year Ended	**31st March, 2019**	**31st March, 2018**	**31st March, 2019**	**31st March, 2018**
Sale of Goods	-	109.77	-	-
Sale of Stores and Inventory	0.04	-	-	-
Land Purchase	-	0.06	-	-
Services Availed	7.99		-	-
CSR Expenditure	11.29	2.25	-	-
Director Sitting Fees	-	-	0.18	0.09
Compensation of Key Management Personnel				
a) Short-term benefits	-	-	3.56	2.02
b) Post-employment benefits	-	-	0.27	0.13
Unsecured perpetual Equity Instrument issued (Refer Note: 2)	1,559.40	1,848.63	-	-
Business Promotion Expenses	-	0.00	-	-
O&M Agreement Charge	44.05	49.71	-	-

All above transactions are in the normal course of business and are made on terms equivalent to those that prevail at arm's length transactions.

Notes :

1 Accrued on Perpetual Equity, infused by Entity under common control

2 Long term Financial support by way of perpetual equity instruments from Entity under common control

(₹ in Crores)

Closing Balance	With Other Parties		With Key Managerial Personnel	
As at	**31st March, 2019**	**31st March, 2018**	**31st March, 2019**	**31st March, 2018**
Balance Payable	98.51	27.64	-	-
Balance Receivable	1.92	0.58	-	-
Loan Payable	35.79	319.24	-	-
Interest accrued but not due	2.41	26.27	-	-
Unsecured Perpetual Equity Instrument (includes accrued distribution)	3,408.03	1,848.63	-	-

(Transactions below ₹ 50,000 denoted as ₹ 0.00 Crores)

45 **Fair Value Measurement :**

a) The carrying value of financial instruments by categories as of 31st March, 2019 is as follows :

(₹ in Crores)

Particulars	Fair Value through other Comprehensive income	Fair Value through profit or loss	Amortised cost	Total
Financial Assets				
Investments in Mutual Funds		214.86		214.86
Investments in Government securities		-	120.92	120.92
Trade Receivables		-	722.05	722.05
Cash and Cash Equivalents		-	188.25	188.25
Bank Balances other than Cash and Cash Equivalents		-	513.31	513.31
Loans		-	49.91	49.91
Derivative Instruments	(0.70)	2.14		1.44
Other Financial Assets		-	2,996.63	2,996.63
Total	**(0.70)**	**217.00**	**4,591.07**	**4,807.37**
Financial Liabilities				
Borrowings (Including current maturities)		-	20,136.99	20,136.99
Derivative Instrument	176.33	67.91		244.24
Other Financial Liabilities		-	949.89	949.89
Trade Payables		-	1,258.72	1,258.72
Total	**176.33**	**67.91**	**22,345.60**	**22,589.84**

b) The carrying value of financial instruments by categories as of 31st March, 2018 is as follows :

(₹ in Crores)

Particulars	Fair Value through other Comprehensive income	Fair Value through profit or loss	Amortised cost	Total
Financial Assets				
Trade Receivables		-	257.83	257.83
Cash and Cash Equivalents		-	609.09	609.09
Bank Balances other than Cash and Cash Equivalents		-	56.40	56.40
Loans		-	0.11	0.11
Derivative Assets	2.20	11.43		13.63
Other Financial Assets		-	1,871.73	1,871.73
Total	**2.20**	**11.43**	**2,795.16**	**2,808.79**
Financial Liabilities				
Borrowings (Including current maturities)	-	-	10,428.34	10,428.34
Derivative Instrument	185.93	109.60		295.53
Other Financial Liabilities		-	422.12	422.12
Trade Payables		-	39.49	39.49
Total	**185.93**	**109.60**	**10,889.95**	**11,185.48**

46 **Fair Value hierarchy :**

(₹ in Crores)

Particulars	31st March, 2019	31st March, 2019	31st March, 2018
	Level 1	**Level 2**	**Level 2**
Assets			
Investments	120.92	214.86	
Derivative Assets		1.44	13.63
Total	**120.92**	**216.30**	**13.63**
Liabilities			
Derivative Liabilities		244.24	295.53
Total	-	**244.24**	**295.53**

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. The Group monitors capital on the basis of the net debt to equity ratio.

No changes were made in the objectives, policies or processes for managing capital during the years ended as at 31st March, 2019 and as at 31st March, 2018.

(₹ in Crores)

Particulars	Refer Note	31st March, 2019	31st March, 2018
Total Borrowings	22,28 & 30	20,136.99	10,428.34
Less: Cash and bank balances	14 & 15	701.56	665.49
Less: Current Investments	12	214.86	-
Net Debt(A)		**19,220.57**	**9,762.85**
Equity Share Capital & Other Equity	19 & 21	4,634.85	4,207.86
Unsecured Perpetual Equity Instrument	20	3,408.03	1,848.63
Total Equity (B)		**8,042.88**	**6,056.49**
Gearing Ratio : (A)/(B)		2.39	1.61

DELOITTE HASKINS & SELLS LLP AHMEDABAD CHARTERED ACCOUNTANTS

48 **Disclosure as per Ind AS 7 Statement of Cash Flows:**

The amendments require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The Group has provided the information for current period.

Changes in liabilities arising from financing activities

(₹ in Crores)

Particulars	1st April, 2018	Cash Flows	Foreign Exchange Management	Acquisition	Other	31st March, 2019
Long-term Borrowings (Including Current Maturities of Long Term Debt)	9,417.69	344.25	187.75	8,536.98	17.54	18,504.21
Short term Borrowings	1,010.65	(256.15)	-	905.36	(27.08)	1,632.78
Unsecured perpetual Equity Instrument including Distribution on Unsecured perpetual Equity Instrument	1,848.63	1,253.69	-	-	305.71	3,408.03
Increase in Service Line Contribution	-	16.45	-	215.79	(7.42)	224.82
Interest accrued but not due on borrowings	306.00	(1,320.20)	155.54	(24.93)	1,139.34	255.75
TOTAL	**12,582.97**	**38.04**	**343.29**	**9,633.20**	**1,428.09**	**24,025.59**

(₹ in Crores)

Particulars	1st April, 2017	Cash Flows	Foreign Exchange Management	Acquisition	Other	31st March, 2018
Long-term Borrowings (Including Current Maturities of Long Term Debt)	8,043.53	659.44	6.82	659.20	38.70	9,417.69
Short term Borrowings	931.28	71.13	-	-	8.24	1,010.65
Unsecured perpetual Equity Instrument including Distribution on Unsecured perpetual Equity Instrument	-	1,799.12	-	-	49.51	1,848.63
Interest accrued but not due on borrowings	347.03	(950.51)		-	909.48	306.00
TOTAL	**9,321.84**	1,589.18	6.82	659.20	1,005.93	12,582.97

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 favourable and unfavourable fluctuations.

The Group's risk management activities are subject to the management, direction and control of Central Treasury Team of the Group under the framework of Risk Management Policy for Currency and Interest rate risk as approved by the Board of Directors of the Group. The Group's central treasury team ensures appropriate financial risk governance framework for the Group through appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken.

The decision of whether and when to execute derivative financial instruments along with its tenure can vary from period to period depending on market conditions and the relative costs of the instruments. The tenure is linked to the timing of the underlying exposure, with the connection between the two being regularly monitored. The Group is exposed to losses in the event of non-performance by the counterparties to the derivative contracts. All derivative contracts are executed with counterparties that, in our judgment, are creditworthy. The outstanding derivatives are reviewed periodically to ensure that there is no inappropriate concentration of outstanding to any particular counterparty.

In the ordinary course of business, the Group is exposed to Market risk, Credit risk, and Liquidity risk.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and foreign currency risk.

Interest rate risk

The Group is exposed to changes in market interest rates due to financing, investing and cash management activities. The Group's exposure to the risk of changes in market interest rates relates primarily to The Group's long-term debt obligations with floating interest rates and period of borrowings. The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Group enters into interest rate swap contracts or interest rate future contracts to manage its exposure to changes in the underlying benchmark interest rates.

DELOITTE HASKINS & SELLS LLP
AHMEDABAD
CHARTERED ACCOUNTANTS

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, 2019 would decrease / increase by ₹ 49.67 crores (previous year ₹ 8.48 crores). This is mainly attributable to interest rates on variable rate borrowings

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 change of 1% in Foreign currency would have following impact on profit before tax

(₹ in Crores)

Particulars	For the Year 2018-19		For the Year 2017-18	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Foreign Currency Sensitivity				
RUPEES / USD - (Increase) / Decrease	(1.42)	1.42	(0.01)	0.01
RUPEES / GBP - (Increase) / Decrease	(0.00)	0.00	(0.00)	0.00
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, 2019	Less than 1 year	1-5 years	Over 5 years	Total
Borrowings (Including current maturities)	3,832.88	5,300.25	11,003.86	20,136.99
Trade Payables	1,236.92		21.80	1,258.72
Derivative Liabilities	106.80	-	137.44	244.24
Other financial Liabilities	949.89	-		949.89

(₹ in Crores)

As at 31st March, 2018	Less than 1 year	1-5 years	Over 5 years	Total
Borrowings (Including current maturities)	1,833.78	3,623.32	4,971.24	10,428.34
Trade Payables	39.49		-	39.49
Derivative Liabilities	16.50		279.03	295.53
Other financial Liabilities	422.12	-	-	422.12

DELOITTE HASKINS & SELLS LLP
AHMEDABAD
CHARTERED ACCOUNTANTS

Adani Transmission Limited

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
ii) Mumbai GTD Business

The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by operating segments. The CODM reviews revenue and gross profit at the performance indicator for all of the operating segments.

The measurement of each segment's revenues, expenses and assets is consistent with the accounting policies that are used in preparation of the financial statements. Segment profit represents the profit before interest and tax.

Information regarding the company's reportable segments is presented below:

(₹ in Crores)

	Transmission	Trading	Mumbai GTD Business	Elimination	Total
1 Revenue					
External Sales	**2,192.88** *3,128.70*	842.38 *815.78*	**4,270.19**	- -	**7305.45** *3944.48*
Total Revenue	**2,192.88** *3,128.70*	842.38 *815.78*	**4,270.19**	- -	**7305.45** *3944.48*
2 Results					
Segment Results	**1,348.46** *2,246.43*	3.44 *0.17*	**624.02**		**1975.92** *2246.60*
Unallocated Corporate Income (Net)					**255.35** *110.71*
Operating Profit					**2,231.27** 2,357.31
Less: Finance Expense					**1,391.03** *885.63*
Profit before tax					**840.24** *1,471.67*
Current Taxes					**191.87** *327.51*
Deferred Tax					**89.17** *1.23*
Total Tax					**281.04** *328.74*
Profit after tax					**559.20** *1,142.94*
Less: Minority Interest					- -
Net profit					**559.20** *1,142.94*
3 Other Information					
Segment Assets	**13,869.45** *16,279.41*	- -	16,431.97	-	**30,301.42** *16,279.41*
Unallocated Corporate Assets					***1,627.48*** *986.05*
Total Assets					**31,928.90** *17,265.46*
Segment Liabilities	447.70 *474.63*	- -	3,045.58 -	-	**3,493.28** ***474.63***
Unallocated Corporate Liabilities					***20,392.74*** *10,734.34*
Total liablities					**23,886.02** *11,208.97*
Depreciation /Amortisation	598.32 *579.41*	- -	283.83	- -	**882.15** *579.41*
Capital Expenditure	*932.33* *1,026.53*	- -	266.22 -	-	**1,198.55** *1,026.53*

Previous figures are given in italics

DELOITTE HASKINS & SELLS LLP
AHMEDABAD
CHARTERED ACCOUNTANTS

51 The Consolidated financial statements for the year ended 31st March, 2019 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, 2019	For the year ended 31st March, 2018
1	Hadoti Power Transmission Service limited		11th August, 2017
2	Barmer Power Transmission Service limited		4th August, 2017
3	Thar Power Transmission Service limited		4th August, 2017
4	Western Transco Power Limited		31st October, 2017
5	Western Transmission (Gujarat) Limited		31st October, 2017
6	Fatehgarh-Bhadla Transmission Limited		14th March, 2018
7	Adani Electricity Mumbai Limited	29th August, 2018	
8	Ghatampur Transmission Limited	19th June, 2018	
9	KEC Bikaner Sikar Transmission Private Limited	1st January, 2019	
10	OBRA-C Badaun Transmission Limited	21st December, 2018	

52 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 licence issued. (ii) A 400 KV Double Circuit transmission Line in Bikaner, Sikar with a design capacity to transfer electricity equivalent to 2400 MW on Design, Built, Finance, Operate & Transfer (DBFOT) basis having contract for 25 years from the licence issued.

(b) The agreements with PGCIL (Grantor) is to construct & operate an transmission system comprising a 400 KV Double Circuit transmission line in Pune, Aurangabad, Solapur, Kolhapur, Parli, Karad, Lonikhand, Kalwa, Limbdi, Vadavi, Kansari, Rajgarh and Karamsad with a design capacity to transfer electricity equivalent to 3600 MW on Design, Built, Finance, Operate & Transfer (DBFOT) basis having contract for 25 years. The service concession arrangement provides an option for extension of the concession period. Upon completion of concession period or on termination of agreement, Transmission Lines will vest with the grantor free and clear of all encumbrances. Financial assets is created on the basis of Present values of future Cash Flows. No intangible assets is created for this SCA accounting.

Financial summary of above concession arrangement are given below: (₹ in Crores)

		Transmission Lines	
Sr.No.	Particulars	2018-19	2017-18
1	Revenue Recognised	161.65	160.87
2	Profit for the year	38.92	17.72

53 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 2019	₹ in Crores	As % of Consolidated Profit or Loss for the year ended 31st March 2019	₹ in Crores	As % of Consolidated Other Comprehensive Income for the year ended 31st March 2019	₹ in Crores	As % of Consolidated Total Comprehensive Income for the year ended 31st March 2019	₹ in Crores
1	Adani Transmission Limited	36.05%	5,158.36	7.39%	42.40	122.26%	9.50	8.91%	51.90
	Subsidiaries (Indian)								
2	Maharashtra Eastern Grid Power Transmission Company Limited	14.80%	2,117.07	25.56%	146.84	-12.49%	(0.97)	25.03%	145.87
3	Adani Transmission (India) Limited	12.57%	1,797.91	44.85%	257.76	-3.95%	(0.31)	44.18%	257.45
4	Sipat Transmission Limited	1.18%	168.20	-0.51%	(2.96)	-	-	-0.51%	(2.96)
5	Raipur-Rajnandagaon-Warora Transmission Limited	2.38%	341.22	-0.40%	(2.29)	-	-	-0.39%	(2.29)
6	Chhattisgarh-WR Transmission Limited	1.78%	254.45	0.86%	4.94	-	-	0.85%	4.94
7	Adani Transmission (Rajasthan) Limited	0.07%	9.92	0.66%	3.78	-	-	0.65%	3.78
8	North Karanpura Transco Limited	0.20%	28.86	-0.01%	(0.01)	-	-	0.00%	(0.01)
9	Maru Transmission Service Company Limited	0.12%	17.06	0.79%	4.59	-2.97%	(0.23)	0.75%	4.36
10	Aravali Transmission Service Company Limited	-0.02%	(3.53)	0.25%	1.42	-3.25%	(0.25)	0.20%	1.17
11	Western Transco Power Limited	1.00%	143.57	2.12%	12.21	-	-	2.10%	12.21
12	Western Transmission (Gujarat) Limited	0.67%	96.42	1.10%	6.31	-	-	1.08%	6.31
13	Hadoti Power Transmission Service limited	0.26%	37.33	1.60%	9.22	-	-	1.58%	9.22
14	Barmer Power Transmission Service limited	0.19%	27.59	1.86%	10.67	-	-	1.83%	10.67
15	Thar Power Transmission Service limited	0.13%	18.42	1.28%	7.38	-	-	1.27%	7.38
16	Fatehgarh-Bhadla Transmission Limited	0.08%	11.72	-0.05%	(0.28)	-	-	-0.05%	(0.28)
17	Ghatampur Transmission Limited	0.00%	0.04	-0.01%	(0.01)	-	-	0.00%	(0.01)
18	KEC Bikaner Sikar Transmission Private Limited	0.27%	38.39	0.26%	1.52	-	-	0.26%	1.52
19	OBRA-C Badaun Transmission Limited	0.00%	0.01	0.00%	(0.00)	-	-	0.00%	(0.00)
20	Adani Electricity Mumbai Limited	28.27%	4,044.17	12.42%	71.40	0.39%	0.03	12.26%	71.43
21	AEML Infrastructure Limited	0.00%	0.00	0.00%	(0.01)	-	-	0.00%	(0.01)
	Total	100.00%	14,307.18	100.00%	574.88	100.00%	7.77	100.00%	582.65
	Less: Adjustment of Consolidation		**6,264.30**		**15.68**		-		**15.68**
	Consolidated Net Assets/Profit after tax		**8,042.88**		**559.20**		**7.77**		**566.97**

DELOITTE HASKINS & SELLS LLP
AHMEDABAD
CHARTERED ACCOUNTANTS

54 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	**31st March,2019**	**31st March,2018**
Contribution to Provident Fund	24.03	1.83
Contribution to Employees Superannuation Fund	4.75	-
Contribution to Employees Pension Scheme	4.29	-
Total	**33.07**	**1.83**

(b) Defined Benefit Plan

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 2019**	**As at 31st March 2018**
i. Reconciliation of Opening and Closing Balances of defined benefit obligation		
Present Value of Defined Benefit Obligations at the beginning of the Year	3.40	4.15
Current Service Cost	26.70	0.50
Interest Cost	37.21	0.31
Re-measurement (or Actuarial) (gain) / loss arising from:		
- Change in demographic assumptions	0.02	(0.04)
- Change in financials assumptions	0.11	0.28
- Experience variance (i.e. Actual experience vs assumptions)	1.23	(0.57)
Acquisition Adjustment	559.81	(0.85)
Benefits paid	(24.15)	(0.38)
Net Actuarial loss / (gain) Recognised	(0.27)	-
Liabilities Transfer In/Out	(0.09)	-
Present Value of Defined Benefit Obligations at the end of the Year	**603.97**	3.40
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	1.67	1.48
Investment Income	0.13	0.11
Contributions	5.30	0.20
Benefits paid	(0.14)	(0.09)
Return on plan assets, excluding amount recognised in net interest expenses	(0.28)	(0.03)
Planned Asset Acquired on Business Acquisition	450.71	-
Fair Value of Plan assets at the end of the Year	**457.39**	1.67
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	603.97	3.40
Fair Value of Plan assets at the end of the Year	(457.39)	(1.66)
Net Asset / (Liability) recognized in balance sheet as at the end of the year	**146.58**	**1.74**
iv). Composition of Plan Assets		
100% of Plan Assets are administered by LIC		
v. Gratuity Cost for the Year		
Current service cost	26.70	0.50
Interest cost	37.21	0.31
Expected return on plan assets	(0.13)	(0.11)
Actuarial Gain / (Loss)	-	0.03
Net Gratuity cost recognised in the statement of Profit and Loss	**63.78**	**0.73**
vi. Other Comprehensive Income		
Actuarial (gains) / losses		
Change in demographic assumptions	(0.25)	(0.04)
Change in financial assumptions	0.11	0.28
Experience variance (i.e. Actual experiences assumptions)	1.23	(0.57)
Return on plan assets, excluding amount recognised in net interest expense	0.28	0.03
Components of defined benefit costs recognised in other comprehensive income	**1.37**	**(0.30)**
vii. Actuarial Assumptions		
Discount Rate (per annum)	7.54% to 7.60%	7.80%
Annual Increase in Salary Cost (per annum)	8.00% to 9.75%	8.00%

(c) Sensitivity analysis

The sensitivity of the defined benefit obligations to changes in the weighted principal assumptions is:

	Change in assumption		Increase in assumption			Decrease in assumption		
	31st March, 2019	31st March, 2018		31st March, 2019	31st March, 2018		31st March, 2019	31st March, 2018
Discount rate	1.00%	1.00%	Decrease by	55.87	3.81	Increase by	61.70	4.54
Salary Growth Rate	1.00%	1.00%	Increase by	60.73	4.54	Decrease by	53.84	3.80
Attrition Rate	0.50%	0.50%	Decrease by	11.28	4.15	Increase by	11.52	4.13
Mortality Rate	10.00%	10.00%	Increase by	7.25	4.15	Decrease by	7.25	4.15

55 Corporate Social responsibility

As per section 135 of the Companies Act, 2013, a corporate social responsibility (CSR) committee has been formed by the Group. The funds are utilized on the activities which are specified in Schedule VII of the Companies Act, 2013. The utilisation is done by way of contribution towards various activities.

(a) Gross amount as per the limits of Section 135 of the Companies Act, 2013 : ₹ 17.22 Crores. (Previous year : ₹ 8.19 crores)

(b) Amount spent during the year ended 31st March, 2019 : ₹ 17.91 Crores. (Previous year : ₹ 8.23 crores)

Sr. No.	Particulars	Amount Contributed	Amount yet to contribute	Total
(i)	Construction/acquisition of any assets	-	-	-
(ii)	On purpose other than (i) above	17.91	-	17.91

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	31st March, 2019	1st April, 2018
Trade receivables (Gross) (Refer note 13)	751.55	260.29
(Less): Allowance for Doubtful Debts (Refer note 13)	(29.50)	(2.46)
Trade receivables (Net) (Refer note 13)	722.05	257.83
Contract assets (Refer note 8 & 17)	1,076.23	596.41
Contract liabilities	-	-

The contract assets primarily relate to the Group right to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the Customer. The contract liabilities primarily relate to the advance consideration received from the customers.

(b) Significant changes in contract assets and liabilities during the period:

(₹ in Crores)

		For the year ended 31st March 2019	For the year ended 31st March 2018
Opening Balance			
Recoverable from consumers		-	-
Liabilities towards consumers		-	-
	(A)	-	-
Income to be adjusted in Future tariff determination in respect of earlier year (Net)		(8.95)	-
Income to be adjusted in Future tariff determination (Net)		13.73	-
Revenue recognised during the year			
Closing Balance	(B)	4.78	-
Recoverable from consumers		-	-
Liabilities towards consumers		-	-
Contract assets reclassified to receivables	(A+B)	4.78	-

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 2019
Revenue as per contracted price	7,255.43
Adjustments	
Discounts	26.99
Revenue from **contract with customers**	**7,228.44**

57 Regulatory Deferral Account

(₹ in Crores)

Particulars	As at 31st March 2019	As at 31st March 2018
Regulatory Deferral Account - Liability		
Regulatory Liabilities	271.56	-
Regulatory Deferral Account - Assets		
Regulatory Assets	1,105.60	-
Net **Regulatory Assets/(Liabilities)**	834.04	-

Rate Regulated Activities

1 As per the Ind AS-114 'Regulatory Deferral Accounts', the business of electricity distribution is a Rate Regulated activity wherein Maharashtra Electricity Regulatory Commission (MERC), the regulator determines Tariff to be charged from consumers based on prevailing regulations in place.

2 MERC Multi Year Tariff Regulations, 2015 (MYT Regulations), is applicable for the period beginning from 1st April, 2016 to 31st March, 2021. 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 Group 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 2019	As at 31st March 2018
A	Opening Regulatory Assets (Net)		
	Add:		
B	Acquired on Business Combination(Net)	1,206.09	-
C	Income recoverable/(reversible) from future tariff / Revenue Gap for the year		
1	For Current Year	95.84	-
2	For Earlier Year	-	-
	Total C (1 + 2)	**95.84**	-
	Less:		
D	Recovered / (refunded) during the year	467.89	-
E	Net Movement during the year (C - D)	(372.05)	-
F	Closing Balance (B + E)	**834.04**	-

58 In accordance with the requirements of Ind AS 36 - "Impairment of Assets", Intangible Asset with indefinite useful life being Transmission License has been tested for impairment Cash Generating Unit (CGU) as at 31st March, 2019 applying fair value use approach, wherein the fair value of the transmission license has been determined in one of the subsidiary (AEML) using Multiple Excess Earning Method (MEEM).

In deriving the fair value, a discount rate (post tax) of 9.25% per annum has been used. In arriving at the fair value, financial projections have been developed for 17 years and thereafter in perpetuity considering a growth rate of 3.5% per annum.

Based on the results of the Intangible Asset impairment test, the estimated value in use of the Transmission License was higher than its carrying amount, hence impairment provision recorded during the current year is ₹ Nil (31st March 2018 - ₹ Nil crore). Management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the fair value of the Transmission License.

The key assumptions used in fair value calculations -MEEM of the transmission license are as follows:-

Discount Rate: 9.25% Post Tax Discount rate has been derived based on current cost of borrowing and equity rate of return in line with the current market expectatio

Capitalisation: Capitalisation is estimated based on management projections as regards capex in respect future transmission schemes.

DELOITTE HASKINS & SELLS LLP
AHMEDABAD
CHARTERED ACCOUNTANTS

59 The Company have acquired 74% Equity Shares of Aravali Transmission Service Company Limited (ATSCL) w.e.f. 6th October, 2016 from GMR Energy Limited. The balance 26% of Equity Shares of ATSCL are pledged in favour of the Company and the same will also get transferred after fulfilment of certain regulatory requirements and completion of lock-in period. As per the agreement, during the lock-in period, the Company will be the beneficial owner of all the rights and accretions in connection with the pledged shares. Accordingly, the Company has determined that it has "in-substance" ownership of the pledged shares and it has consolidated financial statements of ATSCL as having 100% interest.

60 During the previous year, Adani Transmission (India) Limited (ATIL), a wholly owned subsidiary of the parent Company received an order dated 3rd November, 2017 of Central Electricity Regulatory Commission (CERC) for (i) truing-up of the tariff for the period from the year 2009 to 2014 and (ii) for determination of tariff for the period from April, 2014 to March, 2019. Accordingly, based on the CERC order, during the previous year, the Group has recognised revenue from operations of ₹ 872.53 Crores for the period from October, 2013 to March, 2017. Under the circumstances, the figures for the current year are not comparable with the corresponding figures of the previous year, to that extent.

ii) During the year, the Company has recieved an order dated 12th September, 2018 of Maharashtra Electricity Regulatory Commission (MERC) for (i) Truing-up of FY 2015-16 and FY 2016-17 and (ii) Provisional Truing-up of FY 2017-18. Accordingly, based on the MERC order, during the year, the Company has reversed revenue from operations of ₹ 83.64 Crores for the period from April, 2015 to March, 2018. Under the circumstances, the figures for the current year are not comparable with the corresponding figures of the previous year, to that extent.

61 i) In December 2017, Adani Transmission Limited ('the Company) signed a binding Share Purchase Agreement ('SPA") with Reliance Infrastructure Limited ('R-Infra') to acquire its integrated Power Generation, Transmission and Distribution of Power business for suburban area in Mumbai city ('Mumbai GTD business').

ii) Consequent to a Scheme of Arrangement approved by the High Court of Judicature at Bombay, and other regulatory approvals obtained in this respect, effective from 29th August, 2018, the Mumbai GTD business of R-Infra has been demerged from R-Infra and transferred into Adani Electricity Mumbai Limited (formerly Reliance Electricity Generation and Supply Limited) ('AEML') with an Appointed Date of 1st April, 2018. Pursuant to the SPA, the Company acquired 100% equity share capital of AEML for a consideration of ₹ 3,827.54 Crores. On such acquisition, AEML has become wholly-owned subsidiary of the Company.

62 i) During the year, the Group has acquired 100% equity share capital of SPV 'Ghatampur Transmission Limited' (GTL) from REC Transmission Projects Company Limited (REC TPCL) on 19th June, 2018. GTL was formed by REC TPCL to establish Transmission System for Evacuation of Power from 3X660MW Ghatampur Thermal Power Project. The Company has acquired it from REC TPCL pursuant to tariff based competitive bidding process carried out by REC TPCL. With this purchase, GTL has become a wholly owned subsidiary of the Group.

ii) The Group has signed Share Purchase Agreement on 3rd November 2018 with KEC International Limited for acquisition of 100% Equity Share Capital of KEC Bikaner Sikar Transmission Private Limited (KBSTPL). The shares of KEC Bikaner Sikar Transmission Private Limited have actually got transferred to Adani Transmission Limited w.e.f. 8th February, 2019 although the control has been taken over by Adani Transmission Limited on 1st January, 2019.

iii) The Company has signed a binding Share Purchase Agreement on 21st December, 2018 with PFC Consulting Limited for acquisition of 100% equity share capital of OBRA-C Badaun Transmission Limited. The said Company was incorporated in August 2018 by PFC Consulting Limited for Evacuation of power from OBRA-C (2x660 MW) Thermal power project and construction of 400kV GIS substation Badaun with associated transmission lines. The Company has acquired it from PFC Consulting Limited through Tariff based competitive bidding process.

iv) During the year, AEML Infrastructure Limited was incorporated as a wholly owned subsidiary of the Company w.e.f 12th December, 2018.

(a) Fair value of assets acquired and liabilities recognised at the date of acquisition :

(₹ in Crores)

Particulars	Adani Electricity Mumbai Limited	Ghatampur Transmission Limited	KEC Bikaner Sikar Transmission Private Limited	OBRA-C Badaun Transmission Limited
Assets				
Non-current assets				
Fixed assets				
Property, Plant and Equipment	11,639.46	-	-	-
Capital work-in-progress	285.98	17.93	-	6.75
Intangible assets	989.12	-	-	-
Financial Assets				
Service Concession Arrangements	-	-	189.65	-
Investments	118.00	-	-	-
Loans	51.42	-	-	-
Other financial assets	42.94	-	0.11	-
Income Tax Assets (net)	7.03	-	-	-
Deferred Tax Assets (Net)	177.74	-	-	-
Other non-current assets	11.57	-	0.14	-
	13,323.26	**17.93**	**189.90**	6.75
Current assets				
Inventories	203.69	-	-	-
Investments	23.71	-	-	-
Trade Receivable	554.88	-	30.06	-
Cash balances	87.22	0.00	0.64	0.04
Bank balance	287.25	-	-	-
Other financial assets	1,574.91	-	-	-
Other current assets	97.54	-	0.11	0.05
Other	-	-	0.01	-
	2,829.20	**0.00**	**30.82**	**0.09**
Total Assets	**16,152.46**	**17.93**	**220.72**	**6.84**
Regulatory Deferral Account - Assets	1,477.65	-	-	-
Total Assets including Regulatory Assets (i)	**17,630.11**	17.93	**220.72**	**6.84**
Non-current liabilities				
Contingency Reserve	165.73	-	-	-
Long term borrowing	8,299.68	-	161.70	-
Other non-current financial liabilities	-	17.88	-	6.83
Provisions	406.96	-	-	-
Deferred Tax Liabilities (Net)	-	-	0.29	-
Other Non Current Liabilities	215.79	-	-	-
	9,088.16	**17.88**	**161.99**	**6.83**
Current liabilities				
Short term borrowing	1,173.72	-	2.65	-
Trade Payables	1,318.34	-	-	-
Other financial liabilities	1,977.79	-	5.88	-
Other Current Liabilities	204.09	-	0.33	0.00
Short-term provisions	31.01	-	-	-
	4,704.95	-	**8.86**	**0.00**
Total Liabilities	**13,793.11**	**17.88**	**170.85**	**6.83**
Regulatory Deferral Account - Liabilities	271.56	-	-	-
Total Liabilities including Regulatory Liabilities (ii)	**14,064.67**	**17.88**	**170.85**	**6.83**
Net Assets (i-ii)	**3,565.44**	**0.05**	**49.87**	**0.01**

(b) Goodwill arising from acquisition :

(₹ in Crores)

Particulars	Adani Electricity Mumbai Limited	Ghatampur Transmission Limited	KEC Bikaner Sikar Transmission Private Limited	OBRA-C Badaun Transmission Limited
Consideration Paid	**3,827.54**	**0.05**	**57.34**	**0.01**
Less : Fair value of net assets (i-ii)	**3,565.44**	**0.05**	**49.87**	**0.01**
Goodwill	**262.10**	**0.00**	**7.47**	**0.00**

(c) Net cash outflow on acquisition :

(₹ in Crores)

Particulars	Adani Electricity Mumbai Limited	Ghatampur Transmission Limited	KEC Bikaner Sikar Transmission Private Limited	OBRA-C Badaun Transmission Limited
Total Consideration paid during the year	3,827.54	0.05	57.34	0.01
Total	**3,827.54**	**0.05**	**57.34**	**0.01**

(Transactions below ₹ 50,000.00 denoted as ₹ 0.00 Crs.)

DELOITTE HASKINS & SELLS LLP AHMEDABAD CHARTERED ACCOUNTANTS

As if this companies where acquired on 1st April, 2018, the profitability would have been decreased by ₹ (5.46) Crores as per below table :-

(₹ in Crores)

Particulars	Adani Electricity Mumbai Limited	**Ghatampur Transmission Limited**	KEC Bikaner Sikar Transmission Private Limited	OBRA-C Badaun Transmission Limited
Profitability Increase/(Decrease)	(9.92)	(0.00)	4.46	(0.00)

d) **Impact of acquisition on the results of the Group :**

Included in the Statement of profit and loss after tax for the year ended 31st March, 2019 is ₹ 102.56 Crores and ₹ 1.62 Crores attributable to the acquisition of the Adani Electricity Mumbai Limited & KEC Bikaner Sikar Transmission Private Limited respectively. And also ₹ (0.00) Crores and ₹ (0.00) Crores in Ghatampur Transmission Limited and OBRA-C Badaun Transmission Limited respectively

e) The results of these subsidiaries, after elimination of inter company transactions and balances, as included in the consolidated financial statements for the year ended March 31, 2019 are given below :

(₹ in Crores)

Particulars	As at 31st March, 2019			
	Adani Electricity Mumbai Limited	Ghatampur Transmission Limited	KEC Bikaner Sikar Transmission Private Limited	**OBRA-C Badaun Transmission Limited**
ASSETS				
Non-current Assets				
Property, Plant and Equipment	11,797.77	-	-	-
Capital Work-In-Progress	239.75	73.87	-	7.10
Intangible Assets	985.06	-	-	-
Financial Assets				
(i) Investments	120.92	-	-	-
(ii) Loans	41.16	-	-	-
(iii) Other Financial Assets	40.41	-	0.11	-
Deferred Tax Assets (Net)	101.32	-	-	-
Income Tax Assets (net)		0.00	0.06	-
Other Non-current Assets	134.87	55.58	189.15	-
Total Non-current Assets	**13,461.26**	**129.45**	**189.32**	**7.10**
Current Assets				
Inventories	335.06	-	-	-
Financial Assets				
(i) Investments	43.55	-	-	-
(ii) Trade Receivables	425.70	-	2.21	-
(iii) Cash and Cash Equivalents	91.40	0.13	1.34	0.04
(iv) Bank balance other than cash and cash equivalents	283.47	0.29	6.09	-
(v) Loans	8.53	-	-	-
(vi) Financial Assets - Others	1,113.71	0.03	27.81	-
Other Current Assets	103.04	0.12	0.47	0.06
Total Current Assets	**2,404.46**	**0.57**	**37.92**	**0.10**
Total Assets before Regulatory Deferral Account	**15,865.72**	**130.01**	**227.24**	7.20
Regulatory Deferral Assets - Account	1,105.60	-	-	-
Total Assets	**16,971.32**	**130.01**	**227.24**	**7.20**
Liabilities				
Non-current Liabilities				
Financial Liabilities				
(i) Borrowings	7,902.19	-	165.15	-
(ii) Trade Payables	21.80	-	-	-
(iii) Other Financial Liabilities	-	6.88	-	-
Provisions	438.54	-	-	-
Deferred tax liabilities (Net)			8.72	
Other Non Current Liabilities	224.83	-	-	-
Total Non-current Liabilities	**8,587.36**	**6.88**	**173.87**	-
Current Liabilities				
Financial Liabilities				
(i) Borrowings	525.36	-	-	-
(ii) Trade Payables	1,171.27	0.01	0.49	0.00
(iii) Other Financial Liabilities	1,583.36	23.72	5.58	0.12
Other Current Liabilities	236.24	0.38	0.06	0.05
Provisions	60.21	0.01	-	-
Current Tax Liabilities	9.08	-	-	-
Total Current Liabilities	**3,587.52**	**24.12**	**6.13**	**0.17**
Total Liabilities before Regulatory Deferral Account	**12,174.88**	**31.00**	**180.00**	0.17
Regulatory Deferral Account-Liabilities	271.56	-	-	-
Total Liabilities	**12,446.44**	31.00	180.00	0.17

(₹ in Crores)

Particulars	**For the Period**			
	29th August, 2018 to 31st March, 2019	**18th June, 2018 to 31st March, 2019**	1st January, 2019 to **31st March, 2019**	**21st December 2018 to 31st March, 2019**
Total Revenue	4,396.63	-	7.09	
Total Expenses	4,264.48	0.01	4.89	0.00
Profit / (Loss) before tax	132.15	(0.01)	2.20	(0.00)
Net **movement in Regulatory Deferral Balance**	**95.84**	-	-	-
Tax	**125.43**	-	0.58	-
Profit / (Loss) after tax	102.56	(0.01)	1.62	(0.00)

(Transactions below ₹ 50,000.00 denoted as ₹ 0.00 Crs.)

63 **Other Disclosures**

(i) Previous year figures are regrouped / reclassified wherever necessary to correspond with the current years classification / disclosure.

DELOITTE HASKINS & SELLS LLP
AHMEDABAD

ii) The Consolidated Financial Statements for the year ended 31st March, 2019 have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on 28th May, 2019.

As per our attached report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration Number : 117366W/W-100018

GAURAV J. SHAH
Partner
(Membership No. 35701)

AHMEDABAD

Place : Ahmedabad
Date : 28th May, 2019

For and on behalf of the Board of Directors
ADANI TRANSMISSION LIMITED

GAUTAM S. ADANI
Chairman
DIN: 00006273

ANIL SARDANA
Managing Director and
Chief Executive Officer
DIN: 00006867

KAUSHAL SHAH
Chief Financial Officer

JALADHI SHUKLA
Company Secretary

Place : Ahmedabad
Date : 28th May, 2019

350

Deloitte Haskins & Sells LLP

Chartered Accountants
19th floor, Shapath-V,
Opposite to Karnavati Club,
S.G. Highway, Ahmedabad - 380 015
Tel. +91 79 6682 7300

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, 2020, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of 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, 2020, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in the sub-paragraph (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	Auditor's Response
1	**Hedge accounting and the related disclosures for currency derivatives:** (Refer to Note 49 to the Consolidated Financial Statements) We identified the hedge accounting for currency derivatives and the adequacy of the related disclosures as a key audit matter because the evaluation of hedge effectiveness involved management's judgement and estimation. Besides, the changes in fair values of these currency derivatives also had a significant impact on the consolidated financial statements. As disclosed in note 49 to the consolidated financial statements, the Group was exposed to currency risk primarily arising from Foreign currency denominated borrowings. As further disclosed in note 49 to the consolidated financial statements, the Company utilised currency derivatives to hedge these Borrowings during the year ended March 31, 2020. These currency derivatives which were designated and effective as net Cash flow hedges, gave rise to assets of Rs. 1,297.54 crores and liabilities of Rs. 106.54 crores as at March 31, 2020 and the fair value changes of these currency derivatives have been deferred in equity at March 31, 2020.	**Principal audit procedures performed:** Obtaining an understanding of and assessing the design and implementation of the management's controls over the valuation of currency derivatives and hedge accounting. Inspecting the hedge documentations and contracts and evaluating the management's assessment of hedge effectiveness, on a sample basis, to evaluate the accounting for these currency derivatives in accordance with the requirements of Ind AS 109-Financial Instruments. Obtaining confirmations directly from contract counterparties to verify the existence of each currency derivative held at March 31, 2020. Reperforming mark-to-market valuations on a sample basis with the involvement of our financial instruments valuation specialists, to evaluate whether the fair values of the currency derivatives had been reasonably calculated by the management; and Assessing 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 Intangible assets with indefinite life:** (Refer to Note 58 to the Consolidated Financial Statements) We identified the impairment testing of Intangible Asset with indefinite life as a key audit matter considering the significance of the carrying value, long term estimation and the significant judgements involved in the impairment assessment. As per the requirements of Ind AS 36, the	**Principal audit procedures performed:** Obtaining an understanding of and assessing the design and implementation of the management's controls over the impairment testing process. We obtained management's impairment model and tested the reasonableness of key assumptions, including revenue, future capital expenditure, terminal values and the selection of discount rates. We agreed the underlying cash flow projections

	Group tests for impairment annually Intangible assets being Transmission License with indefinite life acquired in Business Combination with a carrying value of Rs. 981.62 crores as at March 31, 2020. The determination of recoverable amount, being the higher of value-in-use and fair value less costs to dispose, involves significant estimates, assumption and judgements of the long term financial projections on part of the management.	and forecasts and assessed how these projections are compiled. We also involved internal valuation experts to examine/assess the valuation model and the calculation inputs used.
3	**Assessment of control on account of a stake sale in a subsidiary:** (Refer to Note 3.9 to the Consolidated Financial Statements) During the year, the Company has divested 25.10% of its share in Adani Electricity Mumbai Limited (Refer Note 3.9 to the Consolidated Financial Statement). Management has applied judgement in assessing the various factors as required by Ind AS 110 - Consolidated Financial Statements in relation to existence of control post the stake sale in its subsidiary. The assessment in respect of existence of control post stake sale in the subsidiary, is considered as a key audit matter, as management's assessment of control involves significant judgements.	**Principal audit procedures performed:** Reviewed the terms of Share Purchase Agreement (SPA). Review of the management's assessment of control against criteria identified in Ind AS-110. We have reviewed the adequacy of the disclosures required in terms of the standard in relation to the basis on which they believe that they have control.
4	**Accrual of Regulatory Deferrals:** (Refer to Note 57 to the Consolidated Financial Statements) We identified the accrual of regulatory deferrals as a key audit matter considering the significance of the amount of regulatory deferrals and the significant judgements involved in the determination of accruals. 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	**Principal audit procedures performed:** Obtaining an understanding of and assessing the design and implementation of the management's controls over accrual of regulatory deferrals. We evaluated the key assumptions used by the Company in accrual of regulatory deferrals by comparing it with tariff regulations, prior years, past precedents and the opinion of management's expert.

	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. The Group has recognized net regulatory deferrals -Liability of Rs 256.60 crores (net) as at March 31, 2020 (including Rs 232.77 crores for the year). 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 are made in determining the regulatory deferrals including interpretation of tariff regulations.	For tariff orders received by the Company, we have assessed the impact recognized by the Company and for matters challenged by the Company, we have also assessed the management's evaluation of the likely outcome of the dispute based on past precedents and / or advice of management's expert.

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 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 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, 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 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.

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 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 did not audit the financial statements of 23 subsidiaries, whose financial statements reflect total assets of Rs. 8,296.36 crores as at March 31, 2020, total revenues of Rs. 917.46 crores and net cash inflows amounting to Rs. 248.03 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

(b) We did not audit the financial statements of 2 subsidiaries, whose financial statements reflect total assets of Rs. 241.00 crores as at March 31, 2020, total revenues of Rs. 7.11 crores and net cash inflows amounting to Rs. 0.61 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 Group.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of 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, 2020 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, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the 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, there is no remuneration paid by the Parent to its directors during the year.

