



**adani**  
Electricity

Responsible  
Resilient  
Reliable

# ANNUAL REPORT

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# Across the PAGES

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Adani Electricity Mumbai Limited has been catering to the power supply needs across the nooks and corners of Mumbai for decades. For us, the fundamental of driving sustainability remains intact to our purpose of serving electricity at affordable rates and through efficient distribution networks.

As a responsible business powerhouse in Mumbai, we realise how important it is to give back to the community we thrive in, while also assuring the long-term sustenance of our business. Last year, our endeavours towards fostering sustainability included scaling up the renewable energy share in the city's power consumption.

As a resilient business, we strive to spot and tackle relevant business risks at the earliest to offer our value-based services uninterruptedly. To this end, we revise our objectives every year to newer and bigger targets for continuous performance enhancement through capacity improvements.

As a reliable organisation, we constantly strive to maintain the efficacy of our business. Last year, we focussed on being customer-centric which helped enhance our customers' experience. As a result of this, we saw an increase in our customer base. To offer a seamless performance, we deployed various digital initiatives for our customer interface. Thereby empowering consumers to avail our services from within the comforts of their homes. We see the rise in energy consumption as less of a challenge and more of an opportunity for our Company to be entrusted with the consumers' confidence and energy consumption requirements.

## **THUS MAKING AEML**

**Responsible**

**Resilient**

**Reliable**

# Adani Group At A Glance

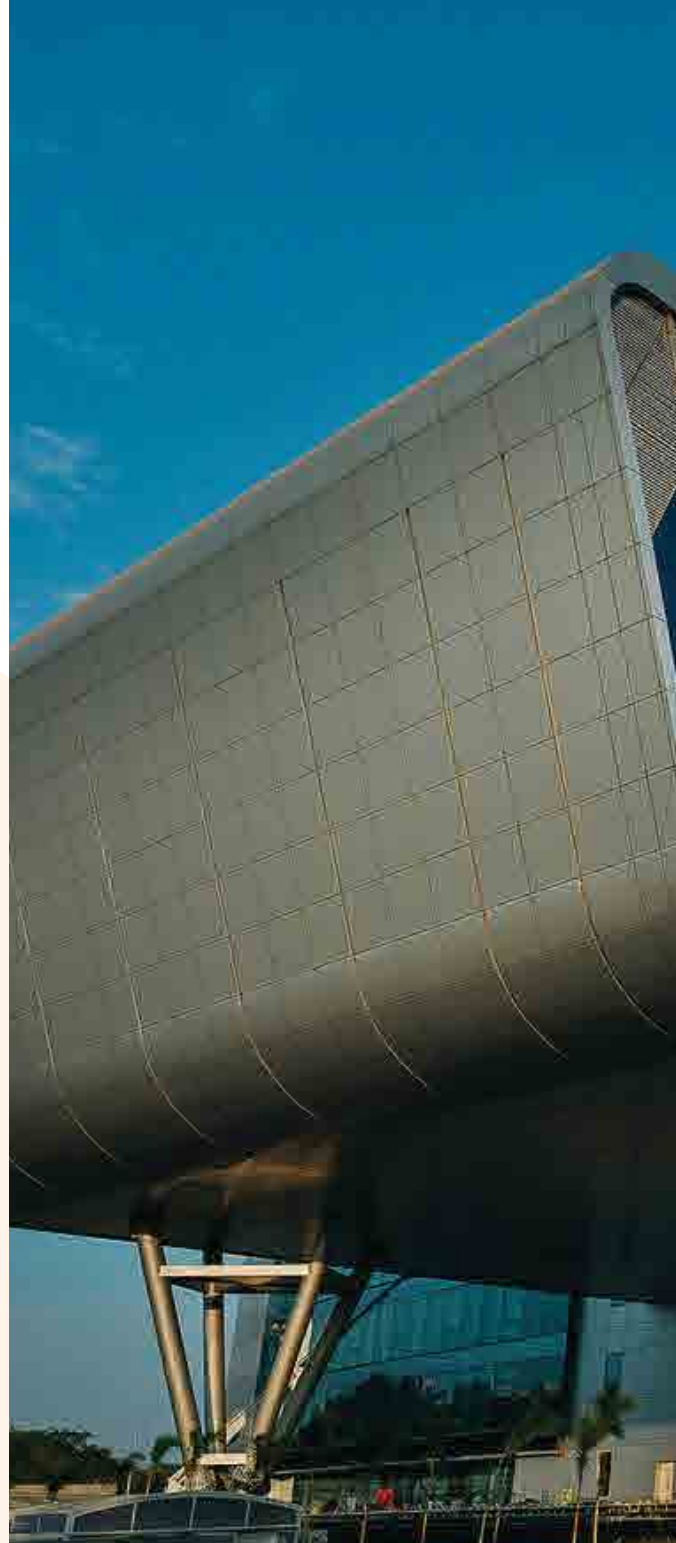
Adani Group is a dynamic industrial Indian conglomerate and a leading integrated player in the Indian Infrastructure & Energy space since 1988.

Headquartered in Ahmedabad, Gujarat, the Group caters to various businesses like port management, electric power generation and transmission, mining, airport operations, renewable energy, infrastructure, FMCG food, edible oil, industry essentials and natural gas across different sectors.

## 3rd Indian Conglomerate to Cross USD 200 Billion in Market Capitalisation

Robust portfolio comprising 7 publicly traded companies branched into transport and logistics, power and utilities and incubation.

It is focussed on large-scale infrastructure development in India with O&M. Benchmarked with global standards with the world's largest infrastructure and utility portfolios, it is gradually shifting its business mix from B2B to B2C. It continues living up to its commitment to serving the community's diverse needs while also contributing to nation-building. With this, the Group also reinvests part of its revenue towards the well-being of the community and society.





**Presence**  
**~50 Countries**



**Operation Across**  
**~70 Countries**

## Adani Enterprises Limited (AEL)

AEL, the flagship company of the Adani Group, is active in coal trading and mining, multi-model logistics, oil and gas exploration, port, gas distribution and edible oil, power generation and transmission, and agro commodities. The company enjoys leadership with 50% market share in the mining service business with a portfolio of 125+ MMT and a peak capacity of 45 MMT. AEL is focused on utilising water and energy efficiently while reducing emission levels and building a sustainable society.

## Adani Power Limited (APL)

APL is the largest private thermal power producer in India. The company has a 12,450 MW power generation capacity with thermal power plants located in Maharashtra, Gujarat, Chhattisgarh, Karnataka, and Rajasthan and a 40 MW solar power project in Gujarat. APL is also the world's first company to get registered under the Clean Development Mechanism (CDM) of the Kyoto protocol to set up a coal-based supercritical thermal power project. APL features on the list of top-50 most valued companies and is all set to join the club of companies with the 1 trillion market cap.

## Adani Ports & Special Economic Zone Limited (APSEZ)

APSEZ represents nearly 25% of the country's port capacity and is the largest port operator in India. Backed by a young, skilled and dynamic workforce, APSEZ serves core national needs through its offerings. The company – India's market leader in marine service – is 'ready-to-setup' industrial land (SEZ) with a land bank of 12,000 ha. at Mundra, Dhamra and Kattupalli, are reaching customers and building the largest transport utility.

## Adani Transmission Limited (ATL)

ATL is among the largest private sector power transmission companies in India. Incorporated in 2013, it owns and operates various high-voltage AC transmission lines and substations of 132 kV, 220 kV, 400 kV and 765 kV voltage. As one of the strongest companies under Adani Group, ATL is spread across 13 states with 31 transmission projects currently and is all set to widen its presence further.

## Adani Green Energy Limited (AGEL)

AGEL was incorporated in 2015 under the Adani Group. With a strong portfolio, AGEL has built 20,284 MW Locked-in Growth operational capacity spread across 12 resource-rich states and 18 different counterparties. It develops, builds, owns, operates, and maintains utility-scale grid-connected power generation and is into solar power, wind power, and hydro power. AGEL's primary objective is to move towards a greener and cleaner environment.

## Adani Total Gas Limited (ATGL)

ATGL is engaged in City Gas Distribution (CGD) networks. The company supplies Piped Natural Gas (PNG) to the industrial, commercial, and domestic (residential) sectors and Compressed Natural Gas (CNG) to the transport sector. The development of Allahabad, Ernakulam, Panipat, Daman, Chandigarh, Dharwad, and Udham Singh Nagar gas distribution was awarded as a joint venture to ATGL and Indian Oil Corporation Ltd. ATGL has expanded and strengthened the CGD network, establishing a presence across 12 states at present— Assam, Chhattisgarh, Gujarat, Haryana, Jharkhand, Karnataka, Madhya Pradesh, Maharashtra, Odisha, Rajasthan, Tamil Nadu and Uttar Pradesh.

## Adani Wilmar Limited (AWL)

AWL, founded in 1999, is among the few large FMCG food companies in India. The company got listed in FY 2021-22 and its business operations are categorised into three segments - Edible oil (soyabean, palm, rice bran, mustard, sunflower, groundnut, blended oil, cottonseeds, specialty fat, and vanaspati), Food & FMCG (packaged staple foods, refined wheat flour, rice, besan, packaged sugar, and pulses), and Industry Essentials (personal care products like soap, cosmetics, polymers, and detergents). With a diverse range of products under various brand names and price ranges, the company serves different customers worldwide.

## Adani: A World-Class Infrastructure and Utility Portfolio

# adani

### Transport & Logistics Portfolio

Incubator	Energy & Utility		Transport & Logistics		Direct to Consumer	Other Businesses
74.9% AEL	61.3% AGEL Renewables	74.92% ATL T&D	65% APSEZ Port & Logistics	100% NQXT	44% AWL Food FMCG	
	37.4% ATGL Gas Discom	75.0% APL IPP				
	100% Adani New Industries Limited	50% Adani Connex Data Centre	100% AAHL Airports	100% ARTL Roads	100% ADL	100% Other Speciality Businesses (Defence Mining Services Copper and Petrochemicals)

Promoter equity stake in Portfolio companies (%)

AEL equity stake in its subsidiaries (%)

Represents public traded listed verticals —

USD 206 billion combined market capitalisation

A multi-decade story of high growth and de-risked cash flow generation



RESPONSIBLE APPROACH.  
RESILIENT BUSINESS MODEL.  
RELIABLE NAME.

# We Are Adani Electricity Mumbai Limited

## **An Integrated Business and the Largest Private Sector Power Distribution Network**

Headquartered in Ahmedabad, Gujarat, Adani Electricity Mumbai Limited ('AEML' or 'The Company' or 'We') is an integrated distribution arm of the Adani Transmission Limited (ATL), committed to building a better tomorrow while driving a sustainable environment. AEML was formed by acquiring Reliance Infrastructure Limited's Generation, Transmission and Distribution utilities. With a strong presence for over 9 decades, the company has been engaged in electricity distribution in one of India's most populous, densest, and richest cities – Mumbai. AEML – the power house of Mumbai – enjoys a wide-spread customer base and strong distribution network and addresses the household electricity needs from Bandra to Bhayandar on the western side, and Sion to Mankhurd on the eastern side. The Company meets the city's power needs at a reasonable and stable cost and catered to nearly 1,737 MW of Mumbai's electricity needs in FY 2021-22.



**3+ Million Consumers**

**99.99% Reliability**

**400+SQ KM Distribution Network**

**~1,737 MW**

# Electricity Supplied (Peak Demand In 2022)

**What makes AEML the largest, advanced and efficient power distribution network**

## Our Vision



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

## Our Values



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

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

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



## Culture Driving AEML

### **Passion**

Performing with enthusiasm and energy.

### **Results**

Consistently achieving goals.

### **Integration**

Working across functions and businesses to create synergies.

### **Dedication**

Working with commitment in the pursuit of our aims.