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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies incorporated in India.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Mohammed Bengali
Partner
(Membership No. 105828)
(UDIN: 20105828AAAABA7831)

Place: Mumbai
Date: May 09, 2020

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, 2020, we have audited the internal financial controls over financial reporting of Adani Transmission Limited (hereinafter referred to as "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 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 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 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 other auditors referred to in the Other Matters paragraph below, 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, 2020, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates 23 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 matters.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Bengali

Mohammed Bengali
Partner
(Membership No. 105828)
(UDIN: 20105828AAAABA7831)

Place: Mumbai
Date: May 09, 2020

ADANI TRANSMISSION LIMITED

Consolidated Balance Sheet as at 31st March, 2020

adani
Transmission

(₹ in Crores)

Particulars	Notes	As at 31st March, 2020	As at 31st March, 2019
ASSETS			
Non-current Assets			
Property, Plant and Equipment	5.1	23,099.70	22,836.64
Capital Work-In-Progress	5.2	2,208.96	694.06
Right of Use Assets	5.3	237.54	-
Goodwill		592.09	590.14
Intangible Assets	5.1	994.87	985.22
Intangible Assets Under Development		3.28	-
Financial Assets			
(i) Investments	6	-	120.92
(ii) Loans	7	38.91	41.16
(iii) Other Financial Asset	8	2,302.41	1,312.09
Deferred Tax Assets (Net)	9	-	102.58
Income Tax Assets (Net)	10	37.31	36.62
Other Non-current Assets	11	1,510.69	1,006.34
Total Non-current Assets		31,025.76	27,725.77
Current Assets			
Inventories	12	541.17	366.18
Financial Assets			
(i) Investments	13	312.67	214.86
(ii) Trade Receivables	14	1,000.26	722.05
(iii) Cash and Cash Equivalents	15	1,232.99	188.25
(iv) Bank Balances other than (iii) above	16	1,063.85	513.31
(v) Loans	17	2,409.28	8.75
(vi) Other Financial Assets	18	1,543.31	1,685.98
Other Current Assets	19	334.17	130.29
Total Current Assets		8,437.70	3,829.67
Total Assets before Regulatory Deferral Account		39,463.46	31,555.44
Regulatory Deferral Account - Asset	57	247.73	1,105.60
Total Assets		39,711.19	32,661.04
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	20	1,099.81	1,099.81
Unsecured Perpetual Equity Instrument	21	3,279.42	3,408.03
Other Equity	22	4,119.73	3,535.04
Total Equity attributable to Equity Holders of the Company		8,498.96	8,042.88
Non-Controlling Interests		1,062.13	-
Total Equity		9,561.09	8,042.88
Liabilities			
Non-current Liabilities			
Financial Liabilities			
(i) Borrowings	23	22,289.65	16,304.11
(ii) Trade Payables	24		
(A) total outstanding dues of micro enterprises and small enterprises; and		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		29.35	21.80
(iii) Other Financial Liabilities	25	419.86	182.96
Other Non-Current Liabilities	26	278.02	224.82
Provisions	27	275.58	447.07
Deferred Tax Liabilities (Net)	28	971.37	747.67
Total Non-current Liabilities		24,263.83	17,928.43
Current Liabilities			
Financial Liabilities			
(i) Borrowings	29	1,235.81	1,632.78
(ii) Trade Payables	30		
(A) total outstanding dues of micro enterprises and small enterprises;		49.93	0.64
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		1,701.58	1,236.28
(iii) Other Financial Liabilities	31	1,982.51	3,211.27
Other Current Liabilities	32	309.42	258.46
Provisions	27	62.40	63.55
Current Tax Liabilities (Net)	33	40.29	15.19
Total Current Liabilities		5,381.94	6,418.17
Total Liabilities before Regulatory Deferral Account		29,645.77	24,346.60
Regulatory Deferral Account-Liabilities	57	504.33	271.56
Total Equity and Liabilities		39,711.19	32,661.04

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
Firm Registration Number : 117366W/W-100018

MOHAMMED BENGALI
Partner
(Membership No. 105828)

Place : Mumbai
Date : 09th May, 2020

For and on behalf of the Board of Directors
ADANI TRANSMISSION LIMITED

GAUTAM S. ADANI
Chairman
DIN: 00006273

ANIL SARDANA
Managing Director and
Chief Executive Officer
DIN: 00006867

KAUSHAL SHAH
Chief Financial Officer

JALADHI SHUKLA
Company Secretary

Place : Ahmedabad
Date : 09th May, 2020

adani
Transmission

ADANI TRANSMISSION LIMITED

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

(₹ in Crores)

Particulars	Notes	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Income			
Revenue from Operations			
(i) From Generation, Transmission and Distribution Business	34	10,491.35	6,463.10
(ii) From Trading Business	35	924.61	842.35
Other Income	36	265.33	255.35
Total Income		11,681.29	7,560.80
Expenses			
Cost of Power Purchased		2,679.13	1,648.62
Cost of Fuel		1,018.23	642.50
Purchases of Stock-in-Trade		924.21	838.94
Employee Benefits Expense	37	973.24	586.92
Finance Costs	38	2,238.49	1,391.03
Depreciation and Amortisation Expense	39	1,174.02	882.15
Other Expenses	5.1, 5.2 & 5.3 40	1,334.52	826.24
Total Expenses		10,341.84	6,816.40
Profit Before Rate Regulated Activities, Tax and Deferred Assets recoverable/adjustable for the year		1,339.45	744.40
Net movement in Regulatory Deferral Account Balances - Income/(Expenses)		(232.77)	95.84
Profit Before Tax and Deferred Assets recoverable/adjustable for the year		1,106.68	840.24
Tax Expense:	41		
Current Tax		213.80	191.87
Deferred Tax		329.08	183.49
Total Tax expenses		**542.88**	**375.36**
Profit After Tax for the year but before Deferred Assets recoverable/adjustable		**563.80**	**464.88**
Deferred assets recoverable/adjustable (refer note 11.3)		142.69	94.32
Profit After Tax for the year		706.49	559.20
Other Comprehensive Income/(Loss)			
(a) Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit plans / (Loss)		(21.10)	(1.42)
-Tax relating to items that will not be reclassified to Profit or Loss		3.61	-
(b) Items that will be reclassified to profit or loss			
-Effective portion of gains and losses on designated portion of hedging instruments in a cash flow hedge		135.06	9.19
-Tax relating to items that will be reclassified to Profit or Loss		2.76	-
Total Other Comprehensive Income for the year (Net of Tax)		120.33	7.77
Total Comprehensive Income for the year		826.82	566.97
Profit/ (Loss) for the year attributable to:			
Owners of the Company		741.82	559.20
Non-controlling interests		(35.33)	-
		706.49	559.20
Other Comprehensive Income / (Loss) for the year attributable to:			
Owners of the Company		127.93	7.77
Non-controlling interests		(7.60)	-
		120.33	7.77
Total Comprehensive Income/ (Loss) for the year attributable to:			
Owners of the Company		869.75	566.97
Non-controlling interests		(42.93)	-
		826.82	566.97
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 (₹)		2.94	2.30
Basic / Diluted Earnings per Equity Share (Face Value of ₹ 10 each) before Net movement in Regulatory Deferral Account Balances (₹)		4.69	1.43

See accompanying notes forming part of the consolidated financial statements

As per our attached report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration Number : 117366W/W-100018

Bengali

MOHAMMED BENGALI
Partner
(Membership No. 105828)

For and on behalf of the Board of Directors
ADANI TRANSMISSION LIMITED

GAUTAM S. ADANI
Chairman
DIN: 00006273

ANIL SARDANA
Managing Director and
Chief Executive Officer
DIN: 00006867

KAUSHAL SHAH
Chief Financial Officer

JALADHI SHUKLA
Company Secretary

Place : Ahmedabad
Date : 09th May, 2020

Place : Mumbai
Date : 09th May, 2020

ADANI TRANSMISSION LIMITED

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

(₹ in Crores)

	Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
A.	**Cash flows from operating activities**		
	Profit before tax	1,106.68	840.24
	Adjustments for:		
	Depreciation and Amortisation Expense	1,174.02	882.15
	Amortisation of Consumer Contribution	(8.49)	(7.42)
	Gain on Sale/Fair Value of Current Investments measured at FVTPL	(61.53)	(15.56)
	Finance Costs	2,338.91	1,343.72
	Interest Income	(187.21)	(179.02)
	Provision for Stamp Duty Expense	22.60	-
	Unclaimed liabilities / Excess provision written back	(0.26)	(1.01)
	Write downs in inventory value	4.53	-
	Bad Debt Written Off	0.56	-
	Expected Credit Loss- Doubtful Debts,Advances,Deposits	43.62	12.20
	Loss on sale of Property, Plant and Equipment	4.58	15.68
	Foreign Exchange Fluctuation Loss	12.53	-
	Unrealised Foreign Exchange (Gain)/Loss - Borrowings net of Hedging	(100.42)	47.31
	Bad debt recovery	-	(3.09)
	Operating profit before working capital changes	4,350.12	2,935.20
	Changes in Working Capital:		
	(Increase) / Decrease in Operating Assets :		
	Employee Loans, Other Financial Assets and Other Assets	312.41	(407.05)
	Inventories	(179.52)	(127.15)
	Trade Receivables	(321.00)	84.96
	Regulatory Deferral Account - Assets	857.87	372.05
	Increase / (Decrease) in Operating Liabilities :		
	Trade Payables	406.22	(98.35)
	Regulatory Deferral Account - Liabilities	232.77	-
	Other Financial Liabilities, Other Liabilities and Provisions	(35.85)	22.53
	Cash generated from operations	5,623.02	2,782.19
	Taxes paid (Net of Income Tax Refund)	(185.82)	(190.81)
	Net cash generated from operating activities (A)	5,437.20	2,591.38
B.	**Cash flows from investing activities**		
	Payments of Capital expenditure on Property, Plant and Equipment, Intangible Asset including capital advance (Net)	(2,762.67)	(1,198.55)
	Acquisition of Subsidiaries	(50.22)	(1,534.96)
	Advance for Business Acquisition	(17.21)	-
	Sale/(Purchase) of non current investment (net)	120.92	(2.92)
	(Purchase) of current investment (net)	(83.85)	(175.59)
	(Deposits in) Bank deposits (net) (Including Margin money deposit)	(593.84)	(472.55)
	Investment in Service Concession Arrangements	-	(18.59)
	Loans given	(2,400.53)	-
	Interest Received	144.52	264.99
	Net cash used in investing activities (B)	(5,642.88)	(3,138.17)
C.	**Cash flows from financing activities**		
	Payment of lease liabilities (including Interest ₹ 11.97 crores)	(35.66)	-
	Increase in Service Line Contribution	20.14	16.45
	Proceeds from Long-term borrowings	19,025.09	2,457.44
	Repayment of Long-term borrowings	(15,686.01)	(2,113.19)
	Proceeds from Short-term borrowings	4,651.91	7,028.35
	Repayment of Short-term borrowings	(5,084.22)	(7,284.50)
	Distribution on Unsecured Perpetual Equity Instrument	(2.28)	(0.31)
	Proceeds from issue of Unsecured Perpetual Equity Instrument	700.00	1,254.00
	Proceeds on Sale of Equity Shares in Subsidiary Company	1,209.62	-
	Repayment of Unsecured Perpetual Equity Instrument	(1,209.62)	-
	Finance Cost paid	(2,338.57)	(1,320.20)
	Net cash generated from financing activities (C)	1,250.40	38.04
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	1,044.72	(508.75)
	Cash and cash equivalents at the beginning of the year	188.25	609.09
	Cash and cash equivalents received on account of acquisition of subsidiaries	0.02	87.91
	Cash and cash equivalents at the end of the year	1,232.99	188.25

Cash and Cash Equivalents includes (Refer note 15)	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Balances with banks		
In current accounts	920.33	148.04
Fixed Deposits (with original maturity for three months or less)	306.05	28.54
(Lodged against Bank guarantees and Debt service reserve account)		
Cheque / Draft on Hand	6.19	9.06
Cash on Hand	0.42	2.61
Total Cash and Cash Equivalents	1,232.99	188.25

ADANI TRANSMISSION LIMITED

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

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, 2019	Cash Flows	Unrealised Foreign Exchange Gain/(Loss)	Other	31st March, 2020
Long-term Borrowings (Including Current Maturities of Long Term Debt)	18,504.21	3,339.08	1,188.36	(21.73)	23,009.92
Short term Borrowings	1,632.78	(432.31)	-	35.34	1,235.81
Unsecured perpetual Equity Instrument including Distribution (Net of Tax)	3,408.03	(511.90)	-	383.29	3,279.42
TOTAL	23,545.02	2,394.87	1,188.36	396.90	27,525.15

Particulars	1st April, 2018	Cash Flows	Unrealised Foreign Exchange Gain/(Loss)	Other	31st March, 2019
Long-term Borrowings (Including Current Maturities of Long Term Debt)	9,417.69	344.25	187.75	8,554.52	18,504.21
Short term Borrowings	1,010.65	(256.15)	-	878.28	1,632.78
Unsecured perpetual Equity Instrument including Distribution (Net of Tax)	1,848.63	1,253.69	-	305.71	3,408.03
TOTAL	12,276.97	1,341.79	187.75	9,738.51	23,545.02

See accompanying notes forming part of the consolidated financial statements

As per our attached report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration Number : 117366W/W-100018

Bengali

MOHAMMED BENGALI
Partner
(Membership No. 105828)

Place : Mumbai
Date : 09th May, 2020

For and on behalf of the Board of Directors
ADANI TRANSMISSION LIMITED

GAUTAM S. ADANI
Chairman
DIN: 00006273

ANIL SARDANA
Managing Director and
Chief Executive Officer
DIN: 00006867

KAUSHAL SHAH
Chief Financial Officer

JALADHI SHUKLA
Company Secretary

Place : Ahmedabad
Date : 09th May, 2020

ADANI TRANSMISSION LIMITED

Consolidated Statement of changes in equity for the year ended 31st March, 2020

A. Equity Share Capital

Particulars	No. Shares	(₹ in Crores)
Balance as at 1st April, 2018	1,099,810,083	1,099.81
i) Issued of shares during the year	-	-
Balance as at 31st March, 2019	1,099,810,083	1,099.81
i) Issued of shares during the year	-	-
Balance as at 31st March, 2020	1,099,810,083	1,099.81

B. Unsecured Perpetual Equity Instrument

Particulars	(₹ in Crores)
Balance as at 1st April, 2018	1,848.63
i) Add: Availed during the year	1,254.00
ii) Add: Distribution on Unsecured Perpetual Equity Instrument (Net of Tax)	305.40
Balance as at 31st March, 2019	**3,408.03**
i) Add: Availed during the year	700.00
ii) Add: Distribution on Unsecured Perpetual Equity Instrument (Net of Tax)	381.01
iii) Less: Repaid during the year	(1,209.62)
Balance as at 31st March, 2020	**3,279.42**

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**	**Contingency Reserve**	**Effective portion of cashflow Hedge**			
Balance as at 1st April, 2018	208.87	1,220.60	1,061.07	801.25	-	-	(183.74)	3,108.05	-	3,108.05
Profit for the year	-	-	559.20	-	-	-	-	559.20	-	559.20
Add/(Less): Other comprehensive income for the year (Net of Tax)	-	-	(1.42)	-	-	-	9.19	7.77	-	7.77
(Less): Distribution on Unsecured perpetual Equity Instrument	-	-	(305.71)	-	-	-	-	(305.71)	-	(305.71)
Add/(Less): Transfer from Retained Earning to Capital Redemption Reserve (CRR) on redemption of Optionally Convertible Redeemable Preference Shares (OCRP)	-	-	(1,090.63)	1,090.63	-	-	-	-	-	-
Add/ (Less): Transfer from Retained Earning to Contingency Reserve	-	-	(37.44)	-	-	37.44	-	-	-	-
Add / (Less): Transfer from Retained Earning to Debenture Redemption Reserve	-	-	(12.87)	-	12.87	-	-	-	-	-
Add: Transfer from Retained Earning	-	-	-	-	-	-	-	-	-	-
Add: Acquired on Business Combination	-	-	-	-	-	165.73	-	165.73	-	165.73
Balance as at 31st March, 2019	208.87	1,220.60	172.20	1,891.88	12.87	203.17	(174.55)	3,535.04	-	3,535.04
Profit/(Loss) for the year	-	-	741.82	-	-	-	-	741.82	(35.33)	706.49
Add/(Less): Other comprehensive income for the year (Net of Tax)	-	-	(13.21)	-	-	-	141.14	127.93	(7.60)	120.33
(Less): Distribution on Unsecured perpetual Equity Instrument	-	-	(383.29)	-	-	-	-	(383.29)	-	(383.29)
Non- Controlling interest on sale of Equity Shares of Subsidiary Companies	-	-	-	-	-	-	-	-	1,105.91	1,105.91
Add: Gain on sale of Equity Shares of Subsidiary Companies to non controlling interest(Refer Note 60)	-	-	97.38	-	-	-	-	97.38	-	97.38
Add/ (Less): Transfer from Retained Earning to Contingency Reserve	-	-	(36.52)	-	-	37.37	-	0.85	(0.85)	-
Add / (Less): Transfer from Retained Earning to Debenture Redemption Reserve	-	-	(0.57)	-	0.57	-	-	-	-	-
Balance as at 31st March, 2020	208.87	1,220.60	577.81	1,891.88	13.44	240.54	(33.41)	4,119.73	1,062.13	5,181.86

See accompanying notes forming part of the consolidated financial statements

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

MOHAMMED BENGALI
Partner
(Membership No. 105828)

Place : Mumbai
Date : 09th May, 2020

For and on behalf of the Board of Directors
ADANI TRANSMISSION LIMITED

GAUTAM S. ADANI
Chairman
DIN: 00006273

ANIL SARDANA
Managing Director and
Chief Executive Officer
DIN: 00006867

KAUSHAL SHAH
Chief Financial Officer

JALADHI SHUKLA
Company Secretary

Place : Ahmedabad
Date : 09th May, 2020

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 House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad 380 009, Gujarat, India. The Company and its Twenty eight 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 is providing transmission services in India spreading across Gujarat, Rajasthan, Maharashtra, Haryana, ,Chhattishgarh and Madhya Pradesh. The group is also developing additional projects in India spreading in Gujarat, Maharashtra, Rajasthan, Jharkhand, Bihar, & Uttar Pradesh. The Group has entered in Generation and Distribution business in Mumbai through acquisition of Integrated Mumbai suburban Power i.e. Business Generation, Transmission and Distribution (GTD). The Group has entered in to new business opportunities through OPGW fibres on transmission lines with the ambition of expanding its telecom solutions to Telcos, Internet service providers and long distance communication operators .The commercialization of the network shall be done through leasing out spare capacities to potential communication players.

During the year, the Group has successfully won Six transmission bids (Including LOI received for one project).

The Group also deals as a trader in 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, 2017 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 Basis of consolidation

The consolidated financial statements incorporate the consolidated financial statements of the Company and its subsidiaries. Control is achieved when the Group:

- has power over 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 reassesses 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 listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, 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.

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.

When necessary, adjustments are made to the consolidated financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

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, 2020

Sr. No.	Name of Company	Country of Incorporation	Relationship	Shareholding as on 31st March 2020	Shareholding as on 31st March 2019
1	Adani Transmission (India) Limited (ATIL)	India	Subsidiary	100%	100%
2	Maharashtra Eastern Grid Power Transmission Co. Limited (MEGPTCL)	India	Subsidiary	100%	100%
3	Sipat Transmission Limited (STL)	India	Subsidiary	100%	100%
4	Raipur-Rajnandgaon-Warora Transmission Limited (RRWTL)	India	Subsidiary	100%	100%
5	Chhattisgarh-WR Transmission Limited (CWRTL)	India	Subsidiary	100%	100%
6	Adani Transmission (Rajasthan) Limited (ATRL)	India	Subsidiary	100%[1]	100%[1]
7	North Karanpura Transco Limited (NKTL)	India	Subsidiary	100%	100%
8	Maru Transmission Service Company Limited (MTSCL)	India	Subsidiary	100%	100%
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) (Refer Note 60)	India	Subsidiary	74.90%	100%
18	AEML Infrastructure Limited (AEML Infra)	India	Subsidiary	100%	100%
19	OBRA-C Badaun Transmission Limited (OBTL)	India	Subsidiary	100%	100%
20	Adani Transmission Bikaner Sikar Private Limited (Formerly Known as KEC Bikaner Sikar Transmission Private Limited) (ATBSPL)	India	Subsidiary	100%[2]	100%[2]
21	WRSS XXI (A) Transco Limited (WRSS XXI (A))	India	Subsidiary	100%	N.A.
22	Bikaner Khetri Transco Limited (BKTL)	India	Subsidiary	100%	N.A.
23	Lakadia banaskantha Transco Limited (LBTL)	India	Subsidiary	100%	N.A.
24	Jamkhambhaliya Transco Limited (JKTL)	India	Subsidiary	100%	N.A.
25	Arasan Infra Private Limited (AIPL)	India	Subsidiary	100%	N.A.
26	Sunrays Infra Space Private Limited (SISPL)	India	Subsidiary	100%	N.A.
27	Power Distribution Services Limited (Formerly known as 'Adani Electricity Mumbai Services Limited') (Refer Note 60) (PDSL)	India	Subsidiary	74.90%	N.A.
28	Adani Electricity Mumbai Infra Limited (100% subsidiary of AEML) (AEMIL)	India	Subsidiary	74.90%	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.

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 in respect of assets related to electricity generation, transmission and distribution business except (ii) & (iii) below are covered under Part B of Schedule II of the Companies Act, 2013, has been provided on the straight line method (considering a salvage value of 5%) at the rates using the methodology as notified by the respective regulators.

ii) In respect of assets of 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.

iii) In respect of assets other than (i) & (ii) above, depreciation on fixed assets is calculated on straight-line method (SLM) (considering a salvage value of 5%) 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 value 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.

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:-

	Useful lives
Type of Assets	25-60 Years
Building	3-35 Years
Plant and Equipment	10-15 Years
Furniture and Fixtures	5-15 Years
Office Equipment	3-6 Years
Computer Equipment	8-10 Years
Vehicles	35 Years
Distribution Line / Transmission Cable	15 Years
Plant and Equipment, Building at DTPS	

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(b) **Intangible assets**
Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal.
In respect of Intangible Asset ("Assets") pertaining to Mumbai Generation, Transmission and Distribution business during the year with effect from 29th August, 2018, the group has accounted for such Assets at their respective fair values based on the valuation done by professional valuation firm. Subsequent additions to the assets after 29th August, 2018 are accounted for at cost.

In respect of Intangible Asset ("Assets") pertaining to Mumbai Generation, Transmission and Distribution business acquired from Reliance Infrastructure Limited under a Court sanctioned scheme of arrangement with an appointed date of 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 License*	Indefinite
Computer Software	3-5 years

* Related to Mumbai distribution Business

(c) **Intangible Assets Under Development - Software**
Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled are recognised as intangible assets where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

(d) **Impairment of PPE and intangible assets other then Goodwill**
PPE (including CWIP) and intangible assets with definite lives, are reviewed for impairment, whenever events or changes in circumstances indicate that their carrying values may not be recoverable. Intangible assets having indefinite useful lives are tested for impairment, at-least annually and whenever circumstances indicate that it may be impaired.

For the purpose of impairment testing, the recoverable amount (that is, higher of the fair value less costs to sell and the value-in-use) is determined on an individual asset basis, unless the asset does not generate cash flows that are largely independent of those from other assets, in which case the recoverable amount is determined at the cash generating unit ("CGU") level to which the said asset belongs. If such individual assets or CGU are considered to be impaired, the impairment to be recognised in the statement of profit and loss is measured by the amount by which the carrying value of the asset / CGU exceeds their estimated recoverable amount and allocated on pro-rata basis.

Impairment losses are reversed in the statement of profit and loss and the carrying value is increased to its revised recoverable amount provided that this amount does not exceed the carrying value that would have been determined had no impairment loss been recognised for the said asset / CGU in previous years.

(e) Current versus Non-Current Classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle; or
- Held primarily for the purpose of trading; or
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

- It is expected to be settled in normal operating cycle; or
- It is held primarily for the purpose of trading; or
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

(f) Cash & Cash Equivalents

Cash & cash equivalents comprises cash on hand, cash at bank and short term deposit with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Cash & cash equivalents include balance with banks which are unrestricted for withdrawal and usage.

For the purpose of the statement of cash flows, cash & cash equivalents consists of cash at banks and short term deposits as defined above, as they are considered an integral part of the Group's cash management.

(g) Statement of Cash Flows

Cash flows are reported using the indirect method, where by profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

(h) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Group's entity are recognised at the proceeds received, net of direct issue costs.

(A) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

i) Classification of financial assets

a) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost using the effective interest rate method if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition, the Group makes an irrevocable election on an instrument-by-instrument basis to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments, other than equity investment which are held for trading. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

c) Financial assets at fair value through profit & loss (FVTPL)

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

ii) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial assets and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and transaction costs and other premiums or discounts) through the expected life of the financial assets, or where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest is recognised on an effective interest basis for debt instruments other than those financial assets classified as at Fair Value through Profit and Loss (FVTPL). Interest income is recognised in profit or loss and is included in the "Other income" line item.

iii) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

- the right to receive cash flows from the asset have expired, or
- the Group has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

iv) Impairment of financial assets

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables and other contractual rights to receive cash or other financial asset.Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. The Group estimates cash flows by considering all contractual terms of the financial instrument through the expected life of that financial instrument. The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on financial instruments has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life time expected credit losses and represent the 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.

(l) 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:

- 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) **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.

(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.

(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

Effective from 1st April, 2019, the Group adopted Ind AS 116 – Leases and applied the standard to all lease contracts existing as on 1st April, 2019 using the modified retrospective method on the date of initial application i.e. 1st April, 2019. Refer 44 for details on transition to Ind AS 116 Leases.

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Lease term is a non-cancellable period together with periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by 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.

Under Ind AS 17 Leases:

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

As a Lessor

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Group's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

As a Lessee

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

Lease payments

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

(r) Taxation

Tax on income comprises current tax and deferred tax. These are recognised in Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

i) Current tax

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

ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction other than a business combination that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised. The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

Deferred tax assets are recognised for unused tax losses (excluding unabsorbed depreciation) to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Regulators tariff norms provide the recovery of Income Tax from the beneficiaries by way of grossing up the return on equity based on effective tax rate for the financial year shall be based on the actual tax paid during the year on the transmission income from certain subsidiaries . Accordingly, deferred tax liability provided during the year which is fully recoverable from beneficiaries and known as "deferred assets recoverable / adjustable". The same will be recovered when the related deferred tax liability forms a part of current tax.

(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 Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract

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 A of Ind AS - 11 "Service Concession Arrangements" with respect to its transmission assets portfolio. In assessing the applicability, the Group have exercised judgment in relation to the provisions of the Electricity Act, 2003, transmission license and / or agreements etc. Based on such assessment, it has concluded that Appendix A of Ind AS 11 is not applicable.

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:

i) **Current tax[1]**
The Group has treated certain expenditure as being deductible for tax purposes. However, the tax legislation in relation to this expenditure is not clear and the Group has applied their judgement and interpretation for the purpose taking their tax position.

ii) **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 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 Judgment 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 54.

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 year the Group has terminated the above PPA due to non-performance of obligations under the PPA by VIPL, such termination has been upheld by MERC and VIPL has preferred to appeal against the MERC order to the Appellate Tribunal of Electricity ("ATE").

3.9 **Control over Subsidiary[1]**
During the year, the Group entered into an agreement with Qatar Investment Authority ("QIA") , through Qatar Holdings LLC ("QH"), pursuant to which it has disposed off 25.1% stake in Adani Electricity Mumbai Limited ("AEML") to QIA. The Group continues to own 74.9% ownership interest in AEML. The Group Management has assessed whether or not it has control over AEML. In making their judgement, the Group considered the powers it has to appoint and remove majority directors on the Board of AEML and the practical ability to direct the relevant activities of AEML, in light of the various rights available to both parties with the aforesaid agreement with QIA. Based on such assessment, the Group management has concluded that it has sufficient power to direct the relevant activities of AEML and therefore, AEML continues to be controlled by the Group and consolidated accordingly.

[1] **Critical accounting judgments**
[2] **Key sources of estimation uncertainties**

4.1 Standards issued but not effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

4.2 Change in accounting policies and disclosures

Ind AS 116 Leases

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

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

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

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

Assets	**₹ in Crores**
Right- of- Use assets	170.22
Prepayments- Land	(58.32)
Prepayments- Way Leave rights	(8.41)
Total Assets	103.49
Liabilities	
Lease Liability Obligation	103.49
Total Liabilities	103.49

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

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

- **Leases previously classified as finance leases**

The Group did not have any finance leases.

- **Leases previously accounted for as operating leases**

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

The Group also applied the available practical expedients wherein it:

Used a single discount rate to a portfolio of leases with reasonably similar characteristics
Relied on its assessment of whether leases are onerous immediately before the date of initial application

Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application

Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

Assets	**₹ in Crores**
Operating lease commitments as at 31 March, 2019	177.51
Weighted average incremental borrowing rate as at 1 April, 2019	9.32% to 13.25%
Discounted operating lease commitments as at 1 April 2019	103.49
Lease liabilities as at 1 April 2019	103.49

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

5. Property, Plant and Equipment, Intangible Assets and Capital Work in Progress

5.1 Property, Plant and Equipment

(₹ in Crores)

Description of Assets	Tangible Assets												Intangible Assets		
	Land (Free hold)	Building	Plant and Equipment	Furniture and Fixtures	Office Equipment	Computer Equipment	Vehicles	Railway Slidings	Distribution System	Jetties	Electrical Installation	Total	Computer Software	Transmission License	Total
I. Gross Carrying Amount															
Balance as at 1st April, 2018	91.51	87.68	10,492.05	1.92	4.35	0.91	0.26	-	-	-	-	10,678.68	0.31	-	0.31
Additions	2.24	52.86	2,780.00	4.29	3.17	10.17	2.52	-	275.93	-	2.07	3,133.25	-	-	-
Disposals	(3.11)	(0.26)	(26.12)	-	-	(0.02)	(0.24)	-	-	-	(0.01)	(29.78)	-	-	-
Other Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	(0.64)	-	(0.64)
Acquisitions through business combinations	2,636.87	810.88	3,790.18	13.24	5.53	16.29	11.75	6.70	4,332.46	1.23	14.32	11,639.47	7.50	981.62	989.12
Balance as at 31st March, 2019	2,727.51	951.16	17,036.11	19.45	13.05	27.35	14.29	6.70	4,608.41	1.23	16.38	25,421.64	7.17	981.62	988.79
Additions	8.27	33.30	863.26	2.03	1.91	42.13	12.81	-	437.76	-	6.10	1,407.57	15.24	-	15.24
Disposals	(0.07)	-	(7.62)	-	(0.17)	(0.42)	(1.15)	-	-	-	(0.12)	(9.55)	-	-	-
Other Adjustment				-								-	-	-	-
Balance as at 31st March, 2020	2,735.71	984.46	17,891.75	21.48	14.79	69.06	25.95	6.70	5,046.17	1.23	22.36	26,819.66	22.41	981.62	1,004.03
II. Accumulated depreciation															
Balance as at 1st April, 2018	-	9.25	1,697.72	0.36	0.69	0.14	0.06	-	-	-	-	1,708.22	0.09	-	0.09
Depreciation and Amortisation Expense	-	22.39	734.30	2.94	2.82	9.88	2.16	0.26	100.69	0.05	3.18	878.67	3.48	-	3.48
Eliminated on disposal of assets	-	-	(1.80)	-	-	(0.02)	(0.07)	-	-	-	-	(1.89)	-	-	-
Balance as at 31st March, 2019	-	31.64	2,430.22	3.30	3.51	10.00	2.15	0.26	100.69	0.05	3.18	2,585.00	3.57	-	3.57
Depreciation and Amortisation Expense	-	35.10	692.89	2.76	2.45	11.09	2.10	0.41	187.54	0.07	2.47	1,136.88	5.59	-	5.59
Eliminated on disposal of assets	-	-	(0.96)	-	(0.18)	(0.38)	(0.30)	-	-	-	(0.10)	(1.92)	-	-	-
Balance as at 31st March, 2020	-	66.74	3,322.15	6.06	5.78	20.71	3.95	0.67	288.23	0.12	5.55	3,719.96	9.16	-	9.16

(₹ in Crores)

Description of Assets	Tangible Assets												Intangible Assets		
	Land (Free hold)	Building	Plant and Equipment	Furniture and Fixtures	Office Equipment	Computer Equipment	Vehicles	Railway Slidings	Distribution System	Jetties	Electrical Installation	Total	Computer Software	Transmission License	Total
Net Carrying Value :															
As at 31st March, 2019	2,727.51	919.52	14,605.89	16.15	9.54	17.35	12.14	6.44	4,507.72	1.18	13.20	22,836.64	3.60	981.62	985.22
As at 31st March, 2020	2,735.71	917.72	14,569.60	15.42	9.01	48.35	22.00	6.03	4,757.94	1.11	16.81	23,099.70	13.25	981.62	994.87

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.

For charge created on aforesaid assets, refer note 23.

5.2 Capital Work-In-Progress

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Opening balance	694.06	2,352.79
Expenditure incurred during the year	2,761.12	895.82
Employee benefit expenses	32.20	44.26
Borrowing cost	44.75	159.05
Other expenses	59.36	64.73
Addition due to acquisitions through business combinations	40.28	310.66
Less: Capitalized during the year	(1,422.81)	(3,133.25)
Closing Balance	2,208.96	694.06

For charge created on aforesaid assets, refer note 23.

5.3 Right of Use Assets

(₹ in Crores)

Particulars	Transition due to IND AS 116	Additions for the year ended March 31, 2020	Disposal for the year ended March 31, 2020	Depreciation for the year ended March 31, 2020	Net carrying amount as at March 31, 2020
Leasehold Land	97.44	1.58	-	5.78	93.24
Buildings	64.37	90.66	(25.12)	23.97	105.94
Way Leave Rights	8.41	31.75	-	1.80	38.36
Total	170.22	123.99	(25.12)	31.55	237.54

(₹ in Crores)

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Depreciation on Tangible Assets	1,136.88	878.67
Amortisation of Intangible Assets	5.59	3.48
Amortisation of Right of Use	31.55	-
Total	1,174.02	882.15

6	**Investments**	Face Value	As at 31st March, 2020 (₹ in Crores)	As at 31st March, 2019 (₹ in Crores)
	Non-Current Investments			
	Investment in Government or Trust Securities at amortised cost			
	Contingency Reserve Investment (Quoted)			
	8.12% Central Government of India-2020	100	-	76.89
	8.27% Central Government of India-2020	100	-	15.39
	7.68% Central Government of India-2023	100	-	15.34
	7.68% Central Government of India-2023	100	-	13.30
		Total	-	**120.92**
	Aggregate book value of Quoted Investments		-	**120.92**
	Aggregate market value of Quoted Investments		-	**120.92**

7	**Loans- At Amortised Cost**		As at 31st March, 2020 (₹ in Crores)	As at 31st March, 2019 (₹ in Crores)
	Housing loans to employee against Hypothecation of the property (Secured, considered good)		31.37	35.79
	Loan to employees (Unsecured, considered good)		7.54	5.37
		Total	**38.91**	**41.16**

8	**Non-current Financial Assets- Others**		As at 31st March, 2020 (₹ in Crores)	As at 31st March, 2019 (₹ in Crores)
	(Unsecured, considered good)			
	Fixed Deposits with maturity over 12 months (Margin money with banks for guarantees issued)		59.75	16.64
	Advance for Business Acquisition (Refer note 62(vi))		17.21	-
	Financial Asset Under Service Concession Arrangement (SCA)		1,196.20	1,262.52
	Balance with Government Authorities		-	6.95
	Regulatory Assets other than Distribution		-	4.78
	Derivative Instruments designated in hedge accounting relationship		998.30	-
	Security deposit - Considered Good		30.76	21.20
	Security deposit -Considered doubtful		1.05	1.05
	Balances held as Margin Money or security against borrowings		0.19	-
		Total	2,303.46	1,313.14
	Less : Provision For Doubtful Deposits		(1.05)	(1.05)
		Total	**2,302.41**	**1,312.09**

9	**Deferred tax assets (Net)**		As at 31st March, 2020 (₹ in Crores)	As at 31st March, 2019 (₹ in Crores)
	Deferred tax Assets		-	526.40
	Deferred tax Liabilities		-	(423.82)
	Net Deferred Tax Assets	**Total**	-	**102.58**

The significant component and classification of deferred tax assets and liabilities on account of timing differences are:

2018-19

Particulars	Opening Balance	Arising on Business Combination	Recognised in Profit & Loss	Closing Balance
Deferred Tax Assets in relation to				
Allowance for Doubtful Debts, Deposits and Advances	-	-	8.59	8.59
Provisions for employee benefits and others	-	177.84	10.22	188.06
Tax Losses	-	7.41	-	7.41
Unabsorbed Depreciation	-	-	322.34	322.34
	-	185.25	341.15	526.40
Deferred Tax liabilities in relation to				
Property, Plant & Equipment	-	7.80	416.02	423.82
	-	7.80	416.02	423.82
Deferred Tax Asset/(Liability) (Net)	-	177.45	(74.87)	102.58

For deferred tax Liabilities of FY 19-20 Refer note 28

10	**Income Tax Assets (Net)**		As at 31st March, 2020 (₹ in Crores)	As at 31st March, 2019 (₹ in Crores)
	Advance Income Tax		37.31	36.62
		Total	**37.31**	**36.62**

		As at 31st March, 2020 (₹ in Crores)	As at 31st March, 2019 (₹ in Crores)
11	**Other Non-current Assets**		
	(Unsecured)		
11.1	Capital advances	632.95	210.80
	- Considered Good	1.39	-
	- Considered Doubtful	634.34	210.80
		(1.39)	-
	Less : Expected Credit Loss on Capital Advances	632.95	210.80
		2.91	63.40
11.2	Prepaid Lease Rent and Prepaid Expenses	874.83	732.14
11.3	Deferred Assets (recoverable) / adjustable*		
	Total	1,510.69	1,006.34

* In respect of transmission businesses where tariff is determined on cost plus, return on equity and the income tax is a pass through, deferred tax recoverable from / adjustable against future tariff, when and to the extent such deferred tax becomes current tax in future periods, is presented separately, and is not offset against deferred tax in accordance with guidance given by Expert Advisory Committee of The Institute of Chartered Accountant of India (ICAI) in its recent opinion on a similar matter. Until previous year, it was presented under 'Tax Expense' in the Statement of Profit & Loss and adjusted in deferred tax balance in the Balance sheet, which has now been reclassified.

		As at 31st March, 2020 (₹ in Crores)	As at 31st March, 2019 (₹ in Crores)
12	**Inventories** (At lower of Cost and Net Realisable Value)		
		332.83	178.30
	Fuel	87.19	50.72
	Fuel -in Transit	121.15	137.16
	Stores & spares **Total**	541.17	366.18

During the year ended 31st March, 2020 ₹ 4.53 Crores (Previous Year ₹ Nil) was recognised as an expense for Inventories carried at net realisable value.
For charge created on aforesaid assets, refer note 23.

		Face Value of ₹ unless otherwise specified	No of Units*	As at 31st March, 2020 (₹ in Crores)	As at 31st March, 2019 (₹ in Crores)
13	**Current Financial Assets - Investments**				
	Investment in Mutual Funds units at FVTPL (Unquoted)				
	Contingency Reserve Investments				
	SBI Liquid Fund Direct Growth Plan	1000	5,95,254 (1,48,706.31)	185.07	43.55
	SBI Premier Liquid Fund - Direct Growth Plan	1000	1,43,513.49 (93,391.31)	44.62	27.36
	Other Investments				
	Birla Sun Life Cash Plus - Growth-Direct Plan	100	41,078.07 (-)	1.31	-
	Nippon India Liquid Fund Direct Growth Plan	1000	1,41,593.37 (-)	68.68	-
	ICICI Prudential Overnight Fund Direct Plan	100	12,01,911.06 (-)	12.95	-
	Kotak Liquid Fund - Direct Growth Plan	1000	- (5,28,93.26)	-	20.02
	Axis Liquid Fund-Direct Growth Plan	1000	- (96,570.58)	-	20.02
	Edelweiss Liquid Fund - Direct Growth Plan	1000	- (74,974.18)	-	18.02
	UTI Liquid Cash Plan - Direct Growth Plan	1000	- (28,458.9)	-	8.71
	Yes Liquid Fund - Direct Growth Plan	1000	- (2,95,894.44)	-	30.03
	ICICI Prudential Liquid Fund - Direct Growth Plan	100	1,301.26 (12,53,406.47)	0.04	34.65
	Reliance Liquid Fund - Direct Growth Plan	1000	- (10,465.91)	-	4.77
	SBI Premier Liquid Fund - Direct Growth Plan	1000	- (26,405.65)	-	7.73
			Total	312.67	214.86

* Previous year units are in bracket

Aggregate Carrying value of unquoted investments	312.67	214.86
Aggregate market value of unquoted investments	312.67	214.86

14 Trade Receivables

		As at 31st March, 2020 (₹ in Crores)	As at 31st March, 2019 (₹ in Crores)
(Unsecured otherwise stated)			
Unsecured, considered good		1,000.26	722.05
Credit Impaired		77.46	29.50
		1,077.72	751.55
Less : Expected Credit Loss		(77.46)	(29.50)
	Total	1,000.26	722.05

Age of receivables	As at 31st March, 2020 (₹ In Crores)	As at 31st March, 2019 (₹ In Crores)
Within the Credit Period	637.64	494.92
Beyond Credit Period	362.62	227.13
	1,000.26	722.05

Movement in the allowance for doubtful trade receivables	As at 31st March, 2020 (₹ in Crores)	As at 31st March, 2019 (₹ in Crores)
Balance at the beginning of the year	29.50	2.46
Add : Provision made during the year	47.96	27.04
Balance at the end of the year	77.46	29.50

(i) The Group holds security deposit amounting to ₹ 469.72 Crores (P.Y. ₹ 431.87 Crores) in respect of trade receivable of Distribution of power business.

(ii) As at 31 March, 2020 - ₹ 59.70 crore is due from Municipal Corporation of Greater Mumbai which represents Group's large customer who owes more than 5% of the total balance of trade receivables.

(iii) The average credit period for the Group's receivables from its distribution (including street light maintenance) business is in the range of 15 to 30 days. No interest or delayed payment is charged on trade receivables till the due date. Thereafter, one time delayed payment charges at the rate of 1.25% & interest after 30 / 60 days from bill date is charged in the range of 12% to 15% per annum

(iv) In case of transmission business, regulator approved tariff is receivable from long-term transmission customers (LTTCs) and Discoms that are highly rated companies or government parties. Counterparty credit risk with respect to these receivables is very minimal.

(v) The Group considers for impairment its receivables from customers in its of Distribution of power business. The risk of recovery in these businesses is reduced to the extent of security deposits already collected and held as collaterals. Balance amount receivable over and above the deposit is assessed for expected credit loss allowances. The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experienced and adjusted for forward- looking information. The expected credit loss allowance is based on ageing of the days the receivables are due.

(vi) Above trade receivables are pledged as security with the Lenders against borrowings. (Refer note 23)

15 Cash and Cash Equivalents

		As at 31st March, 2020 (₹ in Crores)	As at 31st March, 2019 (₹ in Crores)
Balances with banks			
In current accounts		920.33	148.04
Fixed Deposits (with original maturity for three months or less)		306.05	28.54
(Lodged against Bank guarantees and Debt service reserve account)			
Cheque / Draft on Hand		6.19	9.06
Cash on Hand		0.42	2.61
	Total	1,232.99	188.25

For charge created on aforesaid assets, refer note 23.

16 Bank Balance other than Cash and Cash Equivalents

		As at 31st March, 2020 (₹ In Crores)	As at 31st March, 2019 (₹ in Crores)
Balances held as Margin Money		688.85	27.10
Fixed Deposit (with original maturity of more than 3 months)		375.00	486.21
	Total	1,063.85	513.31

(Lodge against Bank Guarantee and Debt Service Reserve Account)
For charge created on aforesaid assets, refer note 23.

17 Current Financial Assets - Loans

		As at 31st March, 2020 (₹ in Crores)	As at 31st March, 2019 (₹ in Crores)
(At Amortised Cost)			
Housing loans to employee against Hypothecation of the property		4.82	4.29
(Secured, considered good)			
Loans to employees - Unsecured		3.58	4.46
Loans to Related Party Unsecured (Refer note 45)		1,623.00	-
Loans to Others Unsecured		777.88	-
(Unsecured, considered good)			
	Total	2,409.28	8.75

18	**Current Financial Assets- Others**	**As at 31st March, 2020 (₹ in Crores)**	**As at 31st March, 2019 (₹ in Crores)**
	(Unsecured, considered good, unless otherwise stated)		
	Interest receivable	44.47	1.77
	Unbilled Revenue	1,105.97	1,071.45
	Financial Asset Under Service Concession Arrangement (SCA)	92.26	107.60
	Security deposit	1.37	0.46
	Derivative instruments designated in hedge accounting relationship	299.24	1.44
	Other financial assets*	-	503.26
	Total	**1,543.31**	**1,685.98**

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

19	**Other Current Assets**	**As at 31st March, 2020 (₹ in Crores)**	**As at 31st March, 2019 (₹ in Crores)**
	(Unsecured, considered good)		
	Advance to Suppliers	293.33	86.89
	Balances with Government authorities	12.42	10.41
	Prepaid Lease Rent	-	2.61
	Prepaid Expenses	19.53	17.74
	Advance to Employees	8.89	12.64
	Total	**334.17**	**130.29**

20	**Equity Share Capital**	**As at 31st March, 2020 (₹ in Crores)**	**As at 31st March, 2019 (₹ in Crores)**
	Authorised Share Capital 1,50,00,00,000 (As at 31^{st} March 2019-1,50,00,00,000) 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 31^{st} March 2019- 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, 2020**		**As at 31st March, 2019**	
	No. Shares	**(₹ In Crores)**	**No. Shares**	**(₹ in Crores)**
At the beginning of the Year	1,099,810,083	1,099.81	1,099,810,083	1,099.81
Issued during the year	-	-	-	-
Outstanding at the end of the year	1,099,810,083	1,099.81	1,099,810,083	1,099.81

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend if proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Aggregate Number of shares issued other than cash, during the period of five years immediately preceding the reporting date:

Particulars	**As at 31st March, 2020 No. Shares**	**As at 31st March, 2019 No. Shares**
Company has issued and allotted fully paid up equity shares of ₹ 10 each, to the equity shareholders of Adani Enterprise Limited ("AEL") pursuant to the Composite Scheme of Arrangement during F.Y. 2015-16	**1,099,810,083**	**1,099,810,083**

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

Particulars	**As at 31st March, 2020**		**As at 31st March, 2019**	
	No. Shares	**% holding in the class**	**No. Shares**	**% holding in the class**
Equity shares of ₹ 10 each fully paid				
Mr. Gautam S. Adani / Mr. Rajesh S. Adani (On the behalf of S.B. Adani Family Trust)	621,197,910	56.48%	621,197,910	56.48%
Adani Tradeline LLP (Formerly known as Parsa Kente Rail Infra LLP)	99,491,719	9.05%	99,491,719	9.05%
Total	720,689,629	65.53%	720,689,629	65.53%

21 Unsecured Perpetual Equity Instrument	As at 31st March, 2020 (₹ In Crores)	As at 31st March, 2019 (₹ In Crores)
Opening Balance	3,408.03	1,848.63
Add: Availed during the year	700.00	1,254.00
(Less): Repaid during the year	(1,209.62)	-
Add: Distribution on Unsecured Perpetual Equity Instrument (Net of Tax)	381.01	305.40
Closing Balance	3,279.42	3,408.03

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 ₹ 2,579.42 Crores (As at 31.03.2019: ₹ 3,408.03 Crores) outstanding as at March 31, 2020 are fixed at coupon rate of 11.80% p.a. compounded annually and for remaining amount i.e. ₹ 700.00 Crores (As at 31.03.2019: ₹ Nil) outstanding as at March 31, 2020 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.

22 Other Equity		As at 31st March, 2020 (₹ In Crores)	As at 31st March, 2019 (₹ In Crores)
a. Capital Reserve (Refer note (i) below)			
Closing Balance	**Total (a)**	**208.87**	**208.87**
b. Effective portion of cashflow Hedge (Refer note (ii) below)			
Opening Balance		(174.55)	(183.74)
Effective portion of cash flow hedge for the year		141.14	9.19
Closing Balance	**Total (b)**	(33.41)	(174.55)
c. General Reserve (Refer note (iii) below)		1,220.60	1,220.60
	Total (c)	**1,220.60**	**1,220.60**
d. Capital Redemption Reserve (Refer note (iv) below)			
Opening Balance		1,891.88	801.25
Add: Transfer from Retained Earning on redemption of Optionally Convertible Redeemable Preference Shares		-	1,090.63
Closing Balance	**Total (d)**	**1,891.88**	**1,891.88**
e. Debenture Redemption Reserve (Refer note (v) below)			
Opening Balance		12.87	-
Transfer from Retained Earning		0.57	12.87
Closing Balance	**Total (e)**	**13.44**	**12.87**
f. Contingency Reserve (Refer note (vi) below)			
Opening Balance		203.17	-
Acquired on Business Combination		-	165.73
Addition during the year		37.37	37.44
Closing Balance	**Total (f)**	**240.54**	**203.17**
g. Surplus in the Statement of Profit and Loss (Refer note (vii) below)			
Opening Balance		172.20	1,061.07
Add : Profit for the year		741.82	559.20
(Less): Other comprehensive income arising from remeasurement of Defined Benefit Plans		(13.21)	(1.42)
(Less): Distribution on Unsecured Perpetual Equity Instrument		(383.29)	(305.71)
(Less): Transfer to Contingency reserve		(36.52)	(37.44)
(Less): Transfer to Debenture Redemption Reserve		(0.57)	(12.87)
Add: Gain on sale of Equity Shares of Subsidiary Companies to non controlling interest (Refer note 60)		97.38	-
Transfer from Retained Earning to Capital Redemption Reserve (CRR) on redemption of optionally convertible redeemable Preference Shares		-	(1,090.63)
	Total (g)	**577.81**	**172.20**
	Total (a+b+c+d+e+f+g)	**4,119.73**	**3,535.04**

Notes :

i) Capital Reserve of ₹ 11.47 Crores was created due to acquisition of 100% stake in Maru Transmission Service Company Limited and 100% stake in Aravali Transmission Service Company Limited in the financial year 2016-17.
Capital reserve of ₹ 193.50 Crores have been created on issuance of Compulsory Convertible Preference Shares (CCPS) by wholly owned subsidiary companies namely Western Transco Power Limited and Western Transmission (Gujarat) Limited in the financial year 2017-18.

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) During the financial year 2015-16, General reserve of ₹ 1,220.60 crores was created pursuant to the demerger of transmission undertaking of Adani Enterprises Limited into the company.

iv) Capital redemption reserve of ₹ Nil (F.Y. 2018-19 ₹ 1,090.63 Crores) was created due to transfer on redemption of optionally convertible redeemable preference shares from retained earnings.

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) Retained earnings 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.

23 Non current Financial Liabilities - Borrowings

	Non-current		Current	
	As at 31st March, 2020 (₹ in Crores)	As at 31st March, 2019 (₹ in Crores)	As at 31st March, 2020 (₹ in Crores)	As at 31st March, 2019 (₹ in Crores)
Secured				
Bonds				
3.949% USD Bonds	7,488.22	-	-	-
4.00% USD Bonds	3,725.85	3,392.62	-	-
4.25% USD Bonds	3,625.18	-	129.90	-
5.20% US private Placement	2,909.97	-	87.92	-
9.10% INR Bonds (Masala Bond)	-	272.88	-	97.67
Shareholders Affiliated Debts	2,095.22	-	-	-
Term Loans				
From Banks				
Rupee loan	550.89	9,310.61	84.60	1,019.24
Foreign currency loan	687.72	185.87	11.06	10.32
From Financial Institutions	1,019.33	1,321.26	20.38	29.02
Trade Credits & Buyers Credit				
From Banks	65.21	170.96	-	-
Non Convertible Debentures				
8.46% Non Convertible Debenture	122.06	-	11.51	-
9.01% Non Convertible Debenture		139.08	-	12.31
9.25% Non Convertible Debenture	-	-	-	149.98
9.35% Non Convertible Debenture	-	363.70	164.94	-
9.45% Non Convertible Debenture	-	149.17	-	-
9.85% Non Convertible Debenture	-	249.72	209.96	881.56
10.25% Non Convertible Debenture	-	748.24	-	-
Total	**22,289.65**	**16,304.11**	**720.27**	**2,200.10**
Amount disclosed under the head "Other current financial liabilities" (Refer Note: 31)	-	-	(720.27)	(2,200.10)
Net amount	**22,289.65**	**16,304.11**	**-**	**-**

Notes

(A) During the year, AEML has raised foreign currency borrowings by way of issue of Senior Secured Notes- USD 1 billion, Shareholders Affiliated Debts - USD 282 Million, External Commercial Borrowing- USD 70 Million. The proceeds from these borrowings were / will be utilized to retire existing Debts, future capital expenditure and general corporate borrowings. The said borrowings have been hedged using various hedging instruments.

(B) During the year, wholly owned subsidiaries of Adani Transmission Limited (ATL) (Six Subsidiaries as issuer and one subsidiary as obligor) has completed US private placement transaction by issuance of USD 400 Million 5.20% notes to eligible International Investors maturing in 2050.The said borrowings have been hedged using various hedging instruments.

(C) During the year, ATL has completed issuance of USD 500 million 4.25% Foreign Currency Bonds maturing in 2036. Servicing of the bonds will be supported by an obligor group that includes ATL and two of its wholly-owned subsidiaries, MEGPTCL and ATIL. ATL were/will use the bond's proceeds to refinance its existing INR debt and Masala bonds. The said borrowings have been hedged using various hedging instruments.

Security

1 3.949% USD Bond and Rupee term loan of ₹ 600.59 Crores are secured by

a a first ranking mortgage of certain specific immovable properties of the AEML.

b a negative lien over other immovable properties of the Borrower, excluding the Identified Immovable Properties of AEML

c a first charge by way of hypothecation of all the movable assets of the Project, both present and future of AEML

d a first pari-passu charge on all book debts, operating cash flows, receivables (excluding Past Period Regulatory Assets; post distribution cash flows and debenture liquidity reserve), commissions or revenues whatsoever arising out of the Project, both present and future of AEML

e a first pari-passu charge on the Accounts under the Project Accounts Deed (excluding the Excluded Accounts) and amounts lying to the credit of such Accounts, both present and future of AEML

f a first pari-passu charge/ assignment in relation to the MERC Licenses of the Project, subject to approval from MERC of AEML

g a pledge over 100% of the entire paid up equity and preference share capital of AEML

As at the reporting date, it is in the process of creation of security in favour of the lenders. The Security Interest to be created on the Security as aforesaid shall rank pari passu inter se the Senior Secured Creditors.

2 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 respective Companies.

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

3 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.

4 Rupee Term Loans aggregating ₹ 1,051.04 Crores (31st March, 2019 ₹ 1,482.30 Crores) ,Foreign Currency Loans aggregating ₹ 200.10 Crores (31st March 2019: ₹ 199.00 Crores), Rupee Term Loan from Financial Institution of ₹ 548.51 Crores (31st March, 2019 ₹ 1,350.28 Crores) and Letter of credits/Buyers Credit aggregating ₹ 65.21 Crores (31st March, 2019 ₹ 170.96 Crores) 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.

5 6.3645% Shareholders Affiliated Debts are secured by First-ranking fixed charge over all its present and future right, title, benefit and interest in the Excluded Loan Accounts and First-ranking floating charge over all of its present and future right, title, benefit and interest in the equity distribution account

6 In respect of loans outstanding as at 31 March, 2019 Rupee Term Loans aggregating ₹ 8,715.79 Crores (Including Short term working capital loan of ₹ 389.49 Crores and current maturities of ₹ 267.10 Crores) and short term Buyers Credit aggregating ₹ 56.88 Crores from banks were secured by way of:-:-

a. First pari-passu charge by way of Mortgage of 33 immovable properties of Adani Electricity Mumbai Limited (AEML)

b. First pari-passu charge by way of hypothecation over the movable assets, both present and future, of the Adani Electricity Mumbai Limited (AEML)

c. First charge by way of assignment of all documents, permits, approvals, rights, titles, interest, benefits, claims, insurance, demands, clearances etc, pertaining to the business of the Group by way of Hypothecation Deed / Indenture of Mortgage, both present and future of the Adani Electricity Mumbai Limited (AEML).

d. First pari-passu charge on all book debts, operating cash flows, receivables (excluding Regulatory Assets and the bank accounts where such Regulatory Assets are deposited), commissions or revenues whatsoever arising both present and future of the Adani Electricity Mumbai Limited (AEML)

e. First pari-passu charge on all present and future bank accounts including the Trust and Retention accounts (excluding the Escrow bank account wherein the Regulatory Assets recovered are deposited).

f. First charge by way of assignment of transmission and distribution license of the Adani Electricity Mumbai Limited (AEML)

g. Pledge over 51% of the entire paid up share capital of Adani Electricity Mumbai Limited (AEML)

h. Negative Lien Undertaking (by way of NDU) in respect of the 90 freehold, 115 leasehold immoveable properties and 2 Right of way properties, including future immovable properties.

7 ₹ 700 Crores Rupee Term Loan (31st March, 2019 ₹ 778.99 Crores) (Including short term borrowing of ₹ 78.99 Crores)(rate of interest in the range of 9.20% to 9.75% reset on monthly basis) (including current maturities of ₹ 700 Crs) from Banks against Regulatory Assets to be recovered, is secured by way of (in respect of Previous Years)

a. First ranking pari-passu charge on identified Approved Regulatory Asset / Revenue Gap as approved by Maharashtra State Electricity Regulatory Commission (MERC) for FY 2019-20 as per MYT order dated September 12, 2018 of Adani Electricity Mumbai Limited (AEML).

b. First ranking pari-passu charge on Collection accounts opened with designated Banks of Adani Electricity Mumbai Limited (AEML).

8 Cash Credits in Rupee terms & Working Capital Loan from Banks aggregating to ₹ 173.82 Crore (P.Y. - ₹ 158.67 Crore) & ₹ 24.00 Crore (PY ₹ Nil) respectively, is secured by first charge on receivables and on immovable and movable assets created out of project on paripassu basis.

Terms of Repayment

9 INR Bonds (Masala Bonds) aggregating ₹ Nil (31st March, 2019 ₹ 375.00 Crores) were redeemable by quarterly structured payments from financial year 2018 to financial year 2022 and this have been repaid in full.

10 4.00%, 500 Million USD Bonds aggregating ₹ 3,783.25 Crores (31st March, 2019- ₹ 3,457.75 Crores) are redeemable by bullet payment in FY 2026.

11 4.25% 500 Million USD Bonds aggregating ₹ 3,783.25 Crores (31st March, 2019- Nil) are redeemable by Half yearly payment starts from May 2020 to May 2036.

12 INR Non-Convertible Debentures (NCDs) ,ranging from 8.46% to 9.85%, aggregating to ₹ 509.41 Crores, (31st March, 2019 -₹ 2,698.90 Crores) are redeemable at different maturities its tenor ending on year 2034.

13 5.20%, 400 Million USD Denominated Notes aggregating ₹ 3,026.60 crores, (31st March, 2019- ₹ Nil 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.

14 Letter of credits & Buyers Credit (Foreign and Inland) from bank of ₹ 65.21 Crores (31st March, 2019 ₹ 170.96 Crores) carry interest rates ranging from 8.15% to 8.75% p.a. and (a) ₹ 40.39 Crores will be converted in to Rupee term loan as per the terms on the day of maturity or will be repaid and (b) ₹ 24.82 Crores will be converted in to Rupee term loan as per the terms on the day of maturity or will be repaid and the repayment of RTL will start from Mar-2022 ends on Mar 2041

15 Rupee term loans from Banks of ₹ 548.51 Crores (31st March, 2019 ₹ 10,508.79 Crores) and Rupee Term Loan from Financial Institution of ₹ 1,051.04 Crores (31st March, 2019 ₹ 1,361.29 Crores) carry interest rates ranging from 8.25% to 10.90%. The loan is repayable at different maturities ending on FY 50-51.

16 Foreign Currency loan (ECB Loan) from bank aggregating ₹ 200.10 Crores (31st March 2019: ₹ 199.00 Crores) carries an Interest @ 1.85% per annum. The entire FC loan is repayable in 19 quarterly instalments started from December 2017.

17 3.949% Bond 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.

18 6.3645% 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.

19 3.9466% Term Loan from Banks amounting to ₹ 500.59 Crores (31st March, 2019 Nil) are repayable by way of bullet payment in March 2023 with an obligation to prepay the debt on occurrence of certain events. The Group can voluntarily prepay the Term Loan either in full or part.

20 8.50% Rupee term loan amounting to ₹ 100 Crores (31st March, 2019 Nil) from Banks are repayable by way of three equal annual instalments of ₹ 33.33 Crores staring from March 2021

24 **Non Current Trade Payable**		As at 31st March, 2020 (₹ In Crores)	As at 31st March, 2019 (₹ 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.		29.35	21.80
	Total	29.35	21.80

Refer note : 30 (for Micro and Small Enterprises disclosure)

25 **Non Current Financial Liabilities - Others**		As at 31st March, 2020 (₹ In Crores)	As at 31st March, 2019 (₹ In Crores)
Payable on purchase of Property, Plant and Equipment		228.31	45.52
Derivative Instruments designated in hedge accounting relationship		82.17	137.44
Lease Liability Obligation		109.38	-
	Total	419.86	182.96

26 **Other Non Current Liabilities**		As at 31st March, 2020 (₹ in Crores)	As at 31st March, 2019 (₹ in Crores)
Deferred Revenue- Service Line Contributions from Consumers		226.90	224.82
Advances from Customer		51.12	-
	Total	278.02	224.82

27 **Provisions**	Non-Current		Current	
	As at 31st March, 2020 (₹ in Crores)	As at 31st March, 2019 (₹ In Crores)	As at 31st March, 2020 (₹ In Crores)	As at 31st March, 2019 (₹ In Crores)
Provision for Gratuity (Refer note 54)	131.66	115.21	31.99	29.93
Provision for Compensated Absences	108.92	331.86	27.76	33.62
Provision for Other Employment Benefits	19.35	-	2.65	-
Provision for Stamp Duty	15.65	-	-	-
Total	275.58	447.07	62.40	63.55

28 **Deferred Tax Liabilities (net)**		As at 31st March, 2020 (₹ in Crores)	As at 31st March, 2019 (₹ in Crores)
Deferred Tax Liabilities			
Mark to Market Gain on Mutual Funds		(0.90)	(0.29)
Difference between book base and tax base of property, plant and equipment and SCA		(2,178.41)	(1,038.45)
Deferred Tax Liabilities		(2,179.31)	(1,038.74)
Deferred Tax Assets			
Provision disallowed		7.00	-
Interest on Lease Liabilities		0.02	-
Unabsorbed Depreciation		1,108.76	271.49
Tax Losses		20.92	-
Hedge Reserve		2.76	-
Deferred Tax Assets		1,139.46	271.49
Deferred Tax Assets/(Liabilities)		(1,039.85)	(767.25)
Deferred Tax Assets/(Liabilities)		1,039.85	767.25
Less :- MAT Credit Entitlement		(68.48)	(19.58)
Net deferred tax liabilities	Total	971.37	747.67

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.

(a) Movement in deferred tax assets (net) for the Financial Year 2019-20

(₹ in Crores)

Particulars	Opening Balance as at 1st April, 2019	Recognised in profit and loss	Recognised in OCI	Closing Balance as at 31st March, 2020
Tax effect of items constituting deferred tax liabilities:				
Mark to Market gain on Mutual Funds	(0.29)	(0.61)	-	(0.90)
Difference between book base and tax base of property, plant and equipment and SCA	(1,462.27)	(716.14)	-	(2,178.41)
Total	**(1,462.56)**	**(716.75)**	-	**(2,179.31)**
Tax effect of items constituting deferred tax assets:				
Provision disallowed	188.06	(181.06)	-	7.00
Interest on Lease Liabilities	-	0.02	-	0.02
Unabsorbed Depreciation	593.83	514.93	-	1,108.76
Allowance for Doubtful Debts, Deposits and Advances	8.59	(8.59)	-	-
Tax Losses	7.41	13.51		20.92
Hedge Reserve	-	-	2.76	2.76
Others	-	(0.04)	-	-
Total	**797.89**	**338.77**	**2.76**	**1,139.46**
MAT credit entitlement	19.58	48.90	-	68.48
Net Deferred Tax Asset / (Liabilities)	**(645.09)**	**(329.08)**	**2.76**	**(971.37)**

(b) Movement in deferred tax Liabilities (net) for the Financial Year 2018-19

(₹ in Crores)

Particulars	Opening Balance as at 1st April, 2018	Recognised in profit and loss	Recognised in OCI	Closing Balance as at 31st March, 2019
Tax effect of items constituting deferred tax Liabilities:				
Mark to Market gain on Mutual Funds	-	(0.29)	-	(0.29)
Difference between book base and tax base of property, plant and equipments and SCA	(794.38)	(244.07)	-	(1,038.45)
Total	**(794.38)**	**(244.36)**	-	**(1,038.74)**
Tax effect of items constituting deferred tax assets:				
Unabsorbed Depreciation	155.33	116.16	-	271.49
Total	**155.33**	**116.16**	-	**271.49**
MAT credit entitlement	-	19.58	-	19.58
Net Deferred Tax Liabilities	**(639.05)**	**(108.62)**	-	**(747.67)**

29 Current Financial Liabilities - Borrowings

		As at 31st March, 2020 (₹ In Crores)	As at 31st March, 2019 (₹ In Crores)
Secured Borrowings			
Cash Credit/ Working Capital Short term Loan			
From Banks		1,036.83	627.16
Buyers credit			
From Banks		133.27	56.88
	Total (a)	1,170.10	684.04
Unsecured Borrowings			
From Banks		54.67	100.00
From Related Parties		-	35.79
Commercial Papers		-	812.95
Other Short term loan payable on demand		11.04	-
	Total (b)	65.71	948.74
	Total (a+b)	1,235.81	1,632.78

(i) For Short Term Loan, Buyers Credit and Working capital loans - Please Refer note 23 (6), 23 (7) & 23 (8)

(ii) The rate of interest for Secured / Unsecured loans (including Buyers Credit and Working capital loans) from banks ranges from 2.13 % to 9.90 %

30 Trade Payables	As at 31st March, 2020 (₹ In Crores)	As at 31st March, 2019 (₹ In Crores)
Trade Payables		
Micro and Small Enterprises	49.93	0.64
Other than Micro and Small Enterprises	1,701.58	1,236.28
Total	1,751.51	1,236.92

The Disclosure in respect of the amounts payable to Micro and Small Enterprises have been made in the Consolidated Financial Statements based on the information received and available with the Group. The Group has not received any claim for interest from any supplier as at the balance sheet date. These facts have been relied upon by the auditors.

	As at 31st March, 2020 (₹ in Crores)	As at 31st March, 2019 (₹ in Crores)
(a) the principal amount remaining unpaid to any supplier at the end of each accounting year	49.93	0.64
(b) Interest due on principal amount remaining unpaid to any supplier at the end of each accounting year	0.54	0.00
(c) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(d) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	0.54	0.18
(e) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	0.54	0.18
(f) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	0.54	0.18

The above information has been determined to the extent such parties have been identified on the basis of information available with the Group. This has been relied upon by the auditors.

31 Current Financial Liabilities - Others	As at 31st March, 2020 (₹ In Crores)	As at 31st March, 2019 (₹ In Crores)
Current maturities of long-term borrowings (Secured) (Refer note : 23)	720.27	2,200.10
Interest accrued but not due on borrowings	202.96	255.75
Payable on purchase of Property, Plant and Equipment	491.65	151.90
Derivative instruments designated in hedge accounting relationship	24.37	106.80
Security Deposits from Consumers, Customers & Vendors	478.79	435.85
Deferred Revenue - Service Line Contributions from Consumers	9.54	-
Lease Liability Obligations	35.97	-
Other Payables	18.96	60.87
Total	1,982.51	3,211.27

32 Other Current Liabilities	As at 31st March, 2020 (₹ In Crores)	As at 31st March, 2019 (₹ In Crores)
Statutory liabilities	210.14	181.46
Advance from Customers	87.39	74.39
Other Payables	11.89	2.61
Total	309.42	258.46

33 Current Tax Liabilities	As at 31st March, 2020 (₹ in Crores)	As at 31st March, 2019 (₹ in Crores)
Current Tax	40.29	15.19
Total	40.29	15.19

34 **Revenue from Operations - From Generation, Transmission and Distribution Business**		**For the year ended 31st March, 2020 (₹ in Crores)**	**For the year ended 31st March, 2019 (₹ in Crores)**
a) Income from sale of Power and Transmission Charges			
Income from sale of Power and Transmission Charges (net) (refer note 59)		10,016.78	6,168.09
Income under Service Concession Arrangements (SCA)		155.88	155.86
	Total (a)	10,172.66	6,323.95
b) Other Operating Revenue			
Street Light Maintenance Charges		105.24	62.14
Cross subsidy Surcharge		160.23	58.65
Sale of Coal Rejects / Fly Ash		21.15	-
Amortisation of Service Line Contribution		8.49	7.42
Others		23.58	10.94
	Total (b)	318.69	139.15
	Total (a+b)	10,491.35	6,463.10

35 **Revenue from Operations - From Trading Business**		**For the year ended 31st March, 2020 (₹ in Crores)**	**For the year ended 31st March, 2019 (₹ in Crores)**
Sale of Traded Goods		924.61	842.35
	Total	924.61	842.35

36 **Other Income**		**For the year ended 31st March, 2020 (₹ in Crores)**	**For the year ended 31st March, 2019 (₹ in Crores)**
Interest Income			
Bank		34.06	27.25
Others		153.15	151.77
Gain on Sale/Fair Value of Current Investments measured at FVTPL		47.95	12.24
Gain on Sale/Fair Value of Current Investments measured at FVTPL - Contingency Reserve Fund		13.58	3.32
Sale of Scrap		0.14	0.19
Gain on Extinguishment of Financial Liabilities		-	55.39
Bad debt recovery		8.65	3.09
Unclaimed liabilities / Excess provision written back		0.26	1.01
Miscellaneous Income		7.34	1.09
	Total	265.33	255.35

37 **Purchase of Stock - in - Trade**		**For the year ended 31st March, 2020 (₹ in Crores)**	**For the year ended 31st March, 2019 (₹ in Crores)**
Purchase of Stock - in - Trade		924.21	838.94
	Total	924.21	838.94

38 **Employee Benefits Expenses**		**For the year ended 31st March, 2020 (₹ in Crores)**	**For the year ended 31st March, 2019 (₹ in Crores)**
Salaries, Wages and Bonus		749.80	432.20
Contribution to provident fund and other funds		64.13	36.84
Contribution to Gratuity fund		44.08	62.60
Staff Welfare Expenses		115.23	55.28
	Total	973.24	586.92

39 **Finance costs**		**For the year ended 31st March, 2020 (₹ in Crores)**	**For the year ended 31st March, 2019 (₹ in Crores)**
Interest on Loans & Debentures		1,773.94	1,072.62
Interest on Trade Credits		103.04	85.26
Interest on Intercorporate Deposit		12.24	14.11
Interest on Lease Obligation		11.97	-
Bank Charges & Other Borrowing Costs		75.38	20.86
Security Deposits From Consumer at amortised cost		42.42	22.04
Interest - Hedging Cost		276.47	175.78
Foreign Exchange Fluctuation Gain(net)-Borrowings*		(56.97)	0.36
	Total	2,238.49	1,391.03

*Note: Including Mark to Market gain of ₹ 1,249.88 Crores (P.Y. ₹ 198.64 Crores) on Derivative Instruments designated in hedge accounting relationship.

40 Other Expenses	For the year ended 31st March, 2020 (₹ in Crores)	For the year ended 31st March, 2019 (₹ in Crores)
Stores and Spares	65.70	41.03
Transmission Charges	403.16	209.07
Construction Cost Under Service Concession Arrangements	-	14.20
Repairs and Maintenance - Plant and Equipment	347.74	197.41
Repairs and Maintenance -Building	14.19	8.26
Repairs and Maintenance - Others	8.76	9.80
Rent	-	33.41
Short Term Lease Rental*	20.65	-
Rates and Taxes	10.80	12.56
Legal & Professional Expenses	164.92	141.21
Payment to Auditors (including component auditors)	2.50	1.97
Travelling & Conveyance Expenses	45.65	22.46
Insurance Expenses	22.82	13.71
Write downs in Inventory value	4.53	-
Provision for Stamp Duty Expense	22.60	-
Bad Debt Written Off	0.56	-
Foreign Exchange Fluctuation Loss	12.53	1.50
Corporate Social Responsibility expenses (Refer note 55)	18.14	17.91
Security Charges	35.30	20.09
Expected Credit Loss- Doubtful Debts,Advances,Deposits	43.62	12.20
Loss on sale of Property, Plant and Equipment	4.58	15.68
Miscellaneous Expenses	85.77	53.77
Total	1,334.52	826.24

*Lease Rentals in respect of low value assets is immaterial.

41 Income Tax

		For the year ended 31st March, 2020 (₹ in Crores)	For the year ended 31st March, 2019 (₹ in Crores)
Current Tax :			
In respect of current year		213.72	191.87
In respect of Previous year		0.08	-
Deferred Tax		329.08	183.49
	Total	542.88	375.36

		For the year ended 31st March, 2020 (₹ in Crores)	For the year ended 31st March, 2019 (₹ in Crores)
Tax recognised in other comprehensive income			
Remeasurement of Defined Benefit Plans		3.61	-
Total income tax recognised in other comprehensive income			
Effective portion of gains and losses on designated portion of hedging instruments in a cash flow hedge		2.76	-
Tax relating to items that will be reclassified to Profit or Loss			
	Total	6.37	-
Bifurcation of the income tax recognised in other comprehensive income into:			
Items that will be reclassified to statement of profit and loss		2.76	-
Items that will not be reclassified to statement of profit and loss		3.61	-
	Total	6.37	-

Pursuant to the Taxation Law (Amendment) Ordinance, 2019 ("Ordinance") issued by Ministry of Law and Justice (Legislative Department) on 20th September, 2019 effective from 01st April, 2019, domestic companies have a non-reversible option to pay Corporate income tax rate at 22% plus applicable surcharge and cess ("New tax rate") subject to certain conditions. Based on the assessment, the Group has chosen to exercise the option of New tax rate for certain companies. Accordingly where it has chosen to exercise New tax rate, the Companies have made the provision for current tax and deferred tax at the rate of 25.17%. For the rest of the Companies, the Group would evaluate its option in the future based on business developments.

Accounting profit before tax	1,106.68	840.24
Income tax expense at tax rates applicable to individual entities	397.40	293.61
Tax Effect of :		
Income and Expenses not allowed under Income Tax		
i) Depreciation allowable on assets (difference between Income tax act and Companies act)	115.50	(22.40)
ii) Non deductible Expenses	26.41	7.31
iii) Current year Losses for which no Deferred Tax Asset is created	(166.73)	(91.79)
v) Adjustments in respect of current income tax of previous year	-	26.03
vii) Recognition of tax losses	5.28	-
viii) MAT Credit not recognised	165.28	162.82
ix) BOIA claims	(91.77)	-
x) Deferred Tax Assets Written off	95.98	-
xi) Others (Includes Tax at different rate)	(4.47)	(0.22)
Gross Tax	542.88	375.36
Tax provisions :		
Current Tax: In respect of current year	213.72	191.87
Current Tax. In respect of Earlier Period	0.08	-
Net (DTL) / DTA recognised during the year	376.06	203.07
MAT Credit entitlement	(46.98)	(19.58)
Income tax recognised in statement of profit and loss at effective rate	542.88	375.36

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 :

Unused tax credits*	875.47	714.76
Unused tax losses (Revenue in nature) and Unabsorbed depreciation	767.89	389.83
	1,643.36	1,104.59

*Expiry date : Range from FY 2028 -29 to FY 2034-35

The Parent Company and certain subsidiary companies have carried forward unabsorbed depreciation aggregating ₹ 3,586.48 crore (Previous year ₹ 2,014.16 crore) under the Income Tax Act,1961 for which there is no expiry date of its tax credit utilisation by the respective entities. Further, the Parent Company and certain subsidiary companies have carried forward losses aggregating ₹ 767.95 crore (previous year ₹ 390.04 crore) under the Income Tax Act, 1961, which gets expired within 8 years of the respective year. The carried forward losses will get expired mainly during the year 2022-23 to 2027-28.

Deferred tax assets has not been recognised in respect of the unabsorbed depreciation and unabsorbed losses of Adani Transmission Limited (ATL) aggregating to ₹ 767.89 crore (Previous year ₹ 389.83 crore) as they may not be used fully against taxable profits of ATL on standalone basis in near future or other evidence of recoverability in the near future.

42 Earnings per share (EPS)		For the year ended 31st March, 2020	For the year ended 31st March, 2019
A After net Movement in Regulatory Deferral Balance			
Profit after tax	(₹ in Crores)	706.49	559.20
Less: Distribution on Unsecured perpetual Equity Instrument	(₹ in Crores)	(383.29)	(305.71)
Net Profit attributable to Equity Shareholders including Regulatory income/(expense)	(₹ in Crores)	323.20	253.49
Weighted average number of equity shares outstanding during the year	No	1,099,810,083	1,099,810,083
Nominal Value of equity share	₹	10	10
Basic / Diluted Earnings per Equity Share (Face Value of ₹ 10 each) after net Movement in Regulatory Deferral Balance	₹	**2.94**	**2.30**
B Before net Movement in Regulatory Deferral Balance			
Profit after tax	(₹ in Crores)	706.49	559.20
Less. Distribution on Unsecured perpetual Equity Instrument	(₹ in Crores)	(383.29)	(305.71)
Add/(Less): Regulatory Income / (expense) (net)	(₹ in Crores)	192.10	(95.84)
Net Profit attributable to Equity Shareholders excluding Regulatory income/(expense)	(₹ in Crores)	**515.30**	**157.65**
Weighted average number of equity shares outstanding during the year	No	1,099,810,083	1,099,810,083
Nominal Value of equity share	₹	10	10
Basic / Diluted Earnings per Equity Share (Face Value of ₹ 10 each) before net Movement in Regulatory Deferral Balance	₹	**4.69**	**1.43**

43 Contingent liabilities and Commitments	As at 31st March, 2020 (₹ in Crores)	As at 31st March, 2019 (₹ in Crores)
(i) Contingent liabilities :		
(a) Direct tax	1.06	1.01
(b) Vat and Entry tax	9.48	9.48
(c) Demand disputed by the Group relating to Service tax on street light Maintenance, wheeling charges and cross subsidy surcharges - (Refer note 1)	353.55	353.55
(d)Take or Pay dispute with The Tata Power Company Ltd (TPCL).(Refer Note 2)	-	323.87
(e) Claims raised by the Government authorities towards unearned income arising on alleged transfer of certain land parcels.(Refer Note 1)	127.65	127.65
(f)Demand towards fixed charges payable in respect of power drawn from the state pool (Refer Note 3)	99.68	124.60
(g) Claims raised by Vidarbha Industries Power Limited (VIPL) in respect of increase in fuel cost (Refer Note 1)	1,381.28	1,381.28
(h) Way Leave fees claims disputed by the Group relating to rates charged (Refer Note 1)	28.43	20.60
(i) Property related disputes (Refer Note 1)	2.59	2.59
(j) Other claims against the Group not acknowledged as debts.	2.12	2.12
(k) Towards the payment of Stamp duty under Gujarat Stamp Act, 1958 pursuant to the scheme of arrangement in the nature of Demerger of transmission division of Adani Power Limited and Adani Power Maharashtra Limited into Adani Transmission (India) Limited. An application under Section 53(1) of Gujarat Stamp Act, 1958, inter alia, challenging the said order dated 25.7.2018 passed by the Collector and Additional Superintendent of Stamp at Gandhinagar has been filed with the Chief Controlling Revenue Authority (CCRA) and the matter is sub judice.	-	27.82
(l) Claim raised during the year by the Maharashtra State Electricity Transmission Company Limited (MSETCL) towards additional capital cost for the assets constructed in earlier years	31.31	-
	2,037.15	2,374.57

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 Pursuant to the order passed by MERC dated December 12, 2007, in case No. 7 of 2002, TPCL has claimed an amount of ₹ 323.87 Crore towards the following:

a. Difference in the energy charge for energy supplied by TPCL at 220 kV Interconnection for the period March 2001 to May 2004 along with interest at 24% per annum up to December 31, 2007, and

b. Minimum off-take charges for energy for the years 1998-99 to 1999-2000 along with interest at 24% per annum up to December 31, 2007.

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

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

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

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

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

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

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

4 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

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

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

7 Bank guarantee given by the Parent Company on behalf of Special Purpose Vehicle (SPV) companies, which were taken over to carry out the business awarded under tariff-based bidding, towards performance of work awarded is ₹ 352.00 Crores (Previous year ₹ 189.56 Crores) against which Bank guarantee taken by the Parent company from vendors is ₹ 406.82 Crores (Previous year ₹ 122.62 Crores) in various form.

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.

	As at 31st March, 2020 (₹ in Crores)	As at 31st March, 2019 (₹ in Crores)
(ii) Commitments :		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of Advance)	2,658.42	1,886.49
	2,658.42	**1,886.49**

In terms of the MERC RPO obligation regulations ,one of the subsidiary, AEML is required to procure on an annual basis a certain quantum of power generated from renewable sources , as at 31 March, 2020 AEML has an cumulative outstanding commitment to procure renewable power of 3211 MU's.

AEML to meet its past and future RPO commitment, has entered into through a competitive bid, a long term power purchase agreement with a related party to procure 700 MW of Wind Solar Hybrid Renewable Power , supply of which would commence from financial 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, 2020

Particulars	(₹ in Crores)
Balance as at 1st April, 2019	
Lease Liabilities on account of adoption of Ind AS 116	103.49
Lease Liabilities on account of Leases entered / terminated during the year	65.55
Finance Costs incurred during the year	11.97
Net Payments of Lease Liabilities	(35.66)
Balance as at 31st March, 2020 (refer note 25 and 31)	**145.35**

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

(a) The Group's significant leasing arrangements, other than 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.
Expenses of ₹ 9.04 crores was incurred under such lease have been expensed in the statement of profit and loss.
Leasing arrangements with respect to land range between 20 years to 99 years generally.

The future minimum lease payments in respect of non-cancellable leases is as follow:-	As at 31st March, 2019 (₹ in Crores)
Less than 1 year	8.58
Between 1 to 5 years	6.56
More than 5 years	-
	15.14

The Group has not entered into any financial lease.

(b) The Group has a 25 year long term Power Purchase Agreement (PPA) with Vidarbha 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.
(c) The Group on assessment of the above arrangement has concluded , that the payment towards fixed monthly capacity charge is contingent on plant availability which is the responsibility of VIPL, and accordingly such lease has been classified as operating lease.

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 Holding 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 (w.e.f. 10th May, 2018) Mr. Kaushal Shah, Chief Financial Officer Mr. Jaladhi Shukla, Company Secretary Mr. Laxmi Narayana Mishra, Whole-time Director (Resigned w.e.f. 2nd May, 2018) Mr. K. Jairaj - Non Executive Director Dr. Ravindra H. Dholakia - Non Executive Director Ms. Meera Shankar - Non Executive Director

(C) Enterprises over which (A) or (B) above have significant influence :

- 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
- Adani Wilmar Limited
- Adani Estates Private Limited
- Karnavati Aviation Private Limited
- Adani Foundation
- Adani Finserve Private Limited
- Belvedere Golf and Country Club Private Limited
- Adani Township & Real Estate Company Private Limited
- Adani Transport Limited
- Adani Institute for Education and Research
- Adani Infrastructure Management Services Limited
- Adani Properties Private Limited
- Adani Institute of Infrastructure Management
- Adani Capital Private Limited
- Adani Housing Finance Private Limited
- Sunbourne Developers Private Limited
- Rosepetal Solar Energy Private Limited
- Adani Power Rajasthan Limited
- Parampujya Solar Energy Private Limited
- Udupi Power Corporation Limited
- Adani Green Energy Limited
- Adani Water Limited
- Adani Gas Limited
- Adani Power (Jharkhand) Limited

(₹ in Crores)

Nature of Transactions	With Other Parties		With Key Managerial Personnel	
For the Year Ended	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019
Interest Expenses	12.24	14.11	-	-
Interest Income	6.55	-	-	-
Distribution on Perpetual Equity Instrument (Refer Note: 1)	383.29	305.71	-	-
Purchase of Goods	1.10	838.54	-	-
Purchase of Inventory	3.98	-	-	-
Purchase of Power	1,035.91	79.97	-	-
Purchase of Property, Plant and Equipment	0.48	0.33	-	-
Corporate allocation and Reimbursement of expenses	131.85	128.08	-	-
Rent Expense	2.60	0.74	-	-
Loan Taken	745.00	444.10	-	-
Loan given	1,843.57	-	-	-
Loan Repaid	780.79	727.55	-	-
Loan Received back	223.57	-	-	-

(₹ in Crores)

Nature of Transactions	With Other Parties		With Key Managerial Personnel	
For the Year Ended	**31st March, 2020**	**31st March, 2019**	**31st March, 2020**	**31st March, 2019**
Sale of Goods	75.67	0.04	-	-
Services Availed	-	7.99	-	-
CSR Expenditure	10.67	11.29	-	-
Staff Welfare Expenses	0.04	-	-	-
Advance paid towards Purchase of property	271.00	-	-	-
Advance paid towards Purchase of Power	200.00	-	-	-
Eearnest Money Deposit (EMD) received	0.99	-	-	-
Director Sitting Fees	-	-	0.22	0.18
Compensation of Key Management Personnel				
a) Short-term benefits	-	-	8.84	3.56
b) Post-employment benefits	-	-	0.40	0.27
Unsecured Perpetual Equity Instrument repaid	1,209.62	-	-	-
Unsecured perpetual Equity Instrument issued (Refer Note: 2)	1,081.01	1,559.40	-	-
O&M Agreement Charge	51.17	44.05	-	-

All above transactions are in the normal course of business and are made on terms equivalent to those that prevail at arm's length transactions.

Notes :

1 Accrued on Perpetual Equity, infused by Entity under common control

2 Long term Financial support by way of perpetual equity instruments from Entity under common control

(₹ in Crores)

Closing Balance	With Other Parties		With Key Managerial Personnel	
As at	**31st March, 2020**	**31st March, 2019**	**31st March, 2020**	**31st March, 2019**
Balance Payable	15.28	98.51	-	-
Balance Receivable	437.51	1.92	-	-
Loan Payable	-	35.79	-	-
Interest accrued but not due	-	2.41	-	-
Interest receivable	3.00	-	-	-
Advance for Capex	124.70	-	-	-
Loans Receivable	1,620.00	-	-	-
Unsecured Perpetual Equity Instrument (includes accrued distribution)	3,279.42	3,408.03	-	-

46 Fair Value Measurement :

a) The carrying value of financial instruments by categories as of 31st March, 2020 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	-	312.67	-	312.67	312.67
Trade Receivables	-	-	1,000.26	1,000.26	1,000.26
Cash and Cash Equivalents	-	-	1,232.99	1,232.99	1,232.99
Bank Balances other than Cash and Cash Equivalents above	-	-	1,063.85	1,063.85	1,063.85
Loans	-	-	2,448.19	2,448.19	2,448.19
Derivative instruments designated in hedge accounting relationship	(40.81)	1,338.35	-	1,297.54	1,297.54
Other Financial Assets	-	-	2,548.18	2,548.18	2,548.18
Total	**(40.81)**	**1,651.02**	**8,293.47**	**9,903.68**	9,903.68
Financial Liabilities					
Borrowings (including current maturities and Interest Accrued)	-	-	24,448.69	24,448.69	22,458.17
Derivative instruments designated in hedge accounting relationship	106.54	-	-	106.54	106.54
Other Financial Liabilities	-	-	1,372.60	1,372.60	1,372.60
Trade Payables	-	-	1,780.86	1,780.86	1,780.86
Total	**106.54**	-	27,602.15	**27,708.69**	25,718.17

b) The carrying value of financial instruments by categories as of 31st March, 2019 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	-	214.86	-	214.86	214.86
Investments in Government securities	-	-	120.92	120.92	120.92
Trade Receivables	-	-	722.05	722.05	722.05
Cash and Cash Equivalents	-	-	188.25	188.25	188.25
Bank Balances other than Cash and Cash Equivalents	-	-	513.31	513.31	513.31
Loans	-	-	49.91	49.91	49.91
Derivative instruments designated in hedge accounting relationship	(0.70)	2.14	-	1.44	1.44
Other Financial Assets	-	-	2,996.63	2,996.63	2,996.63
Total	**(0.70)**	**217.00**	**4,591.07**	**4,807.37**	4,807.37
Financial Liabilities					
Borrowings (Including current maturities and Interest Accrued)	-	-	20,392.74	20,392.74	20,213.30
Derivative instruments designated in hedge accounting relationship	176.33	67.91	-	244.24	244.24
Other Financial Liabilities	-	-	694.14	694.14	694.14
Trade Payables	-	-	1,258.72	1,258.72	1,258.72
Total	**176.33**	**67.91**	**22,345.60**	**22,589.84**	**22,410.40**

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 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, 2020	31st March, 2020	31st March, 2019	31st March, 2019
	Level 1	Level 2	Level 1	Level 2
Assets measured at fair value				
Investments in unquoted Mutual Funds measured at FVTPL	-	312.67	120.92	214.86
Derivative Instruments designated in hedge accounting relationship				
Derivative Instruments	-	1,297.54	-	1.44
Total	-	**1,610.21**	**120.92**	**216.30**
Derivative Instruments designated in hedge accounting relationship				
Derivative Instruments	-	106.54	-	244.24
Liabilities for which fair values are disclosed				
Borrowings (Including current maturities and Interest Accrued)	13,102.53	9,355.64	3,235.85	16,977.45
Total	**13,102.53**	**9,462.18**	**3,235.85**	**17,221.69**

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, 2020 and as at 31st March, 2019.

(₹ in Crores)

Particulars	Refer Note	As at 31st March, 2020	As at 31st March, 2019
Total Borrowings (Including Current Maturities of Long Term Debt)	23,29 & 31	24,245.73	20,136.99
Less: Cash and bank balances	15 & 16	2,296.84	701.56
Less: Current Investments	13	312.67	214.86
Net Debt(A)		**21,636.22**	**19,220.57**
Equity Share Capital & Other Equity	20 & 22	5,219.54	4,634.85
Unsecured Perpetual Equity Instrument	21	3,279.42	3,408.03
Total Equity (B)		**8,498.96**	**8,042.88**
Total Equity and Net Debt (C=A+B)		**30,135.18**	**27,263.45**
Gearing Ratio : (A)/(C)		**0.72**	**0.70**

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 favourable and unfavourable fluctuations.

The Group's risk management activities are subject to the management, direction and control of Central Treasury Team of the Group under the framework of Risk Management Policy for Currency and Interest rate risk as approved by the Board of Directors of the Group. The Group's central treasury team ensures appropriate financial risk governance framework for the Group through appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken.

The decision of whether and when to execute derivative financial instruments along with its tenure can vary from period to period depending on market conditions and the relative costs of the instruments. The tenure is linked to the timing of the underlying exposure, with the connection between the two being regularly monitored. The Group is exposed to losses in the event of non-performance by the counterparties to the derivative contracts. All derivative contracts are executed with counterparties that, in our judgment, are creditworthy. The outstanding derivatives are reviewed periodically to ensure that there is no inappropriate concentration of outstanding to any particular counterparty.

In the ordinary course of business, the Group is exposed to Market risk, Credit risk, and Liquidity risk.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and foreign currency risk.

Interest rate risk

The Group is exposed to changes in market interest rates due to financing, investing and cash management activities. The Group's exposure to the risk of changes in market interest rates relates primarily to The Group's long-term debt obligations with floating interest rates and period of borrowings. The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Group enters into interest rate swap contracts or interest rate future contracts to manage its exposure to changes in the underlying benchmark interest rates.

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, 2020 would decrease / increase by ₹ 17.39 Crores (previous year ₹ 49.67 crores). This is mainly attributable to interest rates on variable rate borrowings.