## **Power Demand And Supply AEML Supplies**

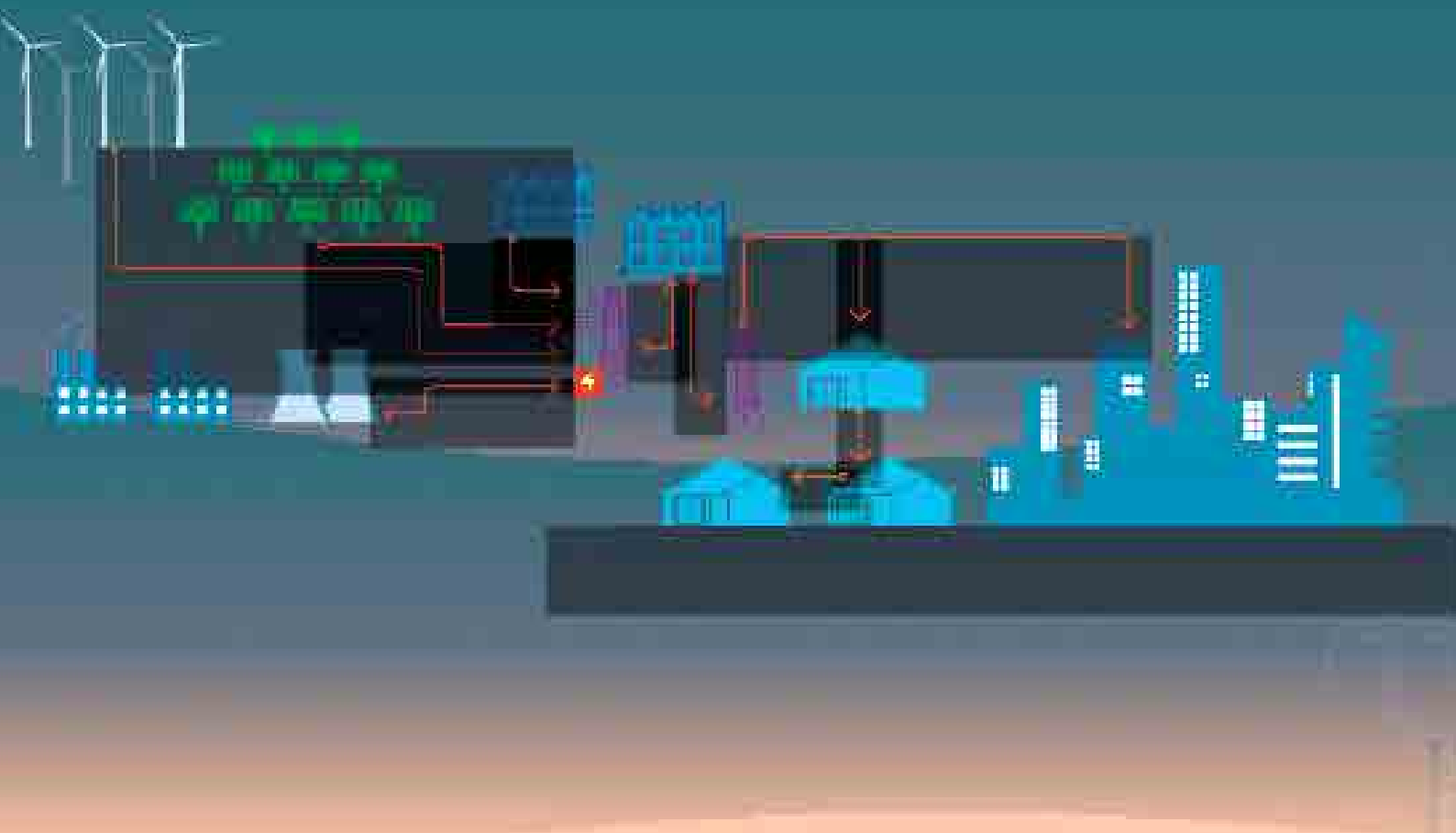
# **~1,737 MW**

## **Peak Power Demand**

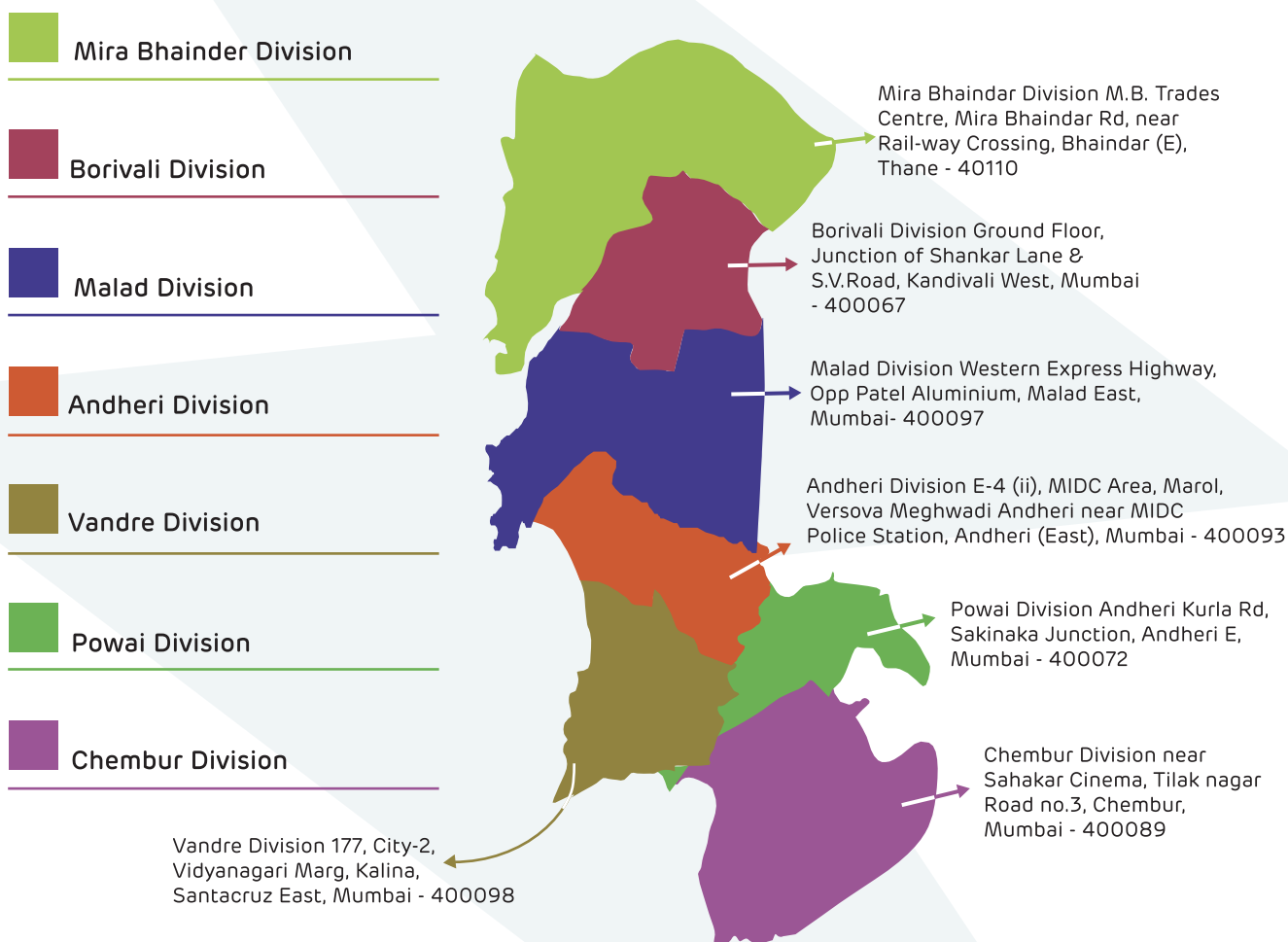
# What Makes AEML Reliable

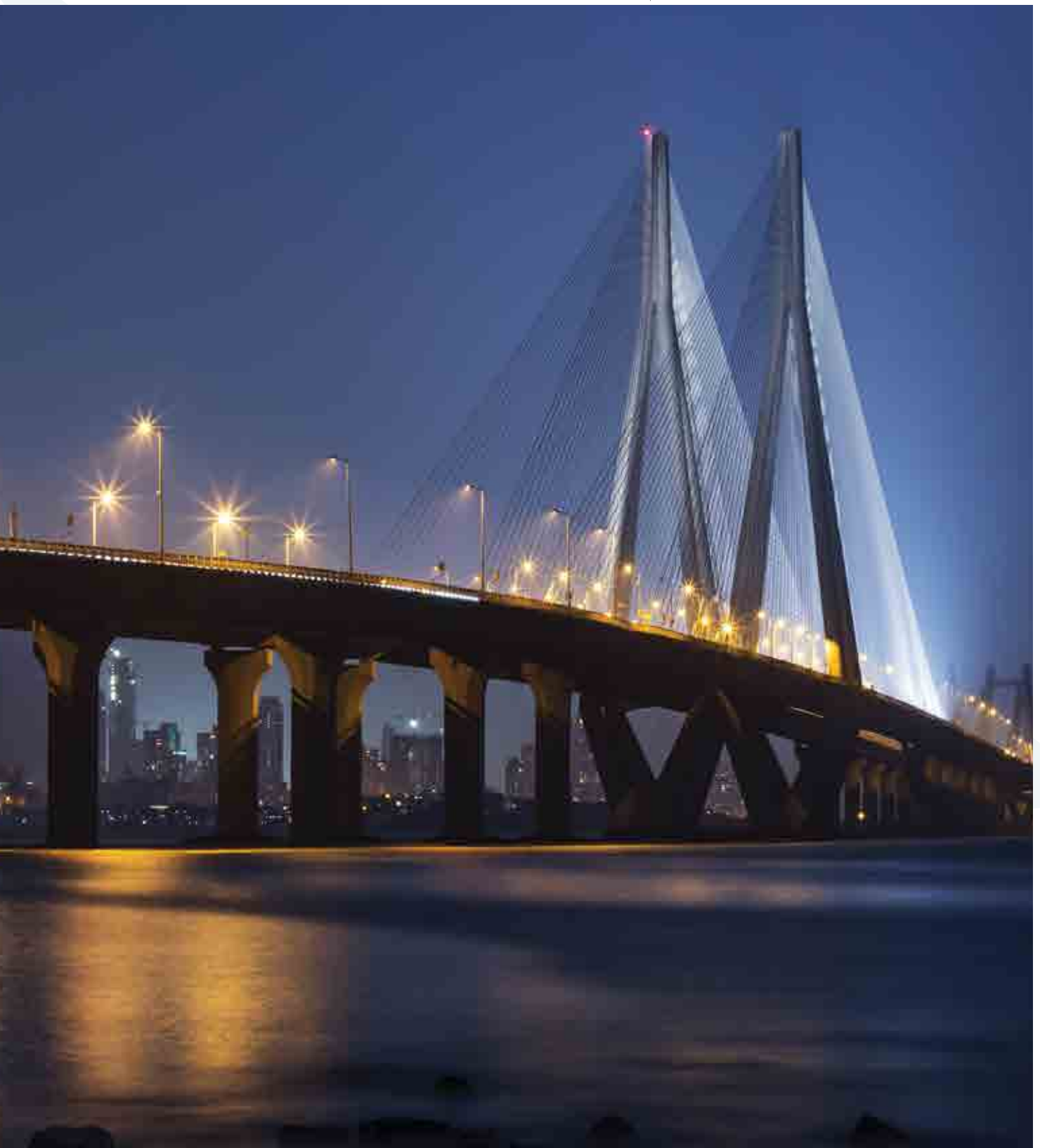
## Our Geographical Existence

Value Chain



# Distribution Presence Across Mumbai





**What makes AEML responsible is the change we wish to see in the world**

## From 30% in 2022-23 to 50% in 2024-25

**Our commitment to increase the share of procurement through renewable sources**

### Households Serviced

**2020-21**  
3.06 Million >0.33%  
**2021-22**  
3.08 Million >.65%

(%) .65%

Increase in Customer Connection

### Substations Installed

**2020-21**  
~6,734 <2.08%  
**2021-22**  
~6,931 <2.9%

### DT Capacity

**2019-20**  
5,076 MVA <115.16%  
**2020-21**  
5,191 MVA <2.27%  
**2021-22**  
5,300 MVA <1.87%

### Power Transmission Capacity

**2020-21**  
4,167 MVA <5.93%  
**2021-22**  
4,337 MVA <4.08%

### Network Length

**2019-20**  
24,578 KMS <60%  
**2020-21**  
24,831 KMS <00.24%  
**2021-22**  
25,277 KMS <1.9%

### High-tension Cables

**2019-20**  
4,860 KMS <25.53%  
**2020-21**  
4,885 KMS <0.53%  
**2021-22**  
4,973 KMS <2.1%

### Low-tension Cables

**2019-20**  
19,718 KMS <228.16%  
**2020-21**  
19,946 KMS <1.16%  
**2021-22**  
20,304 KMS <1.8%

### Streetlights Installed

**2019-20**  
94,511 <1,132%  
**2020-21**  
~95,643 <1.20%  
**2021-22**  
1,05,005 <9.79%

### Transformation Capacity

**2019-20**  
566.69 CKM LINES/3,125 MVA <125%  
**2020-21**  
572.09 CKM LINES/3,250 MVA <4.00%  
**2021-22**  
572.09 CKM LINES/3,250 MVA

## CREDIBILITY THAT MAKES US RELIABLE

# AWARDS & RECOGNITION

- 2022**
  - 16th Employer Branding Awards FY 2021-22: Maharashtra State Best Employer Award to AEML
- 2021**
  - Greentech Award
  - IDC Future Enterprise Awards – for special award for digital resiliency future enterprise of the year
  - Techcircle Business Transformation Symposium & Awards – for five pillars of excellence in operations, digital ecosystem, people and leadership, speed of innovation, and platforms
  - IMC RBNQ (Ramkrishna Bajaj National Quality) performance excellence award for service category
  - Mint - Technical Business Transformation Symposium & Awards – leaders in business transformation award
- 2020**
  - ICC (Indian Chamber of Commerce) Awards – For Quality of Service & Customer Empowerment (1st Position) Green Energy (3rd Position)
- 2019**
  - ET NOW – For Business Leader of the Year in Power Sector

# CHAIRMAN'S MESSAGE

**Optimism Comes From Resilience.  
Resilience Come From Belief.  
Belief Is Optimism.**

In my view, utopian as some may call it, India's resilience comes from its historic culture that has been shaped. Across thousands of years - a model of co-existence that actually works and the philosophy of 'vasudhaiva kutumbakam', which means that the world is one family.





To say the world is in uncharted waters would be an understatement. The adverse impact of a mix of the pandemic, armed conflict and climate change has exposed the fragility of the global system that we had largely considered as having competently learned how to manage itself. It has now dawned on governments across the world that the implications of this multidimensional crisis are hard to predict, and that signs of its damaging effects - uncontrolled inflation, disrupted food supplies, increased human displacement, exposed healthcare machinery, stalled education levels and faltering job creation ecosystems - are evident and testing the resilience of every nation.

Resilience is defined as the characteristic that makes it possible to rebound into shape, the ability to withstand crises. This capacity to rebound is becoming harder to model or predict as the crises drivers are becoming harder to anticipate and increasingly intermingled. While there is always room for debate, there can be no denying that, looking back, India has emerged far better in its handling of the COVID-19 crisis from the humanitarian and economic perspectives than most developed economies. India has been able to take a mature approach to the ongoing conflict and has been one of the most aggressive nations in terms of establishing a renewable energy target for itself. While doing all of this, India has also emerged as the fastest-growing major economy.

The overarching takeaway is that despite global instability, India has performed better than almost any other major nations. While there were situations over the past 24 months when it appeared that events were getting out of control, we must give credit where credit is due - India was able to bounce back each time, testifying our nation's resilience. In my view, utopian as some may call it, India's resilience comes from its historic culture that has been shaped across thousands of years - a model of co-existence that actually works and the philosophy of 'vasudhaiva kutumbakam', which means that the world is one family.





# A Culture of Resilience

It is India's inherent resilience that drives the nation's optimism on its way ahead. My belief in our nation has never been higher. To use a cricketing analogy, we are now playing on one of the strongest home grounds and firmest pitches that has ever existed. This pitch is expected to remain firm for several decades. Optimism comes from resilience. Resilience comes from belief. And belief is optimism.

In our case, it is this resilience, optimism and belief that drives us. The primary reason for the success of Adani Group comes from our alignment with India's growth story. Never have we shied from investing in India, never have we slowed our investments, and never have we feared to enter adjacent sectors our resilience comes from this unshakeable belief and confidence in the aspirations of our fellow Indians and the future of India.

During the journey of more than 25 years, there were uncharted waters we entered and multidimensional crises that we faced. While we may have stumbled a few times, we were always able to get back on our feet. Our ability to rise after every stumble meant we grew bigger and stronger by drawing on our experience. It is these experiences that have enriched us with resilience and laid the foundation of our optimism.

At a fundamental level, our strategy is linked to the strategy of the nation. Over the past decades, we have always believed in the policies announced by the Government, have continued to invest through all economic cycles, watched for emerging sectors critical for the country's growth and entered new sectors with a confidence in our learning and operating abilities. We have grown adjacency by adjacency without getting hung up on textbook business models. We have built infrastructure anticipating a far larger and greater India; this confidence has paid dividends.

The sum of these investments of the past empowered us to address the present crisis and set us up stronger to handle any new crisis in the future. It is this future that unfolded over the period FY 2021-22. This was a year when we announced ourselves to the world. In FY 2021-22, our confidence in our ability was validated. Our belief in our past defines our ability to believe in our future, translating into the greater risks that we take.

# Preparing to go 'Green'

The best example in recent times, of our confidence and belief in the future has been the USD 70 billion investment we announced in facilitating India's 'green' transition. We are already one of the world's largest developers of solar power. Our strength in renewables will empower us enormously in our effort to make 'green' hydrogen, the fuel of the future. It will equip us to produce the least expensive 'green' electron and the least expensive hydrogen. We are leading the race to transform India from a country that is over-reliant on imported oil and gas, to a country that can become a net exporter of clean energy. This would be a 'never-done-before' transformation in fortunes in a stunningly short period of time and at the largest scale. This transformation will help reshape India's energy footprint in an extraordinary way.

**Our combined group market capitalisation exceeded USD 200 billion. We raised billions of dollars from the international markets - a validation of confidence in India and Adani growth stories.**

While we are now a major global renewable energy player, we made remarkable progress in several other industries. In one stroke, we have become the largest airport operator in India. Around the airports where we operate, we are engaged in the adjacent business of building aerotropolises and creating localised community-based economic centres. We have made entries in sectors ranging from data centres, super apps and industrial clouds to defence and aerospace, metals and materials – all aligned with the Government's vision of an Atmanirbhar Bharat

We continue to grow as builders of India's infrastructure, winning some of the largest road contracts in the nation and growing our already substantial market share in businesses like ports, logistics, transmission and distribution, city gas and piped natural gas. The successful IPO of Adani Wilmar made us the largest FMCG company in the country and we are now the second-largest cement manufacturer in India. This year, our combined Group market capitalisation exceeded USD 200 billion. We raised billions of dollars from the international markets – a validation of confidence in the India and Adani growth stories. This growth and success has been recognised around the world. Foreign governments now come to us with proposals to work in their geographies and help build their infrastructure. The result is that in 2022, we laid the foundation to seek a broader expansion beyond India's boundaries.

## Robust Results, Record Numbers

The growth in our market capitalisation has been supported by a robust and sustained growth in our cash flows. Our focus on operational excellence and accretive capacity addition delivered, across our portfolio, an EBITDA growth of 26%. Portfolio EBITDA stood at H42,623 crore. This growth was diversified and reflected across our businesses, the results speaking for themselves.

**I have no reason to believe that over the next two decades we will not suitably address this challenge it is a virtuous cycle that is driven by the growth in the middle class population and India today enjoys the world's firmest pitch on which to bat.**

- Our Utilities portfolio grew 26%
- Our Transport and Logistics portfolio grew 19%
- Our FMCG portfolio grew 34%
- Our Incubator business, represented by AEL grew 45%

The high growth of our incubator AEL provides the Group with a robust foundation for the continued development of new businesses for yet another big decade. AEL's unique business model has no parallel and we intend to leverage this further.

## Segment Highlights

### AGEL

- Adani Green Energy Limited added 1,940 MW operational capacity in FY 2021-22 (greenfield commissioning 200 MW and inorganic addition 1,740 MW)
- Adani Green Energy Limited's solar capacity utilisation factor (CUF) improved 130 bps YoY to 23.8% and wind CUF improved 400 bps YoY to 30.8% in FY 2021-22

### ATL

- Adani Transmission Limited added 1,104 ckm to its network, reaching 18,795 ckm, and sold a record 7,972 million units during the year.

### APSEZ

- Adani Ports and Special Economic Zone Limited cargo volume grew 26% to 312 MMT in FY 2021-22; the journey from 200 MMT to 300 MMT in cargo volume was achieved in the record time of just three years.
- Adani Ports and Special Economic Zone Limited also handled record container volume of 8.2 million TEUs, a growth of 14%

### ATGL

- Adani Total Gas Limited added 117 CNG stations, 556 commercial, 154 industrial and 85,840 domestic customers, a combined volume of 697 MMSCM (CNG+PNG)

## Strategic Highlights

- Adani Green Energy Limited completed the acquisition of Softbank's 5 GW renewable energy portfolio
- Adani Enterprises Limited commenced operations of its Bravus mine in Australia
- Adani Enterprises Limited took over operations of the Guwahati, Jaipur and Thiruvananthapuram airports and completed the acquisitions of MIAL and NMIAL

While we can look back and feel content, we are only now gathering momentum. What we have built over two decades is India's largest integrated infrastructure business based on rapid extension into adjacent businesses. The result is that this is now being transformed into an integrated 'platform of platforms' that combines energy with logistics. This is moving us closer to an unprecedented access to the Indian consumer. I know of no company that has such a business model with potential access to an unlimited B2B and B2C market for the next several decades.

## A Landmark Year

It is here that I also want to take a moment to reflect on 2022 as a year with special personal meanings. It represents the 100th birth anniversary of my inspiring and role model father Shri Shantilal Adani, and my 60th birthday. To mark this milestone, the Adani family came together and decided to contribute 60,000 crore towards charitable activities related to healthcare, education and skill development, especially for rural India. These three areas should be seen holistically, rather than separately, because they collectively form the drivers for an equitable and future-ready India. We have an opportunity in India to decisively lift tens of millions of people permanently out of poverty. We owe it to ourselves and our country to do everything we can to catalyse that process to collectively form the drivers for an equitable and future-ready India. We have an opportunity in India to decisively lift tens of millions of people permanently out of poverty. We owe it to ourselves and our country to do everything we can to catalyse that process.


## The Road Ahead

Getting back to the theme of optimism as a driving force for a society, Martin Seligman, often referred to as the 'father of positive psychology', wrote in the Harvard Business Review that he came to his insights into the power of optimism 'the long, hard way, through many years of research on failure and helplessness'. Essentially, he discovered over several years of studies, that resilient people develop the courage of interpreting setbacks as temporary, local and changeable. A quote attributed to Winston Churchill echoes Seligman's findings on resilience. "Success is not final", Churchill is supposed to have said, "failure is not fatal: it is the courage to continue that counts".

The reason I have always been inspired by writing and thinking around resilience is because as an entrepreneur, my philosophy has always been to keep trying. I am an incurable optimist. My optimism is founded on my belief in our ability to create a better future. This is why I always argue that India has become one of the greatest countries in which to be an entrepreneur, means that the prospects and potential for the future are dazzlingly bright. In India, I see a real relish to finally reclaim our former economic stature and our position as a pivotal force in global affairs. There will be bumps along the road, as has been the case in the past, and is expected in the future. However, there cannot be any doubt that the largest middle-class that will ever exist, augmented by an increase in the working age and consuming population share, will have a positive impact on India's growth rates, much in line with the demographic dividend that India enjoys. I have no reason to believe that over the next two decades we will not suitably address this challenge. It is a virtuous cycle that is driven by the growth in the middle-class population and India today enjoys the world's firmest pitch on which to bat.

## Gautam Adani

Chairman



**26%** Portfolio EBITDA growth, FY 2021-22  
**42,623crore,** Portfolio EBITDA, FY 2021-22

# MESSAGE FROM CEO

**I hope the letter finds you and  
your family in good health.**

I am delighted to share AEML's progressive performance for the year FY 2021-22 through our Annual Report. With yet another successful year, we continue to evolve and grow our business while providing superior returns to our stakeholders.





## Dear Shareholders

The past few years were extremely challenging and created havoc worldwide. The increasing uncertainties in prices of materials, fuel, electricity, commodities and services has reflected to inflationary effects globally. Slowly and steadily things are back to normal with trend of people getting back in offices. This is supporting economy in gaining pace and demand picking up significantly.

Eventually, the European crisis drove inflation across all geographies, making it difficult to predict future trend. But throughout, the Indian economy retained the position of fastest-growing economy. Given the challenges, AEML's business operations were impacted as well. Thereon, we incorporated smart strategies and took steps to navigate through such difficult times.

Our cash flow has improved with average 70% receipts were through E-payment that helped us improve our cash flows. We also gained operational excellence by Upgrading Supervisory Control and Data Acquisition (SCADA) with Advanced Distribution Management System (ADMS).

## Steps Towards Digitalised Services

As a preferred power supplier spread across the nooks and corners of Mumbai, we follow a customer-centric approach to strengthen our industrial and geographical presence. AEML is focusing on digitalisation to make the business more flexible, thereon offering convenient digital payment services to our customers. The customers can easily make payments from the comfort of their home, without stepping out or standing in queues at cash collection centres. Besides, we built distribution supply reliability that enhanced 99.9% customer experience. As a result, the cash flows strengthened and the commercial and billing complaints declined by 20% and 55%, respectively, in the year under review. Further, to meet the increasing demand, we are focusing on data centres and value-added services.

## Driving Business Efficiency with Sustainability

We consistently marched ahead towards sustainability, enduring industry volatility and challenges. We implemented an energy conservation measure, which includes nano-molecular thermo conductive additive treatment for air conditioning system. Moreover, we are supporting consumers for the installation of roof-top solar panels and increasing electricity procurement from renewable energy sources. AEML implemented environment, health & safety initiatives voluntarily, achieving the Company's ESG goals, audited with regards to our Integrated Management Systems.

## Digitalisation Boosting Operational Efficiency

At AEML, we are accelerating digital skills, our aim is to optimise productivity and enhance employee care by digital- driven intervention. We provided free vaccinations to all our employees, contract labourers and their respective families. Additionally, we also created quarantine centre with hospital facilities for employees. To the staff who have stepped out for field work and one who work remotely, to them AEML provided with personal protection equipment and tool. To support this, we installed operations like WMS, Auto Work Allocation, related to collection efficiencies like kiosk etc., customer facing application and other online services.

## Step Towards Social Well-being

I would like to highlight an instance of our competence in emergency preparedness and responsiveness. In May 2021, the Konkan coast (including Mumbai) was affected by Cyclone Tauktae, marked by high wind, heavy rain and uprooted trees. The cyclone reported the highest speed of 114 km per hour in Mumbai and generated 330 mm of rain in Mumbai. Not only did the Company's team take precautionary action, but following the cyclone's landfall, AEML's network management team swung into action.

The Company restored 88% supply of consumers within two hours of their complaints being registered and provided uninterrupted power supply to 97% of consumers.

Thereafter, during the partial grid disturbance on 27 February 2022 in Mumbai, around ~800 MW load was affected for two hours. Nearly 20% of the load emerged in AEML's operating area for a short time. The Company leveraged advanced technology and innovation, which helped enhance our systemic reliability.

At the heart of our competitiveness has been our capital management programme.

This programme has prioritised interest outflow reduction, extended debt maturity, resource rollover programme and an optimised capital structure. These attributes are critical for a capital-intensive business marked by multi-decade asset relevance.

The effectiveness of this multidimensional focus resulted in high sustained growth. There is a constant focus on optimising the cost of funding by securing various instruments and betterment of tax structure and outgo using multiple tax regimes in compliance with all applicable laws. AEML continues to actively explore the mobilisation of primary equity capital to enhance growth and Balance Sheet integrity.

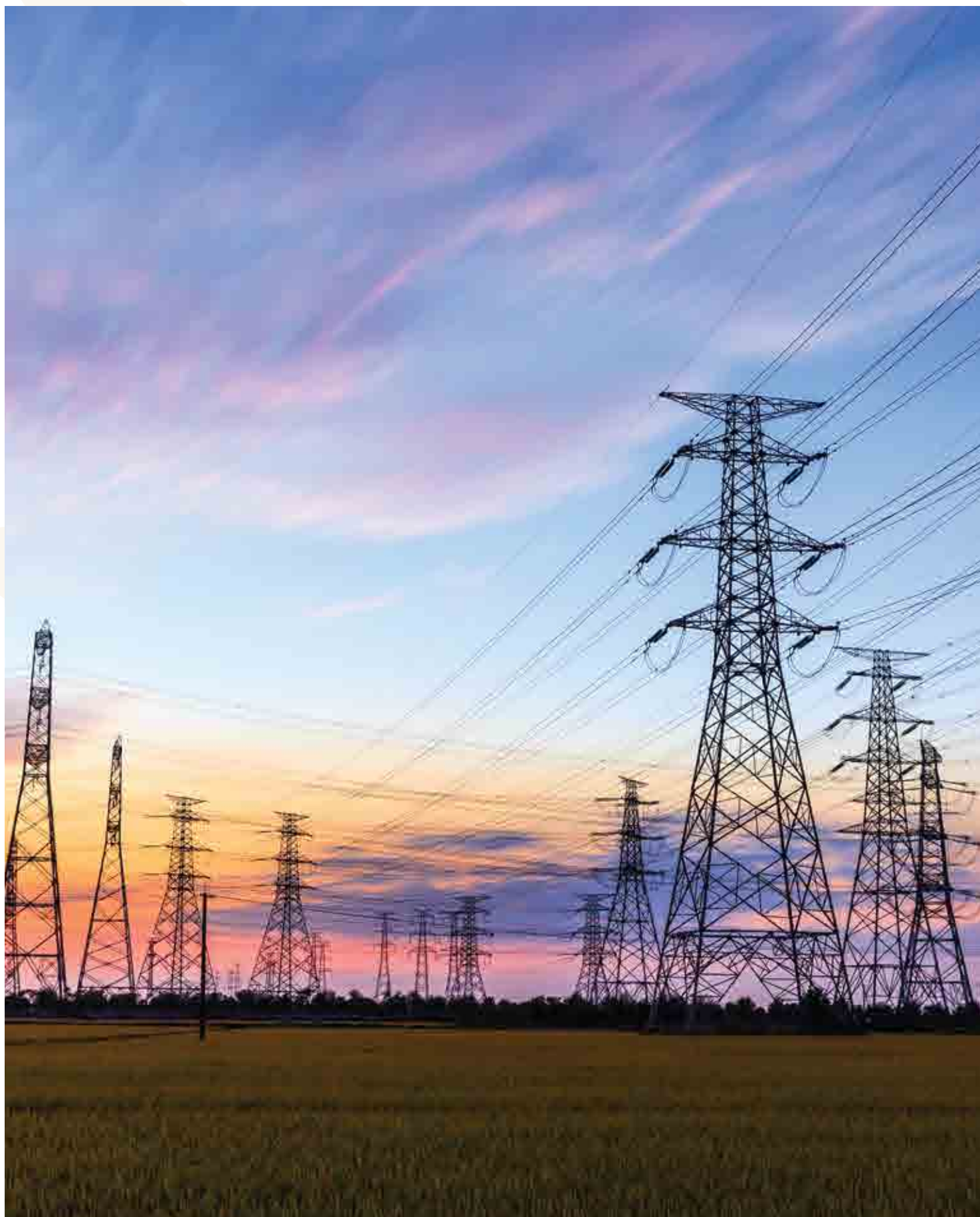
## Future-Ready

In the past year, we continued to endure the challenges with resilience, fulfilling our responsibility. Our Company is further scaling up the renewable energy utilisation share, expanding distribution, enhancing footprint, and digitalisation for better competencies. We have heritage of experienced and agile workforce (right mix of young and experienced talent) to support business initiatives. We as a team, focus on converting challenges into opportunities by building strategic solutions.

I would like to express gratitude towards everyone associated with our organisation, employees, and shareholders for their consistent support and efforts provided throughout the year. Further, I warmly welcome our future associates and stakeholders. Looking ahead, we will continue putting efforts to add value to the society, enable efficiency with cost optimisation, and future-readiness towards enlarging our distribution portfolio.

Regards

**Mr. Kandarp Patel**  
Managing Director & CEO



# Message From CFO

## The past few years tested the resolve, culture and resilience of all geographies and businesses.

Governments around the world are now focusing on reviving growth by increasing emphasis on infrastructure sector. On the other hand, reforms taken by the Government in the past like GST, RERA, IBC and many others initiatives have started to show results and their incremental implementation of reforms like corporate tax rate, production linked scheme, labour reforms, and increase in FDI limit have further strengthen the capex cycle. The pandemic has proved to be a game changer and that is reflecting in the industrial sector from broad-based ordering in transmission, to roads, water, among others.

## Dear Shareholders

The operating environment continues to remain challenging combined with the recent geopolitical conflicts, high commodity prices and disruptions in supply chain. In the midst of this headwind, we have made notable progress on many strategic fronts. In line with our efforts to prioritise growth, we have significantly enhanced our capabilities and efficiencies during the year. Therefore, we are consistently improving our competitive position and business.

## Financial Highlights

During FY 2021-22, the Company has showcased increase in total revenue, however, coal shortage and increase of fuel cost has increased the overall cost as well. Although, during the year under review, our operating EBIDTA was registered at Rs. 2,083 crore and PBT stood at Rs. 271 crore as on 31 March, 2022. The Company sold 7,972 million units of electricity to our consumers in FY 2021-22. Besides, the Tata Power Company Limited (TPC) consumers connected to the network of the Company consumed 1,474 million units of electricity in FY 2021-22. Open access consumers that are connected to the network of the Company consumed 280 million units of electricity in FY 2021-22. Also, we have achieved 103.41% collection efficiency for FY 2021-22.

The sales revenue of the Company from distribution operation for FY 2021- 22, was Rs. 6,325 crore, including wheeling revenue of Rs. 1,332 crore based on the tariff determined by the Hon'ble Maharashtra Electricity Regulatory Commission (MERC) for FY 2021-22 vide Multi-Year Tariff Order dated 30 March, 2020.

## Operational Highlights

Our licensed area in Mumbai, covers 400 sq km and includes the sub-urban area of Mumbai (~ 85% of Greater Mumbai) and the Mira-Bhayander Municipal Corporation area in Thane District. The entire licensed area is urban with a mix of residential, commercial and industrial consumers. The number of consumers on our network as on 31 March, 2022 was 30.8 lakhs and further added 78,362 consumers in FY 2021-22.

As on March 2022, our distribution network comprised 4,973 circuit kilometres of high-tension cables and 20,304 circuit kilometres of low-tension cables (including service cables and street light cables). The power transformer installed capacity increased to 4,295 MVA and distribution transformer installed capacity increased to 5,288 MVA. We added 11 Distribution Substations (DSS) and 177 new Consumer Substations (CSS) totalling to 6,943 CSS. The coincident peak demand of distribution system in FY 2021-22 was 1,737 MW (March, 2022) as against 1,594 MW (May, 2020) in FY 2020-21.

Our generation business witnessed the Plant Load Factor at 76.21%, the primary reason being low demand in the western grid and backing down of generation as per State Load Dispatch Centre (SLDC) instructions. The station generated 3,338 million units (MUs) along with plant availability of 91%. Our transmission business in fiscal year registered 99.68% system availability, which is above the norms set by the regulator, thereby, the Company is operating consistently in the incentive zone. At AEML-Transmission, we continuously explore and deploy new technologies for improvement in operation and maintenance practices. In FY 2021- 22, auto reclose scheme for Hybrid lines (EHV line + cable) using Line Differential Protection is implemented for 3 Nos. of 220kV lines emanating from Aarey EHV Sub Station, thereby improving system availability and reliability.

We have deployed SCADA-centralised Patch Management System for regular update of OS patches and anti-virus updates in all SCADA application servers, operator workstations and gateways machines across all transmission sub-stations. We have emerged as one of the first Indian utilities to invest in the advanced next-generation SCADA technology - providing a seamless integrated platform with Geographical Information System (GIS), translating into superior service.

## Raising High

AEML continue to supply power with a network uptime of 99.9% (ASAI). We followed a premium on maintaining a high standard of systemic supply reliability that would make it possible to service thousands of Mumbai customers with reliable power supply.

The Company's distribution loss at 6.55% represented an improvement of 127 bps over the previous year — a reflection of the best-in-class operating benchmarks. Correspondingly, energy demand improved 11% YoY to 7,972 million units, strengthening billing and revenues.

## Social Well-being

AEML is the largest network service provider addressing ~55% of Mumbai's energy consumption. By reinforcing our business commitment of implementing consumer-centric initiatives, we strengthened our recall of being Mumbai's preferred power supplier. We made it convenient for consumers to pay through digital means without needing to step out or stand in queues at our cash collection centres. 70% of receipts were made through e-payment in FY 2021-22, that helped us improve our cash flows. As a result, digital payments accounted for 69.7% of our collections. The increase in digital payments helped strengthened the AEML brand as a company that puts the consumer's convenience first while strengthening cash flows. During the year, our parent company mobilised USD 700 million on one of Asia's largest revolving project financing deals. This senior debt facility - contracted with eight international banks - will finance the ATL's under - construction transmission network portfolio. This will further graduate it closer to the goal of 20,000 ckt km of transmission lines by 2022.

# Dedicated Transmission Facility And Development

The projects, being implemented in Maharashtra, will strengthen our transmission system to overcome technical constraints of renewable energy interface into the grid. Therefore, ensuring grid stability and integration of green energy into Mumbai. This will empower AEML to procure at least 60% of the business' power needs from renewable sources (8% today), a decisive step in graduating India's financial capital into a low carbon destination. Besides, AEML announced a USD 2 billion Global Medium-Term Notes Program (GMTN) programme, the first such GMTN programme by an energy utility player in India. This was India's first energy sector sustainability-linked bond with legally binding ESG targets for renewable energy penetration and reduction of GHG emission intensity in line with COP26 goals.

## Future Ahead

Going ahead, we aim to maintain our position of being the largest network service provider and continue to innovate the future journey while contributing to the society. Our focus for future journey is to invest in technologies, leveraging customer with superior service, capital management and step towards renewable energy. AEML's capital management plan will ensure that our assets are sweated to its maximum, cash flows are reinvested, debt is prudently mobilised to ensure sustainable earning and earnings, the growth engine is sustained and value is created.

## Closing Notes

I would like to express my gratitude to our investors for their support, along with the fellow Board members and entire team for their dedication to build a reliable, responsible and sustainable network and consumer services management organisation. Further, I invite more associates to be a part of creating better tomorrow and to help us provide outstanding value for society with sustainability.

Regards

**Mr. Kunjal Mehta**  
Chief Financial Officer





## ASSETS THAT MAKE US

- RESPONSIBLE
- RESILIENT
- RELIABLE

AEML's constant endeavour is to emerge stronger and create value for all stakeholders over time and the Company's capital plays a vital role in the process. Here is the combination of qualitative and quantitative information with regards to all our capitals.

## Connectivity & Materiality





Human  
Capital



Social  
Capital

Intellectual  
Capital



# Financial Capital

Our Financial Capital is vital for supporting the smooth functioning and efficient execution of business strategies. It adds reliability and stability while bringing growth opportunities for us.



## Inputs

- Rs. 4,695 crore equity
- Rs. 11,865 crore long-term debt



## Significant Aspects

- Balanced and diversified growth
- Sound financial structure
- Operational excellence
- Sustainable results and dividends



## Outcome

- Rs. 6,909 crore revenue from operations
- Rs. 122 crore PAT
- Rs. 63 crore increase in finance cost

## Total Revenue

(Rs. Cr)

• FY 2019-20	7870
• FY 2020-21	6461
• FY 2021-22	7319

**EBITDA (Rs. Cr)**

• FY 2019-20	1882
• FY 2020-21	2078
• FY 2021-22	2083

**PAT (Rs. Cr)**

• FY 2019-20	50
• FY 2020-21	259
• FY 2021-22	122

**Net Worth (Rs. Cr)**

• FY 2019-20	4524
• FY 2020-21	4710
• FY 2021-22	4695



# Service Capital

## Resilience Built on Assets

Our Service Capital, which includes ADTPS, physical infrastructure, and machines and equipment, has helped us build an effective and efficient value chain. It enables us to reach our existing and potential customers across Mumbai while focussing on enhancing efficiencies and utilising resources optimally.



### Power Distribution

7972 MUs



### Distribution Network

400sq KM



### Renewable Source of Energy

717MW





# We Provide Complete Solution



New Connection



Register Complaint



Pay Bills



Submit Meter Reading



Energy Calculator



Electricity Theft Complaint

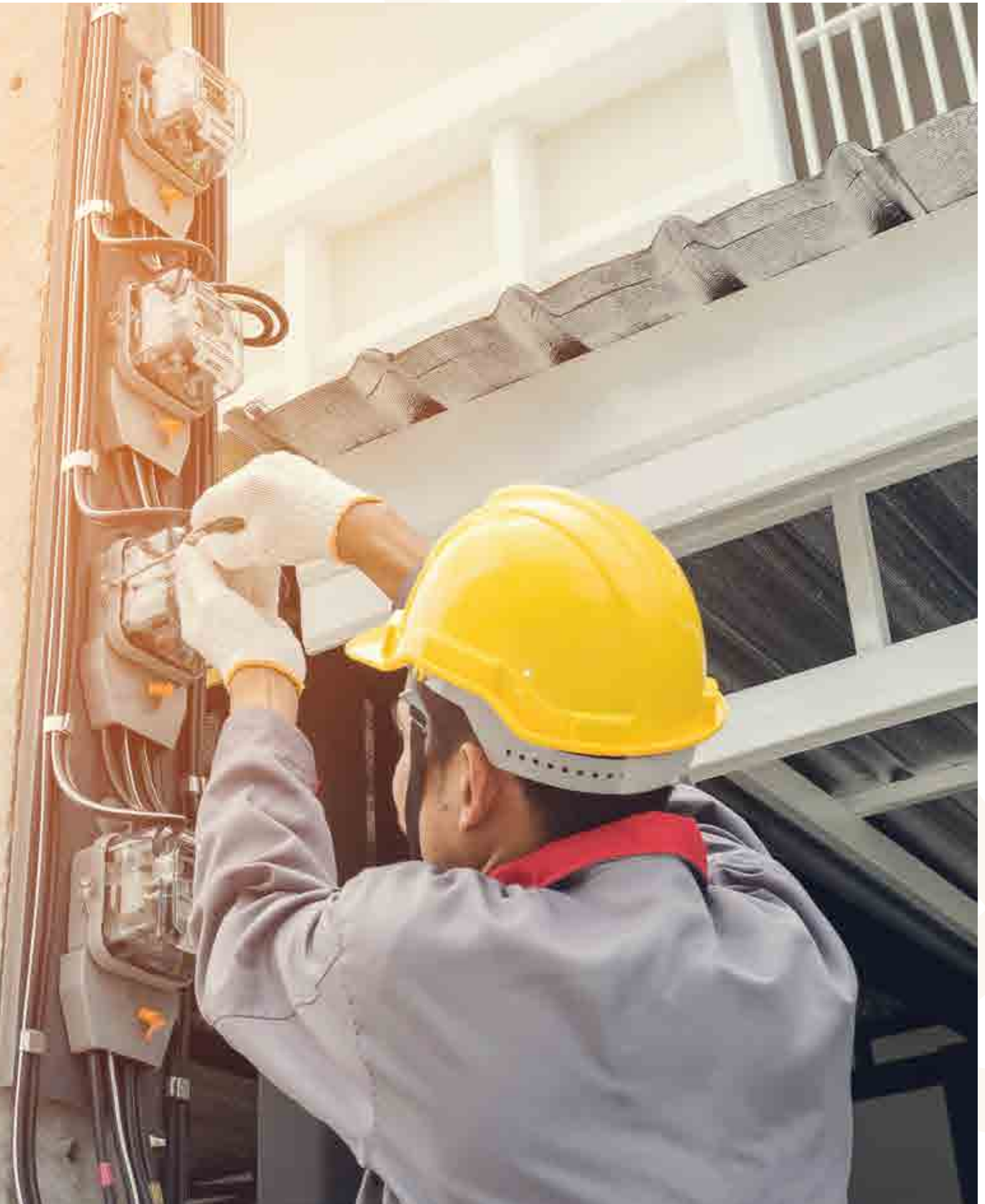


Port To Adani

## Our Distribution Business

AEML's network covers the suburban areas of Mumbai and Mira-Bhayander Municipal Corporation in the Thane District. We have the distribution license authority to distribute electricity to consumers and cover up to 400+ sq km. During COVID-19, AEML appealed 30+ lakh customers towards digital service, helping the customers stay safe during the situation and fight against the COVID-19 outbreak.

**AEML is India's first Energy Sector Sustainability-Linked Bond with legally binding ESG targets for renewable energy penetration and reduction of gHg emission intensity in line with COP26 goals.**



## Our Power Generation Business

### Adani Dahanu Thermal Power Station (ADTPS)

Ranked 1st in the 15th State Level Award for 'Excellence in Energy Conservation and Management' from MEDA

Awarded with RBNQA Performance Excellence Trophy 2019

Holder of all 10 IMS Certifications, including SA8001

Certified 'Single Use Plastic Free Environment'

With two units of 250 MW, ADTPS is among the best power generation plants in the country. It is considered the critical component of Mumbai to serve millions of customers since 1996. The plant stands out among all the Indian coal-based power stations and is known for its distinctive features in terms of superior performance, technological innovation, and sustainable processes. ADTPS is recognised with 100+ national and international awards related to safety, quality, performance, CSR, energy, and environment.

### ADTPS firefighting team helps douse fire at Rang Rasayan Ltd, MIDC Tarapur

The local authorities highly appreciated the professionalism and courage displayed by ADTPS Fire Team who successfully doused the fire within three hours.

### Highlights

- 100% compliance with operating norms
- 99.9% efficiency in collecting fly ash with in-house developed ammonia dosing system
- 275.3 metres height chimney for emission
- 100% capacity flue gas desulphurisation unit
- 4 ambient air quality monitoring stations to measure such as PM10, PM2.5, SO2 and NOx

## Our Transmission Business

Transmission is an integrated link between distribution and generation that helps in smooth functioning of the power business. The distribution system receives power supply from Adani Dahanu Thermal Power Station (ADTPS) through a connected AEML transmission system and the state grids. Maharashtra State Electricity Transmission Company Limited ('MSETCL') and The Tata Power Company Limited (TPC) are connected to the transmission systems. This helps to bring additional power into the city of Mumbai and fortify the system.