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, 2020		As at 31st March, 2019	
		₹ in Crores	Foreign Currency (in Million)	₹ in Crores	Foreign Currency (in Million)
(i) Principal only swaps	Hedging of foreign currency borrowings principal liability 1. Bond 870 Million USD, USPP 310 Million USD (P.Y. bond 320 Million USD) 2.Term Loan from bank 24.18 Million EUR (P.Y. 25.62 Million EUR)	9,128.57	EUR 24.18 USD 1180	2,411.96	EUR 25.62 USD 320.00
(ii) Forward covers	1a.Hedging of foreign currency borrowing principal:- Bond 430 Million USD, USPP 90 Million USD (P.Y. Bond 180 Million USD) 1b.Hedging of foreign currency interest liability	4,476.90	USD 591.67	1,452.26	USD 210.00
	2.Hedging of LC, Acceptances. Creditors and firm commitments	-	-	22.14	USD 3.20
(iii) Cross Currency Swaps	Hedging of foreign currency borrowing principal & interest liability 1. Bond 400 Million USD. Term Loan 70 Million USD (P.Y. Nil)	3,556.26	USD 470	-	-
(iv) Options	Hedging of foreign currency borrowing principal & interest liability 1. Bond 300 Million USD. Share holder affiliated debt 282 Million USD (P.Y. Nil)	4,403.70	USD 582	-	-
(v) Coupon only Swaps	Hedging of foreign currency borrowing interest liability	3,783.25	USD 500	-	-

b) The details of foreign currency exposures not hedged by derivative instruments are as under :

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	₹ in Crores	Foreign Currency (in Million)	₹ in Crores	Foreign Currency (in Million)
(i) Interest accrued but not due	23.85	USD 3.15	0.57	USD 0.44
(ii) Import Creditors and Acceptances	- 335.83 0.03	- USD 44.38 EUR 0.00*	82.06 0.04 0.02	USD 11.87 GBP 0.00 EUR 0.00
(iii) Buyer's Credit	-	-	56.88	USD 8.23

** EUR 3115/-*

A change of 1% in Foreign currency would have following impact on profit before tax

(₹ in Crores)

Particulars	For the Year 2019-20		For the Year 2018-19	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Foreign Currency Sensitivity				
RUPEES / USD - (Increase) / Decrease	(3.60)	3.60	(1.42)	1.42
RUPEES / GBP - (Increase) / Decrease	-	-	(0.00)	0.00
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, 2020	Less than 1 year	1-5 years	Over 5 years	Total
Borrowings (Including current maturities)	1,956.08	2,452.51	19,837.14	24,245.73
Trade Payables	1,751.51	-	29.35	1,780.86
Derivative Liabilities	24.37	82.17	-	106.54
Other financial Liabilities	1,307.58	236.99	30.99	1,575.56

(₹ in Crores)

As at 31st March, 2019	Less than 1 year	1-5 years	Over 5 years	Total
Borrowings (Including current maturities)	3,832.88	5,300.25	11,003.86	20,136.99
Trade Payables	1,236.92	-	21.80	1,258.72
Derivative Liabilities	106.80	-	137.44	244.24
Other financial Liabilities	949.89	-	-	949.89

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, 2020.

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, 2020		As at 31 March, 2019	
	Assets	Liabilities	Assets	Liabilities
Cash flow hedge				
-Call Options	394.48	106.54	-	1.78
-Cross Currency Swaps	229.32	-	-	-
-Coupon Only Swaps	38.00	-	-	-
-Forward	150.35	-	-	105.02
-Principal Only Swaps	485.39	-	1.44	137.44
Total	**1,297.54**	**106.54**	**1.44**	**244.24**

Adani Transmission Limited

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
ii) Mumbai GTD Business

The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by operating segments. The CODM reviews revenue and gross profit at the performance indicator for all of the operating segments.

The measurement of each segment's revenues, expenses and assets is consistent with the accounting policies that are used in preparation of the financial statements.

Segment profit represents the profit before interest and tax.

Information regarding the company's reportable segments is presented below:

(₹ in Crores)

	Transmission	Trading	Mumbai GTD Business	Elimination	Total
1 Revenue					
External Sales	2,815.00 *2,192.88*	924.61 *842.38*	7,676.35 *4,270.19*	- -	11,415.96 *7,305.45*
Total Revenue	2,815.00 *2,192.88*	924.61 *842.38*	7,676.35 *4,270.19*	- -	11,415.96 *7,305.45*
2 Results					
Segment Results	1,873.21 *1,348.46*	0.40 *3.44*	1,206.23 *624.02*	- -	3,079.84 *1,975.92*
Unallocated Corporate Income (Net)					265.33 *255.35*
Operating Profit					3,345.17 2,231.27
Less: Finance Expense					2,238.49 *1,391.03*
Profit before tax					1,106.68 *840.24*
Current Taxes					**213.80** ***191.87***
Deferred Tax					**186.39** ***89.17***
Total Tax					**400.19** ***281.04***
Profit after tax					**706.49** ***559.20***
Less: Non-Controlling Interests					**35.33** -
Net profit					**741.82** ***559.20***
3 Other Information					
Segment Assets	15,576.68 *14,928.19*	134.72 -	16,628.19 *16,694.07*	- -	**32,339.59** ***31,622.26***
Unallocated Corporate Assets					***7,371.60*** *1,038.78*
Total Assets					39,711.19 *32,661.04*
Segment Liabilities	693.67 *935.60*	134.48 -	3,755.06 *3,045.58*	- -	4,583.21 *3,981.18*
Unallocated Corporate Liabilities					***25,566.89*** *20,636.98*
Total liabilities					30,150.10 *24,618.16*
Depreciation /Amortisation	663.56 *598.32*	- -	510.46 283.83	- -	1,174.02 *882.15*
Non Cash Expenditure other then Depreciation/ Amortisation	(5.38) *49.69*	- -	(32.48) *1.39*	- -	(37.86) *51.08*
Capital Expenditure	*1,468.90* *932.33*	- -	1,293.77 *266.22*	- -	2,762.67 *1,198.55*

Previous figures are given in italics

51 The Consolidated Financial statements for the year ended 31st March, 2020 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, 2020	For the year ended 31st March, 2019
1	Adani Electricity Mumbai Limited	-	29th August, 2018
2	Ghatampur Transmission Limited	-	19th June, 2018
3	Adani Transmission Bikaner Sikar Private Limited (Formerly known as KEC Bikaner Sikar Transmission Private Limited)	-	1st January, 2019
4	OBRA-C Badaun Transmission Limited	-	21st December, 2018
5	Bikaner-Khetri Transmission Limited	19th September, 2019	-
6	WRSS XXI (A) Transco Limited	14th October, 2019	-
7	Lakadia Banaskantha Transco Limited	13th November, 2019	-
8	Jam Khambaliya Transco Limited	13th November, 2019	-

52 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 licence issued. (ii) A 400 KV Double Circuit transmission Line in Bikaner, Sikar with a design capacity to transfer electricity equivalent to 2400 MW on Design, Built, Finance, Operate & Transfer (DBFOT) basis having contract for 25 years from the licence issued
(b) The agreements with PGCIL (Grantor) is to construct & operate an transmission system comprising a 400 KV Double Circuit transmission line in Pune, Aurangabad, Solapur, Kolhapur, Parli, Karad, Lonikhand, Kalwa, Limbdi, Vadavi, Kansari, Rajgarh and Karamsad with a design capacity to transfer electricity equivalent to 3600 MW on Design, Built, Finance, Operate & Transfer (DBFOT) basis having contract for 25 years. The service concession arrangement provides an option for extension of the concession period. Upon completion of concession period or on termination of agreement, Transmission Lines will vest with the grantor free and clear of all encumbrances. Financial assets is created on the basis of Present values of future Cash Flows. No intangible assets is created for this SCA accounting.

(₹ in Crores)

Financial summary of above concession arrangement are given below:

Sr.No.	Particulars	Transmission Lines 2019-20	 2018-19
1	SCA Revenue Recognised	154.12	161.65
2	Profit for the year	40.18	38.92

53 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 2020	₹ in Crores	As % of Consolidated Profit or Loss for the year ended 31st March 2020	₹ in Crores	As % of Consolidated Other Comprehensive Income for the year ended 31st March 2020	₹ in Crores	As % of Consolidated Total Comprehensive Income for the year ended 31st March 2020	₹ in Crores
1	Adani Transmission Limited	32.66%	4,810.44	0.71%	5.54	131.66%	158.44	18.16%	163.98
	Subsidiaries (Indian)								
2	Maharashtra Eastern Grid Power Transmission Company Limited	15.90%	2,341.74	28.76%	225.09	-0.35%	(0.42)	24.88%	224.67
3	Adani Transmission (India) Limited	14.33%	2,110.47	39.96%	312.66	-0.08%	(0.10)	34.62%	312.56
4	Sipat Transmission Limited	0.41%	61.01	3.28%	25.66	-1.02%	(1.23)	2.71%	24.43
5	Raipur-Rajnandgaon-Warora Transmission Limited	0.94%	138.28	7.53%	58.89	-2.27%	(2.73)	6.22%	56.16
6	Chhattisgarh-WR Transmission Limited	0.68%	99.42	4.17%	32.67	-1.64%	(1.98)	3.40%	30.69
7	Adani Transmission (Rajasthan) Limited	0.09%	12.52	0.33%	2.60	-	-	0.29%	2.60
8	North Karanpura Transco Limited	0.20%	28.84	0.00%	(0.01)	-0.01%	(0.02)	0.00%	(0.02)
9	Maru Transmission Service Company Limited	0.14%	20.38	0.45%	3.52	-0.17%	(0.21)	0.37%	3.31
10	Aravali Transmission Service Company Limited	-0.02%	(2.98)	0.10%	0.75	-0.17%	(0.21)	0.06%	0.55
11	Western Transco Power Limited	1.02%	150.92	0.94%	7.35	-	-	0.81%	7.35
12	Western Transmission (Gujarat) Limited	0.72%	105.79	1.20%	9.37	-	-	1.04%	9.37
13	Hadoti Power Transmission Service limited	0.25%	36.98	2.34%	18.32	-0.28%	(0.33)	1.99%	17.98
14	Barmer Power Transmission Service limited	0.22%	32.71	1.84%	14.44	-0.19%	(0.23)	1.57%	14.20
15	Thar Power Transmission Service limited	0.18%	26.46	1.59%	12.45	-0.18%	(0.22)	1.35%	12.23
16	Fatehgarh-Bhadla Transmission Limited	0.17%	25.21	0.00%	0.02	-0.02%	(0.03)	0.00%	(0.01)
17	Ghatampur Transmission Limited	0.73%	108.03	0.05%	0.42	-0.05%	(0.06)	0.04%	0.36
18	Adani Transmission Bikaner Sikar Private Limited (Formerly Known as KEC Bikaner Sikar Transmission Private Limited)	0.30%	43.66	0.67%	5.27	-	-	0.58%	5.27
19	OBRA-C Badaun Transmission Limited	0.38%	55.40	-0.01%	(0.08)	-0.02%	(0.02)	-0.01%	(0.10)
20	Adani Electricity Mumbai Limited	30.72%	4,524.33	6.42%	50.22	-25.19%	(30.31)	2.21%	19.91
21	AEML Infrastructure Limited	0.00%	(0.00)	0.00%	(0.00)	-	-	0.00%	(0.00)
22	Bikaner-Khetri Transmission Limited	0.00%	0.02	0.00%	0.02	-0.01%	(0.01)	0.00%	0.01
23	WRSS XXI (A) Transco Limited	0.00%	(0.55)	-0.08%	(0.60)	0.00%	(0.00)	-0.07%	(0.60)
24	Lakadia Banaskantha Transco Limited	-0.01%	(0.99)	-0.13%	(1.03)	0.00%	(0.01)	-0.12%	(1.04)
25	Jam Khambaliya Transco Limited	-0.01%	(0.85)	-0.12%	(0.90)	0.00%	(0.00)	-0.10%	(0.90)
26	Aresan Infra Private Limited	0.00%	(0.11)	-0.01%	(0.12)	-	-	-0.01%	(0.12)
27	Sunrays Infra Space Private Limited	0.00%	0.02	0.00%	0.01	-	-	0.00%	0.01
28	Power Distribution Services Limited (Formerly known as 'Adani Electricity Mumbai Services Limited')	0.00%	0.01	0.00%	(0.00)	-	-	0.00%	(0.00)
29	Adani Electricity Mumbai Infra Limited	0.00%	0.01	0.00%	(0.00)	-		0.00%	(0.00)
	Total	100%	14,727.17	100%	782.52	100%	120.34	100%	902.86
	Less: Adjustment of Consolidation		6,228.21		76.03		0.01		76.04
	Add: Non Controlling Interest		1,062.13		(35.33)		(7.60)		(42.93)
	Consolidated Net Assets/Profit after tax		9,561.09		741.82		127.93		869.75

54 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, 2020	For the year ended 31st March, 2019
Contribution to Provident Fund	42.17	24.03
Contribution to Employees Superannuation Fund	8.46	4.75
Contribution to Employees Pension Scheme	7.17	4.29
Total	57.80	33.07

(b) Defined Benefit Plan

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, 2020	As at 31st March, 2019
i. Reconciliation of Opening and Closing Balances of defined benefit obligation		
Present Value of Defined Benefit Obligations at the beginning of the Year	603.97	3.40
Current Service Cost	33.30	26.70
Interest Cost	45.56	37.21
Re-measurement (or Actuarial) (gain) / loss arising from:		
- Change in demographic assumptions	0.14	0.02
- Change in financials assumptions	38.69	0.11
- Experience variance (i.e. Actual experience vs assumptions)	(17.68)	1.23
Acquisition Adjustment	-	559.81
Benefits paid	(50.07)	(24.15)
Net Actuariel loss / (gain) Recognised	-	(0.27)
Liabilities Transfer In/Out	0.59	(0.09)
Present Value of Defined Benefit Obligations at the end of the Year	**654.50**	**603.97**
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	457.39	1.67
Investment Income	34.49	0.13
Contributions	0.15	5.30
Benefits paid	(0.99)	(0.14)
Return on plan assets, excluding amount recognised in net interest expenses	0.06	(0.28)
Planned Asset Acquired on Business Acquisition	-	450.71
Fair Value of Plan assets at the end of the Year	**491.10**	**457.39**
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	654.50	603.97
Fair Value of Plan assets at the end of the Year	(491.10)	(457.39)
Net Asset / (Liability) recognized in balance sheet as at the end of the year	**(163.40)**	**(146.58)**
iv. Composition of Plan Assets		
100% of Plan Assets are administered by LIC	-	-
v. Gratuity Cost for the Year		
Current service cost	33.30	26.70
Interest cost	45.56	37.21
Expected return on plan assets	(34.49)	(0.13)
Actuarial Gain / (Loss)	-	-
Net Gratuity cost recognised in the statement of Profit and Loss	**44.37**	**63.78**
vi. Other Comprehensive Income		
Actuarial (gains) / losses		
Change in demographic assumptions	0.14	(0.25)
Change in financial assumptions	38.69	0.11
Experience variance (i.e. Actual experiences assumptions)	(17.68)	1.23
Return on plan assets, excluding amount recognised in net interest expense	0.06	0.28
Components of defined benefit costs recognised in other comprehensive income	**21.21**	**1.37**
vii. Actuarial Assumptions		
Discount Rate (per annum)	6.7% to 6.84%	7.54% to 7.60%
Annual Increase in Salary Cost (per annum)	8.00% to 9.75%	8.00% to 9.75%

(c) Sensitivity analysis

The sensitivity of the defined benefit obligations to changes in the weighted principal assumptions is:

	Change in assumption			Increase in assumption			Decrease in assumption	
	31st March, 2020	31st March, 2019		31st March, 2020	31st March, 2019		31st March, 2020	31st March, 2019
Discount rate	1.00%	1.00%	Decrease by	71.79	55.87	Increase by	62.03	61.70
Salary Growth Rate	1.00%	1.00%	Increase by	60.59	60.73	Decrease by	68.81	53.84
Attrition Rate	0.50%	0.50%	Decrease by	21.68	11.28	Increase by	20.04	11.52
Mortality Rate	10.00%	10.00%	Increase by	9.53	7.25	Decrease by	9.52	7.25

55 Corporate Social responsibility

As per section 135 of the Companies Act, 2013, a corporate social responsibility (CSR) committee has been formed by the Group. The funds are utilized on the activities which are specified in Schedule VII of the Companies Act, 2013. The utilisation is done by way of contribution towards various activities.

(a) Gross amount as per the limits of Section 135 of the Companies Act, 2013 : ₹ 18.94 Crores. (Previous year : ₹ 17.22 crores)

(b) Amount spent during the year : ₹ 18.14 Crores. (Previous year : ₹ 17.91 crores)

Sr. No.	Particulars	Amount Contributed	Amount yet to contribute	Total
(i)	Construction/acquisition of any assets	-	-	-
(ii)	On purpose other than (i) above	18.14	*	18.14

*The Group intends to spend the unutilised amount ₹ 0.92 crores of a subsidiary company in the subsequent year on COVID-19 related activities, etc.

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, 2020	As at 1st April, 2019
Trade receivables (Gross) (Refer note 14)	1,077.72	751.55
(Less): Allowance for Doubtful Debts (Refer note 14)	(77.46)	(29.50)
Trade receivables (Net) (Refer note 14)	1,000.26	722.05
Contract assets (Refer note 8 & 18)	1,105.97	1,076.23
Contract liabilities	-	-

The contract assets primarily relate to the Group right to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the Customer. The contract liabilities primarily relate to the advance consideration received from the customers.

(b) Significant changes in contract assets and liabilities during the period:

(₹ in Crores)

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

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, 2020	For the year ended 31st March, 2019
Revenue as per contracted price	10,328.99	7,255.43
Adjustments		
Discounts	51.10	26.99
Revenue from contract with customers	10,277.90	7,228.44

57 Regulatory Deferral Account

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Regulatory Deferral Account - Liability		
Regulatory Liabilities	504.33	271.56
Regulatory Deferral Account - Assets		
Regulatory Assets	247.73	1,105.60
Net Regulatory Assets/(Liabilities)	**(256.60)**	**834.04**

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. These regulations require MERC to determine tariff in a manner wherein the AEML can recover its fixed and variable costs including assured rate of return on approved equity base, from its consumers. The AEML 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, 2020	As at 31st March, 2019
A	Opening Regulatory Assets (Net)	834.04	-
	Add:		
B	Acquired on Business Combination(Net)	-	1,206.09
1	For Current Year	(232.77)	95.84
2	For Earlier Year	-	-
	Total C (1 + 2)	(232.77)	95.84
	Less:		
D	Recovered / (refunded) during the year	857.87	467.89
E	Net Movement during the year (C - D)	(1,090.64)	(372.05)
F	Closing Balance (A + B+ E)	(256.60)	834.04

58 (i) Impairment testing of Intangible Assets

In accordance with the requirements of Ind AS 36 "Impairment of Assets", Transmission Cash Generating Unit ("TCGU") which includes carrying value of Transmission License having indefinite useful life being Transmission License (₹ 981.62 crores), has been tested for Impairment as at 31 March, 2020 wherein, recoverable amount of the TCGU has been determined in one of the subsidiary (AEML) applying value in use approach. The value in use of the TCGU has been determined using Discounted Cash Flow Method (DCF)

In deriving the recoverable amount of the TCGU a discount rate (post tax) of 9 % per annum has been used. In arriving at the recoverable amount of the TCGU , financial projections have been developed for 5 years and thereafter in perpetuity considering a terminal growth rate of 2.5% per annum.

Based on the results of the TCGU Impairment test, the estimated value in use of the TCGU was higher than its carrying amount, hence impairment provision recorded during the current year is ₹ Nil (31 March 2019 - ₹ Nil) Crore. Management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the fair value of the Transmission License.

The key assumptions used in determining the recoverable amount of TCGU are as follows

Discount Rate: 9 % Post-Tax Discount rate has been derived based on current cost of borrowing and equity rate of return in line with the current market expectations

Capital expenditure /Capitalisation: Capital expenditure and capitalisation for 5 years is estimated based on management projections considered for purposes of Multi Year Tariff filing with MERC and thereafter ₹ 250 crores per annum.

(ii) Impairment testing of Goodwill

The group tests on a annual basis, goodwill arising on acqusition of subsidiaries amounting to ₹ 576.02 crores which has been allocated to the respective Cash Generating Unit ("CGU")(ATIL, MEGPTCL and AEML) for Impairment. Based on the annual Impairment test no provision towards Impairment was required necessary.

The recoverable amounts of the CGUs are determined from value-in-use calculations and the projections based on the period of the transmission licenses (including expected extensions)

The key assumptions for the value-in-use calculations are those regarding discount rates, growth rates, capital expenditure, and expected increase in direct costs . Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money. The growth rates are based on management's forecasts/ tariff regulations. Changes in direct costs are based on past practices and expectations of future changes in the market.

The Group prepares its forecasts based on the most recent financial budgets approved by management with projected revenue growth rates per respective tariff regulation wherein the revenue is determined considering the parameters/benchmarks laid down in the respective MERC/CERC tariff regulations.

The rates used to discount the forecasts are in the range of 10.33% to 11.00% p.a

Management believes that any reasonable possible change in any of these assumptions would not cause the carrying amount to exceed its recoverable amount.

59 a. During the year 2019-20, Maharashtra Electricity Regulatory Commission (MERC) vide its order dated March 30,2020, has approved for (i) truing-up of the tariff for the period from the financial year 2017-18 & 2018-19, (ii) for Provisional truing up of financial year 2019-20 and (iii) Aggregate Revenue Requirement (ARR) for FY 2020-21 and FY 2024-25 for Adani Transmission (India) Limited (ATIL), Maharashtra Eastern Grid Power Transmission Company Limited (MEGPTCL) and Adani Electricity Mumbai Limited (AEML). Accordingly, based on the MERC order, during the year, Group has recognized revenue from operations of ₹ 254.43 Crores for the period from April, 2017 to March, 2019. 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, MEGPTCL and ATIL has received an order dated 12-Sept-18 of Maharashtra Electricity Regulatory Commission (MERC) for (i) Truing-up of FY 2015-16 and FY 2016-17 and (ii) Provisional Truing-up of FY 2017-18. Accordingly, based on the MERC order, during the previous year, Group has reversed revenue from operations of ₹ 89.57 Crores for the period from 01-Apr-15 to 31-Mar-18. Under the circumstances, the figures for the previous year are not comparable with the corresponding figures of the current year, to that extent.

60 (A) - During the year, Group has sold 25.10 % stake of Adani Electricity Mumbai Limited (AEML) to Qatar Holding (QH), a subsidiary of Qatar Investment Authority (QIA), in accordance with terms of Shareholders Agreement entered into between the Group and QH.

- The Group has also sold 25.10 % stake of Power Distribution Services Limited (PDSL) (Formerly known as 'Adani Electricity Mumbai Services Limited') to Qatar Holding (QH), a subsidiary of Qatar Investment Authority (QIA) in accordance with terms of Shareholders Agreement entered into between the Group and QH.
- The Group has received total consideration amounting to ₹ 1,209.62 Crores for the same.

(B) Non Controlling Interests (NCI)

Summary of financial information for a subsidiary 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, 2020**	**31st March, 2019**
Total Assets	19,705.86	-
Total Liabilities	15,181.53	-
Net Assets	4,524.33	-
Accumulated NCI	**1,135.61**	-

(₹ in Crores)

Summarised statement of Profit and Loss	**31st March, 2020**	**31st March, 2019**
(Loss) for the period	(140.74)	-
Other Comprehensive Income / (Loss) for the period	(30.31)	-
Total Comprehensive Income /(Loss) for the period	(171.05)	-
Loss Allocated to NCI	**(35.33)**	-
Total Comprehensive Income /(Loss) allocated to NCI	**(42.93)**	-

(₹ in Crores)

Summarised Cash Flow allocated	**31st March, 2020**	**31st March, 2019**
Net cash from operating activities	55.48	-
Net cash (used in) investing activities	(444.81)	-
Net cash from financing activities	213.71	-
Net (decrease) in cash and cash equivalents	**(175.62)**	-

(C) Gain on sale of Equity Shares of Subsidiary Companies to Non Controlling Interests

(₹ in Crores)

Particulars	**31st March, 2020**	**31st March, 2019**
Consideration received from non-controlling interests	1,209.62	-
Expenses incurred	(6.33)	-
Carrying amount of non-controlling interests	(1,105.91)	-
Gain on sale of Equity Shares of Subsidiary Companies to Non Controlling Interests	**97.38**	-

(D) Transaction with Non Controlling Interests

(₹ in Crores)

Particulars	**31st March, 2020**	**31st March, 2019**
Subordinate debt received	2,009.64	-
Commitment Charges Paid	7.52	-
Interest expense on Sub debt	19.24	-

(₹ in Crores)

Closing balance	**31st March, 2020**	**31st March, 2019**
Subordinate debt payable	2,133.75	-
Interest accrued but not due on Sub debt	19.24	-

61 i) In December 2017, Adani Transmission Limited (the Parent Company) signed a binding Share Purchase Agreement ('SPA') with Reliance Infrastructure Limited ('R-Infra') to acquire its integrated Power Generation, Transmission and Distribution of Power business for suburban area in Mumbai city ('Mumbai GTD business').

ii) Consequent to a Scheme of Arrangement approved by the High Court of Judicature at Bombay, and other regulatory approvals obtained in this respect, effective from 29th August, 2018, the Mumbai GTD business of R-Infra has been demerged from R-Infra and transferred into Adani Electricity Mumbai Limited (formerly Reliance Electricity Generation and Supply Limited) ('AEML') with an Appointed Date of 1st April, 2018. Pursuant to the SPA, the Parent Company acquired 100% equity share capital of AEML for a consideration of ₹ 3,827.54 Crores. On such acquisition, AEML has become wholly-owned subsidiary of the Parent Company.

62 During the year, Adani Transmission Limited (the Parent Company)

(i) Has signed a binding Share Purchase Agreement on 19th September, 2019 with PFC Consulting Limited for acquisition of 100% equity share capital of Bikaner-Khetri Transmission Limited (BKTL). BKTL was incorporated on 22nd February, 2019 by PFC Consulting Limited to establish Transmission system associated with LTA applications from Rajasthan SEZ Part-D through Tariff Based Competitive Bidding (TBCB).

ii) Has acquired 100% equity share capital of SPV " WRSS XXI (A) Transco Limited" from REC Transmission Project Company Limited (REC TPCL) on 14th October, 2019. WRSS XXI (A) Transco Limited was formed by REC TPCL to establish "Transmission System Strengthening for relieving over loading observed in Gujarat Intra-State System due to RE injections in Bhuj PS through Tariff Based Competitive Bidding (TBCB).

iii) Has signed a binding Share Purchase Agreement on 13th November, 2019, with REC Transmission Project Company Limited for acquisition of 100% Equity Share Capital of Lakadia Banaskantha Transco Limited(LBTL). LBTL was incorporated by REC Transmission Project Company Limited to establish "Transmission system associated with Renewable Energy generation at Bhuj-II, Dwarka & Lakadia through Tariff Based Competitive Bidding (TBCB).

iv) Has signed Share Purchase Agreement on 13th November, 2019, with REC Transmission Project Company Limited for acquisition of 100% Equity Share Capital of Jam Khambhaliya Transco Limited (JKTL). JKTL was incorporated on 28th October, 2019 by REC Transmission Project Company Limited to establish Jam Khambhaliya Pooling Station and interconnection of Jam Khambhaliya Pooling station to provide connectivity to Renewable Energy projects (150 MW) in Dwarka (Gujarat) and installation of 400/220 KV ICT along with associated bays at Costal Gujarat Power Limited Switchyard through Tariff Based Competitive Bidding (TBCB).

v) Incorporated Arasan Infra Private Limited and Sunrays Infra Space Private Limited as a wholly owned subsidiary on 05th November, 2019, Power Distribution Services Limited (Formerly known as 'Adani Electricity Mumbai Services Limited') on 6th December 2019 and Adani Electricity Mumbai Infra Limited on 03rd January,2020.(step down subsidiary of the Parent Company)

vi) Received a Letter of Intent (LOI) for Transmission Project bid under TBCB in Maharashtra, from MSETCL for the Project "400 KV Kharghar Vikhroli Transmission Private Limited". This will be first ever 400 KV substation facility in the city of Mumbai.

(a) Fair value of assets acquired and liabilities recognised at the date of acquisition :

(₹ in Crores)

Particulars	Bikaner-Khetri Transmission Limited	WRSS XXI (A) Transco Limited	Lakadia Banaskantha Transco Limited	Jam Khambaliya Transco Limited
Assets				
Non-current assets				
Capital work-in-progress	15.87	10.48	9.97	3.96
	15.87	**10.48**	**9.97**	**3.96**
Current assets				
Cash balances	0.01	0.00	0.00	0.00
Other current assets	2.78	1.92	1.93	0.84
	2.79	**1.92**	**1.93**	**0.84**
Total Assets(i)	**18.66**	**12.40**	**11.90**	**4.80**
Current liabilities				
Short term borrowing	16.80	-	-	-
Trade Payables	0.37	-	-	-
Other financial liabilities	1.49	12.89	12.60	5.40
	18.66	**12.89**	**12.60**	**5.40**
Total Liabilities(ii)	**18.66**	**12.89**	**12.60**	**5.40**
Net Assets (i-ii)	**(0.00)**	**(0.49)**	**(0.70)**	**(0.60)**

(b) Goodwill arising from acquisition :

(₹ in Crores)

Particulars	Bikaner-Khetri Transmission Limited	WRSS XXI (A) Transco Limited	Lakadia Banaskantha Transco Limited	Jam Khambaliya Transco Limited
Consideration Paid	**0.01**	**0.05**	**0.05**	**0.05**
Less : Fair value of net assets (i-ii)	**(0.00)**	**(0.49)**	**(0.70)**	**(0.60)**
Goodwill	**0.01**	**0.54**	**0.75**	**0.65**

(c) Net cash outflow on acquisition :

(₹ in Crores)

Particulars	Bikaner-Khetri Transmission Limited	WRSS XXI (A) Transco Limited	Lakadia Banaskantha Transco Limited	Jam Khambaliya Transco Limited
Total Consideration paid during the year	0.01	0.05	0.05	0.05
Total	**0.01**	**0.05**	**0.05**	**0.05**

As if this companies where acquired on 1st April, 2019, the profitability would have been decreased by ₹ (1.94) Crores as per below table :-

(₹ in Crores)

Particulars	Bikaner-Khetri Transmission Limited	WRSS XXI (A) Transco Limited	Lakadia Banaskantha Transco Limited	Jam Khambaliya Transco Limited
Profitability Increase/(Decrease)	(0.00)	(0.54)	(0.75)	(0.65)

d) **Impact of acquisition on the results of the Group :**
Included in the Statement of profit and loss after tax for the year ended 31st March, 2020 is ₹ 7.09 Crores, ₹ 9.03 Crores, ₹ 3.89 Crores and ₹ 5.11 Crores attributable to the acquisition of the Bikaner Khetri Transmission Limited, WRSS XXI (A), Lakadia Banaskantha Transco Limited and Jam khambhaliya Transco Limited respectively.

e) The results of these subsidiaries, after elimination of inter company transactions and balances, as included in the consolidated financial statements for the year ended 31st March, 2020 are given below :

(₹ in Crores)

Particulars	As at 31st March, 2020			
	Bikaner-Khetri Transmission Limited	**WRSS XXI (A) Transco Limited**	**Lakadia Banaskantha Transco Limited**	**Jam Khambaliya Transco Limited**
ASSETS				
Non-current Assets				
Capital Work-In-Progress	165.58	33.11	15.29	5.33
Income Tax Assets (net)	0.70	0.91	0.40	0.52
Other Non-current Assets	34.37	51.42	23.32	3.91
Total Non-current Assets	**200.65**	**85.44**	**39.01**	**9.76**
Current Assets				
(i) Trade Receivables	-	-	-	5.89
(ii) Cash and Cash Equivalents	0.61	0.04	1.06	1.05
(iii) Loans	50.00	75.00	1.00	50.00
(iv) Financial Assets - Others	6.51	8.19	3.63	4.71
(v) Other Current Assets	0.87	-	0.05	0.05
Total Current Assets	**57.99**	**83.23**	**5.74**	**61.70**
Total Assets	**258.64**	**168.67**	**44.75**	**71.46**
Liabilities				
Non-current Liabilities				
Financial Liabilities				
(i) Other Financial Liabilities	16.30	0.65	0.09	0.05
Provisions	0.14	0.06	0.06	-
Other Non Current Liabilities	-	-	-	-
Total Non-current Liabilities	**16.44**	**0.71**	**0.15**	**0.05**
Current Liabilities				
Financial Liabilities				
(i) Borrowings	30.54	-	-	-
(ii) Trade Payables	0.02	0.02	0.03	5.91
(iii) Other Financial Liabilities	90.23	16.31	1.94	0.00
Other Current Liabilities	-	-	0.50	-
Provisions	0.04	0.02	0.01	0.02
Current Tax Liabilities	0.83	0.69	-	0.42
Total Current Liabilities	**121.66**	**17.04**	**2.48**	**6.35**
Total Liabilities	**138.10**	**17.75**	**2.63**	**6.40**

(₹ in Crores)

Particulars	For the Period			
	19th September, 2019 to 31st March, 2020	**14th October, 2019 to 31st March, 2020**	**13th November, 2019 to 31st March, 2020**	**13th November, 2019 to 31st March, 2020**
Total Revenue	7.10	9.43	4.33	5.64
Total Expenses	0.00	0.40	0.43	0.51
Profit / (Loss) before tax	7.10	**9.03**	**3.90**	**5.13**
Tax	(0.01)	-	(0.01)	(0.02)
Profit / (Loss) after tax	**7.09**	**9.03**	**3.89**	**5.11**

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 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 9th May, 2020, there are no subsequent events to be recognized or reported that are not already disclosed.

(iii) The Consolidated Financial Statements for the year ended 31st March, 2020 have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on 09th May, 2020.

As per our attached report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration Number : 117366W/W-100018

MOHAMMED BENGALI
Partner
(Membership No. 105828)

Place : Mumbai
Date : 09th May, 2020

For and on behalf of the Board of Directors
ADANI TRANSMISSION LIMITED

GAUTAM S. ADANI
Chairman
DIN: 00006273

ANIL SARDANA
Managing Director and
Chief Executive Officer
DIN: 00006867

KAUSHAL SHAH
Chief Financial Officer

JALADHI SHUKLA
Company Secretary

Place : Ahmedabad
Date : 09th May, 2020

ADANI TRANSMISSION LIMITED

Form No. AOC-1
Salient features of the financial statement of subsidiaries as per Companies Act, 2013

PART "A" : Subsidiaries

(₹ in Crores)

Sr. No.	Name of the Subsidiary	Reporting Period	Reporting Currency	Share Capital	Unsecured Perpetual Equity Instrument	Instrumental Entirely Equity in Nature	Reserves & Surplus[1]	Total Assets	Total Liabilities	Investments	Turnover	Profit/(Loss) before Taxation	Provision for Taxation	Profit/(Loss) after Taxation	Proposed Dividend	% of Shareholding
1	Adani Transmission (India) Limited	2019-20	INR	285.86	-	-	1,824.61	4,183.23	2,072.76	6.48	976.01	379.77	67.11	312.66	-	100%
2	Maharashtra Eastern Grid Power Transmission Company Limited	2019-20	INR	1,076.34	-	-	1,265.40	5,028.38	2,686.64	37.45	1,015.29	272.95	47.86	225.09	-	100%
3	Sipat Transmission Limited	2019-20	INR	44.00	-	-	17.01	620.81	559.80	0.04	98.95	34.50	8.84	25.66	-	100%
4	Raipur-Rajnandgaon-Warora Transmission Limited	2019-20	INR	91.10	-	-	47.18	1,409.56	1,271.28	-	226.81	79.66	20.77	58.89	-	100%
5	Chhattisgarh-WR Transmission Limited	2019-20	INR	68.00	-	-	31.42	1,072.46	973.04	-	151.52	45.44	12.77	32.67	-	100%
6	Adani Transmission (Rajasthan) Limited	2019-20	INR	8.50	-	-	4.02	143.14	130.62	-	21.31	4.91	2.31	2.60	-	100%[3]
7	North Karanpura Transco Limited	2019-20	INR	0.05	-	31.57	(2.78)	166.65	137.81	-	-	(0.01)	-	(0.01)	-	100%
8	Maru Transmission Service Company Limited	2019-20	INR	8.94	-	-	11.44	226.23	205.85	3.58	35.99	4.20	0.68	3.52	-	100%
9	Aravali Transmission Service Company Limited	2019-20	INR	5.23	-	-	(8.21)	143.04	146.02	4.70	22.32	0.90	0.15	0.75	-	100%
10	Western Transco Power Limited	2019-20	INR	10.00	-	-	140.92	675.71	524.79	11.10	73.65	17.64	10.29	7.35	-	100%
11	Western Transmission (Gujarat) Limited	2019-20	INR	10.00	-	-	95.79	375.92	270.13	2.18	43.47	15.23	5.86	9.37	-	100%
12	Hadoti Power Transmission Service Limited	2019-20	INR	10.00	-	-	26.98	196.85	159.87	-	48.08	25.84	7.52	18.32	-	100%
13	Barmer Power Transmission Service Limited	2019-20	INR	8.00	-	-	24.71	148.08	115.37	0.70	38.81	20.36	5.92	14.44	-	100%
14	Thar Power Transmission Service Limited	2019-20	INR	7.00	-	-	19.46	131.14	104.68	-	34.87	17.57	5.12	12.45	-	100%
15	Fatehgarh-Bhadla Transmission Limited	2019-20	INR	25.50	-	-	(0.29)	413.69	388.48	-	-	0.03	0.01	0.02	-	100%
16	Adani Electricity Mumbai Limited	2019-20	INR	4,020.82	-	-	503.51	19,705.86	15,181.53	185.07	7,705.36	252.80	202.58	50.22	-	74.90%
17	Ghatampur Transmission Limited	2019-20	INR	82.25	-	25.43	0.35	1,178.35	1,070.32	48.67	-	0.56	0.14	0.42	-	100%
18	Adani Transmission Bikaner Sikar Private Limited (Formerly Known as KEC Bikaner Sikar Transmission Private Limited)	2019-20	INR	10.00	-	-	33.66	222.55	178.69	3.61	27.85	7.33	2.06	5.27	-	100%[4]
19	OBRA-C Badaun Transmission Limited	2019-20	INR	55.50	-	-	(0.10)	248.38	192.98	7.10	-	(0.05)	0.02	(0.08)	-	100%
20	AEML Infrastructure Limited	2019-20	INR	0.01	-	-	(0.01)	21.03	21.03	-	-	(0.00)	-	(0.00)	-	100%
21	Bikaner Khetri Transmission Limited[2]	19th September, 2019 to 31st March, 2020	INR	0.01	-	-	0.01	258.64	258.62	-	-	0.03	0.01	0.02	-	100%
22	WRSS XXI (A) Transco Limited[2]	14th October, 2019 to 31st March, 2020	INR	0.05	-	-	(0.60)	168.68	169.23	-	-	(0.60)	-	(0.60)	-	100%
23	Lakadia Banaskantha Transco Limited[2]	13th November, 2019 to 31st March, 2020	INR	0.05	-	-	(1.04)	44.74	45.73	-	-	(1.03)	0.00	(1.03)	-	100%
24	Jam Khambhaliya Transco Limited[2]	13th November, 2019 31st March, 2020	INR	0.05	-	-	(0.90)	71.47	72.32	-	5.89	(0.87)	0.02	(0.90)	-	100%
25	Arasan Infra Private Limited	05th November, 2019 31st March, 2020	INR	0.01	-	-	(0.12)	114.54	114.64	-	16.08	(0.12)	-	(0.12)	-	100%
26	Sunrays Infra Space Private Limited	05th November, 2019 31st March, 2020	INR	0.01	-	-	0.01	532.43	532.41	-	16.08	0.02	0.01	0.01	-	100%
27	Power Distribution Services Limited (Formerly known as 'Adani Electricity Mumbai Services Limited')	06th December,2019 31st March 2020	INR	0.01	-	-	(0.00)	0.01	0.00	-	-	(0.00)	-	(0.00)	-	74.90%
28	Adani Electricity Mumbai Infra Limited	03rd January,2020 31st March 2020	INR	0.01	-	-	(0.00)	1.02	1.01	-	-	(0.00)	-	(0.00)	-	74.90%

1. Reserves & Surplus includes Other Comprehensive Income

2. Date of Acquisition by the company:
   Bikaner Khetri Transmission Limited - 19th September, 2019
   WRSS XXI (A) Transco Limited - 14th October, 2019
   Lakadia Banaskantha Transco Limited - 13th November, 2019
   Jam Khambaliya Transco Limited - 13th November, 2019

3. Adani Transmission (Rajasthan) Limited has entered into a contract (Transmission Service Agreement) with Rajasthan Rajya Vidyut Prasaran Nigam Limited (RRVPNL) providing for the issue and allotment of one non-transferable equity share of the Company (the 'Golden Share') in favour of the RRVPNL.

4. Adani Transmission Bikaner Sikar Private Limited has entered into a contract (Transmission Service Agreement) with Rajasthan Rajya Vidyut Prasaran Nigam Limited (RRVPNL) providing for the issue and allotment of one non-transferable equity share of the Company (the "Golden Share") in favour of the RRVPNL.

5. Date of Incorporation of subsidiary company:
   Arasan Infra Private Limited - 05th November, 2019
   Sunrays Infra Space Private Limited - 05th November, 2019
   Power Distribution Services Limited (Formerly known as 'Adani Electricity Mumbai Services Limited') - 06th December, 2019
   Adani Electricity Mumbai Infra Limited - 03rd January, 2020

6. Name of the Subsidiaries which are yet to commence operations

Sr. No.	1	2	3	4	5	6
Name of the Subsidiary	Ghatampur Transmission Limited	OBRA-C Badaun Transmission Limited	North Karanpura Transco Limited	Fatehgarh-Bhadla Transmission Limited	Bikaner Khetri Transmission Limited[2]	WRSS XXI (A) Transco Limited[2]
Sr. No.	7	8	9		10	11
Name of the Subsidiary	Lakadia Banaskantha Transco Limited[2]	Jam Khambhaliya Transco Limited[2]	Power Distribution Services Limited (Formerly known as 'Adani Electricity Mumbai Services Limited')		AEML Infrastructure Limited	Adani Electricity Mumbai Infra Limited

Note: There are no associate companies or joint ventures companies within the meaning of Section 2(6) of the Companies Act, 2013. Hence, Part B relating to the same is not applicable.

For and on behalf of the Board
ADANI TRANSMISSION LIMITED

Gautam S. Adani
Chairman
DIN 00006273

Anil Sardana
Managing Director and
Chief Executive Officer
DIN: 00006867

Kaushal Shah
Chief Financial Officer

Jaladhi Shukla
Company Secretary

Place : Ahmedabad
Date : 09th May, 2020

Deloitte
Haskins & Sells LLP

Chartered Accountants
19th floor, Shapath-V,
Opposite to Karnavati Club,
S.G. Highway, Ahmedabad - 380 015
Tel. +91 79 6682 7300

INDEPENDENT AUDITOR'S REPORT

To The Members of Adani Transmission Limited
Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Adani Transmission Limited** ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March, 2021, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the financial information of the subsidiaries referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2021, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraphs (a) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No	Key Audit Matter Description	Auditor's Response
1	**Hedge accounting and the related disclosures for currency derivatives:** (Refer to Note 48 to the Consolidated Financial Statements) We identified the hedge accounting for currency derivatives and the adequacy of the related disclosures as a key audit matter because the evaluation of hedge effectiveness involved management's judgement and estimation and the changes in fair values of these currency derivatives has significant impact on the consolidated financial statements. As disclosed in note 48 to the consolidated financial statements, the Group was exposed to currency risk primarily arising from foreign currency denominated borrowings. As further disclosed in note 48 to the consolidated financial statements, the Company utilised currency derivatives to hedge these the foreign exchange risk arising from these borrowings during the year ended 31 March, 2021. These currency derivatives which were designated and effective as net Cash flow hedges, gave rise to assets of Rs. 242.61 crores and liabilities of Rs. 309.16 crores as at 31 March, 2021 and the fair value changes of these currency derivatives have been presented in equity at 31 March, 2021.	**Principal audit procedures performed:** • Obtaining an understanding of and testing the design and implementation and operative effectiveness of the management's controls over the valuation of currency derivatives and hedge accounting of the Company and a subsidiary the Company audited by us. • Inspecting hedge documentations and contracts and evaluating the management's determination of mark to market valuations and assessment of hedge effectiveness, on a sample basis with the assistance of our internal specialists, to evaluate the accounting for these currency derivatives in accordance with the requirements of relevant Indian accounting standards. • Obtaining confirmations directly from contract counterparties of the Company and a subsidiary of the Company audited by us to verify the existence of each currency derivative held at 31 March, 2021. • Reperforming mark-to-market valuations on a sample basis with the involvement of our internal fair valuation specialists, to evaluate the reasonability of fair values of the currency derivatives and the hedge

		effectiveness thereof has been appropriately determined by the management; and • Assessed the adequacy of the disclosures in respect of the currency derivatives and hedge accounting in accordance with the disclosure requirements of Ind AS 107- Financial Instruments: Disclosures, Ind AS 113- Fair Value Measurement.
2	**Impairment of Transmission License having indefinite life:** (Refer to Note 56 to the Consolidated Financial Statements) We identified the impairment testing of Transmission License having indefinite life as a key audit matter considering the significance of the carrying value, long term estimation and the significant judgements involved in the impairment assessment. As per the requirements of Ind AS 36, the Group tests for impairment annually, Intangible assets being Transmission License with indefinite life acquired in Business Combination with a carrying value of Rs. 981.62 crores as at 31 March, 2021. The determination of recoverable amount, being the higher of value-in-use and fair value less costs to dispose, involves significant estimates, assumption and judgements of the long term financial projections on part of the management.	**Principal audit procedures performed:** • We tested the design, implementation and operating effectiveness of controls over impairment assessment process which inter alia included the management's evaluation of the reasonableness of estimates including those over the forecasts of future revenues, future capital expenditure and selection of discount rates. • We obtained management's impairment assessment performed the following substantive procedures: • Tested the reasonableness of key estimates including revenue, future capital expenditure, terminal values and the selection of discount rates. • With the assistance of our internal fair value specialists we to evaluated the appropriateness of the valuation methodology and the reasonability of the discount rate.
3	**Acquisition of Transmission Special Purpose Vehicle ("SPV") classified as asset acquisition:** (Refer to Note 60 to the Consolidated Financial Statements) During the year, the Group has acquired operational transmission asset by acquiring Alipurduar Transmission Limited (ATL) from an unrelated party.	**Principal audit procedures performed:** • Assessed the activities of the transmission SPV to determine if the acquisition involved input, substantive processes and output

	The key activity of ATL is maintenance of transmission assets. The acquisition does not include employees of any other significant process to earn tariff revenues. Based on evaluation of the relevant facts and circumstances related to the acquisition vis-à-vis the guidance under the relevant Ind-AS the management classified the acquisition of transmission SPV as an asset acquisition. Considering the management judgement involved in determining whether the acquisition is a business acquisition or an asset acquisition it is considered as a key audit matter.	• Evaluated the relevant facts and circumstances considered by the management in applying their judgment that the acquisition is an asset acquisition. • We read and assessed the adequacy of disclosures in the consolidated Ind AS financial statements for compliance with the relevant accounting standards requirements.
4	**Accrual of Regulatory Deferrals:** (Refer to Note 55 to the Consolidated Financial Statements) In the respect of Mumbai Distribution business, of the Group, the tariff is determined by Maharashtra Electricity Regulatory Commission (MERC) on cost plus return on equity basis wherein the cost is subject to certain laid down benchmarks/ norms. The Group invoices its customers on the basis of pre-approved tariff which is based on provisional tariff orders and is subject to final true up exercise to be adjusted in the future tariff. The Group recognizes revenue on the basis of tariff invoiced to consumers. As the Group is entitled to a fixed return on equity, the Group recognizes regulatory deferral for the shortage / excess compared to the entitled return on equity. Regulatory deferrals are determined based on tariff regulations, tariff orders, judicial pronouncements etc. and are subject to verification and approval by the regulators. Further the costs incurred are subject to laid down norms/benchmarks. Significant judgements and estimates are made in determining the regulatory deferrals including interpretation of tariff regulations.	**Principal audit procedures performed:** • Obtained an understanding of and tested the design, implementation and operating effectiveness of the management's controls over accrual of regulatory deferrals. • Evaluated the reasonability of key estimates used by the Group in accrual of regulatory deferrals by comparing it with tariff regulations, prior years orders and past precedents.

	The Group has recognized net regulatory deferrals –Assets of Rs 167.89 crores (net) as at 31 March, 2021(including Rs 582.81 crores for the year). We identified the accrual of regulatory deferrals as a key audit matter considering the significance of the amount of regulatory deferrals and the significant judgements and estimates involved in the determination of accruals.	

Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, is traced from their financial statements audited by the other auditors.

If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the branches, entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such branches or entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of 29 subsidiaries, whose financial statements reflect total assets of Rs. 12,743.19 crores as at 31 March, 2021, total revenues of Rs. 963.42 Crores and net cash outflows amounting to Rs. 229.03 Crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Parent Company as on 31 March, 2021 taken on record by the Board of Directors of the Company and subsidiary companies, none of the directors of the Group companies is disqualified as on 31 March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent company and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

(i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group ;

(ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent Company, and its subsidiary companies incorporated in India.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Mohammed Bengali
(Partner)
(Membership No. 105828)
(UDIN: 21105828AAAABC4937)

Place: Mumbai
Date:6 May, 2021

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of Adani Transmission Limited (hereinafter referred to as "the Parent") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to

provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent and its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 29 subsidiary companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matter.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

M Bengali

Mohammed Bengali
(Partner)
(Membership No. 105828)
(UDIN: 21105828AAAABC4937)

Place: Mumbai
Date: 6 May, 2021

ADANI TRANSMISSION LIMITED

Consolidated Balance Sheet as at 31st March, 2021

(₹ in Crores)

Particulars	Notes	As at 31st March, 2021	**As at** 31st March, 2020
ASSETS			
Non-current Assets			
Property, Plant and Equipment	5.1	25,166.26	23,099.70
Capital Work-In-Progress	5.2	5,239.73	2,208.96
Right of Use Assets	5.3	218.15	237.54
Goodwill		592.88	592.09
Other Intangible Assets	5.1	1,009.31	994.87
Intangible Assets Under Development		15.41	3.28
Financial Assets			
(i) Investments	6	267.24	-
(ii) Loans	7	1,073.82	38.91
(iii) Other Financial Asset	8	2,910.63	2,302.41
Income Tax Assets (Net)	9	63.07	37.31
Other Non-current Assets	10	1,677.64	1,510.69
Total Non-current Assets		**38,234.14**	**31,025.76**
Current Assets			
Inventories	11	233.71	541.17
Financial Assets			
(i) Investments	12	174.79	312.67
(ii) Trade Receivables	13	1,013.54	1,000.26
(iii) Cash and Cash Equivalents	14	263.68	1,232.99
(iv) Bank Balances other than (iii) above	15	1,026.23	1,063.85
(v) Loans	16	24.43	2,409.28
(vi) Other Financial Assets	17	1,394.59	1,543.31
Other Current Assets	18	429.02	334.17
Total Current Assets		**4,559.99**	**8,437.70**
Total Assets before Regulatory Deferral Account		**42,794.13**	**39,463.46**
Regulatory Deferral Account - Asset	55	439.45	247.73
Total Assets		**43,233.58**	**39,711.19**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	19	1,099.81	1,099.81
Unsecured Perpetual Equity Instrument	20	2,829.70	3,279.42
Other Equity	21	4,989.77	4,119.73
Total Equity attributable to Equity Owners of the Company		**8,919.28**	**8,498.96**
Non-Controlling Interests		1,103.58	1,062.13
Total Equity		10,022.86	**9,561.09**
Liabilities			
Non-current Liabilities			
Financial Liabilities			
(i) Borrowings	22	23,808.81	22,289.65
(ii) **Trade Payables**	23		
(A) total outstanding dues of micro enterprises and small enterprises;		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		31.93	29.35
(iii) Other Financial Liabilities	24	627.59	419.86
Other Non-Current Liabilities	25	282.89	278.02
Provisions	26	584.52	275.58
Deferred Tax Liabilities (Net)	27	1,186.35	971.37
Total Non-current Liabilities		**26,522.09**	**24,263.83**
Current Liabilities			
Financial Liabilities			
(i) Borrowings	28	1,966.47	1,235.81
(ii) **Trade Payables**	29		
(A) total outstanding dues of micro enterprises and small enterprises;		29.69	49.93
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		1,211.32	1,701.58
(iii) Other Financial Liabilities	30	2,849.97	1,982.51
Other Current Liabilities	31	291.29	309.42
Provisions	26	61.85	62.40
Current Tax Liabilities (Net)	32	6.48	40.29
Total Current Liabilities		6,417.07	5,381.94
Total Liabilities before Regulatory Deferral Account		**32,939.16**	29,645.77
Regulatory Deferral Account-Liabilities	55	271.56	504.33
Total Equity and Liabilities		43,233.58	**39,711.19**

See accompanying notes forming part of the consolidated financial statements

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

MOHAMMED BENGALI
Partner
Membership No. 105828

Place : Mumbai
Date : 6th May, 2021

For and on behalf of the Board of Directors
ADANI TRANSMISSION LIMITED

GAUTAM S. ADANI
Chairman
DIN: 00006273

ANIL SARDANA
Managing Director and
Chief Executive Officer
DIN: 00006867

JALADHI SHUKLA
Company Secretary

Place : Ahmedabad
Date : 6th May, 2021

ADANI TRANSMISSION LIMITED

Consolidated Statement of Profit and Loss for the Year ended 31st March, 2021

(₹ in Crores)

Particulars	Notes	For the Year ended 31st March, 2021	For the year ended 31st March, 2020
Income			
Revenue from Operations			
(i) From Generation, Transmission and Distribution Business	33	9,169.70	10,491.35
(ii) From Trading Business	34	756.63	924.61
Other Income	35	532.60	265.33
Total Income		**10,458.93**	**11,681.29**
Expenses			
Cost of Power Purchased		1,914.51	2,679.13
Cost of Fuel		972.56	1,018.23
Purchases of Stock-in-Trade	36	755.89	924.21
Employee Benefits Expense	37	930.76	973.24
Finance Costs	38	2,116.99	2,238.49
Depreciation and Amortisation Expenses	5.4	1,328.88	1,174.02
Other Expenses	39	1,402.25	1,334.52
Total Expenses		**9,421.84**	**10,341.84**
Profit Before Rate Regulated Activities, Tax and Deferred Assets recoverable/adjustable for the year		**1,037.09**	**1,339.45**
Net movement in Regulatory Deferral Account Balances - Income/(Expenses)		582.81	(232.77)
Profit Before Tax and Deferred Assets recoverable/adjustable for the year		**1,619.90**	**1,106.68**
Tax Expense:	40		
Current Tax		187.01	213.80
Deferred Tax		237.22	329.08
Total Tax expenses		**424.23**	**542.88**
Profit After Tax for the year but before Deferred Assets recoverable/adjustable		**1,195.67**	**563.80**
Deferred assets recoverable/adjustable		93.90	142.69
Profit After Tax for the year		**1,289.57**	**706.49**
Other Comprehensive Income/(Loss)			
(a) Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit plans / (Loss)		34.24	(21.10)
- Tax relating to items that will not be reclassified to Profit or Loss		(6.03)	3.61
(b) Items that will be reclassified to profit or loss			
- Effective portion of gains and losses on designated portion of hedging instruments in a cash flow hedge		(192.32)	135.06
- Tax relating to items that will be reclassified to Profit or Loss		17.71	2.76
Total Other Comprehensive Income/ (Loss) for the year (Net of Tax)		**(146.40)**	**120.33**
Total Comprehensive Income for the year		**1,143.17**	**826.82**
Profit/ (Loss) for the year attributable to:			
Owners of the Company		1,224.04	741.82
Non-controlling interests		65.53	(35.33)
		1,289.57	706.49
Other Comprehensive Income / (Loss) for the year attributable to:			
Owners of the Company		(128.03)	127.93
Non-controlling interests		(18.37)	(7.60)
		(146.40)	120.33
Total Comprehensive Income/ (Loss) for the year attributable to:			
Owners of the Company		1,096.01	869.75
Non-controlling interests		47.16	(42.93)
		1,143.17	**826.82**
Earnings Per Share (EPS) (in ₹)	41		
(Face Value ₹ 10 Per Share)			
Basic / Diluted Earnings per Equity Share (Face Value of ₹ 10 each) after Net movement in Regulatory Deferral Account Balances (₹)		9.02	2.94
Basic / Diluted Earnings per Equity Share (Face Value of ₹ 10 each) before Net movement in Regulatory Deferral Account Balances (₹)		5.75	4.69

See accompanying notes forming part of the consolidated financial statements

As per our attached report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration Number : 117366W/W-100018

MOHAMMED BENGALI
Partner
Membership No. 105828

Place : Mumbai
Date : 6th May, 2021

For and on behalf of the Board of Directors
ADANI TRANSMISSION LIMITED

GAUTAM S. ADANI
Chairman
DIN: 00006273

ANIL SARDANA
Managing Director and
Chief Executive Officer
DIN: 00006867

JALADHI SHUKLA
Company Secretary

Place : Ahmedabad
Date : 6th May, 2021

ADANI TRANSMISSION LIMITED

Statement of Consolidated Cash flows for the year ended 31st March, 2021

(₹ In Crores)

	Particulars	For the Year ended 31st March, 2021	For the year ended 31st March, 2020
A.	**Cash flows from operating activities**		
	Profit before tax	1,619.90	1,106.58
	Adjustments for:		
	Depreciation and Amortisation Expenses	1,328.86	1,174.02
	Amortisation of Consumer Contribution	(9.22)	(8.49)
	Gain on Sale/Fair Value of Current Investments measured at FVTPL	(46.00)	(61.53)
	Finance Costs	1,802.48	2,338.91
	Interest Income	(466.95)	(187.21)
	Provision for Stamp Duty Expense	-	22.60
	Unclaimed liabilities / Excess provision written back	(2.11)	(0.26)
	Write downs in Inventory value	-	4.53
	Bad Debt Written Off	27.14	0.56
	Expected Credit Loss- Doubtful Debts,Advances,Deposits	-	43.62
	Loss on sale of Property, Plant and Equipment	-	4.58
	Foreign Exchange Fluctuation Loss	-	12.53
	Unrealised Foreign Exchange (Gain)/Loss - Borrowings net of Hedging	314.51	(100.42)
	Operating profit before working capital changes	**4,566.63**	**4,350.12**
	Changes in Working Capital:		
	(Increase) / Decrease in Operating Assets :		
	Employee Loans, Other Financial Assets and Other Assets	(298.27)	312.41
	Inventories	312.86	(179.52)
	Trade Receivables	(39.16)	(321.00)
	Regulatory Deferral Account - Assets	(191.72)	857.87
	Increase / (Decrease) in Operating Liabilities :		
	Trade Payables	(402.30)	406.22
	Regulatory Deferral Account - Liabilities	(232.77)	232.77
	Other Financial Liabilities, Other Liabilities and Provisions	319.59	(35.85)
	Cash generated from operations	**4,036.86**	**5,623.02**
	Taxes paid (Net)	(252.53)	(185.82)
	Net cash generated from operating activities (A)	**3,784.33**	**5,437.20**
B.	**Cash flows from investing activities**		
	Purchase of Property, Plant and Equipment (including Capital Work-in-progress, other intangible assets, capital advances and capital creditors)	(3,952.32)	(2,762.67)
	Acquisition of Subsidiaries	(563.24)	(50.22)
	Advance for Business Acquisition	-	(17.21)
	Proceeds/(Purchase) of Non Current Investments (Contingency Reserve)	(267.24)	120.92
	Proceeds/(Purchase) of current investment (net)	171.45	(83.85)
	(Deposits in) Bank deposits (net) (including Margin money deposit)	(1,260.09)	(593.84)
	Loans received back/ (given) - Net	1,344.85	(2,400.53)
	Interest Received	501.30	144.52
	Net cash used in investing activities (B)	**(4,025.29)**	**(5,642.88)**
C.	**Cash flows from financing activities**		
	Payment of lease liabilities (including interest ₹ 12.07 crores (₹ 11.97 crores))	(35.19)	(35.66)
	Increase in Service Line Contribution	14.09	20.14
	Proceeds from Long-term borrowings	2,536.62	19,025.09
	Repayment of Long-term borrowings	(1,333.09)	(15,686.01)
	Proceeds from Short-term borrowings	2,805.32	4,651.91
	Repayment of Short-term borrowings	(2,074.39)	(5,084.22)
	Distribution on Unsecured Perpetual Equity Instrument	(1.39)	(2.28)
	Proceeds from issue of Unsecured Perpetual Equity Instrument	-	700.00
	Proceeds on Sale of Equity Shares in Subsidiary Company	-	1,209.62
	Repayment of Unsecured Perpetual Equity Instrument	(680.00)	(1,209.62)
	Finance Cost paid	(1,976.62)	(2,338.57)
	Net cash generated from/(used in) financing activities (C)	**(744.65)**	**1,250.40**
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	**(985.61)**	**1,044.72**
	Cash and cash equivalents at the beginning of the year	**1,232.99**	**188.25**
	Cash and cash equivalents acquired on acquisition of subsidiaries	16.30	0.02
	Cash and cash equivalents at the end of the year	**263.68**	**1,232.99**

Cash and Cash Equivalents includes (Refer note 14)	As at 31st March, 2021	As at 31st March, 2020
Balances with banks		
In current accounts	175.71	920.33
Fixed Deposits (with original maturity for three months or less)	60.60	306.05
Cheque / Draft on Hand	24.97	6.19
Cash on Hand	2.40	0.42
Total Cash and Cash Equivalents	**263.68**	**1,232.99**

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

ADANI TRANSMISSION LIMITED

Statement of Consolidated Cash flows for the year ended 31st March, 2021

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, 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**

Particulars	1st April, 2019	Cash Flows (net)	Unrealised Foreign Exchange Gain/(Loss)	Other	31st March, 2020
Long-term Borrowings (Including Current Maturities of Long Term Debt)#	18,504 21	3,339 08	1,188.36	(21.73)	23,009.92
Short term Borrowings	1,632.78	(432 31)	-	35.34	1,235.81
Unsecured perpetual Equity Instrument including Distribution (Net of Tax)*	3,408 03	(511 90)	-	383 29	3,279.42
TOTAL	23,545.02	2,394.87	1,188.36	396.90	27,525.15

* Other Includes Distribution on perpetual Equity Instrument

\# Other Includes Balances taken over on acquisition of Subsidiaries (Refer Note 60)

See accompanying notes forming part of the consolidated financial statements

As per our attached report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration Number : 117366W/W-100018

MOHAMMED BENGALI
Partner
Membership No. 105828

Place : Mumbai
Date : 6th May, 2021

For and on behalf of the Board of Directors
ADANI TRANSMISSION LIMITED

GAUTAM S. ADANI
Chairman
DIN: 00006273

ANIL SARDANA
Managing Director and
Chief Executive Officer
DIN: 00006867

JALADHI SHUKLA
Company Secretary

Place : Ahmedabad
Date : 6th May, 2021

ADANI TRANSMISSION LIMITED

Consolidated Statement of changes in equity for the year ended 31st March, 2021

A. Equity Share Capital

Particulars	No. of Shares	(₹ in Crores)
Balance as at 1st April, 2019	1,09,98,10,083	1,099.81
Issue of shares during the year	-	-
Balance as at 31st March, 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

B. Unsecured Perpetual Equity Instrument

Particulars	(₹ in Crores)
Balance as at 1st April, 2019	3,408.03
i) Add: Availed during the year	700.00
ii) Add: Distribution on Unsecured Perpetual Equity Instrument (Net of Tax)	381.01
iii) Less: Repaid during the year	(1,209.62)
Balance as at 31st March, 2020	**3,279.42**
i) Add: Availed during the year	-
ii) Add: Distribution on Unsecured Perpetual Equity Instrument (Net of Tax)	230.28
iii) Less: Repaid during the year	(680.00)
Balance as at 31st March, 2021	**2,829.70**

C. Other Equity

(₹ In Crores)

Particulars	Attributable to owners of the Company									Non - controlling Interest	Total Equity
	Reserves and Surplus							Item of other comprehensive income	Total Attributable to owners of the Company		
	Capital Reserve	General Reserve	Retained Earnings	Capital Redemption Reserve	Debenture Redemption Reserve	Self Insurance Reserve	Contingency Reserve	Effective portion of cashflow Hedge			
Balance as at 1st April, 2019	208.87	1,220.60	172.20	1,891.88	12.87	-	203.17	(174.55)	3,535.04	-	3,535.04
Profit for the year	-	-	741.82	-	-	-	-	-	741.82	(35.33)	706.49
Add/(Less): Other comprehensive income for the year (Net of Tax)	-	-	(13.21)	-	-	-	-	141.14	127.93	(7.60)	120.33
(Less): Distribution on Unsecured perpetual Equity Instrument	-	-	(383.29)	-	-	-	-	-	(383.29)	-	(383.29)
Non- Controlling Interest on sale of Equity Shares of Subsidiary Companies						-			-	1,105.91	1,105.91
Add: Gain on sale of Equity Shares of Subsidiary Companies to non controlling interest (Refer Note 58)	-	-	97.38	-	-	-	-	-	97.38	-	97.38
Add/ (Less): Transfer from Retained Earning to Contingency Reserve		-	(36.52)	-	-	-	37.37	-	0.85	(0.85)	-
Add / (Less): Transfer from Retained Earning to Debenture Redemption Reserve		-	(0.57)	-	0.57	-	-	-	-	-	-
Balance as at 31st March, 2020	208.87	1,220.60	577.81	1,891.88	13.44	-	240.54	(33.41)	4,119.73	1,062.13	5,181.86
Profit/(Loss) for the year	-	-	1,224.04	-	-	-	-	-	1,224.04	65.53	1,289.57
Add/(Less): Other comprehensive income for the year (Net of Tax)		-	21.31	-	-	-	-	(149.34)	(128.03)	(18.37)	(146.40)
(Less): Distribution on Unsecured perpetual Equity Instrument		-	(231.68)	-	-	-	-	-	(231.68)	-	(231.68)
Add: Transfer from Retained Earning on redemption of Optionally Convertible Redeemable Preference Shares	-		(544.65)	544.65	-	-	-	-	-	-	-
Add/ (Less): Transfer from Retained Earning to Contingency Reserve	-		(38.66)	-		-	44.37	-	5.71	(5.71)	-
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

See accompanying notes forming part of the consolidated financial statements

As per our attached report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration Number : 117366W/W-100018

MOHAMMED BENGALI
Partner
Membership No. 105828

Place : Mumbai
Date : 6th May, 2021

For and on behalf of the Board of Directors
ADANI TRANSMISSION LIMITED

GAUTAM S. ADANI
Chairman
DIN: 00006273

ANIL SARDANA
Managing Director and
Chief Executive Officer
DIN: 00006867

JALADHI SHUKLA
Company Secretary

Place : Ahmedabad
Date : 6th May, 2021

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 and West Bengal. 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). 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, 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- has power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders:
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries.
(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated Statement of Profit and Loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The list of Companies included in consolidation, relationship with Adani Transmission Limited and it's shareholding therein is as under: The reporting date for all the entities is 31st March, 2021

Sr. No.	Name of Company	Country of Incorporation	Relationship	Shareholding as on 31st March 2021	Shareholding as on 31st March 2020
1	Adani Transmission (India) Limited (ATIL)	India	Subsidiary	100%	100%
2	Maharashtra Eastern Grid Power Transmission Co. Limited (MEGPTCL)	India	Subsidiary	100%	100%
3	Sipat Transmission Limited (STL)	India	Subsidiary	100%	100%
4	Raipur-Rajnandgaon-Warora Transmission Limited (RRWTL)	India	Subsidiary	100%	100%
5	Chhattisgarh-WR Transmission Limited (CWRTL)	India	Subsidiary	100%	100%
6	Adani Transmission (Rajasthan) Limited (ATRL)	India	Subsidiary	100%[1]	100%[1]
7	North Karanpura Transco Limited (NKTL)	India	Subsidiary	100%	100%
8	Maru Transmission Service Company Limited (MTSCL)	India	Subsidiary	100%	100%
9	Aravali Transmission Service Company Limited (ATSCL)	India	Subsidiary	100%	100%
10	Hadoti Power Transmission Service Limited (HPTSL)	India	Subsidiary	100%	100%
11	Barmer Power Transmission Service Limited (BPTSL)	India	Subsidiary	100%	100%
12	Thar Power Transmission Service Limited (TPTSL)	India	Subsidiary	100%	100%
13	Western Transco Power Limited (WTPL)	India	Subsidiary	100%	100%
14	Western Transmission (Gujarat) Limited (WTGL)	India	Subsidiary	100%	100%
15	Fatehgarh-Bhadla Transmission Limited (FBTL)	India	Subsidiary	100%	100%
16	Ghatampur Transmission Limited (GTL)	India	Subsidiary	100%	100%
17	Adani Electricity Mumbai Limited (AEML)	India	Subsidiary	74.90%	74.90%
18	AEML Infrastructure Limited (AEML Infra)	India	Subsidiary	100%	100%
19	OBRA-C Badaun Transmission Limited (OBTL)	India	Subsidiary	100%	100%
20	Adani Transmission Bikaner Sikar Private Limited (Formerly Known as KEC Bikaner Sikar Transmission Private Limited) (ATBSPL)	India	Subsidiary	100%[2]	100%[2]
21	WRSS XXI (A) Transco Limited (WRSS XXI (A))	India	Subsidiary	100%	100%
22	Bikaner Khetri Transco Limited (BKTL)	India	Subsidiary	100%	100%
23	Lakadia banaskantha Transco Limited (LBTL)	India	Subsidiary	100%	100%
24	Jamkhambhaliya Transco Limited (JKTL)	India	Subsidiary	100%	100%
25	Arasan Infra Private Limited (AIPL)	India	Subsidiary	100%	100%
26	Sunrays Infra Space Private Limited (SISPL)	India	Subsidiary	100%	100%
27	Power Distribution Services Limited (Formerly known as 'Adani Electricity Mumbai Services Limited')	India	Subsidiary	74.90%	74.90%
28	Adani Electricity Mumbai Infra Limited (100% subsidiary of AEML) (AEMIL)	India	Subsidiary	74.90%	74.90%
29	Khar Ghar Vikhroli Transmission Private Limited (KVTPL)	India	Subsidiary	100%	N.A.
30	Alipurduar Transmission Limited (ALTL)	India	Subsidiary	100%[3]	N.A.
31	AEML Seepz Limited (100% subsidiary of AEML)(ASL)	India	Subsidiary	100%	N.A.
32	Adani Transmission Step One Limited (ATSOL)	India	Subsidiary	100%	N.A.
33	Warora Kurnool Transmission Limited (WKTL)	India	Subsidiary	100%	N.A.

1. Adani Transmission (Rajasthan) Limited (ATRL) has entered into a contract (Transmission Service Agreement) with Rajasthan Rajya Vidyut Prasaran Nigam Limited (RRVPNL) providing for the issue and allotment of one non-transferable equity share of ATRL (the "Golden Share") in favour of the RRVPNL.

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, Adani Transmission Limited acquired 49% of paid-up equity capital of Alipurduar Transmission Limited (ALTL) with effect from 26th November, 2020 from Kalpataru Power Transmission Limited ("the Selling Shareholder") pursuant to Share Purchase Agreement ("SPA") date 5 July, 2020. Adani Transmission Limited has finalised purchase consideration for acquisition of entire stake in ALTL and has entered into a binding agreement with the Selling Shareholder to acquire remaining 51% paid-up equity capital of ALTL from the Selling Shareholder. Considering the rights available to the Group under the SPA, the Group has concluded that it controls ALTL, accordingly the Group has consolidated ALTL, for the year ended 31 March, 2021. Further the revenue and corresponding expenses of ALTL included in the consolidated financial results is from 26th November, 2020 to 31 March, 2021.

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.

[illegible] 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 [illegible] 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	25-60 Years
Plant and Equipment (Except Meters & Batteries)*	3-35 Years
Plant and Equipment - Meters*	10 Years
Plant and Equipment - Batteries*	5 Years
Furniture and Fixtures	10-15 Years
Street Light	25 Years
Office Equipment	5-15 Years
Computer Equipment	3-6 Years
Vehicles	8-10 Years
Distribution Line / Transmission Cable	35 Years
Plant and Equipment, Building at DTPS	15 Years

* Consequent to amendment in tariff regulations, w.e.f. 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).

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(b) Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal.

In respect of Intangible Asset ("Assets") pertaining to Mumbai Generation, Transmission and Distribution business during the year with effect from 29th August, 2018, the group has accounted for such Assets at their respective fair values based on the valuation done by professional valuation firm. Subsequent additions to the assets after 29th August, 2018 are accounted for at cost.

In respect of Intangible Asset ("Assets") pertaining to Mumbai Generation, Transmission and Distribution business acquired from Reliance Infrastructure Limited under a Court sanctioned scheme of arrangement with an appointed date of 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 License*	Indefinite
Computer Software	3-5 years

* Related to Mumbai distribution Business

(c) Intangible Assets Under Development - Software

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled are recognised as Intangible assets where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

(d) Impairment of PPE and Intangible assets other then Goodwill

PPE (including CWIP) and intangible assets with definite lives, are reviewed for impairment, whenever events or changes in circumstances indicate that their carrying values may not be recoverable. Intangible assets having indefinite useful lives are tested for impairment, at-least annually and whenever circumstances indicate that it may be impaired.

For the purpose of impairment testing, the recoverable amount (that is, higher of the fair value less costs to sell and the value-in-use) is determined on an individual asset basis, unless the asset does not generate cash flows that are largely independent of those from other assets. In which case the recoverable amount is determined at the cash generating unit ("CGU") level to which the said asset belongs. If such individual assets or CGU are considered to be impaired, the impairment to be recognised in the statement of profit and loss is measured by the amount by which the carrying value of the asset / CGU exceeds their estimated recoverable amount and allocated on pro-rata basis.

Impairment losses are reversed in the statement of profit and loss and the carrying value is increased to its revised recoverable amount provided that this amount does not exceed the carrying value that would have been determined had no impairment loss been recognised for the said asset / CGU in previous years.

(e) Current versus Non-Current Classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle; or
- Held primarily for the purpose of trading; or
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.
A liability is treated as current when:

- It is expected to be settled in normal operating cycle; or
- It is held primarily for the purpose of trading; or
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.
Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.
The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

(f) Cash & Cash Equivalents

Cash & cash equivalents comprises cash on hand, cash at bank and short term deposit with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Cash & cash equivalents include balance with banks which are unrestricted for withdrawal and usage.
For the purpose of the statement of cash flows, cash & cash equivalents consists of cash at banks and short term deposits as defined above, as they are considered an integral part of the Group's cash management.

(g) Statement of Cash Flows

Cash flows are reported using the indirect method, where by profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

(h) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Group's entity are recognised at the proceeds received, net of direct issue costs.

(A) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.
All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

i) Classification of financial assets

a) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost using the effective interest rate method if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
On initial recognition, the Group makes an irrevocable election on an instrument-by-instrument basis to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments, other than equity investment which are held for trading. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

c) Financial assets at fair value through profit & loss (FVTPL)

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

ii) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial assets and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and transaction costs and other premiums or discounts) through the expected life of the financial assets, or where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest is recognised on an effective interest basis for debt instruments other than those financial assets classified as at Fair Value through Profit and Loss (FVTPL). Interest income is recognised in profit or loss and is included in the "Other income" line item.

iii) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

- the right to receive cash flows from the asset have expired, or
- the Group has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

iv) Impairment of financial assets

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables and other contractual rights to receive cash or other financial asset.Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. The Group estimates cash flows by considering all contractual terms of the financial instrument through the expected life of that financial instrument. The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on financial instruments has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life time expected credit losses and represent the 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.

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

For the purpose of hedge accounting, hedges are classified as:

To qualify for hedge accounting, the hedging relationship must meet all of the following requirements:

-there is an economic relationship between the hedged item and the hedging instrument

-the effect of credit risk does not dominate the value changes that result from that economic relationship

-the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Company actually hedges and the quantity of the hedging instrument that the Company actually uses to hedge that quantity of hedged item.

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment.

- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting.

The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

(i) Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in the statement of profit and loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in statement of profit and loss.

Hedge accounting is discontinued when the Group revokes the hedge relationship, the hedging instrument or hedged item expires or is sold, terminated, or exercised or no longer meets the criteria for hedge accounting.

(ii) Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

Amounts recognised in OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

(j) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Cost of inventory includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Unserviceable/damaged stores and spares are identified and written down based on technical evaluation.

(k) (i) Business combinations and Goodwill

The Group accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognised in statement of profit and loss as incurred. The acquiree' s identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date.

If the initial accounting for a business combination is incomplete as at the reporting date in which the combination occurs, the identifiable assets and liabilities acquired in a business combination are measured at their provisional fair values at the date of acquisition. Subsequently adjustments to the provisional values are made within the measurement period, if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as of that date; otherwise the adjustments are recorded in the period in which they occur.

Purchase consideration paid in excess of the fair value of net assets acquired is recognised as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in other comprehensive income (OCI) and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

(ii) Acquisition of Transmission SPVs classified as asset acquisitions

The Group acquires transmission SPVs' from third parties. The Purchase consideration primarily pertains to the fair value of the transmission assets. Transmission SPV's are with fixed tariff revenues under the Transmission Services Agreements (TSAs). The only key activity for these SPV's is the maintenance of the transmission assets which is or will be outsourced to third parties. There are no employees retained on acquisition and no other significant processes are performed for earning tariff revenues.

Based on evaluation of the above fact pattern vis-à-vis the guidance on definition of business under Ind AS and also keeping in view the relevant guidance on similar fact pattern available under accounting standards applicable in other jurisdictions, the management has classified the acquisition of transmission SPVs as asset acquisition.

(l) Foreign currencies

The functional currency of the Group is Indian Rupee ₹.

In preparing the financial statements of the Group, transactions in currencies other than the entity's functional currency are recognised at the rate of exchange prevailing on the date of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise except for:

(i) exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and

(ii) exchange differences on transactions entered into in order to hedge certain foreign currency risks (see note 48)

(m) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the financial asset or settle the financial liability takes place either:

(i) In the principal market for the asset or liability; or

(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

- 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

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.

DELOITTE HASKINS & SELLS LLP
CHARTERED ACCOUNTANTS

(q) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Lease term is a non-cancellable period together with periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments to be paid over the lease term at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. Subsequently, the lease liability is measured at amortised cost using the effective interest method.

(r) Taxation

Tax on Income comprises current tax and deferred tax. These are recognised in Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

i) Current tax

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

ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction other than a business combination that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be

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 60)

3.4 Impairment of Goodwill and other intangible assets with indefinite life[2]

Goodwill and other intangible assets with indefinite life are tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash-generating unit or groups of cash-generating units which are benefitting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments. (Refer Note 2.4 (k)) & (Refer note 56)

3.5 Judgement to estimate the amount of provision required or to determine required disclosure related to litigation and claim against the Group[2] (Refer note 42)

3.6 Fair value measurement of financial instruments[2]

In estimating the fair value of financial assets and financial liabilities, the Group uses market observable data to the extent available. Where such Level 1 inputs are not available, the Group establishes appropriate valuation techniques and inputs to the model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed

3.7 Employee benefit plans:

Defined benefit plans and other long-term employee benefits[2]

The present value of obligations under defined benefit plan and other long term employment benefits is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual development in the future. These include the determination of the discount rate, future salary escalations, attrition rate and mortality rates etc. Due to the complexities involved in the valuation and its long term nature, these obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Information about the various estimates and assumptions made in determining the present value of defined benefit obligations are disclosed in Note 53.

Estimates and Judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

3.8 Assessment of lease classification in respect of long term power purchase agreement.[1]

The Group had a 25 year long term Power Purchase Agreement (PPA) with Vidharbha Industries Power Limited (VIPL), wherein the Group has committed to purchase the entire output generated from VIPL's generating station located at Butibori. In terms of the PPA, the Group subject to a minimum guaranteed plant availability (determined on a yearly basis) is liable to pay subject to MERC approval a fixed monthly capacity charge and a variable charge towards the cost of fuel.VIPL was obligated to make the plant available for generation for a minimum period of time (determined on a yearly basis) and the option as regards the timing of availability was at the discretion of VIPL.

The Group on assessment of the above arrangement has concluded, that considering the Group does not have the right to direct the use of the asset , the above arrangement does not qualify to be lease under IND AS 116.

During the previous year the Company had terminated the above PPA due to non-performance of obligations under the PPA by
VIPL, such termination has been upheld by MERC / Appellate Tribunal of Electricity ("ATE").

[1] **Critical accounting judgments**

[2] **Key sources of estimation uncertainties**

3.9 Acquisition of Transmission SPV's classified as Assets acquisitions

The Group acquires transmission SPVs' from third parties. The Purchase consideration primarily pertains to the fair value of the transmission assets. Transmission SPV's are with fixed tariff revenues under the Transmission Services Agreements (TSAs) for 35 years. The only key activity for these SPV's is the maintenance of the transmission assets which is or will be outsourced to third parties. There are no employees retained on acquisition and no other significant processes are performed for earning tariff revenues.

Based on evaluation of the above fact pattern vis-à-vis the guidance on definition of business under IND AS and also keeping in view the relevant guidance on similar fact pattern available under accounting standard applicable in other justifications, the management has classified the acquisition of Transmission SPV's as assets acquisition.

4 Standards issued but not effective /Impact of new and amended Ind As

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. In the current year, the below amendments to Ind ASs were effective for an annual period that begins on or after 1 April 2021 and the impact of the amendments on the financial statements is as under :

Impact of the initial application of new and amended Ind ASs that are effective for the current year
In the current year, the below amendments to Ind ASs were effective for an annual period that begins on or after 1 April, 2021 and the Impact of the amendments on the financial statements is as under :
Covid-19-related Rent Concessions – Amendments to Ind AS 116
Group has benefited from certain waiver of lease payments on premises. The waiver of lease payments of Rs. 2.55 crores has been accounted for as a negative variable lease payment in profit or loss and the part of the lease liability that has been extinguished by the forgiveness of lease payments has been derecognised, consistent with the requirements of Ind AS 109:3.3.1.

Definition of a Business – Amendments to Ind AS 103
The amended definition of a business requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term 'outputs' is amended to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits. This amendment will likely result in more acquisitions being accounted for as asset acquisitions. The impact due to amendment in Ind AS 103 is disclosed in Note No. 60.

Definition of Material – Amendments to Ind AS 1 and Ind AS 8
Amendments have been made to Ind AS 1 Presentation of Financial Statements and Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors which use a consistent definition of materiality throughout Ind AS and the Conceptual Framework for Financial Reporting, clarify when information is material and incorporate some of the guidance in Ind AS 1 about immaterial information. In particular, the amendments clarify:
a)that the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information, and that an entity
a. that the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information, and that an entity assesses materiality in the context of the financial statements as a whole, and
b) the meaning of 'primary users of general purpose financial statements' to whom those financial statements are directed, by defining them as 'existing and potential investors, lenders and other creditors' that must rely on general purpose financial statements for much of the financial information they need.

The adoption of the amendment has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Interest Rate Benchmark Reform – Amendments to Ind AS 107, Ind AS 109 and Ind AS 39
The amendments made to Ind AS 107 Financial Instruments: Disclosures and Ind AS 109 Financial Instruments provide certain reliefs in relation to interest rate benchmark reforms. The reliefs relate to hedge accounting and have the effect that the reforms should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the Income statement.

The Group has not taken the benefit of the amendment.

5. Property, Plant and Equipment, Intangible Assets and Capital Work in Progress

5.1 Property, Plant and Equipment

(₹ in Crores)

Description of Assets	Tangible Assets												Intangible Assets		
	Land (Free hold)	Building	Plant and Equipment	Furniture and Fixtures	Office Equipment	Computer Equipment	Vehicles	Railway Slidings	Distribution System	Jetties	Electrical Installation	Total	Computer Software	Transmission License	Total
I. Gross Carrying Amount															
Balance as at 1st April, 2019	2,727.51	951.16	17,036.11	19.45	13.05	27.35	14.29	6.70	4,608.41	1.23	16.38	25,421.64	7.17	981.62	988.79
Additions	8.27	33.30	863.26	2.03	1.91	42.13	12.81	-	437.76	-	6.10	1,407.57	15.24	-	15.24
Disposals	(0.07)	-	(7.62)	-	(0.17)	(0.42)	(1.15)	-	-	-	(0.12)	(9.55)	-	-	-
Balance as at 31st March, 2020	2,735.71	984.46	17,891.75	21.48	14.79	69.06	25.95	6.70	5,046.17	1.23	22.36	26,819.66	22.41	981.62	1,004.03
Additions	18.84	39.51	1,279.17	1.73	9.03	34.93	15.26	-	633.38	0.05	4.93	2,036.83	21.65	-	21.65
Disposals	-	-	(5.59)	-	(0.07)	(0.00)	(1.58)	-	-	-	(0.07)	(7.31)	-	-	-
Acquisitions of subsidiaries (Refer Note 60)	9.20	4.24	1,309.16	0.01	0.05	-	-	-	-	-	-	1,322.66	-	-	-
Balance as at 31st March, 2021	2,763.75	1,028.21	20,474.49	23.22	23.80	103.99	39.63	6.70	5,679.55	1.28	27.22	30,171.84	44.06	981.62	1,025.68
II. Accumulated depreciation															
Balance as at 1st April, 2019	-	31.64	2,430.22	3.30	3.51	10.00	2.15	0.26	100.69	0.05	3.18	2,585.00	3.57	-	3.57
Depreciation and Amortisation Expense	-	35.10	892.89	2.76	2.45	11.09	2.10	0.41	187.54	0.07	2.47	1,136.88	5.59	-	5.59
Eliminated on disposal of assets	-	-	(0.96)	-	(0.18)	(0.38)	(0.30)	-	-	-	(0.10)	(1.92)	-	-	-
Balance as at 31st March, 2020	-	66.74	3,322.15	6.06	5.78	20.71	3.95	0.67	288.23	0.12	5.55	3,719.96	9.16	-	9.16
Depreciation and Amortisation Expense	-	36.60	1,007.40	2.77	2.83	11.20	3.71	0.41	222.37	0.08	3.09	1,290.46	7.21	-	7.21
Eliminated on disposal of assets	-	-	(4.09)	-	(0.03)	-	(0.65)	-	-	-	(0.07)	(4.84)	-	-	-
Balance as at 31st March, 2021	-	103.34	4,325.46	8.83	8.58	31.91	7.01	1.08	510.60	0.20	8.57	5,005.58	16.37	-	16.37

(₹ in Crores)

Description of Assets	Tangible Assets												Intangible Assets		
	Land (Free hold)	Building	Plant and Equipment	Furniture and Fixtures	Office Equipment	Computer Equipment	Vehicles	Railway Slidings	Distribution System	Jetties	Electrical Installation	Total	Computer Software	Transmission License	Total
Net Carrying Value :															
As at 31st March, 2020	2,735.71	917.72	14,569.60	15.42	9.01	48.35	22.00	6.03	4,757.94	1.11	16.81	23,099.70	13.25	981.62	994.87
As at 31st March, 2021	2,763.75	924.87	16,149.03	14.39	15.22	72.08	32.62	5.62	5,168.95	1.08	18.65	25,166.26	27.69	981.62	1,009.31

Notes:

(i) The above Intangible Assets are other than Internally generated Intangible Assets

(ii) Transmission License was acquired as a part of the business acquisition. The license is valid for 25 years from 16th August 2011 to 15th August, 2036. The license may be further extended at minimal cost, considering similar extensions have happened in the past. Based on an analysis of all of the relevant factors, the license is considered by the company as having an indefinite useful life, as there is no foreseeable limit to the period over which the transmission business related assets are expected to generate net cash inflows for the company

iii) In respect of ATIL, the title deeds in respect of certain land and Buildings aggregating to cost of ₹ 64.45 Crores are in the erstwhile names of "Adani Power Limited" from which the transmission business was demerged into ATIL. Post demerger, the Company is in process of transferring the same in the name of the Company
(iv) In respect of AEML, the title deeds in respect of land and certain residential properties are either in the erstwhile names viz: "Bombay Suburban Electric Supply Limited" / "Reliance Infrastructure Limited". AEML is in process of transferring the same in the name of the Company
For charge created on aforesaid assets, refer note 22
5.2 Capital Work-in-Progress

(₹ in Crores)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Opening balance	2,208.96	694.06
Expenditure incurred during the year	3,719.38	2,761.12
Employee benefit expenses capitalised	17.17	32.20
Borrowing cost capitalised	169.51	44.75
Other expenses capitalised	341.35	59.36
Addition due to Acquisitions of subsidiaries (refer note 60)	821.84	40.28
Less. Capitalised during the year	(2,058.40)	(1,422.61)
Closing Balance	5,239.73	2,208.96

For charge created on aforesaid assets, refer note 22

5.3 Right of Use Assets

(₹ in Crores)

Particulars	Transition due to IND AS 116	Additions for the year ended March 31, 2020	Disposal for the year ended March 31, 2020	Depreciation for the year ended March 31, 2020	Net carrying amount as at March 31, 2020	Additions for the year ended March 31, 2021	Disposal for the year ended March 31, 2021	Acquisition	Depreciation for the year ended March 31, 2021	Net carrying amount as at March 31, 2021
Leasehold Land	97.44	1.58	-	5.78	93.24	0.86	-	-	5.93	88.17
Buildings	64.37	90.66	(25.12)	23.97	105.94	14.14	(4.78)	0.05	23.10	92.25
Way Leave Rights	8.41	31.75	-	1.80	38.36	-	-	-	1.81	36.55
Computer Equipment	-	-	-	-	-	1.55	-	-	0.37	1.18
Total	170.22	123.99	(25.12)	31.55	237.54	16.55	(4.78)	0.05	31.21	218.15

In respect of ATIL,the title deeds in respect of certain land and Buildings are in the erstwhile name: "Adani Power Limited" from which the transmission business was demerged into the Company. Post demerger, the Company is in process of transferring the same in the name of the Company

5.4 Depreciation and Amortisation Expenses

(₹ in Crores)

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Depreciation on Tangible Assets	1,290.46	1,136.88
Amortisation of Intangible Assets	7.21	5.59
Amortisation of Right of Use	31.21	31.55
Total	1,328.88	1,174.02

(i) Consequent to amendment in tariff regulations, w.e.f. 01 April, 2020, Group has changed the useful life in respect of batteries and meters and accordingly depreciation for year ended is higher by ₹ 91.19 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 is lower by ₹ 13.40 crores

DELOITTE HASKINS & SELLS LLP

6 Investments

	No of Securities	Face Value of ₹ unless otherwise specified	As at 31st March, 2021 (₹ in Crores)	As at 31st March, 2020 (₹ in Crores)
Non-Current Investments				
Investment in Government or Trust Securities at amortised cost				
Contingency Reserve Investment (Quoted)				
7.16% Central Government of India - 2050	1,87,50,000 (Nil)	100 (Nil)	202.07	-
9.23% Central Government of India - 2043	13,65,000 (Nil)	100 (Nil)	17.75	-
8.17% Central Government of India 2044	30,00,000 (Nil)	100 (Nil)	35.58	-
8.13% Central Government of India 2045	10,00,000 (Nil)	100 (Nil)	11.78	-
8.97% Central Government of India 2030	5,000 (Nil)	100 (Nil)	0.06	-
		Total	**267.24**	-
Aggregate book value of Quoted Investments			267.24	-
Aggregate market value of Quoted Investments			259.90	-

7 Loans- At Amortised Cost

		As at 31st March, 2021 (₹ in Crores)	As at 31st March, 2020 (₹ in Crores)
Housing loans to employee against Hypothecation of the property (Secured, considered good)		25.96	31.37
Loan to employees (Unsecured, considered good)		7.86	7.54
Inter Corporate Deposit given to related party (Unsecured, considered good)		1,040.00	-
	Total	1,073.82	38.91

8 Non-current Financial Assets- Others

		As at 31st March, 2021 (₹ in Crores)	As at 31st March, 2020 (₹ in Crores)
Fixed Deposits with maturity over 12 months *		483.18	59.75
Advance for Business Acquisition		-	17.21
Financial Asset Under Service Concession Arrangement (SCA)		1,130.43	1,196.20
Unbilled Revenue		159.14	-
Derivative instruments designated in hedge accounting relationship		242.53	998.30
Security deposit - Considered Good		20.88	30.76
Security deposit -Considered doubtful		1.05	1.05
Balances held as Margin Money or security against borrowings		874.47	0.19
	Total	2,911.68	2,303.46
Less : Provision For Doubtful Deposits		(1.05)	(1.05)
	Total	**2,910.63**	**2,302.41**

* Represents deposits Amount to ₹ 477.99 crores (PY ₹ 59.75 crores) towards Debt Service Reserve Account (DSRA) and Capex Reserve Account (CRA)

9 Income Tax Assets (Net)

		As at 31st March, 2021 (₹ in Crores)	As at 31st March, 2020 (₹ in Crores)
Income Tax Assets (Net)		63.07	37.31
	Total	63.07	37.31

10 Other Non-current Assets

		As at 31st March, 2021 (₹ in Crores)	As at 31st March, 2020 (₹ in Crores)
Advance to Employees		2.34	-
Capital advances			
Considered Good *		702.88	632.95
Considered Doubtful		0.96	1.39
		703.84	634.34
Less : Expected Credit Loss on Capital Advances		-	1.39
		703.84	632.95
Prepaid Expenses		2.72	2.91
Deferred Assets (recoverable) / adjustable		968.74	874.83
	Total	1,677.64	1,510.69

* Includes capital advance of ₹ 271.00 crores given in September 2019 to Sunbourne Developers Private Limited (SDPL) (related party) towards identified property in BKC area of Mumbai. SDPL is in process of completing certain legal formalities post completion it would transfer legal title to the AEML.