### 20% A Decline in Commercial Complaints in 2021-22

#### Improved ASAI (Average Service Availability Index)

FY 2020-21 99.9934%

FY 2021-22 99.9955%

#### Improved SAIFI (System Average Interruption Frequency Index)

FY 2020-21 1.11 Events/Customer

FY 2021-22 0.82 Events/Customer

#### Improved SAIDI (System Average Interruption Duration Index)

FY 2020-21 34.58 Mins/Customer

FY 2021-22 23.63 Mins/Customer

# Intellectual Capital

## Reliability Built on Expertise

Our Intellectual Capital enables us to enhance our business availability, development process, and system with. Thereby, helping us adapt to the new era by meeting the new requirements.



### Inputs

- IT enablement in project and operations



### Significant Aspects

- Promotion of R&D
- Digitisation for efficiency and development of new products and services
- Disruptive technology and business models



### Outcome

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





**We hold pride in being a service driven utility provider, strengthened by periodic investments in cutting edge technologies.**

### **Enhanced Customer Experience:**

AEML continually invests in cutting-edge technologies to enhance customer delight through best-in-class service. Our multiple touch points to engage with consumers make it possible to provide prompt service to our customers. For instance, AEML deployed chatbot/WhatsApp BOT that empowered consumers to avail services from their residences. During the pandemic, we leveraged our sophisticated technology platform without compromising on serving our consumers and customers. The launch of Virtual Customer Care Centres (CCCs) helped consumers engage with the Company. Further, we also undertook divisional tele-calling and SMS broadcast activities to attract consumers.

### **Digitisation of Payment Services**

We suspended all physical bill collection centres on account of the pandemic-induced lockdown. To circumvent this challenge, we installed payment kiosks across all our divisions and launched mobile kiosk vans. This timely shift resulted in AEML receiving 100% payments digitally (including kiosks). The implementation of digital payments was done through partnerships with multiple payment service providers and was promoted through digital campaigns.

### **Process Improvement**

AEML is engaged in a holistic transformation of business processes using automation and data-driven decision-making, which helps improve process efficiency and quality. We have manpower-based/SLA-based contract to

Productivity-Linked Performance-Based Contract (PLPBC) that enables us to expand new opportunities. The inclusion of PLPBC in OS vendor contracts helped enhance process efficiency and quality.

## Shift in Maintenance Strategy

We shifted from scheduled to predictive maintenance, promising cost savings over routine- based maintenance.

## Digitisation of Processes

To ensure a sustainable adoption of digital interventions among employees, 'My Work & Asset Care' Application was implemented. AEML switched to data-based decision-making through the use of dashboards and Power BI.

## Center of Excellence

AEML has carved out a centre of excellence in fields like metering, billing and collection and technology adoption for employees and customers by providing services at fingertips like BOT and mobile kiosks, among others.

## Our Strengths

- Credible operating track record with a sustainability focus.
- Robust infrastructure.
- High-reliability record.
- Long-term, recurring, stable and predictable revenue.
- Compliance with a stable and evolved regulatory framework.
- Large distribution consumer base marked by a respect for timely tariff payment
- Continually growing energy consumption
- Skilled management team
- Competent workforce

## How we implemented the optical downloading of power meter readings

In the past, the usual practice included a representative from the power utility company visiting every month to measure electricity usage by manually checking the meter reading from the power meter. This legacy practice comprised a manual recording through a hand-held instrument or mobile app-based punching. Gradually, this manual intervention was automated through optical ports in meters for various reasons such as enhanced accuracy, power people deployment, enhanced trust, and reduced recording errors.

At AEML, we responded to this futuristic opportunity by transforming an important part of the business. AEML meter readers use to download the meter reading through an MRI machine using chords. From September 2019, we started implementing meter reading mobile App & optical cords to download readings. Within the span of three years, optical readings now account for 95% of all meter readings (2.3 million per month), largely eliminating manual intervention. This transition has registered attractive spin-offs. Actual meter reading has extended beyond 99.76%, strengthening revenues and margins. There has been a 55% reduction in billing complaints with greater customer satisfaction with this tamper-proof approach which is fair and transparent, and is strengthening the Company's brand.

## We analyse and optimise

### Digital Investments

There is a growing recognition that digitalisation enhances flexibility, security and competitiveness. In view of this, digitisation helps to mould and represents the lifeblood of business. As a future-facing company, AEML invested in technology and innovation to address demanding customer needs and for increased business effectiveness. We continued to focus on delivering reliable power with a focus on safety, consistency and customer delight.

# Achievements - focus on our Digital Intervention Pillars

## Customer Affection

Digital enablers (web portal, mobile app, self-help kiosks, digital payment avenues and digital interfacing platforms like BOT/ video chat, real time communication via SMS, email, WhatsApp and other value-added services) were revamped. The Company empowered consumers with service on their fingertips, transforming satisfaction into delight.

## Reliable Grid

The Company invested in grid sensors, smart/prepaid meters, auto grid operation, ADMS and reliability-centred maintenance (AI and ML-driven) to enhance service consistency. We also intend to achieve self- healing network based on agreed principles and algorithms.

## Employee Productivity

The automation of manual activities (auto work allocation, mobile app for field crew, automation – BOT, analytics & tools and online training) is expected to enhance employee productivity.

## Digital Core

AEML graduated from legacy servers, software in silos and limited modules to cloud-based IT infrastructure, CRM, SAP-Hana, ARIBA, Cybersecurity and Analytics.

## Cyber Security

The Company segregated the IT- OT network covering AEML's core network deployment across offices and DDLO Data Centre Network. The enhanced data security with encryption features through the deployment of a bit locker- disk and RSA authentication deployment for cyber security will empower the Company to stay ahead of the curve. The Company completed a security surveillance project aiming to provide centralised access through Network Operation Control, comprising the use of 1200 CCTVs. It completed a ISO 27001 re-certification audit with zero non-compliance and successful go-live of Contact Centre DR @ the Hyderabad as per CIA guidelines.

## ISO 27001 Certified ISMS

### Hackathon Project For Smart Lock For Meter Cabin

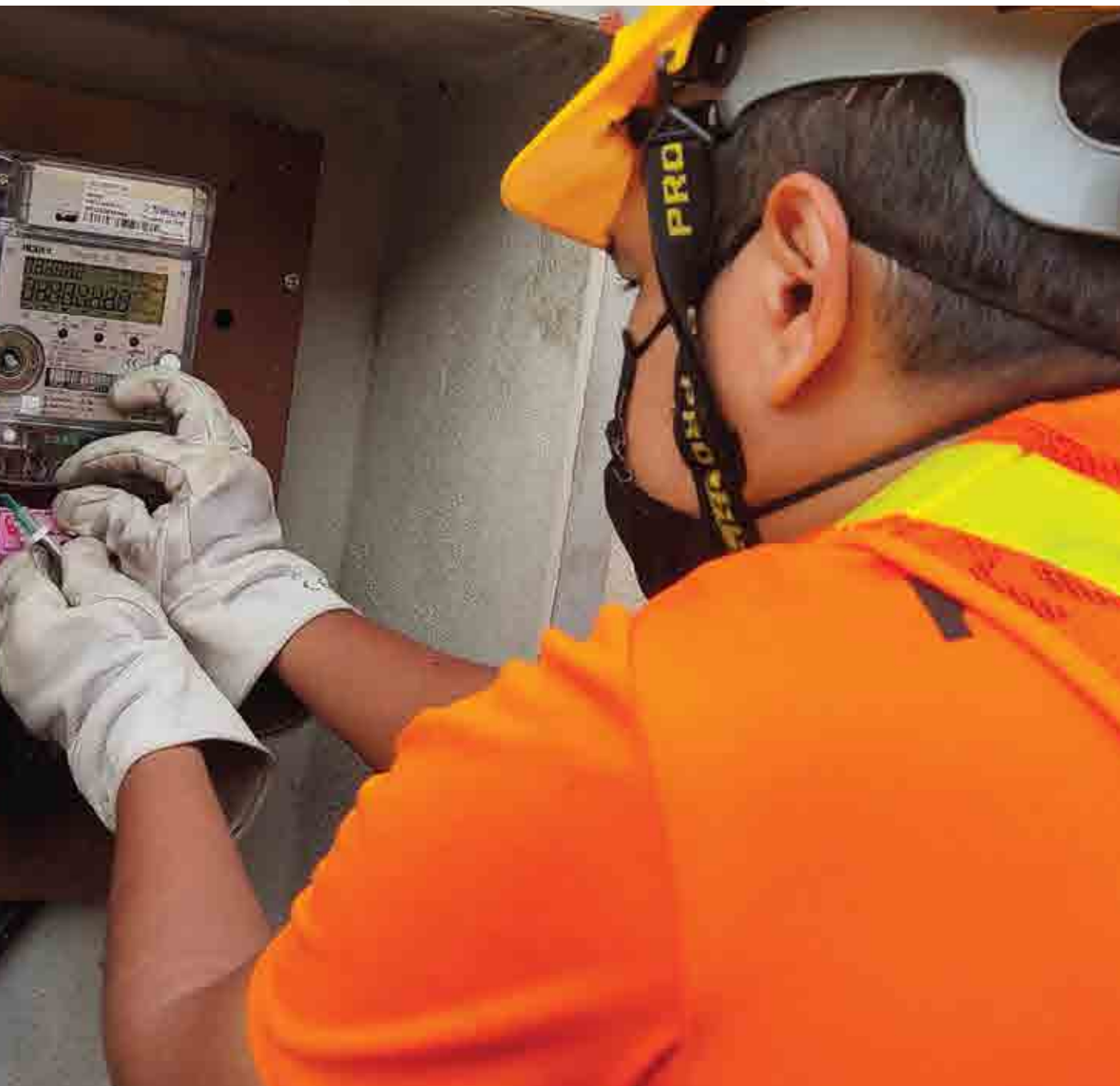
Adani Electricity Mumbai Limited has branched 3 + million customers, and for each household, meters were installed in the meter cabins. This has to be accessible to AEML worker and vendors for meter reading and other activities. Currently, physical keys are used to lock meter cabins. There is no alarm system present to detect unauthorised access to meter cabins. For safety of meters and restricting unauthorised access along with key management, electronic locking/electro- mechanical solution is required for meter cabins.

To find the digital lock solution for meter cabin at site, AEML-D organised an inter-college competition 'HACKATHON', for Engineering Colleges in Maharashtra to provide smart, electronic, tamper-proof, scalable and cost-effective solution to conventional pad-locks used for meter cabins and other installations. A total of 36 teams from 11 colleges of Maharashtra participated in HACKATHON, out of which 3 teams were shortlisted from Yashwantrao Chavan College of Engineering & Sant Shri Gajanan Maharaj College of Engineering. Prototype demonstration held at AEML on 15 December, 2021, in which, Yashwantrao Chauhan College of Engineering was declared the



winner. Prototype of sample smart lock, as per AEML specification requirement, is under development & will be completed by May 2022 for pilot implementation.

At Adani, we encourage new and innovative ideas. We were delighted to see the students come up with an innovative solution to the concerns. To promote innovative thinking and entrepreneur mindset in young students, we will be organising more such competitions.



## Smart Meters Implementation

Smart meter was introduced to measure real-time electric consumption and improve customer transparency. The increase use of smart meter will further to accelerate the transformation of a power utility offering into an FMCG-ised service.

Smart Meter National Programme aims to replace 25 crores conventional meters with smart meters in India. Smart meters are connected through a web- based monitoring system which will help to reduce commercial losses of utilities, enhance revenues, and serve as an important tool in power sector reforms. Implementation target as per Ministry of Power Notification, dated 17 August, 2021, is set as March 2025.

### The Smart Meter: A Game-Changer

Smart meters play a superior role in domestic power consumption. They measure electricity consumption in real-time, empowering consumers to remain well-informed while taking pre-emptive measures in the form of responsible consumption.

Smart Meters transmit data to a power supplier, show readings and provide energy costs on a user display. As part of a complex energy management system, it becomes a major data source for power consumption, monitoring, control, load and energy storage management, integrating solar and other renewables into the grid and dynamic utility pricing. It allows the calculation of costs in a manner wherein users can track real-time consumption and waste points.

The increased use of Smart Meters is expected to accelerate the transformation of a power utility offering into an FMCG-service. AEML intends to complete the rollout of Smart Meters across our licensed area within the next few years. This could lead to the introduction of a time-of-day tariff, trigger consumption shifts in non-peak periods, strengthening system availability and enhancing infrastructure effectiveness time-of-day tariff, trigger consumption shifts in non-peak periods, strengthening system availability and enhancing infrastructure effectiveness

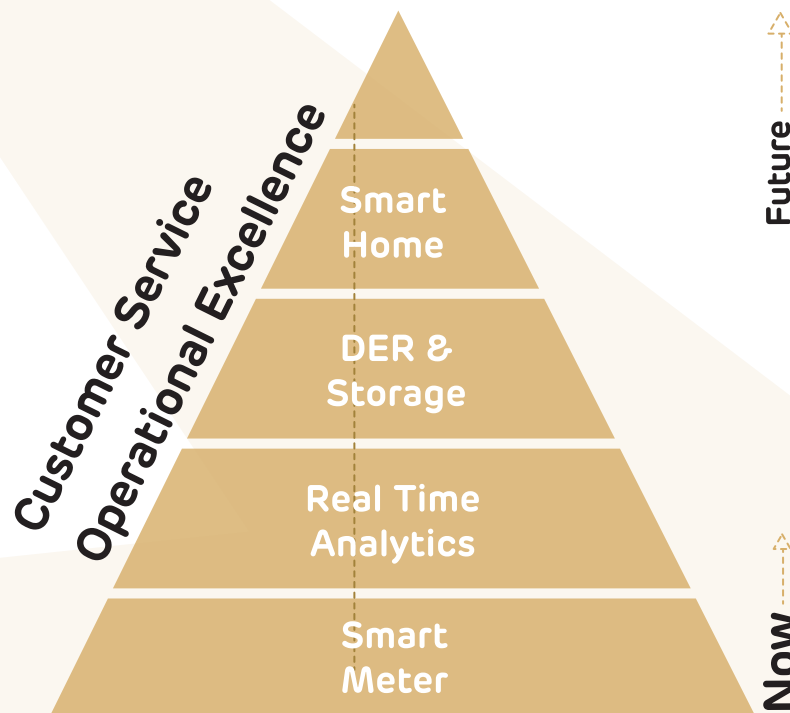
The scheme has an outlay of Rs 3,03,758 crore spread across a span of five years i.e., from FY 2021-22 to FY 2025-26. The outlay includes an estimated Government Budgetary Support (GBS) of Rs 97,631 crore.

**40,00,000+**

Smart meters deployed in india as on 31 March, 2022



# Smart Meter is the Foundation of Smart Grid



## AEML Focus = Smart Meters

- To improve the quality, reliability and affordability of power supply to consumers through a financially sustainable and operationally efficient distribution sector.
- To reduce AT&C losses and ACS-ARR gap AEML is further planning to deploy 25 lakh Smart Meters across Mumbai by FY 2026-27, where in the first phase, we are planning to implement 7 lakh Smart Meters in Mumbai by December 23.

## Our Approach Towards a Changing Era

AEML has been at the forefront when it comes to technological development and adaptation. We believe that our balanced and comprehensive approach to create value and adopt energy efficiency programmes will successfully position us in the evolving marketplace. The smart meters is a part of Smart Grid programme aimed at enhancing consumer experience, energy savings and operational efficiencies. With this AEML is ready to meet the demands of this “New Changing Energy Era”.

## Our Goals

- To establish ourselves as the largest power distribution businesses in India's private sector
- Through superior service by leveraging experience
- Through technology investments
- By achieving operational excellence through the Capital Management programme by utilising renewable energy



# ESG E- Environmental S- Social G- Governance EVOLUTIONARY SOLUTION

**Adani Electricity Mumbai Limited (AEML)** is the leading electricity utility in Mumbai. We have been ensuring over 99.99% reliability within our business and have grown steadily through the years. The motive of our business is to create a better tomorrow by minimising social, economic and environmental impact.





# Human Capital

## Resilience Built On Knowledge

**4,775** Employees

**2,386** Technicians

**22** Years of Experience on an Average Basis

**18,162** Training Man-hours

At AEML, the Human Capital Management system runs on a strategic plan to facilitate a seamless human capital lifecycle. We provide constant training and development sessions for the employees to competency and the Company's overall capacity. The formal and informal engagement takes place to build happiness, prosperity, and value across the organisation

## Our Approach Towards Changing ERA

### We Tackle

- Inequality
- Less promotion to employees
- No manpower planning
- Lack of awareness

### We Address

- Expenditure on education
- Good sanitation facilities
- Expenditure on health

### We Have

- Diversity of workforce
- Talent management
- Zero accidents

## Health & Safety

We are dedicated to the health and safety of employees by maintaining a secure working environment that leads to zero accidents being reported at the workplace. AEML closely monitors EHS management system to proceed with best operational practice and conducts IER/HERA review and EHS training activities to alleviate health and safety risks. We observe each and every activity going around the organisation and address those in a timely manner. At AEML, we have also documented a disaster management plan, and regular investment takes place in disaster management equipment, such as owning and leasing mobile generation sets, increasing the height of our substations to ground-plus-one and power rubber boats to be used during waterlogging.

## Insurance

For all fixed assets and stocks of distribution business, we maintain insurance policies covering standard fire hazards. Our insurers include TATA AIA General Insurance Company Limited, HDFC Ergo General Insurance Company Limited, Bajaj Alliance General Insurance Company Limited, Oriental Insurance Company Limited, Reliance General Insurance and New India Assurance Company Limited. We also have money insurance policy for electronic equipment and portable electronic equipment insurance policy for portable electronic equipment. We maintain insurance coverage with respect to other areas to the extent required by law, including vehicle and third-party policies. By maintaining the policy, we ensure that assets are aligned and insured.

# Natural Capital

## Responsibility Built on Conservation

### Electric bike

AEML kick-started a 'mini-green revolution' to provide a last-mile delivery solution to people in the suburbs of Mumbai. We are providing space and green power supply that is helping delivery partners save Rs. 150-200 daily with an all-electric fleet on two-wheelers.

## Adani Electricity to Meet 30% of Mumbai's Power Demand through Renewable Energy

### Act of responsibility towards sustainability:

- Increased electricity procurement from renewable energy sources
- Replaced HPSV lamps with LED lamps in streetlights
- Progressively replaced petrol/diesel vehicles with an electric fleet
- Started using non-carcinogenic biodegradable silica gel in transformers
- Replaced oil-type switch gears with dry-type, maintenance-free switch gears
- Deployed environment-friendly natural ester-filled transformers
- Supported consumers for the installation of roof-top solar panels
- Licensed and competent in handling hazardous wastes
- Implemented energy conservation measures (nano-molecular thermo-conductive additive treatment for air-conditioning system)
- Implemented quality, environment, health & safety voluntarily audited (as per Integrated Management Systems)
- Commissioned 28 EV charging stations
- Certified as 'Single-Use Plastic-Free' for our power generation business
- T&D units: process initiated, and certification expected by March 2023

## Environmentally Compliant Generation at ADTPS

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

## Transmission and Distribution

Ester	Using environment-friendly ester-filled transformers
Switch Gear	Replacing oil-type switch gears with dry-type maintenance-free switchgears
LED	Installing LED lamps for streetlights, to reduces carbon footprint

## Initiatives Taken to Promote the Use of High-Energy Efficient Products

Programme	Savings in million units (MU) FY 2021-22
DSM 5-Star Ceiling Fan (BLDC) Programme	0.16
DSM 5-Star Refrigerator Programme	0.706

AEML will meet 30% of the total energy demand in Mumbai through renewable energy source in FY 2022-23 and anticipates scaling this proportion to 60% by FY 2026-27, We are already taking steps to reduce Mumbai's carbon footprint, and promoting renewable energy. AEML is enabling sustainable lifestyle options to consumers and contributing towards reducing the carbon footprint.

Year	FY 2020-21	FY 2021-22	FY 2022-23
Renewable procurement as a % of delivered electricity mix	3	8.6	~30

## ESG Target and Roadmap

### KPI 1: Increase renewable power mix in the overall power purchase mix

	FY 2018-19 (Baseline)	FY 2022-23	/	FY 2026-27*
KPI	3.01%	30%	/	60%

### KPI 2: Reduction in GHG emission intensity (Scope 1 and 2)

	FY 2018-19 (Baseline)	FY 2022-23	FY 2026-27	FY 2028-29*
KPI	/	40%	50%	60%

- Percentage of procurement of electricity from the eligible renewable energy sources has increased from 3.01% in FY19 to 8.12% in FY 2021-22
- Emission intensity (tCO<sub>2</sub> e/ EBDITA) has reduced from 2,254 in FY 2018-19 to 1,554 in FY 2022-23
- Tied-up with hybrid (solar + wind) 700 mw ppa with minimum guaranteed capacity utilisation factor of 50%
- Replaced high-pressure sodium vapour (HPSV) lamps with led lamps in streetlights
- Replaced the existing fleet with electric vehicles
- Replaced oil type switch gears with dry type maintenance-free switch gears
- Used environmental-friendly ester-filled transformers
- Aim to achieve zero waste to landfill in AEML
- Encouraging consumers to opt for green power voluntarily across mumbai

# Social And Relationship Capital

## Reliability Built on Value Creation

### COVID-19 Care

We have been proactively fighting and supporting the community during the most challenging times, like that of the COVID-19 pandemic. All the resources were pulled together to ensure that essential goods and services were accessible to the domestic households. We, as a Group, collectively fought against the breakdown of COVID-19.

**Vaccination Programme:** Vaccination drive pulled in 1,000s of people

**Procurement:** 51 cryogenic tanks were procured from leading manufacturers in countries like Saudi Arabia, Thailand, Singapore, Taiwan and UAE

**Logistics:** 51 tanks (780 T liquid oxygen) some tanks shipped vide Mundra Port & rest air lifted

## Joining Together to Create a Better Tomorrow

- Education
- Skill Development Programme
- Health Development Programme
- Tribal Development Programm
- Community infrastructure

CSR Spend **Rs.6.42 crores**

## Our Response to Cyclone Taukatae, Protecting Consumer Interests

In 2021, Mumbai braced for a forecasted cyclone before the monsoon. This was an unusual challenge because of the unseasonal developments and the city already grappling with the twin impacts of an ongoing pandemic and lockdown. Instead of waiting for the cyclone's incidence and impact, the network management team at AEML set out to work proactively before landfall. The team formulated quick response teams, engaged in a predictive maintenance of vital installations (COVID-19 care centers and hospitals) and provided diesel-generating sets to prominent COVID-19 care locations. The team also stocked spares, deployed staff and made extensive logistic arrangements while commissioning a 24x7 disaster control room. Cyclone Tauktae had a devastating impact across Mumbai, with a wind speed of 114 KM per hour and 330 mm of rain. Even as this was transpiring, AEML's network management team was engaged in active patrolling, checking on pillar collapses and addressing complaints. At the end of it all, AEML's proactive commitment paid off. Our workforce helped restore 88% power supply within two hours of consumer complaint. It provided uninterrupted power supply for 97% of the consumers.

The cyclone may have been devastating but AEML's engagement in mitigating the impact was successful. After this crisis in Mumbai, around 800 MW load was affected for two hours. Nearly 20% of the load emerged in AEML's operating area for a short time.

### Value Creation = Worth+Usefulness+Importance

- Sustainability Livelihood
- Community Health
- Community Infrastructure
- Education

### Sustainability Livelihood

- Village Covered : 10
- Beneficiaries : 1000+ Tribal Families
- Program Commencement Year : FY 2016-17
- Joint Initiative : With NABARD

## Impact

- Migration of the tribal farmers reduced drastically
- More than 500 acres land was brought back to cultivation
- Soil erosion reduced due to horticulture plantation
- Vegetable cultivation blended with floriculture
- Upliftment of social and economic conditions of tribal families
- Income levels range from ₹16,500 to ₹31,500, 100% of the participants have opened bank accounts

## Our Support Programmes

- Formation of Registered Cooperative Society of farmers to market their produce
- Mahila Melawa (women's gathering) and Health Awareness programmes
- Installation of four solar panels in farms for irrigation
- Provided vermicompost beds to 10 farmers
- Organised Kisan Melawa for farmers' training

## Adani Foundation Along With 5,000 AEML Employees Donated Old Clothes

As a part of our CSR initiative, the employees at AEML donated their old clothes to tribal hamlets/slums spread across 400 sq km between Bandra to Bhayandar in the western suburbs, Vikhroli in the eastern suburbs, and Churnabhatti to Mankhurd.



**9+** courses were offered to **150+** candidates

## Education

### Focus Area

Education Support Programme was implemented with below specific indicators:

- Foundation numeral literacy
- Holistic development and wellness
- Parent and community engagement: to create a conducive learning environment
- Academic intervention of 1,072 students in 9 BMC schools and 171 children from underprivileged communities

### UDUPI

Adani Foundation offered scholarship worth total Rs. 20 lakh to 905 students



The Adani Foundation engaged in motivating and inspiring students by undertaking the 'Udaan' programme under educational focus. Over 15,000 students have so far been invited to UPCL plant to help them gain academics and programmes knowledge to help them to shape vision in life.

## Educational Support Program

For **1000+** students increasing level of proficiency

By **30%** in the community

## Community Health

### Programmes

**Health:** Focusing on maternal & new-born health, child health & nutrition

**Environment:** Building community intervention to manage waste at source by reducing, reusing and recycling

**Livelihood & skill development:** To education and uplift employee skills

- Nutri-Garden in 500 households
- Health camps for women – 4 camps covering ~450 women
- First-aid training for 17 identified Sanginis as women empowerment initiative



Mazi Sangini was conducted in Mumbai to create a squad of women entrepreneurs who would be the future leaders of the community. The camp aimed at uplifting the community by fostering welfare, financial inclusion, and women empowerment.

## Community Infrastructure

- Supported MCGM in organising two vaccination drives.
- Total beneficiaries vaccinated 42,350 and 20 tablets given to hearing impaired students.
- Supported MCGM in plantation in Sanjay Gandhi National Park.
- Recycled milk bags to be converted to utility products (pen, mobile stand, hanger, and more) in line with Central and State Government's decision to ban single-use plastic.
- Launched organ donation 'Jeevan Amrut Programme' launched on 15th March' 22.

- 500 AEML employees pledged to donate organs
- Rs 5 lakh, to be spent in partnership with MOHAN Foundation

**103.41%** collection efficiency for 2021-22

## How We Enhanced Consumer Value?

Year	2019-20	2020-21	2021-22	Impact
System Availability (%)	99.9926	99.9934	99.9955	Increased systemic reliability
E-payment Receipts	49	67	70	Improved cash flows
Saifi (Disruptions) Events Per Consumer Per Year	1.25	1.11	0.82	-
Caidi (Interruption) Customer Average Interruption Duration Index	31.43	31.11	28.95	-
Saidi (Disruptions) Minutes Per Consumer Per Year	39.15	34.58	23.63	-

## Mumbai: Key distribution market characteristics

Area (sq. km)	400
Connected households (in million)	3.13
Maximum demand (MW)	1737
Sales in million units (including wheeling)	9726
Consumption/consumer/month (units)	258

# Trends And Upcoming Opportunities In 2022-23

India is the 3rd largest producer and second largest consumer on electricity worldwide.

After COVID-19, India's economic growth is expected to rebound, widening opportunities in the power sector covering increased offtake, parallel licensing, privatisation of state-owned distribution companies and Smart Meter roll-out. The attractive opportunities are opening further more door for power and distribution business.

The Indian government is exploring delicensing power distribution through draft amendments of the electricity bill with the objective to enhance competition and consumer choice, creating attractive opportunities for the nimble. The Company intends to enter the electricity distribution business in prominent cities and districts, leveraging the experience drawn from its Mumbai distribution network and service. The company intends to emerge as a leading national electricity distribution utility, providing reliable and competitive supply through innovative service platforms.

Besides, the Government of India and various state governments have undertaken multiple initiatives to promote the adoption of electric vehicles. AEML will promote the use of electric vehicles and charging infrastructure. AEML intends to facilitate the development of charging infrastructure through partnerships with bike operators (start-ups), cab aggregators and fleet operators. Further AEML will bring validated value to the acquired unit's table in the form of cost optimisation, improved efficiency and future readiness to expand the distribution portfolio.

Power being the most critical components of infrastructure, crucial for the economic growth and welfare of nations. This is supporting AEML in the overall growth and at the same time giving back to the community.

# Corporate Information

## Our Directors

**Mr. Anil Sardana**

Chairman non-Executive director

**Mr. Kandarp Patel**

Managing director and CEO

**Mr. Sagar Adani**

Non-Executive Director

**Mr Kalaikuruchi Jairaj**

Independent Director

**Mrs Chandra Iyengar**

Independent director

**Mr Quinton Choi**

Non-Executive director

**Mr. Kenneth McLaren**

Non-Executive Director

## Company Secretary

**Jaladhi Shukla**

## Auditors

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

Chartered Accountants

Mumbai

## Registered Office

Adani Corporate House,  
Shantigram, near vaishno devi  
Circle, S. G. Highway, khodiyar,  
Ahmedabad 382421, Gujarat, India

- DBS Bank India Limited
- HDFC Bank Limited
- Standard Chartered Bank
- Citibank N.A.
- Qatar National Bank (Q.P.S.C)
- Mizuho Bank Limited
- Barclays Bank PLC
- Axis Bank Limited
- Bank Of India
- Deutsche Bank AG
- MUFG Bank Limited
- Emirates NBD Bank (P.J.S.C.)
- KGI Bank
- Entie Commercial Bank
- Bank Sinopac Co., Limited
- Bank Of Philippine Islands
- Woori Bank
- BDO Unibank INC

# Management Discussion & Analysis

## Economic Overview

### Indian Economy

India stands at USD 2.6 trillion economy and is the world's fifth-largest economy. The country has one of the highest GDP growth rates in the world. India's GDP is expected to grow at 8.9% which is 1.8% more than what was anticipated in 2018-19. Over the last two years, the agriculture sector has showed resilience and growth, contributing significantly to the overall GDP. Agriculture and allied sectors are expected to rise by 3.9% in 2021-22, up from 3.6% in the previous fiscal year. Exports of both goods and services have been highly robust in FY 2021-22. However, imports also recovered substantially, owing to a resurgence in domestic demand and increased international commodity prices.

The current Russia-Ukraine conflict may further hit supplies of major raw materials, including crude oil, natural gas, food, fertilizers, and metals.

Surging crude oil prices are likely to adversely impact India's macroeconomic situations. Increase in oil price coupled with sharp fall in rupee value is inflating India's import bill, adding to the stress on current account.

The inflation is likely to peak in the FY 2022-23 but Government's fiscal policy is expected to be favourable, and inflation pressures could be contained via excise or subsidies. The resulting high liquidity, along with supply chain difficulties, led to rising input costs and squeezing inflation. Energy demand, on the other hand, remained resilient, with a 2.1% increase in power consumption in January and a 1.1% increase in the prior year's equivalent month.

## Indian Economic Reforms and Budget FY 2022-23 Provisions

The Budget FY 2022-23 seeks to lay the foundation of the Indian economy over the 'Amrit Kaal' period of the next 25 years, leading to 100 years of independence in 2047. The Government is emphasizing the role of PM Gati Shakti, inclusive development, productivity enhancement & investment, sunrise opportunities, energy transition and climate action, as well as financing of investments.

The capital expenditure target of the Indian Government expanded by 35.4%, from Rs. 5.54 lakh crore to Rs. 7.50 lakh crore. The effective capital expenditure for FY 2022-23 is seen at Rs. 10.7 lakh crore. An outlay of Rs. 5.25 lakh crore was made to the Ministry of Defence, which is 13.31% of the total budget outlay. A boost was provided to India's electric vehicle policy 'Scheme for Faster Adoption and Manufacturing of (Hybrid and) Electric Vehicle in India'. An announcement of nearly Rs. 20,000 crore was made for the PM Gati Shakti National Master Plan to catalyse the infrastructure sector. An expansion of 25,000 km was initiated for FY 2022- 23 for the national highways network. To boost the agricultural sector, an allocation of Rs. 2.37 lakh crore was made towards the procurement of wheat and paddy under MSP operations. An outlay of Rs. 1.97 lakh crore was announced for the Production Linked Incentive (PLI) schemes across 13 sectors.

### Outlook

According to the FICCI April 2022 report, India's GDP growth for FY 2022-23 is expected to be 7.4%. Overall economic conditions remain unpredictable, and the outlook is uncertain, with risks to the downside heightened. The demand situation is yet to return to pre-crisis levels, and the Russia-Ukraine conflict has exacerbated the global economic position. Rising international commodity costs are the most serious concern posed by the protracted conflict. However, worldwide inflation is expected to peak in the first half of 2022, further limiting the purchasing power of low and lower-middle income households. Exports which were providing a cushion against the loss of domestic output, are projected to decline as developed countries experience a downturn. In FY 2022-23, private consumption and investment should remain a priority. Fiscal policy should be proactive in combating inflationary pressures through tax cuts and subsidies. This will be critical in preventing private consumer expenditure from decreasing again as inflationary pressures increase.

## Power Industry Overview

Power is a core pillar of infrastructure that is integral to a country's economic progress and well-being. The development of adequate infrastructure is critical for the Indian economy's long-term prosperity. India is the world's third-largest producer of power. The national electric grid in India has an installed capacity of 393.389 GW as of December 31, 2021. The Indian power sector is undergoing substantial upheaval, which has changed the industry's outlook. India's electricity demand is being driven by the country's continued economic expansion. The Indian Government's aim of achieving 'Power for All' has boosted capacity expansion in the country.

## India's Per Capita Power Consumption

Countries	India	China	USA	France	Japan
Per capita electricity consumption in kWh (2018)	1,181	4906	13098	7141	8010

**Source:** Rajya Sabha - March 16, 2021













## India's Power Generation

Countries	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Power generation (in billion units)	1241.7	1308.1	1376.1	1389.1	1381.82	1234.3*

\*Up to January 2022 (Provisional), **Source:** CEA

In the previous ten years, India's total installed capacity expanded at a rapid rate. The theoretical capacity for electricity generation now exceeds demand, causing a paradigm shift in India's energy landscape. The Indian Government's ambitious energy aim has accelerated the construction of additional capacity throughout the years, with a total installed capacity of 392.02 GW as of December 12, 2021.

## Installed Capacity (GW) (FY 2011-22\*)

GW FY 2010-11		173.63
GW FY 2011-12		199.88
GW FY 2012-13		223.34
GW FY 2013-14		248.55
GW FY 2014-15		274.90
GW FY 2015-16	 +8.48%	305.16
GW FY 2016-17		326.83
GW FY 2017-18		344.00
GW FY 2018-19		356.10
GW FY 2019-20		370.08
GW FY 2020-21		392.02
GW FY 2021-22*		477.27

\*Estimated figure provided for FY 2021-22.




## Installed Capacity Forecast (GW)

GW FY 2022e		476.43
GW FY 2030e		817.25

## Installed Capacity Forecast (GW)

GW FY 2022e		476.43
GW FY 2030e		817.25

## Power Demand Forecast (Bn Units)

GW FY 2022e		1566.00
GW FY 2027e		2047.00
GW FY 2030e		2325.00

In FY 2020-21, India's installed capacity was 392.02 GW, with the private sector accounting for 48.2% of the total, followed by the central and state sectors.

## Power Generation Sector

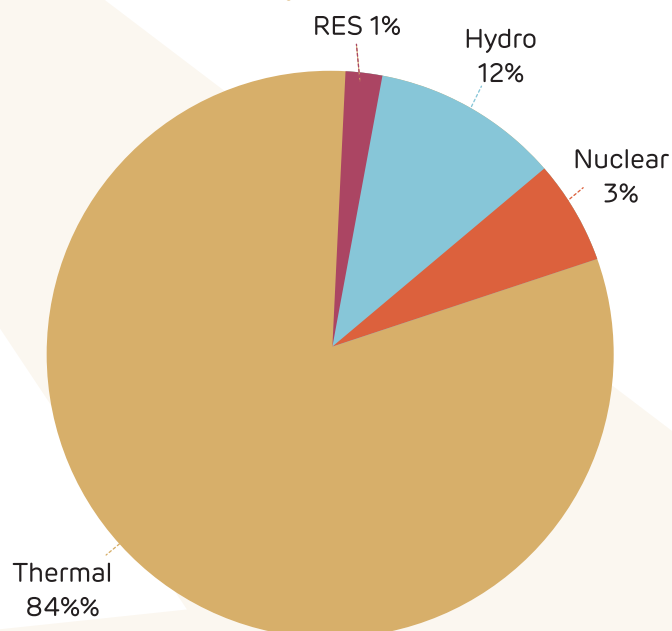
India's electricity sector is one of the most diversified in the world. India's power generation sources range from conventional sources such as coal, lignite, natural gas, oil, nuclear and hydropower to viable unconventional sources such as wind, solar, and agricultural and household waste.

The demand for electricity in the country has increased rapidly and is expected to increase further in the coming years. To satisfy the growing demand for electricity in the country, a massive addition to the installed generation capacity is required. With an installed power capacity of 397 GW as of February 2022, India is the world's third-largest producer and second-largest user of energy.

India generated around 1,371 BU units of power in FY 2020-21, surpassing the pre-Covid-19 levels of FY 2018-19. Thermal power forms the largest source of power in the country. There are different types of thermal power plants out of which coal generates the highest amount of electricity followed by gas and diesel. About 84% of the electricity consumed in India is generated by thermal power plants with renewables quickly gaining pace behind.

The electricity generation target of thermal, hydro, nuclear & Bhutan import for the year FY 2021-22 has been fixed as 1,356 Billion Unit (BU) i.e. growth of around 9.83% over actual generation of 1,235 BU for FY 2020-21. The generation from above categories during FY 2020-21 was 1,235 BU as compared to 1,250 BU generated during FY 2019-20, representing a negative growth of about 1.29%.

## All India Power General Mix (April 2021- Feb 2022)



In 2022, the electric power industry will continue forging a path to a cleaner, more reliable, and resilient grid. While today's challenges will likely persist, our annual industry outlook explores how digital technologies, market developments, and government investment in next-generation energy technologies can help pave the way.

Sector	MW	% of Total
Central Sector	98,327	24.9%
State Sector	1,05,314	26.7%
Private Sector	1,91,434	48.5%
<b>Total</b>	<b>3,95,075</b>	<b>100.0%</b>
INSTALLED GENERATION CAPACITY (FUEL-WISE) AS ON 31.01.2022		

**Source:** <https://powermin.gov.in/en/content/power-sector-glance-all-india>

\*Break-up of RSE all India as on February 28, 2022 is given below (in MW) :

Small Hydro Power	Wind Power	Bio-Power		Solar Power	Total Capacity
		BM Power/Cogen	Waste to Energy		
4,839.00	40,129.78	10,175.61	451.57	50,777.77	1,06,374.63

## Non-conventional Energy Sources

Energy is the primary and most universal measure of all kinds of work by human beings and nature. Indian renewable energy sector is marked as third in the world after USA and China with 38% of energy capacity installed in the year 2020 (136 GW of 373 GW) coming from renewable sources. In November 2021, India had renewable energy capacity of 150 GW consisting solar (48.55 GW), wind (40.03 GW), small hydro power (4.83 GW), bio-power (10.62 GW) and large hydro (46.51 GW), and the nuclear (6.78 GW). India has committed for a goal of 450 GW renewable energy capacity by 2030.