11 Inventories
(At lower of Cost and Net Realisable Value)

		As at 31st March, 2021 (₹ in Crores)	As at 31st March, 2020 (₹ in Crores)
Fuel		128.06	332.83
Fuel -In Transit		19.06	87.19
Stores & spares		86.59	121.15
	Total	233.71	541.17

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

12 Current Financial Assets - Investments

	Face Value of ₹ unless otherwise specified	No of Units*	As at 31st March, 2021 (₹ in Crores)	As at 31st March, 2020 (₹ in Crores)
Investment in Mutual Funds units at FVTPL (Unquoted)				
Contingency Reserve Investments				
SBI Liquid Fund Direct Growth Plan	1000	- (5,95,254)	-	185.07
SBI Premier Liquid Fund - Direct Growth Plan	1000	- (1,43,513.49)	-	44.62
Other Investments				
Birla Sun Life Cash Plus - Growth-Direct Plan	100	- (41,078.07)	-	1.31
Nippon India Liquid Fund Direct Growth Plan	1000	2,045.12 (1,41,593.37)	1.03	68.68
Nippon India Overnight Fund -Direct Growth	1000	15,60,596.02 (-)	17.24	-
ICICI Prudential Overnight Fund Direct Plan	100	14,15,818.09 (12,01,911.06)	15.71	12.95
Kotak Liquid Fund - Direct Growth Plan	1000	46,94,22.56 (-)	51.54	-
HDFC Overnight Fund- Direct plan-Growth Option	1000	15,709.09 (-)	4.80	-
Aditya Birla Overnight Fund Growth -DirectPlan	1000	732.30 (-)	0.08	-
SBI Overnight Fund Direct Growth	1000	79,426.51 (-)	26.62	-
Edelweiss Overnight Fund Direct Plan Growth	1000	11893.46 (-)	1.27	-
UTI Overnight Fund-Direct Growth Plan	1000	104953.44 (-)	29.57	-
Axis Overnight Fund Direct Growth	1000	2,15,332.72 (-)	23.43	-
ICICI Prudential Liquid Fund - Direct Growth Plan	100	114648.08 (1,301.26)	3.50	0.04
		Total	**174.79**	**312.67**

* Previous year units are in bracket		
Aggregate Carrying value of unquoted investments	174.79	312.67
Aggregate market value of unquoted investments	174.79	312.67

13 Trade Receivables

(Unsecured otherwise stated)	As at 31st March, 2021 (₹ in Crores)	As at 31st March, 2020 (₹ in Crores)
Unsecured, considered good	1,013.54	1,000.26
Credit Impaired	11.00	77.46
	1,024.54	**1,077.72**
Less : Expected Credit Loss	(11.00)	(77.46)
Total	**1,013.54**	**1,000.26**

Age of receivables	As at 31st March, 2021 (₹ in Crores)	As at 31st March, 2020 (₹ in Crores)
Within the Credit Period	594.19	637.64
Beyond Credit Period	419.35	362.62
	1,013.54	**1,000.26**

Movement in the allowance for doubtful trade receivables	As at 31st March, 2021 (₹ in Crores)	As at 31st March, 2020 (₹ in Crores)
Balance at the beginning of the year	77.46	29.50
Add/(Less) : Provision made / (Written off) during the year (net of recoveries)	(66.46)	47.96
Balance at the end of the year	11.00	77.46

(i) The Group holds security deposit amounting to ₹ 474.80 crores (PY - ₹ 469.72 crores)in respect of trade receivable of Distribution business

(ii) The average credit period for the Group's receivables from its distribution business is in the range of 15 to 30 days. No interest or delayed payment is charged on trade receivables till the due date. Thereafter, one time delayed payment charges at the rate of 1.25% & interest after 30 / 60 days from bill date is charged in the range of 12% to 15% per annum.

(iii) The average credit period for the Group's receivables from its Transmission business is in the range of 30 to 60 days. No interest or delayed payment is charged on trade receivables till the due date. Thereafter, one time delayed payment charges at the rate of 1.25% & interest after 30 / 60 days from bill date is charged in the range of 12% to 15% per annum. For Transmission business, regulator approved tariff is receivable from long-term transmission customers (LTTCs) that are highly rated companies or government parties. Counterparty credit risk with respect to these receivables is very minimal.

(iv) The Group considers for impairment its receivables from customers in its of Distribution business. The risk of recovery in these businesses is reduced to the extent of security deposits already collected and held as collateral. Balance amount receivable over and above the deposit is assessed for expected credit loss allowances. The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experienced and adjusted for forward- looking information. The expected credit loss allowance is based on ageing of the days the receivables are due.

(v) Above trade receivables are pledged as security with the Lenders against borrowings. (Refer note 22)

(vi) The concentration of credit risk is very limited due to the fact that the large customers are mainly government bodies / departments and remaining customer base is large and widely dispersed and secured with security deposit.

14 Cash and Cash Equivalents

	As at 31st March, 2021 (₹ in Crores)	As at 31st March, 2020 (₹ in Crores)
Balances with banks		
In current accounts	175.71	920.33
Fixed Deposits (with original maturity for three months or less)	60.60	306.05
Cheque / Draft on Hand	24.97	6.19
Cash on Hand	2.40	0.42
Total	263.68	1,232.99

For charge created on aforesaid assets, refer note 22

DELOITTE HASKINS & SELLS LLP

15	**Bank Balance other than Cash and Cash Equivalents**	As at 31st March, 2021 (₹ in Crores)	As at 31st March, 2020 (₹ in Crores)
	Balances held as Margin Money	970 84	688 85
	Fixed Deposits (with original maturity for more than three months) (Lodged against Bank guarantees and Debt service reserve account)	49 80	375 00
	Fixed Deposit (with original maturity of more than 3 months and less than 12 months	5 59	-
	Total	**1,026.23**	**1,063.85**

For charge created on aforesaid assets, refer note 22

16	**Current Financial Assets - Loans** (At Amortised Cost)	As at 31st March, 2021 (₹ in Crores)	As at 31st March, 2020 (₹ in Crores)
	Housing loans to employee against Hypothecation of the property (Secured, considered good)	3.74	4 82
	Loans to employees - Unsecured considered good	3 44	3 58
	Loans to Related Party Unsecured considered good (Refer note 44)		1,623 00
	Loans to Others (Unsecured, considered good)	17 25	777 88
	Total	**24.43**	**2,409.28**

17	**Current Financial Assets- Others**	As at 31st March, 2021 (₹ in Crores)	As at 31st March, 2020 (₹ in Crores)
	Interest receivable	10 09	44 47
	Unbilled Revenue	1,266 29	1,105 97
	Financial Asset Under Service Concession Arrangement (SCA)	88 84	92 26
	Security deposit	18 75	1 37
	Derivative instruments designated in hedge accounting relationship	0 08	299 24
	Other Receivables	10 54	-
	Total	**1,394.59**	**1,543.31**

18	**Other Current Assets**	As at 31st March, 2021 (₹ in Crores)	As at 31st March, 2020 (₹ in Crores)
	Advance to Suppliers	370 27	293.33
	Balances with Government authorities	17 09	12 42
	Prepaid Expenses	35 79	19 53
	Advance to Employees	5 87	8 89
	Total	**429.02**	**334.17**

19	**Equity Share Capital**	As at 31st March, 2021 (₹ in Crores)	As at 31st March, 2020 (₹ in Crores)
	Authorised Share Capital 1,50,00,00,000 (As at 31st March 2020-1,50,00,00,000) equity shares of ₹ 10 each	1,500.00	1,500 00
	Total	1,500.00	**1,500.00**
	Issued, Subscribed and Fully paid-up equity shares 109,98,10,083 (As at 31st March 2020- 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, 2021		As at 31st March, 2020	
	No. Shares	**(₹ in Crores)**	**No. Shares**	**(₹ in Crores)**
At the beginning of the Year	1,09,98,10,083	1,099 81	1,09,98,10,083	1,099 81
Outstanding at the end of the year	**1,09,98,10,083**	**1,099.81**	**1,09,98,10,083**	**1,099.81**

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend if proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Aggregate Number of shares issued other than cash, during the period of five years immediately preceding the reporting date:

Particulars	As at 31st March, 2021 No. Shares	As at 31st March, 2020 No. Shares
Company has issued and allotted fully paid up equity shares of ₹ 10 each, to the equity shareholders of Adani Enterprise Limited ('AEL') pursuant to the Composite Scheme of Arrangement during F.Y. 2015-16	**1,09,98,10,083**	**1,09,98,10,083**

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

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	No. Shares	% holding in the class	No. Shares	% holding in the class
Equity shares of ₹ 10 each fully paid				
Mr. Gautam S. Adani / Mr. Rajesh S. Adani (On the behalf of S.B. Adani Family Trust)	62,11,97,910	56.48%	62,11,97,910	56.48%
Adani Tradeline LLP (Formerly known as Parsa Kente Rail Infra LLP)	9,94,91,719	9.05%	9,94,91,719	9.05%
Total	72,06,89,629	65.53%	72,06,89,629	65.53%

20 Unsecured Perpetual Equity Instrument

	As at 31st March, 2021 (₹ in Crores)	As at 31st March, 2020 (₹ in Crores)
Opening Balance	3,279.42	3,408.03
Add: Availed during the year	-	700.00
(Less): Repaid during the year	(680.00)	(1,209.62)
Add: Distribution on Unsecured Perpetual Equity Instrument (Net of Tax)	230.28	381.01
Closing Balance	**2,829.70**	**3,279.42**

Adani Transmission Limited (Parent Company) has issued Unsecured Perpetual Equity Instrument (the "Instrument") to Adani Infra (India) Limited. These instrument are perpetual in nature with no maturity or redemption and are callable only at the option of the Parent company. The distribution on part of these instrument i.e ₹ 2,129.70 Crores (As at 31.03.2020: ₹ 2,579.42 Crores) outstanding as at March 31, 2021 are fixed at coupon rate of 11.80% p.a. compounded annually and for remaining amount i.e. ₹ 700 Crores (As at 31.03.2020: ₹ 700 Crores) outstanding as at March 31, 2021 are without any coupon rate. The obligation of the Parent company to repay the outstanding amounts shall rank on a parri passu basis with the obligations of the Parent company to make payments/distributions in relation to any parity securities issued/ to be issued by the Parent company and be senior to the obligations of the Parent company to make payments/distributions in relation to preference and equity share capital and any other securities at par with preference and equity share capital of the Parent Company.

As this instrument are perpetual in nature and ranked senior only to the Share Capital of the Parent Company and the Parent company does not have any redemption obligation, these are considered to be in the nature of equity instruments.

21 Other Equity

		As at 31st March, 2021 (₹ in Crores)	As at 31st March, 2020 (₹ 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		(33.41)	(174.55)
Effective portion of cash flow hedge for the year		(149.34)	141.14
Closing Balance	**Total (b)**	(182.75)	(33.41)
c. General Reserve (Refer note (iii) below)			
Opening Balance		1,220.60	1,220.60
Less: Appropriation to Self Insurance Reserve		(12.65)	
Closing Balance	**Total (c)**	1,207.95	1,220.60
d. Capital Redemption Reserve (Refer note (iv) below)			
Opening Balance		1,891.88	1,891.88
Add: Transfer from Retained Earning on redemption of Optionally Convertible Redeemable Preference Shares		544.65	-
Closing Balance	**Total (d)**	**2,436.53**	**1,891.88**
e. Debenture Redemption Reserve (Refer note (v) below)			
Opening Balance		13.44	12.87
Transfer from/(to) Retained Earning		(1.16)	0.57
Closing Balance	**Total (e)**	12.28	13.44
f. Contingency Reserve (Refer note (vi) below)			
Opening Balance		240.54	203.17
Addition during the year		44.37	37.37
Closing Balance	**Total (f)**	284.91	240.54
g. Self Insurance Reserve (Refer note (vii) below)			
Opening Balance		-	-
Addition during the year		12.65	-
Closing Balance	**Total (g)**	12.65	-
h. Surplus in the Statement of Profit and Loss (Refer note (viii) below)			
Opening Balance		577.81	172.20
Add : Profit for the year		1,224.04	741.82
(Less): Other comprehensive income arising from remeasurement of Defined Benefit Plans		21.31	(13.21)
(Less): Distribution on Unsecured Perpetual Equity Instrument		(231.68)	(383.29)
(Less): Transfer to Contingency reserve		(38.66)	(36.52)
(Less): Transfer to Debenture Redemption Reserve		1.16	(0.57)
Add: Gain on sale of Equity Shares of Subsidiary Companies to non controlling interest (Refer note 58)		-	97.38
Less: Transfer from Retained Earning to Capital Redemption Reserve (CRR) on redemption of optionally convertible redeemable Preference Shares		(544.65)	-
	Total (h)	1,009.33	577.81
	Total (a+b+c+d+e+f+g+h)	**4,989.77**	**4,119.73**

Notes :

i) It has been created on acquisition of subsidiary companies.

ii)The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow hedging reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item.

iii) It has been created pursuant to the demerger of transmission undertaking of Adani Enterprises Limited into the company. The general reserve is used from time to time to transfer profit from retained earnings for apportion purposes.

iv) Under the provisions of Section 55 of the Companies Act, 2013 where the redemption of preference shares is out of profits, an amount equal to nominal value of shares redeemed is to be transferred to a reserve called "capital redemption reserve".

v) The Company has issued redeemable non-convertible debentures. Accordingly, the Companies (Share capital and Debentures) Rules, 2014 (as amended), require the company to create DRR out of profits of the company available for payment of dividend. The DRR is created over the life of debentures out of retained earnings.

vi) As per the provisions of MERC MYT Regulations read with Tariff orders passed by MERC, the Group being a Distribution and Transmission Licensee, makes an appropriation to the Contingency Reserve fund to meet with certain exigencies. Investments in Bonds issued by Government of India and Mutual Funds have been made against such reserve.

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.

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

22 Non current Financial Liabilities - Borrowings

	Non-current		Current	
	As at 31st March, 2021 (₹ in Crores)	As at 31st March, 2020 (₹ in Crores)	As at 31st March, 2021 (₹ in Crores)	As at 31st March, 2020 (₹ in Crores)
Secured				
Bonds				
5.20% US private Placement	2,722.83	2,909.97	84.74	87.92
4.25% USD Bonds	3,284.50	3,625.18	216.84	129.90
3.949% USD Bonds	7,235.63	7,488.22	-	-
4.00% USD Bonds	3,606.14	3,725.85	-	-
Term Loans				
From Banks				
Rupee loan	1,436.30	550.89	803.38	84.60
Foreign currency loan	1,339.64	687.72	5.98	11.06
From Financial Institutions	1,813.69	1,019.33	63.57	20.38
Trade Credits & Buyers Credit				
From Banks	232.25	65.21	-	-
Non Convertible Debentures				
8.46% Non Convertible Debenture	110.86	122.06	11.19	11.51
9.35% Non Convertible Debenture	-	-	-	164.94
9.85% Non Convertible Debenture	-	-	-	209.96
Unsecured				
Shareholders Affiliated Debts (Refer note 58 C)	2,026.97	2,095.22	-	-
Total	**23,808.81**	**22,289.65**	**1,185.70**	**720.27**
Amount disclosed under the head 'Other current financial liabilities' (Refer Note: 30)	-	-	(1,185.70)	(720.27)
Net amount	**23,808.81**	**22,289.65**	-	-

Notes

Borrowings	**Security**	**Terms of Repayment**
4.25% 500 Million USD Bonds	4.00% USD Bonds, 4.25% USD Bonds and Non-Convertible Debentures are secured by way of first ranking pari passu charge in favour of the Security trustee (for the benefit of the Bond/Debenture holders): (a) Mortgage of land situated at Sanand (b) Hypothecation of all the assets (movable and immovable) including current assets of the Company (c) Pledge over 100% equity shares of Adani Transmission (India) Limited (ATIL) and Maharashtra Eastern Grid Power Transmission Company Limited (MEGPTCL), both are wholly owned subsidiaries of the company. (d) accounts and receivables of ATIL and MEGPTCL and also the operating cash flows, book debts, loans and advances, commissions, dividends, interest income, revenues present and future of ATIL and MEGPTCL	USD Bonds aggregating to ₹ 3,527.56 Crores (31st March, 2020- ₹ 3,783.25 Crores) are redeemable by Half yearly payment starting from May 2020 to May 2036
4.00% 500 Million USD Bonds		USD Bonds aggregating to ₹ 3,655.50 Crores (31st March, 2020- ₹ 3,725.85 Crores) are redeemable by bullet payment in FY 2026
Non Convertible Debentures (NCD)		INR NCDs (Non Convertible Debentures) aggregating to ₹ Nil (31st March, 2020 - ₹ 374.90 Crores) are redeemable at different maturities in FY 2020
Non Convertible Debentures (NCD)		NCD aggregating to ₹ 122.84 Crores (as at 31st March, 2020 - ₹ 134.41 Crores) having an interest rate of 8.46% which is governed by NCD agreement and redeemable in quarterly basis starting from FY 2018-19 to FY 2033-34.
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 ₹ 7,235.63 crores (31st March, 2020 ₹ 7,488.22 crores) is repayable by way of bullet payment in February 2030 with an obligation to prepay the debt on occurrence of certain events. The Group can voluntarily prepay the Bond on payment of premium.
Term Loans from Banks - 2.99938% (3.9466%)		3.9466% Term Loan from Banks amounting to ₹ 1,248.77 Crores (31st March, 2020 ₹ 500.59 crores) By way of bullet payment with an obligation to prepay the debt on occurrence of certain events. The Company can voluntarily prepay the Term Loan either in full or part. The Future annual repayment obligations on principal amount are as under:- a) 1 Instalment amounting to ₹ 511.77 crores in FY23 (31 March, 2020 ₹ 529.66 crores) b) 2 Instalment of amounting to ₹ 767.65 crores in FY23 (31 March, 2020 ₹ Nil) Impact of recognition of borrowings at amortised cost using effective interest method is ₹ (30.65) crores [31 March 2020 is ₹ (29.07) crores]
8.50% Rupee Term Loans from Banks		8.50% Rupee term loan amounting to ₹ 66.67 Crores (31st March, 2020 - ₹ 100 Crores) from Banks are repayable by way of three equal annual instalments of ₹ 33.33 Crores staring from March 2021.

6 3645% Shareholders Affiliated Debts	(i) First-ranking fixed charge over all its present and future right, title, benefit and interest in the Excluded Loan Accounts (ii) First-ranking floating charge over all of its present and future right, title, benefit and interest in the equity distribution account	Shareholders Affiliated Debts are repayable commencing from February 2027 through February 2040 with an obligation to prepay the debt on occurrence of certain events. The Company can voluntarily prepay the debt on payment of premium.
Rupee Term Loans aggregating , Foreign Currency Loans, Rupee Term Loan from Financial Institution and Letter of credits/Buyers Credit	Availed by the Group from various banks and financial institutions are secured by a pari passu charge on all present and future movable and immovable assets, receivables, project documentation, cash flows, licences, insurance contracts and approval. Respective companies shares are pledged	**(A) Letter of credits & Buyers Credit** (Foreign and Inland) from bank of ₹ 584 64 Crores (31st March, 2020 - ₹ 65 21 Crores) carry interest rates ranging from 8.15% to 8.75% p.a. and (a) ₹ 40 39 Crores will be converted in to Rupee term loan as per the terms on the day of maturity or will be repaid and (b) ₹ 24.82 Crores will be converted in to Rupee term loan as per the terms on the day of maturity or will be repaid and the repayment of RTL will start from Mar-2022 ends on Mar 2041 **(B) Rupee term loans from Banks** of ₹ 2 196 32 Crores (31st March, 2020 ₹ 548 51 Crores) and Rupee Term Loan from Financial Institution of ₹ 1,889.65 Crores (31st March, 2020 ₹ 1051 04 Crores) carry interest rates ranging from 7 30% to 11 75%. The loan is repayable at different maturities ending on FY 2050-51. **(C) Foreign Currency loan (ECB Loan) from bank** aggregating ₹ 97 35 Crores (31st March 2020: ₹ 200 10 Crores) carries an interest @ 1 85% per annum. The entire FC loan is repayable in 19 quarterly instalments started from December 2017
5.20% US private Placement	5 20% US private Placement Notes are issued by six (6) transmission companies The Notes are secured/to be secured by first ranking charge on receivables, on all immovable and movable assets, charge or assignment of rights under Transmission Service Agreement and other project documents, charge or assignment of rights and/or designation of the Security Trustee as loss payee under each insurance contract in respect of Project. The Notes are also secured by way of pledge over 100% of shares of the Seven (7) companies held by Holding Company, i.e. Adani Transmission Limited	5 20%, 400 Million USD Denominated Notes aggregating ₹ 2,838 13 crores, (31st March, 2020- ₹ 3,020 60 Crores) which has a semi-annual repayment schedule with first repayment in the month of Sep-2020 and semi-annually then after over the period of its tenor ending March-2050
Buyers credit	Secured Loan	Buyers credit aggregating ₹ 92 35 crores, (31st March, 2020- ₹ 133.27 Crores) from banks at the rate of interest ranges from 1.55 % to 5.7 %
Bank Over Draft	Secured Loan	The Bank Over draft aggregating ₹ 352 39 crores, (31st March, 2020- ₹ Nil)
Secured Loan from banks	Secured Loan	Working Capital Loan aggregating ₹ 511.45 crores, (31st March, 2020- ₹ 1036.83 Crores) from banks at the rate of interest ranges from 5.70% to 8 95 %
Unsecured Loan-from bank	Unsecured Loan	Loan aggregating ₹ 659 51 crores, (31st March, 2020- ₹ 54 67 crores) from banks at the rate of interest ranges from 4 25% to 6 44 %
Unsecured Loan-from related party	Unsecured Loan	Loan aggregating ₹ 350 77 crores, (31st March, 2020- ₹ Nil) from related party at the rate of Interest at 11 80 %

23 Non Current Trade Payable

	As at 31st March, 2021 (₹ in Crores)	As at 31st March, 2020 (₹ 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	31.93	29.35
Total	31.93	29.35

24 Non Current Financial Liabilities - Others

	As at 31st March, 2021 (₹ in Crores)	As at 31st March, 2020 (₹ in Crores)
Payable on purchase of Property, Plant and Equipment	393.34	228.31
Derivative Instruments designated in hedge accounting relationship	145 34	82.17
Lease Liability Obligation	88.91	109.38
Total	627.59	419.86

25 Other Non Current Liabilities

	As at 31st March, 2021 (₹ in Crores)	As at 31st March, 2020 (₹ in Crores)
Deferred Revenue- Service Line Contributions from Consumers	231 77	226.90
Advances from Customer	51.12	51.12
Total	282.89	278.02

26 Provisions

	Non-Current		Current	
	As at 31st March, 2021 (₹ in Crores)	As at 31st March, 2020 (₹ in Crores)	As at 31st March, 2021 (₹ in Crores)	As at 31st March, 2020 (₹ in Crores)
Provision for Gratuity (Refer note 53)	148.35	131.66	32.37	31 99
Provision for Compensated Absences	400.51	108 92	26.50	27 76
Provision for Other Employment Benefits	20 01	19 35	2 98	2 65
Provision for Stamp Duty	15 65	15 65	-	-
Total	584.52	275.58	61.85	62.40

27 Deferred Tax Liabilities (net)

	As at 31st March, 2021 (₹ in Crores)	As at 31st March, 2020 (₹ in Crores)
Deferred Tax Liabilities		
Mark to Market Gain on Mutual Funds	(0.10)	(0.90)
Difference between book base and tax base of property, plant and equipment and SCA	(2,528.14)	(2,178.41)
Deferred Tax Liabilities	**(2,528.24)**	**(2,179.31)**
Deferred Tax Assets		
Provision disallowed (Employee Benefits)	205.82	7.00
Interest on Lease Liabilities	-	0.02
Unabsorbed Depreciation	1,093.80	1,108.76
Business Losses	16.13	20.92
Allowance for Doubtful Debts, Deposits, Advances and property tax payable	5.67	-
Hedge Reserve	20.47	2.76
MAT Credit Entitlement	-	68.48
Deferred Tax Assets	1,341.89	1,207.94
Net deferred tax liabilities Total	1,186.35	971.37

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 2020-21

(₹ in Crores)

Particulars	Opening Balance as at 1st April, 2020	Recognised in profit and loss	Acquisitions of subsidiaries	Recognised in OCI	Closing Balance as at 31st March, 2021
Tax effect of items constituting deferred tax liabilities:					
Mark to Market gain on Mutual Funds	(0.90)	0.80	-	-	(0.10)
Difference between book base and tax base of property, plant and equipment and SCA	(2,178.41)	(354.26)	4.53	-	(2,528.14)
Total	(2,179.31)	(353.46)	4.53	-	(2,528.24)
Tax effect of items constituting deferred tax assets:					
Provision disallowed (Employee Benefits)	7.00	198.82	-	-	205.82
Interest on Lease Liabilities	0.02	(0.02)	-	-	-
Unabsorbed Depreciation	1,108.76	(14.96)	-	-	1,093.80
Allowance for Doubtful Debts, Deposits and Advances	-	5.67	-	-	5.67
Tax Losses	20.92	(4.79)	-		16.13
Hedge Reserve	2.76	-	-	17.71	20.47
Total	**1,139.46**	**184.72**	-	17.71	1,341.89
MAT credit entitlement	68.48	(68.48)	-	-	-
Net Deferred Tax Asset / (Liabilities)	**(971.37)**	(237.22)	4.53	17.71	(1,186.35)

(b) Movement in deferred tax assets/ (liabilities) (net) for the Financial Year 2019-20

(₹ in Crores)

Particulars	Opening Balance as at 1st April, 2019	Recognised in profit and loss	Acquisitions of subsidiaries	Recognised in OCI	Closing Balance as at 31st March, 2020
Tax effect of items constituting deferred tax Liabilities:					
Mark to Market gain on Mutual Funds	(0.29)	(0.61)	-	-	(0.90)
Difference between book base and tax base of property, plant and equipments and SCA	(1,462.27)	(716.14)	-	-	(2,178.41)
Total	**(1,462.56)**	**(716.75)**	-	-	**(2,179.31)**
Tax effect of items constituting deferred tax assets:					
Provision disallowed (Employee Benefits)	188.06	(181.06)	-	-	7.00
Interest on Lease Liabilities	-	0.02	-	-	0.02
Unabsorbed Depreciation	593.83	514.93	-	-	1,108.76
Allowance for Doubtful Debts, Deposits and Advances	8.59	(8.59)	-	-	-
Tax Losses	7.41	13.51	-	-	20.92
Hedge Reserve	-	-	-	2.76	2.76
Others	-	(0.04)	-	-	-
Total	**797.89**	338.77	-	**2.76**	1,139.46
MAT credit entitlement	19.58	48.90	-	-	68.48
Net Deferred Tax Liabilities	(645.09)	**(329.08)**	-	**2.76**	(971.37)

Deferred taxes are not provided on the undistributed earnings of subsidiaries where it is expected that the earnings of the subsidiary will not be distributed in the foreseeable future.
In respect of above, Deferred tax liabilities have not been recognized on temporary differences amounting to ₹ 790.53 crore and ₹ 365.88 crore as at March 31, 2021 and March 31, 2020 respectively.

DELOITTE HASKINS & SELLS LLP
CHARTERED ACCOUNTANTS

28 Current Financial Liabilities - Borrowings

		As at 31st March, 2021 (₹ in Crores)	As at 31st March, 2020 (₹ in Crores)
Secured Borrowings			
From Banks			
Cash Credit/ Working Capital Short term Loan		511.45	1,036.83
Bank Over Draft		352.39	-
Buyers credit		92.35	133.27
	Total (a)	**956.19**	**1,170.10**
Unsecured Borrowings			
From Banks		659.51	54.67
From Related Parties		350.77	-
Other Short term loan payable on demand		-	11.04
	Total (b)	1,010.28	**65.71**
	Total (a+b)	1,966.47	1,235.81

(i) For Short Term Loan, Buyers Credit and Working capital loans - 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

29 Trade Payables

		As at 31st March, 2021 (₹ in Crores)	As at 31st March, 2020 (₹ in Crores)
Trade Payables			
Micro and Small Enterprises		29.69	49.93
Other than Micro and Small Enterprises		1,211.32	1,701.58
	Total	1,241.01	1,751.51

30 Current Financial Liabilities - Others

		As at 31st March, 2021 (₹ in Crores)	As at 31st March, 2020 (₹ in Crores)
Current maturities of long-term borrowings (Secured) (Refer note : 22)		1,185.70	720.27
Interest accrued but not due on borrowings		196.78	202.96
Payable on purchase of Property, Plant and Equipment		765.25	491.65
Derivative instruments designated in hedge accounting relationship		163.82	24.37
Security Deposits from Consumers, Customers & Vendors		486.82	478.79
Lease Liability Obligations		45.07	35.97
Other Payables		6.53	18.96
Deferred Revenue - Service Line Contributions from Consumers		-	9.54
	Total	2,849.97	1,982.51

31 Other Current Liabilities

		As at 31st March, 2021 (₹ in Crores)	As at 31st March, 2020 (₹ in Crores)
Statutory liabilities		191.46	210.14
Advance from Customers		71.57	87.39
Other Payables		13.27	11.89
Deferred Revenue - Service Line Contributions from Consumers		9.54	-
Other Advances		5.45	-
	Total	**291.29**	**309.42**

32 Current Tax Liabilities (Net)

		As at 31st March, 2021 (₹ in Crores)	As at 31st March, 2020 (₹ in Crores)
Current Tax Liabilities (Net)		6.48	40.29
	Total	6.48	40.29

33 Revenue from Operations - From Generation, Transmission and Distribution Business

	For the Year ended 31st March, 2021 (₹ in Crores)	For the year ended 31st March, 2020 (₹ in Crores)
a) Income from sale of Power and Transmission Charges		
Income from sale of Power and Transmission Charges (net) (refer note 57)	8,823.91	10,016.78
Income under Service Concession Arrangements (SCA)	149.28	155.88
Total (a)	**8,973.19**	**10,172.66**
b) Other Operating Revenue		
Street Light Maintenance Charges	101.83	105.24
Cross subsidy Surcharge	52.40	160.23
Sale of Coal Rejects / Fly Ash	8.94	21.15
Amortisation of Service Line Contribution	9.22	8.49
Others	24.12	23.58
Total (b)	**196.51**	**318.69**
Total (a+b)	9,169.70	10,491.35

34 Revenue from Operations - From Trading Business

	For the Year ended 31st March, 2021 (₹ in Crores)	For the year ended 31st March, 2020 (₹ in Crores)
Sale of Traded Goods	756.63	924.61
Total	756.63	924.61

35 Other Income

	For the Year ended 31st March, 2021 (₹ in Crores)	For the year ended 31st March, 2020 (₹ in Crores)
Interest Income		
Bank	173.99	34.06
Others (including Related Party ₹ 162.75 crores (previous year ₹ 6.55 Crores)	292.96	153.15
Gain on Sale/Fair Value of Current Investments measured at FVTPL	28.89	47.95
Gain on Sale/Fair Value of Current Investments measured at FVTPL - Contingency Reserve Fund	17.11	13.58
Sale of Scrap	11.16	0.14
Bad debt recovery	3.00	8.85
Unclaimed liabilities / Excess provision written back	2.11	0.26
Miscellaneous Income	3.38	7.34
Total	**532.60**	**265.33**

36 Purchase of Stock - In - Trade

	For the Year ended 31st March, 2021 (₹ in Crores)	For the year ended 31st March, 2020 (₹ in Crores)
Purchase of Stock - In - Trade	755.89	924.21
Total	**755.89**	**924.21**

37 Employee Benefits Expenses

	For the Year ended 31st March, 2021 (₹ in Crores)	For the year ended 31st March, 2020 (₹ in Crores)
Salaries, Wages and Bonus	728.81	749.80
Contribution to provident fund and other funds	63.06	64.13
Contribution to Gratuity fund	47.55	44.08
Staff Welfare Expenses	91.34	115.23
Total	930.76	973.24

Note: Refer note no 5.2

38 Finance costs

	For the Year ended 31st March, 2021 (₹ in Crores)	For the year ended 31st March, 2020 (₹ in Crores)
Interest on Loans & Debentures	1,083.45	1,773.94
Interest on Trade Credits	50.50	103.04
Interest on Intercorporate Deposit		12.24
Interest on Lease Obligation	12.07	11.97
Bank Charges & Other Borrowing Costs	15.42	75.38
Security Deposits From Consumer at amortised cost		42.42
Interest - Hedging Cost	746.94	276.47
Foreign Exchange Fluctuation Gain(net)-Borrowings (Refer below note 1)	208.61	(56.97)
Total	2,116.99	2,238.49

Note 1 : Including Mark to Market gain of ₹ 833.74 Crores (P.Y. ₹ 1,249.88 Crores) on Derivative Instruments designated in hedge accounting relationship.
Note 2 : Refer note no 5.2

39 Other Expenses	For the Year ended 31st March, 2021 (₹ in Crores)	For the year ended 31st March, 2020 (₹ in Crores)
Stores and Spares	58.18	65.70
Transmission Charges	468.52	403.16
Repairs and Maintenance - Plant and Equipment	278.12	347.74
Repairs and Maintenance -Building	17.88	14.19
Repairs and Maintenance - Others	163.37	8.76
Short Term Lease Rental (Refer note 43)	15.26	20.65
Rates and Taxes	21.17	10.80
Legal & Professional Expenses	152.62	164.92
Payment to Auditors (Including component auditors)	2.57	2.50
Travelling & Conveyance Expenses	35.93	45.65
Insurance Expenses	28.36	22.82
Write downs in Inventory value	-	4.53
Provision for Stamp Duty Expense	-	22.60
Bad Debt Written Off	27.14	0.56
Foreign Exchange Fluctuation Loss	-	12.53
Corporate Social Responsibility expenses	25.99	18.14
Security Charges	35.44	35.30
Expected Credit Loss- Doubtful Debts,Advances,Deposits	-	43.62
Loss on sale of Property, Plant and Equipment	-	4.58
Miscellaneous Expenses	71.70	85.77
Total	1,402.25	1,334.52

40 Income Tax	For the Year ended 31st March, 2021 (₹ in Crores)	For the year ended 31st March, 2020 (₹ in Crores)
Current Tax :		
In respect of current year	233.01	213.72
In respect of Previous years	(46.00)	0.08
Deferred Tax	237.22	329.08
Total	424.23	542.88

Tax recognised in other comprehensive income	For the Year ended 31st March, 2021 (₹ in Crores)	For the year ended 31st March, 2020 (₹ in Crores)
Remeasurement of Defined Benefit Plans		
Total income tax recognised in other comprehensive income	(6.03)	3.61
Effective portion of gains and losses on designated portion of hedging instruments in a cash flow hedge		
Tax relating to items that will be reclassified to Profit or Loss	17.71	2.76
Total	11.68	6.37

Accounting profit before tax	1,619.90	1,106.68
Income tax expense at tax rates applicable to individual entities	551.14	397.40
Tax Effect of :		
Income and Expenses not allowed under Income Tax		
i) Depreciation allowable on assets (difference between Income tax act and Companies act)	-	115.50
ii) Differences in respect of Distribution on Perpetual Equity Instrument	58.28	26.41
iii) Current year Losses for which no Deferred Tax Asset is created	(64.16)	(166.73)
iv) Adjustments in respect of current income tax of previous year (due to transition to new tax regime)	(109.54)	-
v) Recognition of tax losses		5.28
vi) Effect of change in tax rate	14.41	-
vii) MAT Credit not recognised	221.06	165.28
viii) 80IA claims	(258.36)	(91.77)
ix) Deferred Tax Assets Written off	-	95.98
x) Others (includes Tax at different rate)	11.40	(4.47)
Gross Tax	424.23	542.88
Tax provisions :		
Current Tax: In respect of current year	233.01	213.72
Current Tax: In respect of Earlier Period	(46.00)	0.08
Net DTL / (DTA) recognised during the year	168.74	376.06
MAT Credit entitlement	68.48	(46.98)
Income tax recognised in statement of profit and loss at effective rate	424.23	542.88

Pursuant to the Taxation Law (Amendment) Ordinance, 2019 ("Ordinance") issued by Ministry of Law and Justice (Legislative Department) on September 20, 2019 effective from 01st April , 2019, domestic companies have the option to pay Corporate income tax rate at 22% plus applicable surcharge and cess ("New tax rate") subject to certain conditions. Based on the assessment, the Group has chosen to exercise the option of new tax rate for certain companies.

Accordingly where it has chosen to exercise new tax rate, certain Companies of the Group has.

a) Made the provision for current tax and deferred tax at the rate of 25.17%

b) Written off unutilised credit for Minimum Alternate Tax aggregating to ₹ 68.48 Crores

c) Net Reversal of current tax provision ₹ 56.30 Crores of earlier years due to adoption of new tax regime

Unrecognised deductible temporary differences, unused tax losses and unused tax credits

Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following are Expiry of unrecognised deferred tax assets is as detailed below :

(₹ in Crores)

As at 31st March, 2021	Business Losses	Unabsorbed Depreciation	Mat Credit
Unrecognised deferred tax assets			
Within One Year	-	-	-
Greater than one year, less than five years	137.22	-	-
Greater than five years	865.37	-	989.03
No expiry date	-	116.48	-
Total	1,002.59	116.48	989.03

(₹ in Crores)

As at 31st March, 2020	Business Losses	Unabsorbed Depreciation	Mat Credit
Unrecognised deferred tax assets			
Within One Year	0.02	-	-
Greater than one year, less than five years	63.01	-	-
Greater than five years	704.86	-	875.47
No expiry date	-	112.88	-
Total	767.89	112.88	875.47

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

41 Earnings per share (EPS)

			For the Year ended 31st March, 2021	For the year ended 31st March, 2020
A	**After net Movement in Regulatory Deferral Balance**			
	Profit after tax	(₹ in Crores)	1,224.04	706.49
	Less: Distribution on Unsecured perpetual Equity Instrument	(₹ in Crores)	(231.68)	(383.29)
	Net Profit attributable to Equity Shareholders including Regulatory income/(expense)	(₹ in Crores)	**992.36**	**323.20**
	Weighted average number of equity shares outstanding during the year	No	1,09,98,10,083	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	₹	**9.02**	**2.94**
B	**Before net Movement in Regulatory Deferral Balance**			
	Profit after tax	(₹ in Crores)	1,224.04	706.49
	Less: Distribution on Unsecured perpetual Equity Instrument	(₹ in Crores)	(231.68)	(383.29)
	Add/(Less): Regulatory Income / (expense) (net)	(₹ in Crores)	(360.26)	192.10
	Net Profit attributable to Equity Shareholders excluding Regulatory income/(expense)	(₹ in Crores)	**632.10**	**515.30**
	Weighted average number of equity shares outstanding during the year	No	1,09,98,10,083	1,09,98,10,083
	Nominal Value of equity share	₹	10	10
	Basic / Diluted Earnings per Equity Share (Face Value of ₹ 10 each) before net Movement in Regulatory Deferral Balance	₹	**5.75**	**4.69**

42 Contingent liabilities and Commitments

	As at 31st March, 2021 (₹ in Crores)	As at 31st March, 2020 (₹ in Crores)
(I) Contingent liabilities :		
(a) Direct tax	0.92	1.06
(b) Vat and Entry tax	14.40	9.48
(c) Demand disputed by the Group relating to Service tax on street light Maintenance, wheeling charges and cross subsidy surcharges - (Refer note 1)	353.55	353.55
(d) Claims raised by the Government authorities towards unearned income arising on alleged transfer of certain land parcels (Refer Note 1)	127.65	127.65
(e)Demand towards fixed charges payable in respect of power drawn from the state pool	-	99.68
(f) Claims raised by Vidarbha Industries Power Limited (VIPL) in respect of increase in fuel cost for the financial year ended 31 March, 2019 (Refer Note 1)	1,381.28	1,381.28
(g) Way Leave fees claims disputed by the Group relating to rates charged (Refer Note 1)	28.43	28.43
(h) Other claims against the Group not acknowledged as debts. (Refer Note 1)	36.02	36.02
(i) Claims pertaining to interest in respect of certain regulatory Liabilities -(Refer Note 1)	@@	-
(j)Liability in respect of disposal of bottom Ash	@@	@@
Total	**1,942.25**	**2,037.15**

@@ Amount not determinable

1 In terms of the Share Purchase Agreement entered into by the Group with RINFRA, in the event the above matters are decided against the AEML and are not recoverable from the consumers, the same would be recovered from RINFRA.

2 The above Contingent Liabilities to the extent pertaining to Regulated Business having cost plus model, which on unfavourable outcome are recoverable from consumers subject to MERC/CERC approval.

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

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

5 Performance bank guarantee given by the Parent Company on behalf of Subsidiary companies. ₹ 361.79 Crores (Previous year ₹ 352.00 Crores) against which the subsidiary companies have taken counter guarantees from their respective EPC contractors.

The Group, in respect of the above mentioned Contingent Liabilities has assessed that it is only possible but not probable that outflow of economic resources will be required.

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

(ii) Commitments :	**As at 31st March, 2021 (₹ in Crores)**	**As at 31st March, 2020 (₹ in Crores)**
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of Advance)	2,413.43	2,658.42
	2,413.43	**2,658.42**

(iii) Other Commitments:
In terms of the MERC RPO obligation regulations AEML is required to procure on an annual basis a certain quantum of power generated from renewable sources , as at 31 March, 2021 AEML has an cumulative outstanding commitment to procure renewable power of 4256 Mu's (31 March, 2020 - 3211 Mu's)

AEML to meet its past and future RPO commitment, has entered into through a competitive bid, a long term power purchase agreement with a related party to procure 700 MW of Wind Solar Hybrid Renewable Power at ₹ 3.24 per unit, supply of which would commence from financial year ended 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.

43 Leases

(i) Disclosure under Ind AS 116 Leases:

(a) The following is the movement in Lease liabilities during the year ended 31st March, 2021

(₹ in Crores)

Particulars	**As at 31st March, 2021**	**As at 31st March, 2020**
Opening Balance	145.35	-
Lease Liabilities on account of adoption of Ind AS 116	-	103.49
Lease Liabilities on account of Leases entered / terminated during the year	11.75	65.55
Finance Costs incurred during the year	12.07	11.97
Net Payments of Lease Liabilities	(35.19)	(35.66)
Closing Balance (refer note 24 and 30)	**133.98**	**145.35**

(b) The Group's significant leasing arrangements, other than lease hold land, are in respect of office premises, residential premises, warehouses and cash collection centres, taken on lease. The arrangements range between 11 months to 5 years generally and are usually renewable by mutual consent on mutually agreeable terms. Under these arrangements, generally refundable interest free deposits have been given. The Group has not entered into any material financial lease.