India's primary source of energy is coal, followed by oil and gas.

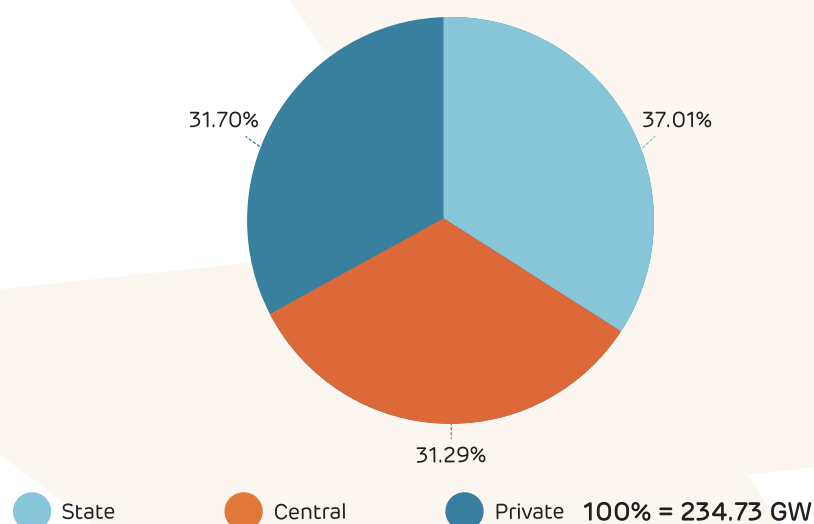
The government's goal of electrifying rural areas, as well as industrial expansion and investments, has supported India's thermal power sector's growth. The commissioning of several Ultra Mega Power Projects (based on thermal power) has resulted in a large increase in installed capacity. Some of India's largest UMPPs are found in the states of Jharkhand, Madhya Pradesh, Andhra Pradesh, Gujarat, Maharashtra, and Odisha. The installed capacity of thermal power is 231.59 GW as of December 2021.

India has the world's fourth-largest untapped hydroelectric power potential. Annually, it is predicted to be 600 BU. With 645 GW of assessed capacity, 397 GW of developed capacity, and 385 GW of capacity under development, the Brahmaputra basin has the country's biggest hydroelectricity potential. Hydro power plants' ability to meet supply demand gaps has increased their contribution to India's overall installed capacity. Hydropower's installed capacity is 53.03 GW as of December 2021.

In November 2021, India installed solar energy capacity was 48.55. By FY 2026-27, it is estimated to reach 189.14 GW. With the support of its Off Grid Solar PV Applications Programme, the Ministry of New and Renewable Energy aims to provide solar PV-based applications in locations where grid power is either unavailable or unstable. To date, around 237 lakh solar pumps have been deployed across the country. India ranked fifth globally in terms of solar power deployment in 2021.

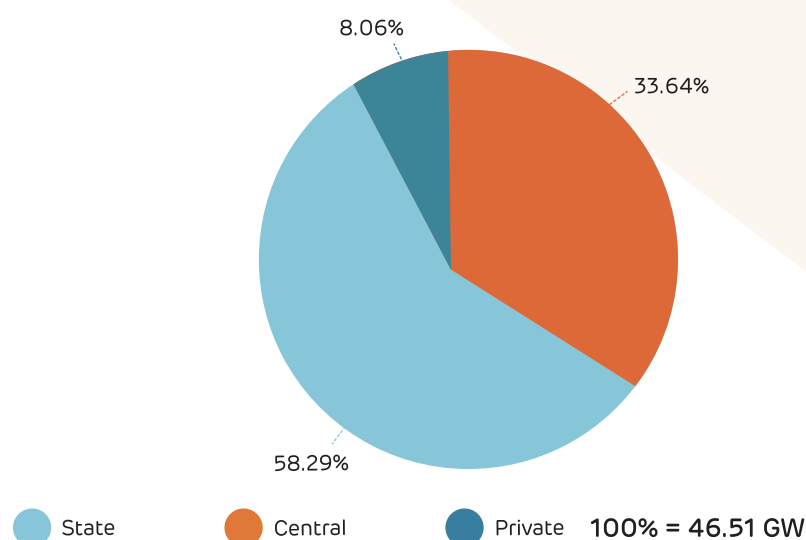
The electricity demand in India dropped from 163.73 GW on March 20, 2020, to 127.96 GW on March 25, 2020, when the commercial and office spaces were shut down because of the sudden announcement of nationwide lockdown due to COVID-19. The supply side was also negatively impacted as 85% of the migrant labor in solar parks returned to their villages during the lockdown. With ease in restrictions on movement of vehicles and reopening of factories across the country, solar companies began procuring and setting up plants once again, though at a slow rate owing to the lack of labor, difficulty in movement of goods, and delays in site inspections and approvals.

### Sector-wise breakup of installed capacity (FY 2020-21)



India has the world's fourth-largest untapped hydroelectric power potential. Annually, it is predicted to be 600 BU.

### Sector-wise breakup of installed capacity (FY 2021-22)



The majority of India's transmission network is still made up of 200 kV and 400 kV transmission lines. Higher voltage transmission lines improve network performance because they have a higher transfer capacity than other lines and have lower technical losses, resulting in a smaller overall number of lines necessary to offer similar capacity. Due to the federal government's substantial investment, 800 kV lines increased at a rapid pace as well.

COVID-19 has caused a global health crisis and a global economic slowdown and recession since its outbreak in late 2019. Various restrictive measures enacted by the Indian Government resulted in a slowing of economic growth in FY 2020-21. During the COVID-19 lockdown, the MoP classified power transmission as an important service, and so power transmission projects continued to operate according to the country's norms and protocol. During this time, the transmission system was kept at a high level of availability. During this time, the transmission system was kept at a high level of availability.

The lockdown had a severe impact on industrial and commercial activities, resulting in a large reduction in electricity demand in these sectors. This has a substantial influence on Indian power providers' liquidity.

Historically, investments in the transmission sector have been low compared to the generation sector, but with increased private participation, the average growth in the transmission sector has been on par with the average growth in the generation capacity for the past five years. Investments in the sector are expected to be driven by the need for robust and reliable inter and intra state transmission systems, requirement to evacuate power from capacity additions in renewable energy generation and rural electrification.

In the transmission sector, private sector participation has been increasing, with roughly 7.5% participation in FY 2020-21. In the coming years, transmission capacity is likely to expand rapidly. Between fiscal years 2021 and 2025, roughly 330-350 GVA transformation capacity (above 220 kV) is expected to be built, bringing the total transformation capacity to 1,300-1,350 GVA by 2025. Because of their importance in interstate transmission lines, high voltage lines of 400 kV and 765 kV are likely to increase rapidly.

## POWER TRANSMISSION SECTOR

In the electricity sector's value chain, the transmission sector is critical. Increased generation capacity, the integration of renewable energy, and the government's focus on distributing power to rural areas have resulted in a significant expansion of the country's transmission and distribution (T&D) infrastructure. In addition, there has been a rise in demand for transmission networks to transport bulk power over larger distances while minimising losses and improving grid connectivity.

In India, the transmission network runs at various voltages to meet the needs of the industries. Extra high voltage (EHV), High Voltage, Medium Voltage, and Low Voltage are the different voltage levels.

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## POWER DISTRIBUTION SECTOR

Power distribution is the final step in the power sector value chain, it connects the transmission utilities to the final consumers such as residential, commercial, agricultural, and industrial consumers. Distribution is the most critical step for the entire power sector as this is where the revenues are generated and thereto, transferred to the first two segments of generation and transmission. The process is mostly carried out by state-owned distribution companies (discoms). The industrial segment brings the highest revenue for the discoms followed by agriculture and domestic sectors.

The Covid-19 pandemic has further adversely impacted the discoms. Due to the lockdowns imposed across the country, the electricity demand went down by 16% in first quarter of FY 2020-21 on a year-to-year basis from the Commercial & Industrial customers. To support the sector, the Government of India came out with a liquidity relief scheme of Rs. 90,000 crore (eventually increased to Rs. 1.25 lakh crore) for the state discoms, in form of loans against receivables, from Power Financial Corporation (PFC) and the Rural Electrical Corporation (REC).

### AT&T Losses

Aggregate Technical & Commercial (AT&C) loss is the difference between units input into the system and the units for which the payment is collected. It can be divided into technical (transmission) and non-technical losses (commercial). Low levels of investment in distribution have resulted in overloaded systems, leading to higher technical losses. Theft and pilferage of power is a key reason for high commercial losses for discoms. Lack of metering and poor billing and collection systems also contribute to commercial losses.

Consistent improvement in the billing and collection activities have gradually helped reducing the AT&C losses of the country. The overall AT&C losses were around 20.93% in FY 2019-20. Even though the losses have come down, they were much higher compared to other countries around the world. Even within the country, there was a stark variation observed in performance of various states. The losses are mainly due to poorly maintained and overburdened distribution networks, inadequate metering and theft of electricity.

## CHALLENGES

### Power Purchase Agreements (PPA)

PPAs are bilateral contracts between the discoms and the generators. PPAs have a specific set of terms and conditions setting out the rights and obligations of the generators and the discoms. This includes the price at which electricity would be bought, conditions for adjusting tariffs for select events, mutually agreed conditions for sharing and termination of the PPAs. Generally, the PPAs are long term in nature i.e. around 20-25 years.

Power procurement is one of the critical components to be considered by the discoms and makes almost 80% of the discom's expenses. Discoms generally enter into PPAs with the generation companies to avoid variability in the tariff structure. The tariffs rates especially for renewable power have come down considerably in the last 5-7 years, which means that the discoms that had already entered into PPAs at a higher tariffs in the past are at a disadvantage.

### Theft

India has one of the highest AT&C losses in the world. As per the Central Electricity Authority of India, over 27% of the total power produced is lost due to either dissipation from wires or theft. Meter tampering by households, electricity theft by industrial companies, tapping into bare wires are some of the methods of theft.

### Inadequate Demand

The country continues to face both energy deficit and peak deficit, although at marginal level. In FY 2019-20, the energy deficit was 0.51% and peak deficit was 0.68%.

Usually, discoms face a power deficit during the day time and a power surplus during the night. At times of power deficit, the discoms purchase the additional power required from the open market and at time of power surplus, the discoms sell the surplus power on the open market. However, the cost of power sold on the exchange is significantly lower compared to the cost of purchase. For instance as per the Rajasthan's Electricity Regulatory Commission (RERC) tariff order of FY 2019-20, it was noted that the discoms

in Rajasthan sold power on the exchange at the price of Rs. 2.11 per kwh between 12:00 AM to 7:00 AM in FY19. The average price at which power was bought in FY 2018-19 was Rs. 4.27 per kwh. The discoms incurred a loss of Rs. 2.16 per kwh on every unit of power sold between 12:00 AM to 7:00 AM.

## Political Challenges

There have been several reforms brought in from time to time to improve the commercial viability of the discoms but are yet to make a long lasting impact. The political aspect is visible in the rural areas where the powerful farmer's lobby is hard for the politicians to ignore in a country where majority of the population still makes its living from agriculture. Even now, the discoms continue to make losses due to lack of political will among the state governments to come out with a strong solution for the problem.

## Inadequate Capacity Utilization of Thermal Power Plants

The generation capacity has been increasing over the years but at the same time the capacity utilization of the thermal plants (Plant Load factor or PLF) declined to 61% in FY 2018-19 from 78% in FY 2009-10. Low PLF indicates that the thermal plant are lying idle, this can be due to non-availability of fuel, surplus capacity or low demand for power. According to the Standing



Committee on Energy (2017) highlights that the inadequate capacity utilization is due to several factors in the power sector. Firstly, even though there is enough generation capacity, the distressed condition of the discoms result in suppressed demand for power, which leads to underutilization of capacities. Secondly, substantial fall in solar tariff and a low gestation period possess threat to the economic viability of the thermal power plants. While, growth in solar energy is a positive sign for the country, thermal energy will continue to remain an important source of energy in the future.

## Billing and Collection

Billing efficiency is the measure of proportion of energy that has been billed (includes both metered and unmetered sales) to consumers w.r.t. energy supplied to an area. Billing efficiency improved from 83.91% in FY 2018-19 to 85.36% in FY 2019-20.

Collection efficiency is the measure of proportion of amount that has been collected from consumers w.r.t. amount billed to them. All the consumers are billed on the basis of energy consumed by them which is obtained from meter reading and assessment of unmetered energy of consumers. The billed



amount is computed on the basis of tariff fixed by regulatory commission for applicable customer category. However, there are quite a few consumers who have tendency to default in their payments for various reasons. Thus utility is not able to recover entire amount billed by it, resulting in commercial losses.

The distribution sector continues to remain the weakest in spite of being the most critical link in the power sector value chain. While the Government has taken various initiatives in the past to improve the sector, most of the discoms in India continue to be under financial distress. Though, there has been some improvement in the performance of the discoms in the recent years, the financial distress is expected to remain in the short run.

The lockdown restrictions amid the second wave of Covid-19 led to a reduction in power demand across the country which further impacted the discoms. The lockdown hindered the business and commercial activity, thereby reducing the demand of power. The lower power demand from the industrial and commercial customers which pay higher tariffs, adversely impacted the discoms. The widening revenue gap of cash-strapped discoms has already impacted their ability to pay generators. It is estimated that the overdue level is likely to remain high due to the expected rise in under-recoveries and the slow progress of the Atmanirbhar Bharat Abhiyaan towards loan disbursement.

The liquidity package announced by the Government for the discoms would provide relief to the sector in the near term. However, for sustained improvement in the distribution sector the effective implementation of various measures such as privatization of discoms, installation of smart prepaid meters, DBT for the subsidy are vital. Further, the reform-based and result-linked RDSS scheme announced in June 2021, reflects the strong focus of the Government to improve the sector which augurs well for the sector in the long term. However, the success of this scheme depends largely on the pace & effectiveness of implementation and efforts taken by the utilities to undertake the operational improvements.

## Power Sector Scenario in Mumbai

The power sector of Maharashtra has played a critical role in supporting the economic growth of the state. It is the largest producer and consumer of electricity in India and one of the front runners in areas such as financial

performance of state utilities, quality of power supply, adoption of digital technologies and promotion of clean energy. It has achieved 100% household electrification and effectively managed urban as well as rural power supply including handling a large volume of agricultural consumers. While the performance has been noteworthy, the state power sector needs to continually evolve to address challenges by increasing operational efficiencies, reducing costs of delivery and addressing varying needs of a diverse consumer base.

The power sector in Maharashtra has been evolving at a fast pace. Supported by enabling policy and regulatory measures, each of the generation, transmission and distribution segments has implemented various measures to increase access, reliability, reduce costs and serve the consumer better.

Maharashtra has the largest installed capacity in India of 44,143 MW. Maharashtra's transmission network currently stretches over 46,217 circuit km and has a transformation capacity of over 1,23,846 MVA and 660 substations.

## KEY GROWTH DRIVERS

- Future of the power sector looks bright as by FY 2026-27, all India power generation installed capacity will be nearly 620 GW, 38% of which will be from coal and 44% from renewable energy
- Total installed capacity as on April 2021 was 382 GW of which 36.5% was generated from renewable sources
- Urban and rural population growth will trigger demand of power generation
- Renewable energy will account for 55% of the total installed power capacity by 2030. As per the Central Electricity Authority (CEA) estimates, by FY 2029-30, the share of renewable energy generation would increase from 18% to 44%, while that of thermal is expected to reduce from 78% to 52%
- A transition to clean energy is a huge economic opportunity while India is particularly well-placed to become a global leader in renewable batteries and green hydrogen; these and other low-carbon technologies could create a market worth up to \$80 billion in India by 2030
- India aims to reach net zero emissions by 2070 and to meet 50% of its electricity requirements from renewable energy sources by 2030 is a hugely significant moment for the global fight against climate change

- The rapid growth in fossil energy consumption also means India's annual CO<sub>2</sub> emissions have risen to become the third highest in the world; however, the Country's CO<sub>2</sub> emissions per person put it near the bottom of the world's emitters, and they are lower still if you consider historical emissions per person

## Government Initiatives

Electricity consumption is one of the most important indices that decide the development level of a nation. The Government of India is committed to improving the quality of life of its citizens through higher electricity consumption. The aim is to provide each household access to electricity, round the clock. The 'Power for All' program is a major step in this direction.

Government committed to reduce India's total projected carbon emission by 1 bn tonnes by 2030, reduce the carbon intensity of the nation's economy by less than 45% by the end of the decade, achieve net-zero carbon emissions by 2070 and expand India's renewable energy installed capacity to 500 GW by 2030.



## Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY)

The Government of India launched the Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) in 2015 for rural electrification. The scheme objectifies providing electrification to every part of the India, especially the rural segment of the India. The Government has invested ₹43,033 crore for this scheme out of which ₹33,453 crore has been spent. Under this scheme, a special category state will be given a grant of 85% and other states will be given a grant of 60%. A total of 1,27,68,620 households have been covered under DDUGJY.

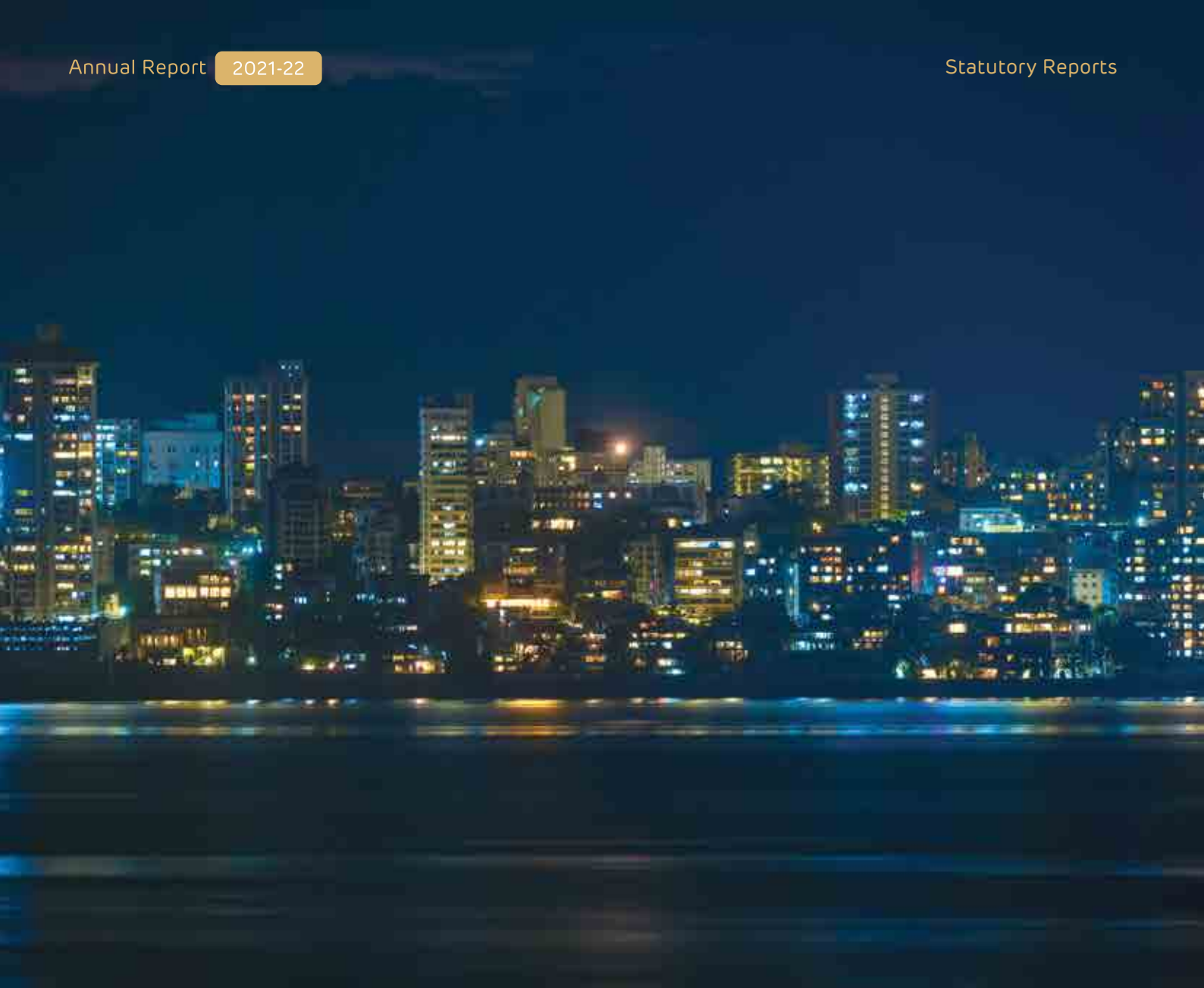
## Ujwal DISCOM Assurance Yojana (UDAY)

The scheme was launched by GoI on November 20, 2015 for operational and financial turnaround of state-owned discoms. UDAY aims at:

- Improving operational efficiency of the state discoms
- Reduction in cost of power
- Reduction in interest cost of discoms
- Bring financial discipline in the discoms through alignment with state finances

Under the scheme, states assume 75% of the discoms' debt, thereby reducing their interest costs and partly future losses as well. Improvement in the operational efficiencies of the discoms are planned through smart metering upgrading of infrastructure including transformers, use of energy efficient lighting devices and bulbs, pumps and other heavy electric equipment. So far, the scheme has helped the distressed discoms in cutting down their debt and the total AT&C losses. However, it is yet to address the challenges of cross subsidies and power procurement costs.

Under the Union Budget 2020-21, the Government launched 'UDAY 2.0' scheme, with an aim to install smart prepaid metres, prompt payments by DISCOMs, ensure short-term availability of coal and revive gas-based plants.



## Pradhan Mantri Sahaj Bijli Har Ghar Yojana – “SAUBHAGYA”

The scheme announced on September 25, 2017 by Prime Minister of India, with the objective of achieving universal household electrification in the country, through last mile connectivity and providing access to electricity to all un-electrified households in rural areas and poor households in urban areas. SAUBHAGYA scheme is one of the world's biggest universal electrification initiatives with collaborative and concerted efforts of the centre and states. Currently, 99.99% households of the country have been electrified as per the SAUBHAGYA dashboard of the Ministry of Power.

Only 18,734 households remain to be electrified throughout the country. DISCOMs/Power Departments also adopt innovative mechanisms like dedicated web-portal/Mobile App for collection/consolidation of application form in electronic mode and also capturing process of release of electricity connections. 2.82 crore households have been electrified since the launch of scheme as on March 31, 2021. The total financial implications of the project was Rs. 16,320 crore while the Gross Budgetary Support (GBS) was Rs. 12,320 crore. The outlay for the rural households was Rs. 14,025 crore while the GBS was Rs.10,587.50 crore. During the Covid-19 pandemic, Uttar Pradesh continued to implement SAUBHAGYA scheme and electrified households in 2020-21. Uttar Pradesh has reaped the maximum benefits under the scheme by electrifying 79,80,568 households, which is 27.83% of the total households in the state. Now, 100% of the 2,91,76,763 total households in the state are electrified.

While the set objectives of the scheme have been achieved, SAUBHAGYA has continued its work of providing 24x7 quality power supply to all. All states have been requested to launch special campaigns in their respective states to identify any left out un-electrified households and subsequently provide electricity connections to them. A dedicated toll-free helpline has also been launched for that purpose.

## COMPANY OVERVIEW

Adani Electricity Mumbai Limited ('AEML' or 'The Company') is a wholly owned subsidiary of Adani Transmission Ltd (ATL) that is involved in power distribution. It was formed after the acquisition of Reliance Infrastructure Limited's integrated Generation, Transmission, and Distribution utilities. The Company meets over 2,000 MW of the city's demand and have the most efficient power distribution network.

Being the city's powerhouse, it offers a wide range of consumer convenience services, including bill issuance in different languages, over 2,000 payment options, a 24-hour multi-lingual toll-free number, modern customer support centres, and a slew of additional technology-driven and value-added services. Today, our distribution network encompasses over 400 square kilometres, serving the electrical demands of over 2.9 million people. AEML serves Suburban Mumbai from Bandra to Bhainder on the western side and Sion to Mankhurd on the eastern side.

## OPERATIONAL HIGHLIGHTS

Adani Electricity Mumbai Limited (AEML) is a subsidiary of Adani Transmission Limited, which is the largest transmission company in India. Adani Transmission Limited is part of Adani Group, a leading infrastructure group in India with businesses in power and energy, mining, logistics, agriculture and others. The Company is a licensee and an integrated utility for power distribution, transmission and generation business that currently serves more than 3 million consumers across a license area of approximately 400 square kilometers in and around city of Mumbai, the world's seventh-largest city by size of population. The Company's market share of Mumbai is approximately 87% by license area, 67% by consumers served and 55% by electricity supplied.

As an organization, AEML believes in the motto - The Power of Service. It is born of the will to make a difference and change things for the better. AEML continues the quest of providing best quality service to the customers, entrusted with the brand motto of the 'Power of Service'.

## FINANCIAL REVIEW

The Company sold 7,972 million units of electricity to its own consumers in FY 2021-22. During the year under review, the Company's operating EBIDTA registered at Rs. 2,083 crore and PBT stood at Rs. 271 crore as on March 31, 2022.



Particulars	FY 2021-22	FY 2020-21
Total Income	7,318.59	6,470.94
Total Expenditure	7,729.94	6,717.43
Profit/(Loss) Before Rate Regulated		
Activities, Exceptional Items and Tax	(411.35)	(246.49)
Add/(Less): Regulatory Income/(Expenses) (Net)	682.47	582.81
Profit/(Loss) Before Tax	271.12	336.32
Tax Expenses	148.96	77.15
Net Profit/(Loss)	122.16	259.17
Other Comprehensive Income/(Expenses) - Items that will not be reclassified to profit or loss	14.17	27.51
Effective portion of gains and losses on designated portion of hedging instruments in a cash flow hedge	(151.87)	(100.66)
Other Comprehensive Income/(Expense)	(137.70)	(73.15)
Total other Comprehensive Income/(Loss)	(15.54)	186.02

## RISK MANAGEMENT

AEML has an active risk mitigation strategy that gives it a comprehensive perspective of the internal and external environment, allowing it to handle risks as early as feasible.

### Contractual Disputes

With the shifting legal and regulatory landscape in the country, several legal difficulties have arisen as a result of corporate expansion. Because disagreements take longer to resolve, there is a danger that contracts will not be completed on schedule.

### Regulatory and Compliance Risk

Regulatory issues like financial viability of the Distribution companies, payment of dues, reduction in AT&C losses, roll out of Smart metering in prepayment mode, timely issuance of tariff orders, timely disposal of the

petitions, promotional tariff for the EV charging stations etc comes for power distribution Companies.

## Climate Change Risk

All power distribution companies, including AEML, face physical and transition risks as a result of climate change. The firm may be impacted by the hazards associated with rising sea levels, water stress situations, increased heat waves, irregular rainfall, and frequent natural disasters. In terms of carbon tax and cess, rising climate change concerns and threats may pose future legislative and regulatory issues.

## Digital Expansion

EML's strategic aims and financial performance are influenced by important industry developments like decarbonization and digitization. We may not be able to adequately plan for or adjust to dynamics that can take years to play out. Its ability to continuously improve itself is critical to its long-term operating outcomes and competitive position. Any deficiency or variation could disrupt business operations, affecting its capacity to provide uninterrupted services and, as a result, its profitability.

## Business Growth and Diversification

Electricity demand is expected to continue to rise as a result of rising economic growth related to rapid urbanisation and greater industrial activity. To fulfil the rising demand, power generating units must increase their output. Power firms must also diversify their company and expand their global reach to secure profitability and future cash flows.

## Upgradation

To maintain competitiveness, the Company upgrades its generation, transmission, and distribution systems on a regular basis. It also necessitates unplanned Adhoc maintenance or repairs in the event of faults or problems developing, or as a result of new planning laws or regulations, natural disasters, sabotage, physical and cyber terrorist attacks, or other events that can result in consumer service interruptions, network failures, breakdowns, or unplanned outages. This may cause temporary disruptions in operations, affecting the overall operation of the Company.

## HUMAN RESOURCE MANAGEMENT

AEML's most important asset and primary differentiator is its workforce. The Company aspires to have best-in-class HR practices by cultivating an atmosphere that promotes employee growth, development, and well-being.

The Company's relentless focus is on attracting, retaining, and nurturing the best of talents – leading the organization towards its strategic goals. The Company strives to create a work environment that is free of prejudice and bias, and gives equal opportunity to all employees.

We've created alternate streams to foster gender diversity by providing chances for women, such as Saksham, which focuses on skill development and empowerment. As a dedicated premier organization for skill development among women, we manage the Indian Institute for Women Skills (IIWS). Our leadership is dedicated to increasing workforce diversity in terms of gender, ethnicity, and disability. Our team now comprises a well-balanced mix of ages, languages, and cultures, which has aided AEML in creating a pleasant working environment.

## INTERNAL CONTROL SYSTEM

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

The key features of the Company's internal control system includes:

- Documenting policies and guidelines adequately
- Planning and monitoring annual budgets through monthly review for all operating service functions
- Preparing of a risk-based internal audit scope by the MA&AS department. The audit frequency is decided by risk ratings of areas/functions. The risk-based scope is further discussed between the MA&AS team, functional heads/process owners/CEO, and CFO. The audit plan is then formally reviewed and approved by the Audit Committee of the Board



- Managing the web-enabled internal audit processes online by the Company's Audit Management System
- Monitoring system of the Company, run online, with a strong compliance management system
- Approving well-defined delegation of power with authority limits for approving revenue and Capex expenditure, which is reviewed and suitably amended on an annual basis
- Accounting, consolidation, and management:  
The company uses an ERP system (SAP) to record data for accounting, consolidation, and management information purposes and connects to a different location for efficient exchange of information

## CAUTIONARY STATEMENT

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



## DIRECTORS' REPORT

To

The Members,

Your Directors present the 14th Annual Report together with audited financial statement of the Adani Electricity Mumbai Limited (hereinafter "Company" or "AEML") for the year ended 31 March, 2022.

### FINANCIAL HIGHLIGHTS

Summary of the financial results is as under:

	(₹ in Crores)	
Particulars	2021-22	2020-21
Total Income	7318.59	6,470.94
Total Expenditure	7729.94	6,717.43
Profit/(Loss) Before Rate Regulated Activities, Exceptional Items and Tax	(411.35)	(246.49)
Add/(Less): Regulatory Income/(Expenses) (Net)	682.47	582.81
Profit/(Loss) Before Tax	271.12	336.32
Tax Expenses	148.96	77.15
Net Profit/(Loss)	122.16	259.17
Other Comprehensive Income / (Expenses)	14.17	27.51
- Items that will not be reclassified to profit or loss		
Effective portion of gains and losses on designated portion of hedging instruments in a cash flow hedge	(151.87)	(100.66)
Other Comprehensive Income / (Expense)	(137.70)	(73.15)
Total other Comprehensive Income / (Loss)	(15.54)	186.02

During the year under review, the Company's operating EBIDTA registered at ₹ 2083 crore and PBT stood at ₹ 271 crore as on 31 March, 2022.

The audited financial statements of your Company as on 31 March, 2022, prepared in accordance with the relevant applicable IND AS and provisions of the Companies Act, 2013, forms part of this Annual Report.

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

### PERFORMANCE OF THE COMPANY

#### Business Operations

Adani Electricity Mumbai Limited (AEML) is a subsidiary of Adani Transmission Limited, (ATL) which is one of the largest private sector power transmission companies in India with a presence across the western and northern

regions of India. ATL currently operate more than 14,279 circuit km of transmission lines and around 20,765 MVA of power transformation capacity.

The Company is a licensee for an integrated power distribution, transmission and generation business that currently serves more than 12 million consumers across a license area of approximately 400 square kilometers in and around city of Mumbai, the world's seventh largest city by size of population

The Company's market share of Mumbai is approximately 87% by license area, 67% by consumers served and 55% by electricity supplied.

As an organisation, AEML believes in the motto – The Power of Service. It is born of the will to make a difference and change things for the better. AEML continues the quest of providing the best quality service to the customers entrusted with the brand motto of the Power of Service.

#### Distribution Business

AEML's licensed area in Mumbai covers 400 square kilometers and includes the suburban area of Mumbai (approximately 75 percent of Greater Mumbai) and the Mira-Bhayander Municipal Corporation area in Thane District. The entire licensed area is urban with a mix of residential, commercial and industrial consumers.

#### 1. Consumers:

The number of Consumers using the Company's network as on 31 March, 2022 was 30.8 Lacs. The Company has added 78,362 consumers in 2021-22.

#### 2. Network Augmentation:

AEML holds a distribution license granted under Section 14 of the Electricity Act and in force for a period of 25 years starting from 16 August, 2011. AEML distributes power primarily through underground cable network. As on March 2022, the distribution network comprised 4,973 circuit kilometers of high-tension cables and 20,304 circuit kilometers of low-tension cables (including service cables and St. light cables). The power transformer installed capacity increased to 4,295 MVA and distribution transformer installed capacity increased to 5,288 MVA with addition of new and augmentation of 11 Distribution Substations (DSS). The Company added 177 new Consumer Substations (CSS) totaling to 6,943 CSS in its supply area as on 31 March, 2022.

#### 3. System Demand:

The coincident peak demand of distribution system in 2021-22 was 1,737 MW (Mar 2022) as against 1,594 MW (May 2020) in 2020-21.

#### 4. Operating Performance

AEML measures its operating performance in terms of system distribution losses and reliability indices. AEML system distribution losses were brought down from 7.82% in 2020-21 to 6.55% in 2021-22. Most of the existing loss of energy in distribution system is due to heat losses in the various component of distribution system with a small portion of the loss attributable to meter defects, errors in metering and theft of energy. The superior reliability of AEML network can be gauged from the fact that SAIDI (System Average Interruption Duration Index) for the whole year is 23 minutes. SAIDI is average duration in minutes of sustained interruptions per consumer. Due to this the Average System Availability Index (ASAI) remains at 99.99%.

To optimize the effective utilization of our network and manpower, AEML has installed the Supervisory Control and Data Acquisition System ("SCADA System"). The SCADA System covers all 33-22/11 kV distribution substations and strategic 11/0.4 kV consumer substations for data acquisition and control. AEML has laid optical fiber cable in the licensed area in Mumbai connecting the distribution substations. This optical fiber cable is used as a communications medium for the SCADA System. In addition to ensuring improved reliability and reduced interruption in supply, the SCADA System is used for energy management and for improvement in overall system performance.

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

The Company achieved 103.41% collection efficiency for 2021-22 as against 100.58% during 2020-21. Distribution loss of the Company for 2021-22 is 6.55% as against 7.82% for the 2020-21.

#### 6. Sales and Revenue:

The Company sold **7972** million (PY 7,169 million) units of electricity to its own consumers in **2021-22**. Also, the Tata Power Company Limited (TPC) consumers connected to the network of the Company consumed **1,474** million (PY 1489 million) units of electricity in 2021-22. Open access consumers connected to the network of the Company consumed **280** million (PY 232 million) units of electricity in 2021-22. The sales revenue of the Company from Distribution Operation for **2021-22** was ₹ **6325** crore (PY ₹ 5566 crore) including wheeling revenue of ₹ **1,332** crore (PY 1313 crore) based on the tariff determined by the Hon'ble Maharashtra Electricity Regulatory Commission (MERC) for 2021-22 vide Multi Year Tariff Order dated 31 March, 2020.

#### Generation Business

The Company owns and operates a coal-fired 500 MW thermal power station at Dahanu (the "Adani Dahanu Thermal Power Station or ADTPS") in the State of Maharashtra located approximately 120 kilometers from AEML's licensed distribution area in Mumbai. ADTPS operates 2 x 250 MW generating Units. The first Unit of the ADTPS started commercial operations in July, 1995 and the second Unit started commercial operations in January 1996. ADTPS continues to maintain its numero-uno operational position among the power stations in the country. During Financial Year 2021-22, the Plant Load Factor was 76.21 % which was largely on account of low demand in the western grid and backing down of generation as per State Load Dispatch Centre (SLDC) instructions. The station generated 3338 million units (MUs) along with plant availability of 91%.

#### Transmission Business

AEML holds transmission license, granted under Section 14 of the Electricity Act, and is valid for a period of 25 years starting from August 16, 2011. AEML's distribution system in Mumbai is connected to AEML's power transmission system to supply power from the Adani Dahanu Thermal Power Station and from the State Grid. AEML transmission system comprises of eight 220 KV/33 KV EHV stations (with installed transformation capacity of 3,250 MVA) and around 572 circuit kilometers of 220 KV lines, including both overhead and underground cable systems. The power received at various EHV stations is supplied mainly through underground cables to AEML distribution receiving stations for onward distribution to consumers. There are interconnecting 220 KV lines between all EHV stations in AEML licensed area in Mumbai. The transmission system is also connected to the transmission systems of Maharashtra State Electricity Transmission Company Limited and Tata Power Limited at different interconnection points, which helps bring additional power into Mumbai via the State Grid and strengthens the Mumbai power system. The Company always strives to adopt best practices, along with efforts to keep the high standards of maintaining network system availability. For fiscal year ended 31 March, 2022, the Company registered 99.68% system availability, which is above the norms set by the regulator, thereby company is operating consistently in the incentive zone.

AEML-T has obtained Regulator's approval for major DPR schemes in 2021-22, e.g.

- 1000 MW HVDC (VSC Based) Aarey-Kudus connectivity Scheme in favor of Adani Electricity Mumbai Infra Limited (AEMIL) (Subsidiary of AEML)

**DIRECTORS' REPORT (Contd.)**

- 220kV BKC EHV DPR
- 220 kV AIS to GIS conversion at Aarey EHV Sub Station DPR

During the financial year 2021-22, the Company has successfully commissioned 220kV 48-120 MVAR Variable Reactor scheme at Gorai EHV sub-station for Reactive Power Compensation. This is the 1st 220kV Reactor scheme implemented in Maharashtra for reactive Power Management in Transmission Network in MMR Region.

AEML-T is currently executing Scheme for Borivali -Ghodbunder -Boisar LILO line Augmentation (220kV GIS Switching Station) and 220/33 kV EHV Substation at Bandra Kurla Complex, a prime commercial location in Mumbai City. 220 kV AIS to GIS DPR scheme at Aarey EHV Sub Station is under execution, which will upgrade old AIS equipment with latest GIS technology and optimize space utilization for upcoming Bulk Power injection Schemes.

In addition to this, AEML-T has planned six new 220/33kV EHV Station schemes and associated connectivity to upgrade existing Transmission network in Mumbai and to facilitate reliable power to Mumbai consumers.

At AEML-Transmission, new technologies are continuously explored and deployed for improvement in operation and maintenance practices. In 2022, Auto reclose Scheme for Hybrid lines ( EHV Line + Cable) using Line Differential Protection is implemented for 3 Nos. of 220kV lines emanating from Aarey EHV Sub Station, thereby improving System Availability & Reliability. Deployment of SCADA Centralized Patch Management System for regular update of OS Patches and anti-virus updates in all SCADA application servers, operator workstations and gateways machines across all transmission sub-stations.