(c) Leasing arrangements with respect to land range between 20 years to 99 years generally.The lease agreement is of fixed rate and non-cancellable. There is no contingent rent, no sub-leases and no restrictions imposed by the lease arrangements.

(d) The expense relating to payments not included in the measurement of the lease liability and recognised as expenses in the statement of profit and loss during the year is as follows :

Low Value leases - Immaterial

Short-term leases - ₹ 15.26 Crores (31 March, 2020 ₹ 20.60 Crores)

(e) The Group had a 25 year long term Power Purchase Agreement (PPA) with Vidharbha Industries Power Limited (VIPL), wherein the Group has committed to purchase the entire output generated from VIPL's generating station located at Butibori. In terms of the PPA, the Group subject to a minimum guaranteed plant availability (determined on a yearly basis) is liable to pay subject to MERC approval a fixed monthly capacity charge and a variable charge towards the cost of fuel.VIPL was obligated to make the plant available for generation for a minimum period of time (determined on a yearly basis) and the option as regards the timing of availability was at the discretion of VIPL.

The Group on assessment of the above arrangement has concluded, that considering the Group does not have the right to direct the use of the asset , the above arrangement does not qualify to be lease under IND AS 116.

During the previous year the Group has terminated the above PPA due to non-performance of obligations under the PPA by VIPL, such termination has been upheld by MERC and VIPL has preferred to appeal against the MERC order to the Appellate Tribunal of Electricity ("ATE").

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

44 Related Party Disclosure

Name of related parties & description of relationship

(A) Ultimate Controlling Entity	S. B. Adani Family Trust (SBAFT)
(B) Key Management Personnel:	Mr. Gautam S. Adani, Chairman Mr. Rajesh S. Adani, Director Mr. Anil Sardana, Managing Director and Chief Executive Officer Mr. Kaushal Shah, Chief Financial Officer (Upto 2nd February, 2021) Mr. Jaladhi Shukla, Company Secretary Mr. K. Jairaj - Non Executive Director Dr. Ravindra H. Dholakia - Non Executive Director Ms. Meera Shankar - Non Executive Director

(C) Enterprises over which (A) or (B) above have significant influence of Ultimate Controlling Entity. :

Adani Infra (India) Limited
Adani Power (Mundra) Limited
Adani Power Maharashtra Limited
Adani Enterprises Limited
Adani Power Limited
Adani Ports and Special Economic Zone Limited
Mundra Solar PV Limited
Karnavati Aviation Private Limited
Adani Foundation
Belvedere Golf and Country Club Private Limited
Adani Township & Real Estate Company Private Limited
Adani Transport Limited
Adani Institute for Education and Research
Adani Infrastructure Management Services Limited
Adani Properties Private Limited
Adani Capital Private Limited
Adani Housing Finance Private Limited
Sunbourne Developers Private Limited
Adani Power Rajasthan Limited
Udupi Power Corporation Limited
Adani Green Energy Limited
Adani Water Limited
Adani Total Gas Limited
Adani Power (Jharkhand) Limited
Adani Wind Energy Kutchh One Limited (Formerly known as Adani Green Energy (MP) Limited)
Raipur Energen Limited
Adani Green Energy (Tamil Nadu) Limited
Kamuthi Solar Power Limited
AEML Gratuity Fund
AEML Superannuation Fund

Enterprises having significant influence of Ultimate Controlling Entity, the names and the nature of relationships is disclosed only when the transactions are entered into by the Company with the related parties during the existence of the related party relationship

(₹ in Crores)

Nature of Transactions	With Significant Influence of Ultimate Controlling Entity		With Key Managerial Personnel	
For the Year Ended	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020
Interest Expenses	6.03	12.24	-	-
Interest Income	162.75	6.55	-	-
Distribution on Perpetual Equity Instrument (Refer Note: 1)	231.67	383.29	-	-
Purchase of Goods	11.40	1.10	-	-
Purchase of Inventory	0.61	3.98	-	-
Purchase of Power	360.70	1,035.91	-	-
Purchase of Property, Plant and Equipment	0.47	0.48	-	-
Sale of Inventory	0.82	-	-	-
Corporate allocation and Reimbursement of expenses	32.09	131.85	-	-
Rent Expense	3.03	2.60	-	-
Loan Taken	785.34	745.00	-	-
Loan given	1,467.51	1,843.57	-	-
Loan Repaid	434.58	780.79	-	-
Loan Received back	2,047.51	223.57	-	-

(₹ in Crores)

Nature of Transactions	With Significant Influence of Ultimate Controlling Entity		With Key Managerial Personnel	
For the Year Ended	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020
Sale of Goods, Store and spares	0.42	75.67	-	-
Services Availed	80.50	-	-	-
Services Income	0.01	-	-	-
CSR Expenditure	11.54	10.67	-	-
Staff Welfare Expenses	-	0.04	-	-
Advance paid towards Purchase of property	-	271.00	-	-
Advance paid towards Purchase of Power	700.00	200.00	-	-
Advance paid towards Purchase of Power - Received back	250.00	-		
Earnest Money Deposit (EMD) received	6.84	0.99	-	-
EMD Given Back	6.64	-	-	-
Contribution to Employee Benefits	8.87	-	-	-
Director Sitting Fees	-	-	0.19	0.22
Compensation of Key Management Personnel (Refer Note: 3)				
a) Short-term benefits	-	-	14.32	8.84
b) Post-employment benefits	-	-	0.31	0.40
Unsecured Perpetual Equity Instrument repaid	680.00	1,209.62	-	-
Unsecured perpetual Equity Instrument issued (Refer Note: 2)	-	1,081.01	-	-
O&M Agreement Charge	52.82	51.17	-	-

All above transactions are in the normal course of business and are made on terms equivalent to those that prevail at arm's length transactions.

Notes :

1 Accrued on Perpetual Equity, Infused by Entity under common control

2 Long term Financial support by way of perpetual equity instruments from Entity under common control

3 Include Performance Incentive for FY 19-20 and 20-21.

(₹ in Crores)

Closing Balance	With Significant Influence of Ultimate Controlling Entity		With Key Managerial Personnel	
As at	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020
Balance Payable	32.63	15.28	-	-
Balance Receivable	550.52	437.51	-	-
Loan Payable	350.77	-	-	-
Interest accrued but not due	5.04	-	-	-
Interest receivable	-	3.00	-	-
Advance for Capex	112.80	124.70	-	-
Loans Receivable	1,040.00	1,620.00	-	-
Land Advance	0.00	-	-	-
Unsecured Perpetual Equity Instrument (includes accrued distribution)	2,829.70	3,279.42	-	-

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

45 Fair Value Measurement :

a) The carrying value of financial instruments by categories as of 31st March, 2021 is as follows :

(₹ in Crores)

Particulars	Fair Value through other Comprehensive income	Fair Value through profit or loss	Amortised cost	Total Carrying value in books	Fair value
Financial Assets					
Investments in Mutual Funds	-	174.79	-	174.79	174.79
Investments in Government securities	-	-	267.24	267.24	259.90
Trade Receivables	-	-	1,013.54	1,013.54	1,013.54
Cash and Cash Equivalents	-	-	263.68	263.68	263.68
Bank Balances other than Cash and Cash Equivalents above	-	-	1,026.23	1,026.23	1,026.23
Loans	-	-	1,098.25	1,098.25	1,098.25
Derivative instruments designated in hedge accounting relationship	-	242.61	-	242.61	242.61
Other Financial Assets	-	-	4,062.61	4,062.61	4,062.61
Total	**-**	**417.40**	**7,731.55**	**8,148.95**	**8,141.61**
Financial Liabilities					
Borrowings (Including current maturities and interest Accrued)	-	-	27,157.76	27,157.76	27,570.57
Derivative instruments designated in hedge accounting relationship	(192.32)	501.48	-	309.16	309.16
Other Financial Liabilities	-	-	1,785.92	1,785.92	1,785.92
Trade Payables	-	-	1,272.94	1,272.94	1,272.94
Total	**(192.32)**	**501.48**	**30,216.62**	**30,525.78**	**30,938.59**

b) The carrying value of financial instruments by categories as of 31st March, 2020 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	-	312.67	-	312.67	312.67
Trade Receivables	-	-	1,000.26	1,000.26	1,000.26
Cash and Cash Equivalents	-	-	1,232.99	1,232.99	1,232.99
Bank Balances other than Cash and Cash Equivalents above	-	-	1,063.85	1,063.85	1,063.85
Loans	-	-	2,448.19	2,448.19	2,448.19
Derivative instruments designated in hedge accounting relationship	(40.81)	1,338.35	-	1,297.54	1,297.54
Other Financial Assets	-	-	2,548.18	2,548.18	2,548.18
Total	**(40.81)**	**1,651.02**	**8,293.47**	**9,903.68**	**9,903.68**
Financial Liabilities					
Borrowings (Including current maturities and Interest Accrued)	-	-	24,448.69	24,448.69	22,458.17
Derivative Instruments designated in hedge accounting relationship	106.54	-	-	106.54	106.54
Other Financial Liabilities	-	-	1,372.60	1,372.60	1,372.60
Trade Payables	-	-	1,780.86	1,780.86	1,780.86
Total	**106.54**	**-**	**27,602.15**	**27,708.69**	**25,718.17**

The management assessed that the fair value of cash and cash equivalents, other balance with banks, trade receivables, loans, trade payables, other financial assets and liability approximate their carrying amount largely due to the short term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values.

Fair value of mutual funds are based on the price quotations near the reporting date.

'The fair value of Government Securities have been determined based on the prevailing market rate as on the reporting date
The fair value of loans from banks and other financial liabilities, as well as other non-current financial liabilities is estimated by discounting future cash flow using rates currently available for debt on similar terms, credit risk and remaining maturities.

The Group enters into derivative financial instruments with various counterparties, principally banks and financial institutions with investment grade credit ratings. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying currency. All derivative contracts are fully collateralized, thereby, eliminating both counterparty and the Group's own non-performance risk.

DELOITTE HASKINS & SELLS LLP

46 Fair Value hierarchy :

(₹ in Crores)

Particulars	31st March, 2021	31st March, 2021	31st March, 2020	31st March, 2020
	Level 1	Level 2	Level 1	Level 2
Assets measured at fair value				
Investments in unquoted Mutual Funds measured at FVTPL	-	174.79	-	312.67
Asset for which Fair Value are disclosed				
- Government Securities	259.90	-	-	-
Derivative Instruments designated in hedge accounting relationship				
Derivative Instruments	-	242.61	-	1,297.54
Total	**259.90**	417.40	-	**1,610.21**
Derivative Instruments designated in hedge accounting relationship				
Derivative Instruments	-	309.16	-	106.54
Liabilities for which fair values are disclosed				
Borrowings (Including current maturities and Interest Accrued)	14,873.73	12,696.84	13,102.53	9,355.64
Total	**14,873.73**	**13,006.00**	**13,102.53**	**9,462.18**

The fair value of Government Securities have been determined based on the prevailing market rate as on the reporting date

The fair value of Derivative instruments is derived using valuation techniques which include forward pricing and swap models using present value calculations.

The Borrowing includes USD bonds which are listed in Singapore Stock Exchange. The fair value of Bonds have been determined based on the prevailing market rate as on the reporting date. The fair value of rest of the borrowings is equivalent to carrying value.

47 Capital Management

The Group's objectives to manage capital is to safeguard continuity and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth. The Group's overall strategy remains unchanged from previous year.

The Group sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments.

The funding requirements are met through a mixture of equity, internal fund generation, borrowings. The Group's policy is to use borrowings to meet anticipated funding requirements.

No changes were made in the objectives, policies or processes for managing capital during the years ended as at 31st March, 2021 and as at 31st March, 2020.

(₹ in Crores)

Particulars	Refer Note	As at 31st March, 2021	As at 31st March, 2020
Total Borrowings (Including Current Maturities of Long Term Debt)	22,28 & 30	26,960.98	24,245.73
Less: Cash and bank balances	14 & 15	1,289.91	2,296.84
Less: Current Investments	12	174.79	312.67
Net Debt(A)		**25,496.28**	**21,636.22**
Equity Share Capital & Other Equity	19 & 21	6,089.58	5,219.54
Unsecured Perpetual Equity Instrument	20	2,829.70	3,279.42
Total Equity (B)		**8,919.28**	**8,498.96**
Total Equity and Net Debt (C=A+B)		**34,415.57**	**30,135.18**
Gearing Ratio : (A)/(C)		**0.74**	**0.72**

48 Financial Risk Management Objectives

The Group's principal financial liabilities comprises borrowings, trade and other payables, The main purpose of these financial liabilities is to finance the Group's operations/projects .The Group's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

In the ordinary course of business, the Group is mainly exposed to risks resulting from exchange rate fluctuation (currency risk), interest rate movements (interest rate risk) collectively referred as Market Risk, Credit Risk, Liquidity Risk and other price risks such as equity price risk. The Group's senior management oversees the management of these risks. It manages its exposure to these risks through derivative financial instruments by hedging transactions. It uses derivative instruments such as Principal only Swaps, Interest rate swaps, foreign currency future options and foreign currency forward contract to manage these risks. These derivative instruments reduce the impact of both 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, 2021 would decrease / increase by ₹ 27.26 Crores (previous year ₹ 17.39 crores). This is mainly attributable to interest rates on variable rate borrowings.

The year end balances are not necessarily representative of the average debt outstanding during the year

DELOITTE HASKINS & SELLS LLP * CHARTERED ACCOUNTANTS *

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities. The Group manages its foreign currency risk by hedging transactions that are expected to realise in future.

a) The Group has taken various derivatives to hedge its foreign exposure. The outstanding position of exposure against variation in interest rates and foreign exchange rate are as under:

Nature	Purpose	As at 31st March, 2021		As at 31st March, 2020	
		₹ in Crores	Foreign Currency (in Million)	₹ in Crores	Foreign Currency (in Million)
(i) Principal only swaps	Hedging of foreign currency borrowings principal liability 1. Bond 861.25 Million USD, USPP 388.20 Million USD (P.Y. Bond 870 Million USD, USPP 310 Million USD) 2.Term Loan from bank Nil (P.Y. 24.18 Million EUR)	9,134.73	USD 1,249.45	9,128.57	EUR 24.18 USD 1,180
(ii) Forward covers	1a.Hedging of foreign currency borrowing principal:- Bond 421.25 Million USD, USPP Nil (P.Y. Bond 430 Million USD, USPP 90 Million USD) 1b.Hedging of foreign currency interest liability	3,520.03	USD 481.47	4,476.90	USD 591.67
	2.Hedging of LC, Acceptances, Creditors and firm commitments	92.35	USD 12.63	-	-
(iii) Cross Currency Swaps	Hedging of foreign currency borrowing principal & interest liability 1. Bond 400 Million USD, Term Loan 175 Million USD, ECB 11.35 EUR (P.Y. Bond 400 Million USD, Term Loan 70 Million USD)	4,301.18	USD 575 EUR 11.35	3,556.26	USD 470
(iv) Options	Hedging of foreign currency borrowing principal & interest liability 1. Bond 300 Million USD, Share holder affiliated debt 282 Million USD (P.Y. Bond 300 Million USD, Share holder affiliated debt 282 Million)	4,255.00	USD 582	4,403.70	USD 582
(v) Coupon only Swaps	Hedging of foreign currency borrowing interest liability	4,386.60	USD 600	3,783.25	USD 500

b) The details of foreign currency exposures not hedged by derivative instruments are as under :

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	₹ in Crores	Foreign Currency (in Million)	₹ in Crores	Foreign Currency (in Million)
(i) Interest accrued but not due	94.75	USD 12.96	23.85	USD 3.15
(ii) Import Creditors and Acceptances	10.40 0.01	USD 1.42 EUR 0.00*	335.83 0.03	USD 44.38 EUR 0.00*

** EUR 858 (EUR 3115)*

A change of 1% in Foreign currency would have following impact on profit before tax

(₹ in Crores)

Particulars	For the Year 2020-21		For the Year 2019-20	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Foreign Currency Sensitivity				
RUPEES / USD - (Increase) / Decrease	(0.62)	0.62	(3.60)	3.60
RUPEES / EUR - (Increase) / Decrease	0.00	(0.00)	0.00	(0.00)

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a loss to the Group. The Group has adopted the policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial losses from default, and generally does not obtain any collateral or other security on trade receivables.

The carrying amount of financial assets recorded in the financial statements represents the Group's maximum exposure to credit risk. Since the Group is an ISTS licensees, the responsibility for billing and collection on behalf of the Group lies with the CTU/STU. Based on the fact that the collection by CTU/STU is from Designated ISTS Customers (DICs) which in majority of the cases are state government organisations and further based on an analysis of the past trends of recovery, the management is of the view that the entire receivables are fully recoverable. Accordingly, the Group does not recognize any impairment loss on its receivables.

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

Liquidity risk

The Group monitors its risk of shortage of funds using cash flow forecasting models. These models consider the maturity of its financial investments, committed funding and projected cash flows from operations. The Group's objective is to provide financial resources to meet its business objectives in a timely, cost effective and reliable manner and to manage its capital structure. A balance between continuity of funding and flexibility is maintained through the use of various types of borrowings.

The table below analysis derivative and non-derivative financial liabilities of the Group into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

(₹ in Crores)

As at 31st March, 2021	Less than 1 year	1-5 years	Over 5 years	Total
Borrowings (Including current maturities)#	4,637.51	7,927.13	26,166.30	38,730.94
Trade Payables	1,241.01	-	31.93	1,272.94
Derivative Liabilities	163.82	145.34	-	309.16
Other financial Liabilities	1,500.45	455.10	27.15	1,982.70

(₹ In Crores)

As at 31st March, 2020	Less than 1 year	1-5 years	Over 5 years	Total
Borrowings (Including current maturities)#	3,198.06	7,237.09	25,863.24	36,298.39
Trade Payables	1,751.51	-	29.35	1,780.86
Derivative Liabilities	24.37	82.17	-	106.54
Other financial Liabilities	1,307.58	236.99	30.99	1,575.56

#The table has been drawn up based on the undiscounted contractual maturities of the financial liabilities including Interest that will be paid on those liabilities upto the maturity of the instruments, ignoring the call and refinancing options available with the Group. The amounts included above for variable interest rate instruments for non-derivative liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

Derivative Financial Instrument

The Group uses derivatives instruments as part of its management of risks relating to exposure to fluctuation in foreign currency exchange rates and interest rates. The Group does not acquire derivative financial instruments for trading or speculative purposes neither does it enter into complex derivative transactions to manage the above risks. The derivative transactions are normally in the form of forward currency contracts, cross currency swaps, options and interest rate swaps to hedge its foreign currency risks and interest rate risks, respectively and are subject to the Group's guidelines and policies.

The fair values of all derivatives are separately recorded in the balance sheet within current and non current assets and liabilities. Derivative that are designated as hedges are classified as current or non current depending on the maturity of the derivative.

The use of derivative can give rise to credit and market risk. The Group tries to control credit risk as far as possible by only entering into contracts with stipulated / reputed banks and financial institutions. The use of derivative instrument is subject to limits, authorities and regular monitoring by appropriate levels of management. The limits, authorities and monitoring systems are periodically reviewed by management and the Board. The market risk on derivative is mitigated by changes in the valuation of underlying assets, liabilities or transactions, as derivatives are used only for risk management purpose.

The Group enters into derivative financial instruments, such as forward currency contracts, cross currency swaps, options, interest rate futures and interest rate swaps for hedging the liabilities incurred/recorded and accounts for them as cash flow hedges and states them at fair value. The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss. Amounts recognised in OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. These hedges have been effective for the year ended March 31, 2021.

The fair value of the Group's derivative positions recorded under derivative financial assets and derivative financial liabilities are as follows :-

(₹ in Crores)

Derivative Financials Instruments	As at 31 March, 2021		As at 31 March, 2020	
	Assets	Liabilities	Assets	Liabilities
Cash flow hedge				
-Call Options	137.21	87.50	394.48	106.54
-Cross Currency Swaps	30.36	5.91	229.32	-
-Coupon Only Swaps	(3.81)	-	38.00	-
-Forward	0.08	85.92	150.35	-
-Principal Only Swaps	78.77	129.83	485.39	-
Total	**242.61**	**309.16**	**1,297.54**	**106.54**

DELOITTE HASKINS & SELLS LLP * CHARTERED ACCOUNTANTS *

49 Segment information:-Operating Segments

The reportable segments of the Group are trading activity and providing transmission line service. The segment are largely organised and managed separately according to the organisation structure that is designed based on the nature of service. Operating segments reported in a manner consistent with the internal reporting provided to the Chairman and Managing Director jointly regarded as the Chief Operating Decision Maker ("CODM"). Description of each of the reportable segments for all periods presented, is as under:-

i) Transmission
ii) Trading
iii) Mumbai GTD Business

The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by operating segments. The CODM reviews revenue and gross profit at the performance indicator for all of the operating segments.

The measurement of each segment's revenues, expenses and assets is consistent with the accounting policies that are used in preparation of the financial statements. Segment profit represents the profit before interest and tax.

Information regarding the company's reportable segments is presented below:

(₹ in Crores)

Particulars	Transmission	Trading	Mumbai GTD Business	Elimination	Total
1 Revenue					
External Sales	**3,122.06**	**756.63**	**6,047.64**	-	**9,926.33**
	2,815.00	*924.61*	*7,676.35*	-	*11,415.96*
Total Revenue	**3,122.06**	**756.63**	**6,047.64**	-	**9,926.33**
	2,815.00	*924.61*	*7,676.35*	-	*11,415.96*
Results					
Segment Results	**2,191.80**	**0.74**	**1,011.75**	-	**3,204.29**
	1,873.21	*0.40*	*1,206.23*	-	*3,079.84*
Unallocated Corporate Income (Net)					**532.60**
					265.33
Operating Profit					**3,736.89**
					3,345.17
Less: Finance Expense					**2,116.99**
					2,238.49
Profit before tax					**1,619.90**
					1,106.68
Current Taxes					**187.01**
					213.80
Deferred Tax					**143.32**
					186.39
Total Tax					**330.33**
					400.19
Profit after tax					**1,289.57**
					706.49
Less: Non-Controlling Interests					(65.53)
					35.33
Net profit					**1,224.04**
					741.82
3 Other Information					
Segment Assets	**20,595.69**	-	**17,206.59**	-	**37,802.24**
	15,576.68	134.72	*16,628.19*	-	*32,339.59*
Unallocated Corporate Assets					***5,431.34***
					7,371.60
Total Assets					**43,233.58**
					39,711.19
Segment Liabilities	**1,141.40**	-	**3,409.57**	-	**4,550.97**
	693.67	134.48	*3,755.06*	-	*4,583.21*
Unallocated Corporate Liabilities					***28,659.76***
					25,566.89
Total liabilities					**33,210.73**
					30,150.10
Depreciation /Amortisation	**684.32**	-	**644.56**	-	**1,328.88**
	663.56	-	510.46	-	*1,174.02*
Non Cash Expenditure other then Depreciation/ Amortisation	**4.62**	-	**22.52**	-	**27.14**
	(5.38)	-	*(32.48)*	-	*(37.86)*
Capital Expenditure	***2,760.50***	-	**1,191.82**	-	**3,952.32**
	1,468.90	-	*1,293.77*	-	*2,762.67*

Previous figures are given in italics

Note 1: The business operations of the Group are entirely based in India accordingly the entity has no separate geographical to disclose.

Note 2: Revenue from power distribution companies for allocation of Transmission capacity with which Group has entered into Transmission Service Agreement accounts for more than 10% of Total Revenue.

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

50 The Consolidated financial statements for the year ended 31st March, 2021 are not comparable with the previous year, due to following:

Date of acquisition of investment in Subsidiaries

Sr. No.	Name of the Entity	For the Year ended 31st March, 2021	For the year ended 31st March, 2020
1	Bikaner-Khetri Transmission Limited		19th September, 2019
2	WRSS XXI (A) Transco Limited		14th October, 2019
3	Lakadia Banaskantha Transco Limited		13th November, 2019
4	Jam Khambaliya Transco Limited		13th November, 2019
5	Khargar Vikroli Transmission Private Limited	25th June, 2020	
6	Alipurduar Transmission Limited	26th November, 2020	
7	Warora Kurnool Transmission Limited	31st March, 2021	

51 Group has entered into transmission agreements in the nature of Service Concession Arrangements (SCA) with Rajasthan Rajya Vidyut Prasaran Nigam Limited (RVPNL) and with Power Grid Corporation of India Limited (PGCIL)
(a) Two agreements for different maintaining different transmission lines with RVPNL (Grantor) is to construct & operate an transmission system comprising:-
(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)

		Transmission Lines	
Sr.No.	Particulars	2020-21	2019-20
1	SCA Revenue Recognised	150.71	154.12
2	Profit for the year	53.96	40.18

52 Additional information of net assets and share in profit or loss contributed by various entities as recognised under Schedule III of the Companies Act, 2013

Sr. No.	Name of the Entity	As % of Consolidated Net Assets as on 31st March 2021	₹ in Crores	As % of Consolidated Profit or Loss for the year ended 31st March 2021	₹ in Crores	As % of Consolidated Other Comprehensive Income for the year ended 31st March 2021	₹ in Crores	As % of Consolidated Total Comprehensive Income for the year ended 31st March 2021	₹ in Crores
1	Adani Transmission Limited	27.02%	4,086.61	-1.61%	(21.21)	14.50%	(21.23)	-3.61%	(42.44)
	Subsidiaries (Indian)								
2	Maharashtra Eastern Grid Power Transmission Company Limited	16.52%	2,497.89	39.67%	524.08	-0.62%	0.91	44.69%	524.99
3	Adani Transmission (India) Limited	14.75%	2,230.58	22.39%	295.85	-0.04%	0.06	25.19%	295.91
4	Sipat Transmission Limited	0.52%	79.40	2.13%	28.14	6.66%	(9.75)	1.57%	18.39
5	Raipur-Rajnandgaon-Warora Transmission Limited	1.17%	176.52	4.56%	60.30	15.07%	(22.06)	3.26%	38.24
6	Chhattisgarh-WR Transmission Limited	0.83%	125.01	3.15%	41.56	10.91%	(15.97)	2.18%	25.59
7	Adani Transmission (Rajasthan) Limited	0.13%	19.07	0.50%	6.55	-	(0.00)	0.56%	6.55
8	North Karanpura Transco Limited	0.19%	28.86	0.00%	(0.00)	-0.02%	0.03	0.00%	0.02
9	Maru Transmission Service Company Limited	0.14%	21.46	0.04%	0.55	-0.36%	0.53	0.09%	1.08
10	Aravali Transmission Service Company Limited	-0.01%	(1.52)	0.07%	0.89	-0.39%	0.57	0.12%	1.46
11	Western Transco Power Limited	1.11%	167.75	1.27%	16.84	0.01%	(0.01)	1.43%	16.83
12	Western Transmission (Gujarat) Limited	0.78%	118.45	0.96%	12.65	-0.01%	0.01	1.08%	12.66
13	Hadoti Power Transmission Service limited	0.36%	53.80	1.48%	19.53	1.85%	(2.70)	1.43%	16.83
14	Barmer Power Transmission Service limited	0.30%	45.26	1.09%	14.44	1.29%	(1.89)	1.07%	12.55
15	Thar Power Transmission Service limited	0.25%	37.89	1.00%	13.19	1.20%	(1.76)	0.97%	11.43
16	Fatehgarh-Bhadla Transmission Limited	0.17%	25.20	0.00%	(0.02)	-0.01%	0.01	0.00%	(0.01)
17	Ghatampur Transmission Limited	1.04%	157.33	0.37%	4.88	-0.02%	0.02	0.42%	4.90
18	Adani Transmission Bikaner Sikar Private Limited (Formerly Known as KEC Bikaner Sikar Transmission Private Limited)	0.34%	51.58	0.54%	7.10	-	-	0.60%	7.10
19	OBRA-C Badaun Transmission Limited	0.37%	55.34	-0.01%	(0.08)	-0.01%	0.02	-0.01%	(0.06)
20	Adani Electricity Mumbai Limited	31.14%	4,710.35	19.62%	259.17	49.95%	(73.13)	15.83%	186.02
21	AEML Infrastructure Limited	0.00%	(0.01)	0.00%	(0.01)	-	-	0.00%	(0.01)
22	Bikaner-Khetri Transmission Limited	0.66%	99.65	0.00%	0.03	0.00%	(0.00)	0.00%	0.03
23	WRSS XXI (A) Transco Limited	0.00%	(0.63)	0.00%	(0.05)	0.02%	(0.02)	-0.01%	(0.07)
24	Lakadia Banaskantha Transco Limited	-0.01%	(1.01)	0.00%	(0.02)	0.00%	0.00	0.00%	(0.02)
25	Jam Khambaliya Transco Limited	0.13%	20.11	0.00%	(0.03)	-0.01%	0.01	0.00%	(0.02)
26	Arasan Infra Private Limited	0.00%	(0.28)	-0.01%	(0.17)	-	-	-0.01%	(0.17)
27	Sunrays Infra Space Private Limited	0.00%	(0.38)	-0.03%	(0.40)	-	-	-0.03%	(0.40)
28	Power Distribution Services Limited (Formerly known as 'Adani Electricity Mumbai Services Limited')	0.01%	1.89	0.14%	1.89	-	-	0.16%	1.89
29	Adani Electricity Mumbai Infra Limited	0.00%	0.01	0.00%	-	-	-	-	-
30	Alipurduar Transmission Limited	1.42%	215.88	2.68%	35.59	-0.01%	0.01	3.03%	35.60
31	Khargar Vikroli Transmission Private Limited	-0.01%	(0.77)	0.00%	(0.01)	0.00	(0.02)	0.00%	(0.03)
32	Warora Kurnool Transmission Limited	0.68%	103.43	0.00%	-	-	-	0.00%	-
33	AEML Seepz Limited	0.00%	-	0.00%	-	-	-	0.00%	-
34	Adani Trans Step One Limited	0.00%	-	0.00%	-	-	-	0.00%	-
	Total	**100%**	**15,124.72**	**100%**	**1,321.23**	**100%**	**(148.40)**	**100%**	**1,174.83**
	Less: Adjustment of Consolidation		**4,205.44**		**31.66**		-		**31.66**
	Add: Non Controlling Interest		**1,103.98**		**65.53**		**(18.37)**		**47.16**
	Consolidated Net Assets/Profit after tax		**10,022.86**		**1,224.04**		**(128.03)**		**1,096.01**

DELOITTE HASKINS & SELLS LLP
CHARTERED ACCOUNTANTS

53 As per Ind AS 19 "Employee Benefits", the disclosures are given below.

(a) Defined Contribution Plan

(I) Provident fund
(II) Superannuation fund
(III) State defined contribution plans
-Employer's contribution to Employees' state insurance
-Employers' Contribution to Employees' Pension Scheme 1995
The Group has recognised the following amounts as expense in the financial statements for the year.

(₹ in Crores)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Contribution to Provident Fund	41.35	42.17
Contribution to Employees Superannuation Fund	7.98	8.46
Contribution to Employees Pension Scheme	6.90	7.17
Total	**56.23**	**57.80**

(b) Defined Benefit Plan

The Group has a defined benefit gratuity plan (funded) and is governed by the Payment of Gratuity Act, 1972. Under the Act, every employee who has completed at least five year of service is entitled to gratuity benefits on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Corporation of India (LIC) in form of a qualifying insurance policy with effect from 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, 2021	As at 31st March, 2020
i. Reconciliation of Opening and Closing Balances of defined benefit obligation		
Present Value of Defined Benefit Obligations at the beginning of the Year	654.50	603.97
Current Service Cost	36.85	33.30
Interest Cost	44.71	45.56
Re-measurement (or Actuarial) (gain) / loss arising from:		
- Change in demographic assumptions	6.91	0.14
- Change in financials assumptions	(1.18)	38.69
- Experience variance (i.e. Actual experience vs assumptions)	(41.08)	(17.68)
Acquisition Adjustment/Other adjustment	0.25	-
Benefits paid	(37.34)	(50.07)
Net Actuarial loss / (gain) Recognised	-	-
Liabilities Transfer In/Out	4.29	0.59
Present Value of Defined Benefit Obligations at the end of the Year	**667.91**	**654.50**
ii. Reconciliation of Opening and Closing Balances of the Fair value of Plan assets		
Fair Value of Plan assets at the beginning of the Year	491.10	457.39
Investment Income	33.59	34.49
Contributions	0.95	0.15
Benefits paid	(37.34)	(0.99)
Return on plan assets, excluding amount recognised in net interest expenses	(1.11)	0.06
Planned Asset Acquired on Business Acquisition	-	-
Fair Value of Plan assets at the end of the Year	**487.19**	**491.10**
iii. Reconciliation of the Present value of defined benefit obligation and Fair value of plan assets		
Present Value of Defined Benefit Obligations at the end of the Year	667.91	654.50
Fair Value of Plan assets at the end of the Year	(487.19)	(491.10)
Net Asset / (Liability) recognized in balance sheet as at the end of the year	**(180.72)**	**(163.40)**
iv. Composition of Plan Assets		
100% of Plan Assets are administered by LIC	-	-
v. Gratuity Cost for the Year		
Current service cost	36.85	33.30
Interest cost	44.71	45.56
Expected return on plan assets	(33.59)	(34.49)
Actuarial Gain / (Loss)	-	-
Net Gratuity cost recognised in the statement of Profit and Loss	**47.97**	**44.37**
vi. Other Comprehensive Income		
Actuarial (gains) / losses		
Change in demographic assumptions	6.91	0.14
Change in financial assumptions	(1.18)	38.69
Experience variance (i.e. Actual experiences assumptions)	(41.08)	(17.68)
Return on plan assets, excluding amount recognised in net interest expense	1.11	(0.06)
Components of defined benefit costs recognised in other comprehensive income	**(34.24)**	**21.10**
vii. Actuarial Assumptions		
Discount Rate (per annum)	**6.7% to 6.84%**	6.7% to 6.84%
Annual Increase in Salary Cost (per annum)	8.00% to 9.75%	8.00% to 9.75%

xi. Asset - Liability Matching Strategies

The Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk.

However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).

(c) Sensitivity analysis

The sensitivity of the defined benefit obligations to changes in the weighted principal assumptions is:

	Change in assumption			Increase in assumption			Decrease in assumption	
	31st March, 2021	31st March, 2020		31st March, 2021	31st March, 2020		31st March, 2021	31st March, 2020
Discount rate	1.00%	1.00%	Decrease by	73.20	71.79	Increase by	63.16	62.03
Salary Growth Rate	1.00%	1.00%	Increase by	70.00	60.59	Decrease by	61.52	58.81
Attrition Rate	0.50%	0.50%	Decrease by	14.21	21.68	Increase by	20.04	20.04
Mortality Rate	10.00%	10.00%	Increase by	9.08	9.53	Decrease by	9.09	9.52

DELOITTE HASKINS & SELLS LLP

54 The Group has adopted Ind AS 115 using the cumulative effect method (without practical expedients) with the effect of initially applying this standard recognised at the date of initial application i.e. 1st April, 2018. Accordingly, the comparative information i.e. information for the year ended 31st March 2018, has not been restated. The adoption of the standard did not have any material impact on the financial statements of the Group. Additionally, the disclosure requirements in Ind AS 115 have not generally been applied to comparative information.

Contract balances:

(a) The following table provides information about receivables, contract assets and contract liabilities from the contracts with customers.

(₹ in Crores)

Particulars	**As at 31st March, 2021**	**As at 1st April, 2020**
Trade receivables (Gross) (Refer note 13)	1,024.54	1077.72
(Less): Allowance for Doubtful Debts (Refer note 13)	(11.00)	(77.46)
Trade receivables (Net) (Refer note 13)	1,013.54	1,000.26
Contract assets (Refer note 17)	1,266.29	1,105.97
Contract liabilities	-	-

The contract assets primarily relate to the Group right to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the Customer. The contract liabilities primarily relate to the advance consideration received from the customers.

(b) Significant changes in contract assets and liabilities during the period:

(₹ in Crores)

		For the Year ended 31st March, 2021	For the year ended 31st March, 2020
Opening Balance			
Recoverable from consumers		-	4.78
Liabilities towards consumers		28.50	-
	(A)	**28.50**	**4.78**
Income to be adjusted in future tariff determination in respect of earlier year (of which ₹ 2.26 crores recoverable from others as on 31 March, 2020)		(9.55)	(10.22)
Income to be adjusted in future tariff determination (Net)		(12.42)	(23.06)
Closing Balance	(B)	**(21.97)**	**(33.28)**
Recoverable from consumers		-	-
Liabilities towards consumers		6.53	-
Contract assets reclassified to receivables	(A+B)	**6.53**	**(28.50)**

Reconciliation the amount of revenue recognised in the statement of profit and loss with the contracted price:

(₹ in Crores)

Particulars	For the Year ended 31st March, 2021	For the year ended 31st March, 2020
Revenue as per contracted price	9,112.33	10,328.99
Adjustments		
Discounts	37.32	51.10
Revenue from contract with customers	**9,075.02**	**10,277.90**

55 Regulatory Deferral Account

(₹ in Crores)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Regulatory Deferral Account - Liability		
Regulatory Liabilities	271.56	504.33
Regulatory Deferral Account - Assets		
Regulatory Assets	439.45	247.73
Net Regulatory Assets/(Liabilities)	**167.89**	**(256.60)**

Rate Regulated Activities

1 As per the Ind AS-114 'Regulatory Deferral Accounts', the business of electricity distribution is a Rate Regulated activity wherein Maharashtra Electricity Regulatory Commission (MERC), the regulator determines Tariff to be charged from consumers based on prevailing regulations in place

2 MERC Multi Year Tariff Regulations, 2015 (MYT Regulations), is applicable for the period beginning from 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, 2021	As at 31st March, 2020
A	**Opening Regulatory Assets (Net)**	(256.60)	834.04
	Add:		
B	Acquired on Business Combination(Net)	-	-
1	For Current Year	582.81	(232.77)
2	For Earlier Year	-	-
	Total C (1 + 2)	**582.81**	**(232.77)**
	Less:		
D	Recovered / (refunded) during the year*	158.32	857.87
E	Net Movement during the year (C - D)	424.49	(1,090.64)
F	**Closing Balance (A + B+ E)**	167.89	(256.60)

*Includes ₹ 214.86 Crores recovered during 31 March 2020 on account of final truing up for FY 2017-18 and FY 2018-19

56 (i) Impairment testing of Intangible Assets

In accordance with the requirements of Ind AS 36 "Impairment of Assets", AEML has as at 31 March, 2021 tested the Transmission Cash Generating Unit ("TCGU") which includes carrying value of Transmission License (₹ 981.62 crores) having indefinite useful life for impairment. The recoverable amount of the TCGU has been determined applying value in use approach. The value in use of the TCGU has been determined using Discounted Cash Flow Method (DCF).

In deriving the recoverable amount of the TCGU a discount rate (post tax) of 8.75 % (31 March 2020: 9.00%) per annum has been used. In arriving at the recoverable amount of the TCGU , financial projections have been developed for 6 years (31 March 2020: 5 years) and thereafter in perpetuity considering a terminal growth rate of 2% (31 March 2020: 2.5%) per annum

Based on the results of the TCGU impairment test, the estimated value in use of the TCGU was higher than its carrying amount, hence impairment provision recorded during the current year is ₹ Nil (31 March 2020 - ₹ Nil). Management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the fair value of the Transmission License

The key assumptions used in determining the recoverable amount of TCGU are as follows

Discount Rate: 8.75 % (31 March 2020- 9 %) Post-Tax Discount rate has been derived based on current cost of borrowing and equity rate of return in line with the current market expectations

Capital expenditure /Capitalisation: Capital expenditure and capitalisation for 6 years (31 March 2020: 5 years) is estimated based on management projections and thereafter ₹ 325 crores per annum

(ii) Goodwill

(₹ in Crores)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Balance at beginning of the year	592.09	590.14
Arising on account of Business combination	0.79	1.95
Balance at end of the year	**592.88**	**592.09**

Impairment testing of Goodwill

The group tests on a annual basis, goodwill arising on business combination amounting to ₹ 576.02 March, 2021 (₹ 576.02 crores for March 2020) which has been allocated to the respective Cash Generating Unit ("CGU")(ATIL, MEGPTCL and AEML) for impairment. Based on the annual impairment test no provision towards impairment was required necessary

The recoverable amounts of the CGUs are determined from value-in-use calculations and the projections based on the period of the transmission 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 pre-tax rates that reflect current market assessments of the time value of money. The growth rates are based on management's forecasts/ tariff regulations. Changes in direct costs are based on past practices and expectations of future changes in the market

The Group prepares its forecasts based on the most recent Financial budgets approved by management with projected revenue growth rates per respective tariff regulation wherein the revenue is determined considering the parameters/benchmarks laid down in the respective MERC/CERC tariff regulations

The rates used to discount the forecasts is 10.29% p.a

Management believes that any reasonable possible change in any of these assumptions would not cause the carrying amount to exceed its recoverable amount

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

57 a) During the previous year 2019-20, Maharashtra Electricity Regulatory Commission (MERC) vide its order dated 30th March, 2020, has approved for (i) truing-up of the tariff for the period from the financial year 2017-18 & 2018-19, (ii) for Provisional truing up of financial year 2019-20 and (iii) Aggregate Revenue Requirement (ARR) for FY 2020-21 and FY 2024-25 for Adani Transmission (India) Limited (ATIL), Maharashtra Eastern Grid Power Transmission Company Limited (MEGPTCL) and Adani Electricity Mumbai Limited (AEML). Accordingly, based on the MERC order, during the previous period/year, Group has recognized revenue from operations of ₹ 254.43 Crores for the period from April, 2017 to March, 2019.

(b) During the quarter ended June 30, 2020, Appellate Tribunal for Electricity (APTEL) has issued order in favor of MEGPTCL wherein it has set aside disallowances made by MERC in its earlier Truing up orders as regards capital expenditure and others. Accordingly, during the year, Group has recognized revenue from operations (ARR) of ₹ 329.52 Crores from the period April, 2015 to March, 2020 and recognized ₹ 56.50 Crores for the period April, 2020 to March, 2021. Under the circumstances, the figures for the current year are not comparable with the corresponding figures of the previous year, to that extent.

58 (A) Non Controlling Interests (NCI)

Summary of financial information for a subsidiary (AEML) that has non-controlling interests that are material to the Group. The amounts disclosed for a subsidiary are before inter-company eliminations.

(₹ in Crores)

Summarised Balance Sheet	**31st March, 2021**	**31st March, 2020**
Total Non-current Assets	16,744.71	15,095.99
Total Current Assets	2,698.13	4,363.15
Regulatory Deferral Account - Assets	439.45	247.73
Total Assets	**19,882.29**	**19,706.87**
Non-current Liabilities	11,620.18	10,908.62
Current Liabilities	3,280.20	3,769.59
Regulatory Deferral Account - Assets	271.56	504.33
Total Liabilities	**15,171.94**	**15,182.54**
Accumulated NCI	**1,182.30**	**1,135.61**

(₹ in Crores)

Summarised statement of Profit and Loss	**31st March, 2021**	**31st March, 2020**
Profit /(Loss) for the year/period	259.17	(140.74)
Other Comprehensive Income / (Loss) for the year/period	(73.15)	(30.31)
Total Comprehensive Income /(Loss) for the year/period	186.02	(171.05)
Profit/(Loss) Allocated to NCI	**65.05**	**(35.33)**
Total Comprehensive Income /(Loss) allocated to NCI	**46.69**	**(42.93)**

(₹ in Crores)

Summarised Cash Flow allocated	31st March, 2021	31st March, 2020
Net cash from operating activities for the year	1,406.27	3,101.27
Net cash (used in) investing activities for the year	(1,052.61)	(3,047.08)
Net cash from financing activities for the year	(323.94)	(22.89)
Net (decrease) in cash and cash equivalents	29.72	31.30

(B) Gain on sale of Equity Shares of Subsidiary Companies to Non Controlling Interests

(₹ in Crores)

Particulars	**31st March, 2021**	**31st March, 2020**
Consideration received from non-controlling interests	-	1,209.62
Expenses incurred	-	(6.33)
Carrying amount of non-controlling interests	-	(1,105.91)
Gain on sale of Equity Shares of Subsidiary Companies to Non Controlling Interests	-	**97.38**

(C) Transaction with Non Controlling Interests

(₹ in Crores)

Particulars	**31st March, 2021**	**31st March, 2020**
Subordinate debt received	-	2,009.64
Commitment Charges Paid	-	7.52
Interest expense on Sub debt	131.87	19.24

(₹ in Crores)

Closing balance	**31st March, 2021**	**31st March, 2020**
Subordinate debt payable	2,061.70	2,133.75
Interest accrued but not due on Sub debt	51.40	19.24

59 Group has acquired the control of the company wef 29 August, 2018, through its purchase from Reliance Infrastructure Limited ("RINFRA"), of the equity shares of the Company. In accordance with Share Purchase Agreement, any incremental adjustment, arising as a result of the above MERC MYT order for the period 1 April, 2017 to 28 August, 2018 is to the account of R-infra.

Consequent to the receipt of tariff orders on 30 March, 2020 the management has provisionally determined the amount recoverable/payable to RINFRA on account of various components such as annual surplus, capex disallowances, MAT credit etc. The amounts so provisionally determined will be further adjusted in the near future , for any further developments on regulatory matters pertaining to the above period.

60 **During the year, Adani Transmission Limited (the Parent Company)**

i) Signed a Share Purchase Agreement (SPA) and completed the acquisition of the SPV, Khargar Vikhroli Transmission Private Limited (KVPTL), incorporated by Maharashtra State Electricity Transmission Company Ltd. (MSETCL). KVPTL will build, own, operate and maintain the transmission project in the state of Maharashtra for a period of 35 years. This Project comprises of approximately 34 Km of 400 kV and 220 kV transmission lines along with 1500 MVA 400 kV GIS Substation at Vikhroli in Mumbai, this acquisition accounted as Business Combination.

ii) Acquired 650 ckt kms transmission assets at West Bengal and Bihar by acquiring 49% of paid-up equity capital of Alipurduar Transmission Limited ("ALTL") with effect from 26th November, 2020. The Group has finalised purchase consideration for acquisition of entire stake in ALTL, and has entered into a binding agreement to acquire remaining 51% paid-up equity capital of ALTL. Considering the rights available to the Group under the Share Purchase Agreement (SPA), the Group has concluded that it controls ALTL with effect from 26th November, 2020, this acquisition accounted as Assets Acquisition

iii) Signed a Share Purchase Agreement (SPA) and completed the acquisition of Warora-Kurnool Transmission Limited (WKTL) with effect from 31st March, 2021. WKTL will develop, operate and maintain transmission lines aggregating to ~1,750 ckt km. The 765 kV inter-state transmission line links Warora–Warangal and Chilakaluripeta-Hyderabad–Kurnool with a 765/400 kV new sub-station at Warangal, this acquisition accounted as Assets Acquisition.

(A) Summary of assets acquired and liabilities assumed as part of Assets acquisition when compared to the consideration paid is as below: :

Net amount of Assets and Liabilities (₹ in Crores)

Particulars	Warora Kurnool Transmission Limited	Alipurduar Transmission Limited
Assets		
Non-current assets		
Property, Plant and Equipment	60.43	1,262.23
Capital Work-In-Progress	821.84	-
Right of Usage	-	0.06
Other financial assets	-	0.04
Income Tax Assets (net)	-	0.08
Deferred Tax Assets (Net)	-	4.54
Other non-current assets	-	0.36
	882.27	**1,267.31**
Current assets		
Inventories	-	5.40
Trade Receivable	1.28	-
Cash and cash equivalents	0.14	16.05
Other financial assets	0.01	57.90
Other current assets	17.05	1.98
	18.48	**81.33**
Total Assets (i)	**900.75**	**1,348.65**
Non-current liabilities		
Borrowings	-	905.29
Other Financial Liabilities	-	0.04
	-	**905.33**
Current liabilities		
Trade Payables	1.13	0.62
Other financial liabilities	896.84	27.32
Other Current Liabilities	2.78	0.05
	900.75	**27.99**
Total Liabilities(ii)	**900.75**	**933.32**
Net Assets (i-ii)	**0.00**	**415.33**

Consideration Transferred : (₹ in Crores)

Particulars	**Warora Kurnool Transmission Limited**	**Alipurduar Transmission Limited**
Consideration Paid	0.00	415.33

B (a) Fair value of assets acquired and liabilities recognised at the date of acquisition on account of Business Combination:

(₹ In Crores)

Particulars	Khargar Vikhroli Transmission Private Limited
Assets	
Non-current assets	
Other financial assets	135.44
	135.44
Current assets	
Cash and cash equivalents	0.05
Other financial assets	0.06
	0.11
Total Assets (i)	**135.55**
Current liabilities	
Trade Payables	0.00
Other financial liabilities	136.29
	136.29
Total Liabilities(ii)	**136.29**
Net Assets (i-ii)	**(0.74)**

(b) Goodwill arising from acquisition :

(₹ In Crores)

Particulars	**Khargar Vikhroli Transmission Private Limited**
Consideration Paid	0.05
Less : Fair value of net assets (i-ii)	(0.74)
Goodwill/(Capital Reserve)	**0.79**

(c) Net cash outflow on acquisition :

Total Liabilities including Regulatory Liabilities (ii)	**Khargar Vikhroli Transmission Private Limited**
Total Consideration paid during the year	0.05
Total	**0.05**

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

As if these companies where acquired on 1st April, 2020, the profitability would have been increased by ₹ Nil as per below table :-

(₹ in Crores)

Particulars	Khargar Vikhroli Transmission Private Limited
Profitability Increase/(Decrease)	-

d) **Impact of acquisition on the results of the Group :**
Included in the Statement of profit and loss after tax for the year ended 31st March, 2021 is ₹ 20.83 Crores attributable to the acquisition.

e) The results of these subsidiaries, after elimination of inter company transactions and balances, as included in the consolidated financial statements for the year ended 31st March, 2021 are given below :

(₹ In Crores)

Particulars	**As at 31st March, 2021**
	Khargar Vikhroli Transmission Private Limited
ASSETS	
Non-current Assets	
Capital Work-In-Progress	93.85
Income Tax Assets (net)	0.00
Other Non-current Assets	196.71
Total Non-current Assets	**290.56**
Current Assets	
(i) Cash and Cash Equivalents	0.33
(ii) Loans	0.01
(iii) Financial Assets - Others	17.24
Other Current Assets	0.00
Total Current Assets	**17.58**
Total Assets	**308.14**
Liabilities	
Non-current Liabilities	
Financial Liabilities	
(i) Other Financial Liabilities	0.26
Provisions	0.48
Total Non-current Liabilities	**0.74**
Current Liabilities	
Financial Liabilities	
(i) Trade Payables	0.03
(ii) Other Financial Liabilities	4.20
Other Current Liabilities	0.16
Provisions	0.08
Total Current Liabilities	**4.47**
Total Liabilities	**5.21**

(₹ in Crores)

Particulars	**For the Period**
	25th June, 2020 to 31st March, 2021
Total Revenue	-
Total Expenses	(20.83)
Profit / (Loss) before tax	-
Tax	-
Profit / (Loss) after tax	**(20.83)**

DELOITTE HASKINS & SELLS LLP
CHARTERED ACCOUNTANTS

61 Other Disclosures

(i) Due to outbreak of COVID-19 globally and in India, the Group's management has made initial assessment of impact on business and financial risks on account of COVID-19. Considering that the Group is in the business of Generation, Transmission and Distribution of Power which is considered to be an Essential Service, the management believes that the impact of this outbreak on the business and financial position of the Group will not be significant. The management does not see any risks in the Group's ability to continue as a going concern and meeting its liabilities as and when they fall due.

(ii) The date of implementation of the Code on Wages, 2019 and the Code on Social Security, 2020 is yet to be notified by the Government. The Group will assess the impact of these Codes and give effect in the financial results when the Rules/Schemes thereunder are notified.

62 Subsequent Event

The Group evaluates events and transactions that occur subsequent to the balance sheet date but prior to the approval of consolidated financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the consolidated financial statements. As of 06th May, 2021, there are no subsequent events to be recognized or reported that are not already disclosed.

63 The Consolidated Financial Statements for the year ended 31st March, 2021 have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on 06th May, 2021.

As per our attached report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration Number : 117366W/W-100018

Bengali

MOHAMMED BENGALI
Partner
Membership No. 105828

Place : Mumbai
Date : 6th May, 2021

For and on behalf of the Board of Directors
ADANI TRANSMISSION LIMITED

GAUTAM S. ADANI
Chairman
DIN: 00006273

ANIL SARDANA
Managing Director and
Chief Executive Officer
DIN: 00006867

JALADHI SHUKLA
Company Secretary

Place : Ahmedabad
Date : 6th May, 2021

Annexure - 8

Annual Net Worth of Applicant for last 5 (five) years (MUL and its holding company ATL)

HEMANGI & ASSOCIATES
CHARTERED ACCOUNTANTS

Certificate for Net worth of the company

We, Hemangi & Associates Chartered Accountants, on the basis of verification of books of accounts, other relevant documents, records maintained, Information and Explainations & furnished to us by Company, hereby certify that the net worth of MPSEZ Utilities Limited (Erstwhile known as MPSEZ Utilities Private Limited) for below mentioned financial years is as follows:

FY (as on)	In Home Currency (Rs Cr)	Exchange rate used	In equivalent Indian Rupees (Rs Cr)
31-03-2018	78.91	--	78.91
31-03-2019	86.30	--	86.30
31-03-2020	96.96	--	96.96
31-03-2021	119.88	--	119.88
31-03-2022	70.64	--	70.64

The net worth has been calculated in accordance with the Indian accounting standard (Ind AS):

This certificate is issued at the request of the client and we have relied upon books of accounts, management representation, the information and explanation given to us and documents submitted to us. We owe no liability either financial or otherwise to anyone in respect of this certificate except our client.

For,

Hemangi & Associates
Chartered Accountants
FRN 145225W

HEMANGI
VYANKATESH
MULAOKAR

Digitally signed by HEMANGI VYANKATESH MULAOKAR
Date: 2022.06.06 14:27:35
+05'30'

Hemangi Mulaokar
Partner
M No. 127083
UDIN : 22127083AKINKV4092

Date: 06-06-2022

Place: Ahmedabad

Office :306, Yash Arian Vivekanand Square,Memnagar,Ahmedabad-380052
M.No-9909956765 email-id: hemangi.mulaokar@gmail.com

HEMANGI & ASSOCIATES
CHARTERED ACOUNTANTS

Certificate for Net worth of the company

We, Hemangi & Associates Chartered Accountants, on the basis of verification of books of accounts, other relevant documents, records maintained, Information and Explainations & furnished to us by Company, hereby certify that the net worth of Adani Transmission Limited for below mentioned financial years is as follows:

FY (as on)	In Home Currency (Rs Cr)	Exchange rate used	In equivalent Indian Rupees (Rs Cr)
31-03-2018	3852.77	--	3852.77
31-03-2019	5158.36	--	5158.36
31-03-2020	4810.44	--	4810.44
31-03-2021	4086.61	--	4086.61
31-03-2022	3976.81	--	3976.81

The net worth has been calculated in accordance with the Indian accounting standard (Ind AS):

This certificate is issued at the request of the client and we have relied upon books of accounts, management representation, the information and explanation given to us and documents submitted to us. We owe no liability either financial or otherwise to anyone in respect of this certificate except our client.

For,

Hemangi & Associates
Chartered Accountants
FRN 145225W

HEMANGI VYANKATESH MULAOKAR
Digitally signed by HEMANGI VYANKATESH MULAOKAR
Date: 2022.06.06 13.53.52 +05'30'

Hemangi Mulaokar
Partner
M No. 127083
UDIN : 22127083AKINKS3728

Date : 06/06/2022

Place : Ahmedabad

Annexure - 9

Annual Turnover of Applicant for last 5 (five) years (MUL and its holding company ATL)

HEMANGI & ASSOCIATES
CHARTERED ACOUNTANTS

Certificate for Annual Turnover

We Hemangi & Associates Chartered Accountants , on the basis of verification of books of accounts, other relevant documents, records maintained, Information and Explainations & furnished to us by Company, We hereby certify that Annual turnover of MPSEZ Utilities Limited (Erstwhile known as MPSEZ Utilities Private Limited) for below mentioned financial years is as follows:

For FY	In Home Currency (Rs Cr)	Exchange rate used	In equivalent Indian Rupees (Rs Cr)
FY 17-18	155.36	--	155.36
FY 18-19	162.20	--	162.20
FY 19-20	180.13	--	180.13
FY 20-21	203.32	--	203.32
FY 22-22	216.38	--	216.38

Above mentioned turnover is as per audited balance sheet of respective year and revenue from operational activity only.

This certificate is issued at the request of the client and we have relied upon books of accounts, management representation, the information and explanation given to us and documents submitted to us. We owe no liability either financial or otherwise to anyone in respect of this certificate except our client.

For,

Hemangi & Associates
Chartered Accountants
FRN 145225W

HEMANGI
VYANKATESH
MULAOKAR

Digitally signed by HEMANGI
VYANKATESH MULAOKAR
Date: 2022.06.06 14:26:50
+05'30'

Hemangi Mulaokar
Partner
M No. 127083
UDIN : 22127083AKINKS3728

Date : 06/06/2022

Place : Ahmedabad

HEMANGI & ASSOCIATES
CHARTERED ACOUNTANTS

Certificate for Annual Turnover

We Hemangi & Associates Chartered Accountants , on the basis of verification of books of accounts, other relevant documents, records maintained, Information and Explaination & furnished to us by Company, hereby certify that We hereby certify that Annual turnover of Adani Transmission Limited for below mentioned financial year is as follows:

For FY	In Home Currency (Rs Cr)	Exchange rate used	In equivalent Indian Rupees (Rs Cr)
FY 17-18	835.29	--	835.29
FY 18-19	832.83	--	832.83
FY 19-20	857.79	--	857.79
FY 20-21	755.23	--	755.23
FY 22-22	739.81	--	739.81

Above mentioned turnover is as per audited balance sheet of respective year and revenue from operational activity only.

This certificate is issued at the request of the client and we have relied upon books of accounts, management representation, the information and explanation given to us and documents submitted to us. We owe no liability either financial or otherwise to anyone in respect of this certificate except our client.

For,

Hemangi & Associates
Chartered Accountants
FRN 145225W

HEMANGI
VYANKATESH
MULAOKAR

Digitally signed by HEMANGI
VYANKATESH MULAOKAR
Date: 2022.06.06 13:54:33
+05'30'

Hemangi Mulaokar
Partner
M No. 127083
UDIN : 22127083AKINKS3728

Date : 06/06/2022

Place : Ahmedabad

Annexure - 10

Certificate of Credit Rating
(ATL being holding company)

India Ratings
& Research
A Fitch Group Company

India Ratings Affirms Adani Transmission at 'IND AA+'/Stable and CP at 'IND A1+'; Rates Bank Facility

01

FEB 2022

By Divya Charen C

India Ratings and Research (Ind-Ra) has affirmed Adani Transmission Limited's (ATL) Long-Term Issuer Rating at 'IND AA+'. The Outlook is Stable. The instrument-wise rating actions are as follows:

Instrument Type	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (million)	Rating	Rating Action
Commercial paper (CP)	-	-	Up to 12 months	INR10,000	IND A1+	Affirmed
Working capital facility	-	-	-	INR6,000	IND AA+/Stable	Assigned

Analytical Approach: To arrive at the ratings, Ind-Ra continues to consolidated ATL's transmission business and has considered equity support or cash flow commitment for its subsidiary, Adani Electricity Mumbai Limited (AEML; 'IND AA+'/Stable; holds 74.9%). According to ATL, no equity support is required for AEML, and the same has been assumed in Ind-Ra's analysis.

KEY RATING DRIVERS

Stable Revenue Potential: ATL's transmission business continues to have a strong revenue profile with the revenue being governed by a predictable regulatory regime or contracts signed under tariff-based competitive bidding. Its revenue is availability based and does not depend on the quantum of energy flowing through the transmission network. The transmission business provides a little over 90% EBITDA margin. About 45% of the current transmission assets have regulated tariff; this will increase to 58% post 2025 on commissioning the proposed high voltage double circuit (HVDC) project to improve supply to Mumbai region (license approval pending from Maharashtra Electricity Regulatory Commission). Central and Maharashtra Electricity Regulatory Commissions have demonstrated consistency in their regulations and timeliness in finalising tariff orders. Maharashtra Eastern Grid Power Transmission Company Limited (MEGPTCL, 'IND AA+'/Stable) has received a favourable order from Appellate Tribunal for Electricity in FY22 which will lead to a tariff realisation of INR11.86 billion in FY24 and beyond.

Comfortable Credit Metrics: In 1HFY22, the consolidated net leverage (net debt/EBITDA) reduced to 4.85x (FY21: 5.5x; FY20: 4.27x) and the net interest coverage (net interest expenses/EBITDA) increased to 3.1x (2.9x; 2.4x), led by an increase in the revenue recognised to INR18.3 billion (INR31.2 billion; INR27.9 billion). The leverage is likely to increase, although remain comfortable, during the construction period of the balance 10 assets that are under development.

Liquidity Indicator – Adequate: For the transmission business, the total cash level was INR14.3 billion (including debt service reserve) at 1HFYE22 (1HFYE21: INR12.8 billion). ATL expects an overall equity contribution of about INR30 billion for capex during 4QFY22-FY25 compared to the annual free cash available for capex of more than INR14 billion-15 billion over the same period. This excludes any dividend from AEML. While the collections for interstate transmission assets had been impacted by COVID-19-related disruptions, the collection ramped up quickly post the relaxation of lockdown norms. Payments for intrastate assets in Maharashtra and Rajasthan have been regular in FY22. The liquidity scheme for distribution companies also supported the collections during FY21-FY22. At 1HFYE22, the receivable days stood at 57 (FYE21: 51). There are no refinancing requirements until FY27. The annual debt service coverage ratio for the transmission business is likely to be at least 1.40x during FY22-FY25.

Given the regular payments from counterparties, ATL is not planning to use the CPs in the near term and even when CPs are accessed, they will be backed by working capital limits. ATL continues to generate cash at the obligor group and receive surplus distribution from subsidiaries. ATL has working capital facilities (INR11.0 billion in ATL, INR1.0 billion in Adani Transmission (India) Limited (ATIL, 'IND AA+'/Stable) and INR1.0 billion in MEGPTCL. As on 31 December 2021, ATL reported fund-based and non-fund-based utilisation of INR2.69 billion and INR3.11 billion, respectively. As on 31 December 2021, ATIL and MEGPTCL reported fund-based utilisation of INR0.99 billion and INR0.70 billion, respectively.

Expansion-related Risk: ATL continues to win new transmission projects through competitive bidding, acquire operating transmission projects and explore opportunities in the distribution business. ATL plans to incur a capex of INR35 billion-50 billion per annum over the near term. The equity requirement for under-construction transmission projects will be INR14 billion-15 billion on an ongoing basis and is likely to be mostly generated from internal accruals and dividend from AEML. ATL has confirmed that the expansion will be funded through internal accruals and additional equity issuances, if required. ATL may depend on temporary arrangements in the interim, such as using the unsecured perpetual securities (UPS) raised for buying AEML. The UPS outstanding at the ATL level was about INR29.7 billion at 1HFYE22 (FYE21: INR28.3 billion; FYE20: INR32.8 billion). Ind-Ra expects ATL to maintain adequate equity visibility to part fund any new capex, and the absence of same could lead to a rating review.

ATL has commissioned four assets with a total asset base of INR29.6 billion in FY22 and expects to commission another three assets by 1QFY23. ATL has 10 project which are under-construction/ development (including HVDC). ATL has completed debt tie-up for all assets except for the three assets won during FY22. The HVDC project in Maharashtra, at a cost of about INR70 billion, has to be completed within four years from the receipt of transmission license in March 2021. According to ATL, no equity investment in AEML has been considered as AEML has sufficient funds to meet the equity requirement for its capex. The dividends from AEML might be received by ATL, which will further improve the funds for meeting capex.

Moderate Debt Structure: ATL's transmission business had a long-term debt of about INR157.9 billion and short-term facilities of INR4.4 billion at end-December 2021. ATL Obligor Group (ATLOG) had a long-term debt of INR70.8 billion (US dollar-denominated) at ATL's level at end-December 2021. Except for USD500 million (about INR37.2 billion) in ATL with a maturity in FY27, the debt is fully amortising with no bullet maturities. The US dollar denominated debt of INR104.4 billion has a fixed interest rate and is predominantly hedged for the currency risk for various tenors. The debt structure in ATL and its subsidiaries generally features debt/interest service reserve, dividend lock-up covenant and waterfall mechanism. The project life coverage ratio is likely to be above 1.40x in FYE22, given the proposed increase in regulated asset base by implementing the HVDC project.

Change in ATLOG Credit Neutral: ATL has proposed to change the structure of ATLOG such that ATL is excluded from the obligor group. As on 31 December 2021, ATLOG consisted of ATL, ATIL and MEGPTCL and had long-term US dollar-denominated debt INR70.8 billion (USD952.5 billion). ATL has proposed that its shareholding in ATIL and MEGPTCL will be transferred to Adani Transmission Step-One Limited (ATSOL) and the obligor group will contain ATSOL, ATIL and MEGPTCL. ATL will guarantee the obligations of ATSOL. These developments are credit neutral, as ATL's rating is not critically dependent on the covenants of ATLOG.

ATLOG's dollar bonds include a debt service coverage covenant of 1.10x. Being part of ATLOG, ATL is required to maintain three months' capex needs for ATL's under-construction projects in ATLOG's liquidity reserve account. After the change in ATLOG, the requirement to maintain three months' capex will apply only for any maintenance capex in ATIL and MEGPTCL and not for the entire group. ATSOL will have to maintain three months' capex requirement of ATIL and MEGPTCL. The waterfall mechanism operating in ATLOG for the rated debt ensures that cash flows from ATIL and MEGPTCL are available for servicing the rated debt before being invested in new projects or being used for any other purpose, after complying with the defined financial covenants.

Self-Insurance Reserve: ATL has opted for the concept of self-insurance reserve for transmission lines in 11 operational assets bid under the tariff-based competitive bidding route. This reserve has been created at ATL's level and only for the transmission lines, while sub-stations, associated cable connectivity and other capital equipment have been covered comprehensively under third-party insurance policies. ATL had created a reserve of INR186 million (equivalent to 0.30% of replacement value of transmission lines covered) as of 30 September 2021, and the same shall be increased to ultimately create a reserve equivalent to 0.50% of the replacement value of transmission lines covered. In case the self-insurance reserve is dipped into, ATL has to replenish the same. Transmission assets get the benefit of deemed availability in case affected by force majeure events, thus allowing for a continuous revenue recovery as long as the damaged assets are restored in a reasonable time. Historically, there has n0t been major incidents in ATL's transmission lines requiring substantial capex. Ind-Ra will monitor any addition of assets in a difficult or vulnerable terrain which could lead to any significant adhoc expenditure.

Increase in Intrastate Exposure May Increase Counterparty Risk: The revenue share of interstate and intrastate assets is 53% and 47%, respectively. The revenue share of intrastate assets is likely to increase to 48% in FY23 and above 60% in FY26 (on commissioning HVDC project in 2025). Intrastate counterparties are majorly discoms in Maharashtra, Uttar Pradesh (UP) and Rajasthan. The intrastate assets in Maharashtra have not experienced delays in payments 2016 onwards and the financial profile of

Maharashtra State Electricity Distribution Limited, having the highest share in intrastate assets, is also moderate. The working capital requirement in Ghatampur Transmission Limited and Obra C Badaun Transmission Limited may arise if UP discoms delay payments; ATL has also availed a one-year moratorium post the scheduled commercial operations date for these assets, thus enabling higher liquidity immediately after commissioning. In 9MFY22, ATL won three transmission assets through reverse bidding; the assets comprise two interstate and one intrastate projects with an estimated cost of INR14.0 billion and INR12.0 billion, respectively. Ind-Ra will review the impact of any deterioration in the payment profile or financial profile of the counterparties that account for over 25% of the revenue.

RATING SENSITIVITIES

Negative: One or more of the following events could lead to a negative rating action:

- ATL's leverage exceeding 5.5x on a sustained basis
- significant deterioration in ATL's consolidated credit profile due to any acquisition and delays/cost overrun in under construction projects
- the debt service coverage ratio falling below 1.25x
- a project life coverage ratio below 1.25x for the transmission assets

ESG ISSUES

ESG Factors Minimally Relevant to Rating: Unless otherwise disclosed in this section, the ESG issues are credit neutral or have only a minimal credit impact on ATL, due to either their nature or the way in which they are being managed by the entity. For more information on Ind-Ra's ESG Relevance Disclosures, please click here. For answers to frequently asked questions regarding ESG Relevance Disclosures and their impact on ratings, please click here.

COMPANY PROFILE

ATL is a holding company that was created to house the transmission assets of the Adani group. ATL, which operates about 13,830 circuit km and 19,280MVA of transmission assets, has 19 operating assets and 10 assets under construction. ATL obligor group includes ATIL and MEGPTCL. ATIL holds three transmission assets: 400kV Mundra-Dehgam line, around 500kV Mundra-Mohindergarh-Bhiwani line and 400kV Tiroda-Warora line. MEGPTCL holds the 765kV Tiroda-Aurangabad transmission asset and 765/400kV sub-stations.

FINANCIAL SUMMARY

Transmission business (Excluding AEML)

Particulars (INR billion)	**FY21**	**FY20**
Operating income	**31.2**	**27.9**
Total income	32.3	28.9
EBITDA	29.9	26.4
EBITDA margin (%)	92	91
Interest coverage (EBITDA/Interest, x)	2.9	2.4
Net leverage (net debt/EBITDA, x)	5.5	4.27
Cash and cash equivalents	3.95	18.1
Source: Company financials		

ATL consolidated

Particulars (INR billion)	**FY21**	**FY20**
Operating income	91.7	104.9
Total income	97.0	107.6
EBITDA	44.8	47.5
EBITDA margin (%)	46	44

Interest coverage (EBITDA/interest, x)	2.1	2.1
Net leverage (net debt/EBITDA, x)	6.0	4.6
Cash and cash equivalents	14.3	24.4
Source: Company financials		

RATING HISTORY

Instrument Type	Current Rating/Outlook			Historical Rating/Outlook					
	Rating Type	Rated Limits (million)	Rating	2 February 2021	17 April 2020	12 April 2019	6 March 2019	14 February 2019	20 July 2018
Issuer rating	Long-term	-	IND AA+/Stable	IND AA+/Stable	-	-	-	-	-
Working capital facility	Long-term	INR6,000	IND AA+/Stable	-	-	-	-	-	-
CP	Short-term	INR10,000	IND A1+	IND A1+	IND A1+	IND A1+	IND A1+	IND A1+	IND A1+

BANK WISE FACILITIES DETAILS

Click here to see the details

COMPLEXITY LEVEL OF INSTRUMENTS

Instrument	Complexity Indicator
Working capital facility	Low
CP	Low

For details on the complexity level of the instruments please visit https://www.indiaratings.co.in/complexity-indicators.

SOLICITATION DISCLOSURES

Additional information is available at www.indiaratings.co.in. The ratings above were solicited by, or on behalf of, the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer.

ABOUT INDIA RATINGS AND RESEARCH

About India Ratings and Research: India Ratings and Research (Ind-Ra) is India's most respected credit rating agency committed to providing India's credit markets accurate, timely and prospective credit opinions. Built on a foundation of independent thinking, rigorous analytics, and an open and balanced approach towards credit research, Ind-Ra has grown rapidly during the past decade, gaining significant market presence in India's fixed income market.

Ind-Ra currently maintains coverage of corporate issuers, financial institutions (including banks and insurance companies), finance and leasing companies, managed funds, urban local bodies and project finance companies.

Headquartered in Mumbai, Ind-Ra has seven branch offices located in Ahmedabad, Bengaluru, Chennai, Delhi, Hyderabad, Kolkata and Pune. Ind-Ra is recognised by the Securities and Exchange Board of India, the Reserve Bank of India and National Housing Bank.

India Ratings is a 100% owned subsidiary of the Fitch Group.

For more information, visit www.indiaratings.co.in.

DISCLAIMER

Applicable Criteria

Evaluating Corporate Governance
Short-Term Ratings Criteria for Non-Financial Corporates
Rating Criteria for Infrastructure and Project Finance
Rating Criteria for Availability-Based Projects

Analyst Names

Primary Analyst

Divya Charen C

Associate Director
India Ratings and Research Pvt Ltd Harmony Square 3rd Floor, Door No. 48 & 50 Prakasam Street T Nagar
Chennai - 600017
+91 44 43401710

Secondary Analyst

Dhamodharan M

Analyst
044 43401732

Committee Chairperson

Vishal Kotecha

Director
+91 22 40356136

Media Relation

Ankur Dahiya

Manager – Corporate Communication
+91 22 40356121

Annexure - 11

Certificate of 'Standard' Borrowal Account

(ATL being holding company)

Ref No: AXISB/CBG/2022-23/ 463
Date 08.06.2022

To Whomsoever It May Concern

Adani Transmission Limited has availed various credit limits from Axis Bank, Corporate Banking Branch, C.G. Road, and Ahmedabad

1. We confirm that the Account of the Borrower in the books of Axis Bank, Corporate Banking Branch, C.G. Road, and Ahmedabad for all the credit facilities availed from Axis Bank, Corporate Banking Branch, C.G. Road, Ahmedabad is "Standard" as on the date of issue of this certificate.

2. This certificate is being issued only for the purpose of submission to Hon'ble Gujarat Electricity Regulatory Commission.

3. It is clarified that this Certificate is issued without any risk and responsibility on the part of Axis Bank or any of its officials in any respect whatsoever, more particularly either as guarantor or otherwise.

4. This Certificate is issued for the above mentioned specific purpose and on the specific request of Adani Transmission Limited.

Thank You,

For, Axis Bank Ltd

Authorised Signatory

Place: Ahmedabad

Corporate Banking Branch,2nd Floor, 3rd Eye One, Near Panchvati Cross Roads,C.G. Road,Ahmedabad - 380009
REGISTERED OFFICE : "Trishul" - 3rd Floor Opp. Samartheswar Temple, Near Law Garden, Ellisbridge, Ahmedabad - 380006. Telephone No. 079-26409322 Fax No. - 079-26409321
CIN: L65110GJ1993PLC020769 Website - www.axisbank.com

AXIS BANK

Annexure - 12

Certificate stating that Reserve Bank of India has not classified the Applicant as a 'wilful defaulter'

(ATL being holding company)

Ref No: AXISB/CBG/2022-23/464
Date 09.06.2022

To Whomsoever It May Concern

Adani Transmission Limited has availed various credit facilities from Axis Bank, Corporate Banking Branch, C.G. Road, Ahmedabad

1. We have checked and confirm that the name of Adani Transmission Limited does not appear in the Willful Defaulter List of Reserve Bank of India, as on the date of issue of this Certificate

2. This certificate is being issued only for the purpose of submission to Hon'ble Gujarat Electricity Regulatory Commission.

3. It is clarified that this Certificate is issued without any risk and responsibility on the part of Axis Bank Limited or any of its officials in any respect whatsoever, more particularly either as guarantor or otherwise.

4 This Certificate is issued for the above mentioned specific purpose and on the specific request of Adani Transmission Limited.

Thank You,

FOR AXIS BANK LIMITED

Authorized Signatory

Date : 09.06.2022
Place : Ahmedabad

Corporate Banking Branch,2nd Floor, 3rd Eye One, Near Panchvati Cross Roads,C.G. Road,Ahmedabad - 380009
REGISTERED OFFICE : "Trishul" - 3rd Floor Opp. Samartheswar Temple, Near Law Garden, Ellisbridge, Ahmedabad - 380006. Telephone No. 079-26409322 Fax No. - 079-26409321
CIN: L65110GJ1993PLC020769 Website - www.axisbank.com

AXIS BANK

Annexure - 13

Requirement of Code of Conduct

adani
Transmission

TO WHOMSOEVER IT MAY CONCERN

We hereby confirm and declare that the MPSEZ Utilities Limited (MUL) has not been found guilty or has not been disqualified or no order has been passed against MUL under any of the following statutory provisions within the last three years:

a) Section 270, Section 164, Section 196 or Section 244 of the Companies Act, 2013:

b) Section 276, Section 276B, Section 276B8, Section 276C, Section 277 or Section 278 of the Income tax Act, 1961;

c) Section 15C, Section 15G, Section 15H or Section 15HA of the Securities and Exchange Board of India Act 1992:

d) Clause (b), (bb), (bbb), (bbbb), (c) or (d) of sub-section (1) of Section 9 of the Excise Act 1944:

e) Section 132 or Section 135 of the Customs Act 1962,

and that the MUL is not a person in whose case licence was suspended under section 24 or revoked under section 19 of the Act, within the last three years.

2. We undertake that no petition for winding up of the company or any other company of the same promoter has been admitted under section 443 (e) of the Companies Act, 1956 on the grounds of its being unable to pay Its debts.

3. We undertake to satisfy this Hon'ble Commission and furnish additional information as may be directed for the purpose of ascertaining requirements of capital adequacy and credit worthiness in accordance with the Distribution of Electricity Licence (Additional requirements of Capital Adequacy, Creditworthiness and Code of Conduct) Rules, 2005.

For, MPSEZ Utilities Limited

Gaurav

Gaurav Goyal
Company Secretary
ACS 40025

MPSEZ Utilities Limited
Adani Corporate House,
Shantigram , Nr. Vaishnodevi Circle,
S.G. Highway, Khodiyar
Ahmedabad – 382 421
Gujarat, India
CIN: U45209GJ2007PLC051323

Tel +91 79 2555 7555
Fax +91 79 2555 7177
info@adani.com

Annexure - 14

Notifications issued by the Government of Gujarat specifying Mundra – Baroi as Municipality

NOTIFICATION

Urban Development and Urban Housing Department,
Sachivalaya, Gandhinagar.
Dated the 25th August, 2020.

Constitution of India.

No:-KV 115 of 2020 NPL/452019/43/M:- In exercise of the powers conferred by clause (2) of article 243 Q of the Constitution of India, the Government of Gujarat, having regard to the population of the area, the density of the population therein, the revenue generated for local administration, the percentage of employment in non-agriculture activities and the economic importance of the area, hereby specifies the local area comprised in the village declared under section 7 of the Gujarat Panchayats Act, 1993 (Guj.18 of 1993) of the Mundra Village Panchayat and Baroi group Village Panchayat, District Kutch, to be the smaller urban area.

By order and in the name of the Governor of Gujarat,

(Bhakti C. Shamal)
Deputy Secretary to Government.

To,

- The Principal Secretary to H.E. the Governor, Raj Bhavan, Gandhinagar.
- The Additional Chief Secretary to the Hon'ble C.M., Office of the Hon'ble C.M., Swarnim Sankul-1, Sachivalaya,Gandhinagar.
- The Additional Chief Secretary, Revenue Department, Sachivalaya,Gandhinagar.
- The Additional Chief Secretary, Panchayat, Rural Development and Rural Housing Department, Sachivalaya,Gandhinagar.
- The State Election Commissioner, Gujarat State, Block No.9, 6th floor, Sachivalaya, Gandhinagar
- The Commissioner, Municipalities Administration, Gujarat State, Gandhinagar.
- The Development Commissioner, Gandhinagar.
- The Regional Commissioner of Municipalities, Rajkot Zone.
- The Collector, Kutch.
- District Development Officer, Kutch.
- State Project Monitoring Cell, Revenue Department, Sachivalaya, Gandhinagar.
- The Manager. Central Press Gandhinagar -- It is requested to publish the above Government Notification in the Central Section Part-A. Extra Ordinary Government Gazette of August, 2020 positively and kindly to arrange to furnish 50 copies of the same to this department.
- The Assistant Draftsman, Legislative and Parliamentry Affairs Department, Sachivalaya, Gandhinagar , with request to send Gujarati Version of the aforesaid notification for publication and forward its 50 copies to this department.
- System Manager, Urban Development and Urban Housing Department, Sachivalaya, Gandhinagar...with a request to upload this Notification on the website of this department.
- Branch S.F/Dy S.O S.F

NOTIFICATION
Urban Development and Urban Housing Department,
Sachivalaya, Gandhinagar.
Dated the 25th August, 2020.

Gujarat Municipalities Act,1963.

No:-**KV 116 of 2020 NPL/452019/43/M**:- WHEREAS In exercise of the powers conferred by clause (*2*) of article 243Q of the Constitution of India, the Government of Gujarat, has declared the local areas of Mundra Village Panchayat and Baroi group Village Panchayat, District: Kutch, to be the smaller urban area, vide Government Notification, Urban Development and Urban Housing Department No:-KV 115 of 2020 NPL/452019/43/M, Dated the 25th August,2020;

NOW, THEREFORE, in exercise of the power conferred by sub-section (2) of section 5 of the Gujarat Municipalities Act, 1963 (Guj.34 of 1964), the Government of Gujarat hereby constitute with effect on and from 25th August, 2020 the "Mundra-Baroi Municipality", comprising of the said smaller urban area.

The Government land situated within the local area of Mundra-Baroi Municipality shall not vest in the Mundra -Baroi Municipality.

By order and in the name of the Governor of Gujarat.

Bhakti Shamal

(Bhakti C. Shamal)
Deputy Secretary to Government.

To,

- The Principal Secretary to H.E. the Governor, Raj Bhavan, Gandhinagar.
- The Additional Chief Secretary to the Hon'ble C.M., Office of the Hon'ble C.M., Swarnim Sankul-1, Sachivalaya,Gandhinagar.
- The Additional Chief Secretary, Revenue Department, Sachivalaya,Gandhinagar.
- The Additional Chief Secretary, Panchayat, Rural Development and Rural Housing Department, Sachivalaya,Gandhinagar.
- The State Election Commissioner, Gujarat State, Block No.9, 6th floor, Sachivalaya, Gandhinagar
- The Commissioner, Municipalities Administration, Gujarat State, Gandhinagar.
- The Development Commissioner, Gandhinagar.
- The Regional Commissioner of Municipalities, Rajkot Zone.
- The Collector, Kutch.
- District Development Officer, Kutch.
- State Project Monitoring Cell, Revenue Department, Sachivalaya, Gandhinagar.

- The Manager, Central Press Gandhinagar – It is requested to publish the above Government Notification in the Central Section Part-A, Extra Ordinary Government Gazette of August, 2020 positively and kindly to arrange to furnish 50 copies of the same to this department.
- The Assistant Draftsman, Legislative and Parliamentry Affairs Department, Sachivalaya, Gandhinagar , with request to send Gujarati Version of the aforesaid notification for publication and forward its 50 copies to this department.
- System Manager, Urban Development and Urban Housing Department, Sachivalaya, Gandhinagar…with a request to upload this Notification on the website of this department.
- Branch S.F/Dy S.O S.F

ORDER
Urban Development and Urban Housing Department,
Sachivalaya, Gandhinagar.
Dated the 25th August,2020.

Gujarat Municipalities Act,1963.

No. KV 117 of 2020 NPL/452019/43/M:- WHEREAS, the Government of Gujarat under the Government Notification, Urban Development and Urban Housing Department No. KV 115 of 2020 NPL/452019/43/M, dated the 25th August,2020 had declared the local areas of Mundra Village Panchayat and Baroi group Village Panchayat (hereinafter referred to as "the dissolved Panchayats") as the Smaller urban area;

AND WHEREAS, the Government of Gujarat under the Government Notification, Urban Development and Urban Housing Department No. KV 116 of 2020 NPL/452019/43/M, dated the 25th August,2020 had constituted the Mundra-Baroi Municipality, District: Kutch, with effect from 25th August, 2020 comprising of the said smaller urban area;

AND WHEREAS, the assets, rights and liabilities of the dissolved Panchayats are required to be transferred to the Mundra-Baroi Municipality (hereinafter referred to as "the said Municipality");

NOW, THEREFORE, in exercise of the powers conferred by section 266B of the Gujarat Municipalities Act, 1963 (Guj. 34 of 1964) (hereinafter referred to as "the said Act"), the Government of Gujarat, with effect on and from 25th August, 2020, (hereinafter referred to as "the said date") hereby directs as under:-

1. The unexpended balance of the gram fund property including areas of rates, taxes and fees belonging to the dissolved panchayats, and all rights and powers, which prior to the said date, vested in the panchayats, shall subject to all charges and liabilities affecting the same, vest in the said Municipality;
2. Any appointment, notification, notice, order, scheme, licence, permission, rule, bye-law or from made, issued or granted or deemed to have been made, issued or granted under the Gujarat Panchayats Act,1993 (Guj. 18 of 1993) (hereinafter referred to as the " the Panchayat Act") immediately before the said date in respect of the local area shall continue in force and be deemed to have been made, issued or granted in respect of the Municipality, until it is superseded or modified by any other appointment, notification,

notice, order, scheme, licence, permission, rule, bye-law or from made, issued or granted under the Municipalities Act;

3. Any tax, fees or cess (not being cess levied under section 203 of the Gujarat Panchayats Act,1993) which immediately before the said date were being levied by the State Government or by the dissolved Panchayats in the local area shall continue to be levied in the municipality until it is superseded or modified by any tax, fee or cess levied under the said Act;

4. Any tax, fee or cess which immediately before the said date being levied by a taluka panchayt or a district panchayat or the cess which before the said date was being levied by State Government under section 203 of the Panchayats Act, in the local area shall cease to be so levied in the said Municipality after the end of the financial year in which the said date occurs except that as respects arrears of such tax, fee or cess at the end of the financial year, the provisions of section 7 of the Gujarat General Clauses Act, 1904 (Bom. I of 1904) shall apply;

5. All budget estimates, assessments, assessment lists, valuation or measurements made or authenticated under the Panchayats Act, immediately before the said date in respect of the dissolved Panchayats shall be deemed to have been made or authenticated under the Municipality Act;

6. All debts and obligations incurred and all contracts made by or on behalf of dissolved Panchayats immediately before the said date and subsisting on that date shall be deemed to have been incurred and made by the said Municipality under the Municipality Act;

7. All officers and servants in the employ of the dissolved Panchayats, immediately before the said date shall be the officers and servants under the control of the said Municipality under the Municipalities Act, and shall receive salaries and allowances and be subject to the conditions of service to which they were entitled or subject on the said date:

Provided that the State Government may discontinue the service of any officer or servant who, in its opinion, is not necessary or suitable to the requirements of the service of the said Municipality after giving such officer or servant such notice as is required to be given by the terms of his employment;

8. All proceedings pending at the said date before the dissolved Panchayats shall be deemed to be transferred to the said Municipality under the Municipalities Act;

9. All appeals pending at the said date before the dissolved Panchayats shall, so far as may be practicable, be disposed of as if the said local area had been the said Municipality under the Municipalities Act when they were filed;

10. All prosecution instituted by or on behalf of the dissolved Panchayats and all suits or other legal proceedings instituted by or against such dissolved Panchayats or any officer of the dissolved Panchayats pending at the said date shall be continued by or against the interim municipality until a municipality is constituted.

By order and in the name of the Governor of Gujarat,

Bhakti Shamal

(Bhakti C.Shamal)
Deputy Secretary to Government.

To,

- The Principal Secretary to H.E. the Governor, Raj Bhavan, Gandhinagar.
- The Additional Chief Secretary to the Hon'ble C.M., Office of the Hon'ble C.M., Swarnim Sankul-1, Sachivalaya,Gandhinagar.
- The Additional Chief Secretary, Revenue Department, Sachivalaya,Gandhinagar.
- The Additional Chief Secretary, Panchayat, Rural Development and Rural Housing Department, Sachivalaya,Gandhinagar.
- The Commissioner, Municipalities Administration, Gujarat State, Gandhinagar.
- The Development Commissioner, Gandhinagar.
- The Regional Commissioner of Municipalities, Rajkot Zone.
- The Collector, Kutch.
- The District Development Officer, Kutch.
- The Manager, Central Press Gandhinagar – It is requested to publish the above Government Notification in the Central Section Part-A, Extra Ordinary Government Gazette of August, 2020 positively and kindly to arrange to furnish 50 copies of the same to this department.
- The Assistant Draftsman, Legislative and Parliamentry Affairs Department, Sachivalaya, Gandhinagar , with request to send Gujarati Version of the aforesaid notification for publication and forward its 15 copies to this department.
- System Manager, Urban Development and Urban Housing Department, Sachivalaya, Gandhinagar…with a request to upload this Notification on the website of this department.
- Branch S.F/Dy S.O S.F .

NOTIFICATION
Urban Development and Urban Housing Department,
Sachivalaya, Gandhinagar.
Dated the 25th August, 2020.

Gujarat Municipalities Act,1963

No:-**KV 118 of 2020 NPL/452019/43/M**:- WHEREAS Mundra-Baroi Municipality has been incorporated for smaller urban area, vide Government Notification, Urban Development and Urban Housing Department No:- KV 115 of 2020 NPL/452019/43/M, Dated the 25th August,2020;

AND WHEREAS the General Election of the Mundra -Baroi Municipality is due to be held;

NOW, THEREFORE, in exercise of the power conferred by clause (d) of section 266B of the Gujarat Municipalities Act, 1963 (Guj.34 of 1964), the Government of Gujarat hereby appoints Prant Officer, Mundra to be an Administrator to exercise the power and perform the duties and functions of the said Municipality with effect from the 25th August, 2020 till the elected body takes over.

By order and in the name of the Governor of Gujarat,

Bhakti Shamal

(Bhakti C. Shamal)
Deputy Secretary to Government.

To,

- The Principal Secretary to H.E. the Governor, Raj Bhavan, Gandhinagar.
- The Additional Chief Secretary to the Hon'ble C.M., Office of the Hon'ble C.M., Swarnim Sankul-1, Sachivalaya,Gandhinagar.
- The Additional Chief Secretary, Revenue Department, Sachivalaya,Gandhinagar.
- The Additional Chief Secretary, Panchayat, Rural Development and Rural Housing Department, Sachivalaya,Gandhinagar.
- The State Election Commissioner, Gujarat State, Block No.9, 6th floor, Sachivalaya, Gandhinagar (By letter)
- The Commissioner, Municipalities Administration, Gujarat State, Gandhinagar.
- The Development Commissioner, Gandhinagar.
- The Regional Commissioner of Municipalities, Rajkot Zone.
- The Collector, Kutch.
- The Manager, Central Press Gandhinagar – It is requested to publish the above Government Notification in the Central Section Part-A, Extra Ordinary Government Gazette of August, 2020 positively and kindly to arrange to furnish 50 copies of the same to this department.
- The Assistant Draftsman, Legislative and Parliamentry Affairs Department, Sachivalaya, Gandhinagar , with request to send Gujarati Version of the aforesaid notification for publication and forward its 15 copies to this department.
- System Manager, Urban Development and Urban Housing Department, Sachivalaya, Gandhinagar…with a request to upload this Notification on the website of this department.
- Branch S.F/Dy S.O S.F .