**A. Regulatory updates for AEML:**

- 1) Hon'ble MERC has granted its In-principle approval to '1x1000 MW HVDC VSC based Link between MSETCL 400 kV Kudus EHV S/s and AEML 220 kV Aarey S/s (HVDC DPR) amounting to ₹ 6,691 crore for implementation by Adani Electricity Mumbai Infra Limited (AEMIL), a wholly owned subsidiary of AEML.
- 2) Hon'ble MERC has issued order on 28 May, 2021 on Grid Failure in Mumbai Metropolitan Region (MMR) on 12 October, 2020 based on the report submitted by its appointed High-Level Committee. MERC has held that a Committee shall be necessary for closely monitoring the progress of identified project schemes such 400kV Kharghar-Vikhroli project, HVDC project

and associated transmission schemes within and around MMR region which are critical for strengthening of Mumbai transmission network. Measures identified by High-Level Committee are to be implemented in timebound manner. Hon'ble MERC has given the action plan along with timelines and responsibilities and has constituted a Monitoring Committee.

- 3) Hon'ble MERC has issued Order dated 1 June, 2021 in Case 34 & 35 of 2021 filed by AEML for taking on record the changes in lenders of AEML and has accorded in principle approval for continuation of assignment of Transmission & Distribution license in favor of SBICAP Trustee Co. Ltd.
  - 4) On the petition filed by AEML before Hon'ble MERC seeking approval of procurement of 1000 MW of power from grid connected Renewable Energy (RE) Power Projects, complemented with firm power from thermal Power Project having domestic coal linkage in India on Round the Clock (RTC) basis, under Tariff-based Competitive Bidding process issued by Ministry of Power (MoP), Hon'ble MERC has issued Order dated 12 July, 2021 in Case No. 140 of 2020. Hon'ble MERC allowed the petition partly to allow AEML to initiate bidding process for procurement of power upto 500 MW.
- Subsequently, AEML has filed Case No. 32 of 2022 before MERC seeking for approval of Long-Term procurement of power qua 1000 MW (500 MW + additional 500 MW under green shoe option) from grid connected Renewable Energy Power Projects, complemented with Power from Coal based Thermal Power Projects in India on Round the Clock (RTC) basis, under Tariff-based Competitive Bidding process. The matter is ongoing before Hon'ble MERC.
- 5) Hon'ble MERC has issued Order dated 7 October, 2021 regarding commencement of commercial arrangement of Deviation Settlement Mechanism (DSM) Regulations. Initial stabilization period is for 6 months from 11 October, 2021 to 10 April, 2022. SLDC has started issuing weekly bills.
  - 6) Hon'ble MERC has granted in-principle approval to AEML for setting up of 220kV EHV Substation at Bandra Kurla Complex for ₹ 1,094 crore

**DIRECTORS' REPORT (Contd.)**

- 7) AEML had filed a Petition before Hon'ble MERC seeking reconciliation of the issue of Standby Charges as decided by Hon'ble MERC in MYT Order of TPC-Generation dated 30 March, 2020 with the Clarificatory Order issued by the Supreme Court dated 20 August, 2019. Hon'ble MERC had issued the Order reversing its decision in MYT Order of TPC-Generation allowing it to recover standby charges from the Distribution Licensees of Mumbai. TPC filed appeal before Hon'ble APTEL in Appeal No. 34 of 2021. Hon'ble APTEL issued judgment dated 18 February, 2022 dismissing TPC appeal.
- 8) AEML SEEPZ Limited (ASL), a wholly owned subsidiary of AEML has participated in the EOI issued by SEEPZ-SEZ Authority for distribution of electricity to consumers in SEEPZ-SEZ area in Andheri (East), Mumbai and has emerged successful. SEEPZ-SEZ Board has granted approval to ASL as a co-developer for distribution of electricity in SEEPZ-SEZ area. Subsequently, two petitions have been filed before MERC, one petition by AEML u/s 17 (3) of EA' 03 seeking transfer of assets within SEEPZ area to ASL and second petition by ASL petition u/s 14 of EA 03 for taking on record the deemed distribution license status and for issuance of Specific Conditions of Distribution License to ASL. Both the petitions are on going with MERC.
- 9) Domestic Terminal and Cargo Terminal of Mumbai International Airport switched over its supply and network from TPC to AEML. This will increase 60 MU per year sales on AEML network.
- 10) Since April 2021, Hon'ble MERC has given in-principle approval to Capital Expenditure schemes worth about ₹ 1,500 crore in AEML Distribution and ₹ 1,239 crore in AEML Transmission, execution of which is spread over the duration of the MYT Control Period.

**B. Sustainable Performance Targets & Renewable Purchase Obligation:**

As a part of our commitment for sustainable business operations to increase renewable power procurement to 30% by FY23 and 60% by FY27.

AEML is also bound by the RPO Regulations of MERC. AEML always pursue to exceed the target set by Regulator and as a step towards this AEML has signed long term PPA for purchase of 700 MW Hybrid wind solar power to meet its cumulative RPO

and the said plant is expected to be commissioned in 2022-23. The Company has purchased 282.50 MUs of Non-Solar and 461.01 MUs of Solar energy to meet its Renewable Purchase Obligation for 2021-22. Hon'ble MERC in Case No 281 of 2019 dated 08 January, 2020 has allowed AEML to fulfill cumulative shortfall in RPO.

**C. Safety & Health**

The Company always view employee's health and safety as a priority in the Organization. It always ensures that a rigorous health and safety policy is in place to protect the employees against possible occupational risks and reduces the likelihood of accidents in the workplace.

**i. Safety****Safety First :**

AEML maintains Zero fatality record and strives to achieve Zero harm. Special emphasis is being given to leading parameters, which is periodically monitored by top management. Indicators like Incidents, Safety Concerns, Near misses, Safety Risk Field Audit (SRFA), Vulnerability Safety Risk Assessment (VSRA), Safety Interactions are directly logged into safety portal. Safety training were imparted across all verticals for all categories of employees, contract labors and vendors which covered 18524 Nos. participants & 48423 of Man Hours. 1745 Safety Interactions were done by management to improve the safety culture.

During the year, various initiatives were rolled out during this financial year as a part of improvement journey. 5 different task forces were formed to facilitate and expedite the implementation of safety procedures at ground level. Special efforts were made on vendor engagement & development through Contractor Safety Management.

AEML demonstrated Zero-tolerance towards violation of the policy and established procedures, Consequence Management Procedure was implemented. Employee participation and consultation ensured through various well defined governance structure on periodic basis. Forums like Monthly Joint Safety Committee Meeting, Apex, Joint Safety Committee Meeting, Unit level Safety Committee Meetings, Safety Samvaad, Safety Interaction are used to ensure participation of our stake holders. Workers & other stake holders are continuously encouraged to report

**DIRECTORS' REPORT (Contd.)**

Safety concern and Near Miss at all forums and there is consistent improvement in the same. Many awareness & promotional activities like Celebration of National Safety Week, Road Safety Month, Fire Safety Week, Electrical Safety Week were observed at all locations. Workers were recognized by the leadership and were awarded for their contribution towards promoting Environmental, Health and Safety culture. Industry experts were invited to share their valuable inputs on every occasions. Even during the pandemic, AEML provided services by adopting stringent safety measures and vaccinated every employee to ensure well-being of its people & stake holders.

**ii. Health**

Coronavirus outbreak has plunged the world into severe crisis. During the pandemic, our medical team contributed significantly to ensure Business continuity at AEML. AEML Company's medical team played significant role in raising awareness regarding symptoms, complications and prevention of Covid-19. Various preventive measures were undertaken by AEML medical team to combat COVID-19. Social distancing, Use of masks, hand hygiene were made mandatory for everyone. Arrangement of onsite awareness sessions were made for outdoor employees at all the locations to educate them on the symptoms, complications & preventive measures for Covid-19. Webinars were conducted and mailers were sent regularly to the employees to make them aware about precautionary measures during pandemic. Masks, sanitizers & nutritional supplements were distributed among employees. Antigen testing drive along with MOH MCGM was conducted at Office locations for identification of Asymptomatic Covid-19 carriers.

Therapeutic measures: Medical team also ensured that Medical centers remain functional throughout the Lockdown for all the employees. In-Person & tele-consultation facilities were made available to the employees and their family members who had flu like symptoms. Tests were recommended & possible support was provided to them in getting them tested. AEML also liaised with many Covid hospitals for securing admissions for affected employees & their family members. Regular follow ups

were done on their clinical condition. Various guidelines were issued for Return to work after recovery/quarantine/travel.

Covid-19 vaccination: AEML applied for & received it's own private CVC ID & started vaccination drive for Adani Group employees & families in Mumbai & around at it's AEML campus & ADTPS & have inoculated more than 18500+ doses so far. The vaccination program also covered contractual & outsourced employees as well.

Apart from Covid-19 activity, following health related activities were undertaken:

- a. 30+ Awareness Session on various medical conditions were conducted including sessions on Monsoon ailments.
- b. Webinars conducted on Back pain management & post covid care
- c. Certified First Aid training sessions (in-person) conducted for First Responders. Medical team along with our team. The Company has been conducting a Certified First aid training for our identified First Aiders through a DISH certified First aid training institute. This is a one full day First aid training session wherein the attendees are trained in identifying Routine & Emergency Medical situations and imparting First aid.
- d. 350+ hospitalizations advances & reimbursements administered.
- e. Completed Statutory Periodic Medical examination of employees (80%) for 2021-22 with Covid-appropriate precautions, including follow-up of high risk cases
- f. Periodic Health Check-up Camps -Periodic medical examination of all employees is has been initiated.

**D. Learning and development**

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

**DIRECTORS' REPORT (Contd.)**

Our Generation business has Ministry of Power, Central Electricity Authority, GoI certified Technical Training center in A Grade (Category – I) at Dahanu, which is well equipped with all infrastructural facilities for conducting different courses on technical, behavioral, IT as well as management.

During the year under review, the Company has conducted various initiatives along with the other programs during the planned learning calendar for its employees. The programs were conducted both by internal & external faculties. The initiatives included programs like AEMarvels for Leadership development, Understanding Financial Aspects of Utility sector, technical program like Power System Simulation Studies, Battery Energy Storage Systems, Predictive Maintenance and Health Monitoring of MV Cables & many more.

Many programs on safety, health & wellness programs were conducted like Manogat, Manan, ergonomics, mindfulness etc. There were special initiatives such as WINspiration - Adani Electricity Mentorship Program for our GETs, Unique Certification Program under NAPS Scheme, Webinars for students & faculty of Engineering College. AEML also provided 4 months training to 76 Diploma Apprentices & 1 month training to 37 Interns, which included both classroom & online training.

**Gyan Sagar :** To constantly meet the evolving needs of its employees, AEML has initiated Gyaan Sagar, a knowledge-sharing platform and have launched interview on the Ae-varsity portal. This platform will facilitate sharing & retention of valuable organisational knowledge/ideas from our experienced executives. Under this initiative,

interviews of experienced executives will be uploaded on the Ae-varsity portal.

**Coursera & evidyalaya:** Employees were encouraged to self-learn through platforms like Coursera & our internal platform of evidyalaya (percipio), the total number of courses attended on Coursera were 275 courses by 813 executives & on evidyalaya many executives attended bootcamps, Live event & Leadercamps.

**Train the Trainer:** To sharpen the training skills of the executives who are Internal faculties or interested to become an internal faculty, Train the Trainer Certificate Program was organized.

To improve & develop Leadership skills of our executives, Company has arranged working Executive MBA Course for 31 Employees from Emirates University of 11 months duration.

**E. Business Excellence: Business Excellence Journey at AEML**

Aligning with our vision to be a world-class leader and our aspiration to institutionalize a culture of Business Excellence, the Generation-Transmission & Distribution businesses of AEML, have made rapid progress in achieving these goals. The Company has adopted world-class approaches, to improve the maturity and capability of its processes, leading to improved business results. These approaches will help in meeting our Strategic and Operational objectives, besides meeting the expectations of our Stakeholders.

The foundation of our Business Excellence journey at AEML, is based on the following pillars:

## DIRECTORS' REPORT (Contd.)

## i. ISO Journey :

The Quality journey of AEML G-T-D businesses began in 1997, when the Company achieved its first certification for ISO 9001 (Quality Management System). Several milestones, have since been achieved along this ISO journey. The businesses are certified as below:

SN	System	Objective	AEML-G	AEML-T	AEMLD
<b>Management Standards</b>			<b>Certification Since</b>		
1	ISO 9001:2015	QMS: Ensure Quality in processes for desired output and reliable customer services	1998	1997	1998
2	ISO 14001:2015	EMS: Address impact of operation on environment, Climate change, ensuring Environment compliances	1999	2010	2014
3	ISO 45001: 2018	Occupational Health & Safety practices / compliances	2008	2019	2020
4	ISO 50001:2020	EnMS: Address climate change & Energy Management compliance	2011	2021	2020
5	ISO 55001:2014	AMS: Asset Lifecycle management	2016	2016	2014
<b>Risk Protection Standards</b>					
6	ISO 27001:2013	ISMS: Ensuring data security	2008	2018	2012
7	ISO 27031 :2011	IRBC: Information & communication technology readiness for business continuity	2019	2021	2021
8	ISO 22301:2012	BCMS: To safeguard against disruptive events and ensure business continuity	2019	In-process	2021
<b>Business Excellence Standard/Guidelines</b>					
9	ISO 26000:2010	SR: Social Responsibility assessment & compliance.	2019	In process	In-process
10	SA 8000: 2014	SA: Promotion of work culture fostering employee satisfaction, ethical business practices & Social Accountability Compliance.	2007	In process	In-process
11	ISO 20000-1	ITSM: IT Service Management-	-		In-process
12	ISO / IEC 17025	Accreditation for testing laboratory by National Accreditation Board of Laboratory (NABL)	2013	-	2009
13	Certificate	Single Use Plastic Assessment Certificate	2021		-
14	Certificate	Zero Waste to Landfill Certificate.	2021		-
15	Certificate	Water Efficiency Management System.	2021		
16	Certificate	Biodiversity assessment study for all 3 sessions. Rainy and winter season already completed. Summer season planned in coming summer.	2022	-	-
17	5-S	5-S certification	2020 Platinum	2014 JUSE	AWMA in process

The Company is well poised to achieve its goal of being comprehensively certified for at least 10 ISO standards.

## ii. Structured Problem-Solving Methodologies

AEML has adopted multiple approaches and tools, aimed at engaging its employees across the organizational hierarchy viz. a) Lean Six-

Sigma, b) Quality Circle c) Adani Workplace Management System (AWMS). In this process, the Company have created a bank of over 260 Lean Six-Sigma Green Belt executives, over 90 Six-Sigma Blackbelts, over 325 employees trained on Quality Circle tools and techniques, over 400 ISO internal auditors, 22 ABEM assessors and over 115 AWMS internal auditors.

**DIRECTORS' REPORT (Contd.)**

Multiple improvement projects have been undertaken by the respective teams under each of these approaches, leading to greater maturity of our processes and creating a culture of structured problem solving by engagement of our employees. The movement has enabled the Company to gain top recognitions at Regional, National & International competitions.

**iii. ABEM Journey at AEML**

Ever since the launch of "Adani Business Excellence Model" (ABEM), a series of improvement initiatives were identified and completed, based on Self-assessment exercise conducted for the ABEM categories. These initiatives are led and mentored by senior leaders and well supported by various support function teams. Employee base of over 1600 executives, has been formally sensitized on the need for Business Excellence and the salient features of ABEM. Multiple rounds of internal and external assessments have been done leading to continual improvements.

As a recognition of improving maturity, the Company has bagged the 'IMC RBNQA Performance Excellence Award' in the Service Sector, during the 2021 award cycle. RBNQA is the highest award, given to any company in service sector in this cycle. Earlier, the Generation business had bagged the 'IMC RBNQA Performance Excellence Award – 2019' in Manufacturing category and 'IMC Ramkrishna Bajaj National Quality Performance Trophy – 2008' in respective award cycle. These recognitions will further reinforce our commitment towards continual improvement and Business Excellence.

**F. Corporate Social Responsibility**

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

**CSR initiatives by AEML**

- a) Utthan – Education programme 'Utthan' was launched in 25 BMC schools in and around Chembur, which aims to foster learning abilities in students. It entails adopting government primary schools, tutoring Priya Vidyarthi (progressive learners), arresting dropout rates and collaborating for staff's capacity building. Teachers and parents are brought onboard to enhance foundational learning and numeracy skills among students.
- b) Organ Donation Drive : AEML has partnered with MOHAN Foundation, an NGO experienced in this field to initiate "Jeevan Amrut" an organ donation drive across all the offices of the Company. More than 500 employees pledged to donate their organs posthumously and share the gift of life with people in need.
- c) Single Use Plastic & Recycling – AEML has initiated drive to say no to "single use plastic". AEML has also launched Milk Bag collection and Recycle Drive. It will not only help to conserve our environment but also result in recycling and convert Milk bags into utility products.
- d) Old clothes collection Drive : Like every year, old clothes collection drive was conducted from 21st Dec 2021 to 15 January, 2022, where employees were urged to donate old clothes to support the underprivileged as their contribution to society.
- e) Integrated Tribal development project (Ongoing): ADTPS in association with NABARD initiated a program "Integrated Tribal Development Project in selected 10 villages of Dahanu Block from May 2016. The project is implemented through the agency Maharashtra Institute of Technology Transfer in Rural Areas (MITTRA). This project has catered economic up-liftman of tribal covering 1000 land owning families phased over 7 years, for developing 1 acre "Wadi" and to benefit at least 100 landless tribal families with livelihood support. The farmers have started earning income from wadi, vegetable and jasmine crop and happy for mangoes plantation flourish with blossom.
- f) Distribution of Dura oxygen cylinders to nearby hospitals during Covid Pandemic : Dahanu Sub District Hospital was provided with 4 Dura Oxygen cylinders, Vedant Hospital and

**DIRECTORS' REPORT (Contd.)**

Research Centre Dhundalwadi with 2 nos. and Kasa Sub District Hospital and Palghar District Hospital with 1 no. each to deal with COVID-19 pandemic treatment.

- g) Installation of Water Filtration units and construction of shed: ADTPS provided & maintained drinking water filtration units at three locations of village – Agwan. Sheds were also constructed to keep the filtration units safe. With this initiative approximately 800 people including school students were benefited.
- h) Community Infrastructure Development: ADTPS has also constructed two schools for Zilla Parishad in Dahanu Taluka.- a) Z.P. School, Dhakti Dahanu and b) Z.P. School, Kotbi – Bujadpada.

**G Rewards & Recognitions**

During the Financial Year 2021-22, AEML got recognition from various authorities for its performance.

- IMC RBNQ (Ramkrishna Bajaj National Quality Award) Performance Excellence Awards 2021 - Performance Excellence trophy in Service Sector for 2021 – AEML-D
- IDC Future Enterprise Awards 2021
  - ♦ Future enterprise of the year 2021
  - ♦ Special Awards for Digital Resiliency
- Techcircle Business Transformation Symposium & Awards 2021
  - ♦ Leaders in Business Transformation Award
- 16th Employer Branding Awards 2021-22 -16th Employer Branding Awards 2021-22 – Maharashtra State Best Employer Award to AEML.
- "Excellent Energy Efficient Unit" award in "22nd National Award for Excellence in Energy Management 2021" from CII
- International Convention on Quality Control Circles 2021 - All 4 participating teams won the PAR-EXCELLENCE award
- ADTPS also declared as "National Energy Leader" for achieving Excellent Energy Efficient Unit Award consecutively for 3 years
- ADTPS won APEX India CSR Excellence award 2020 - Livelihood Creation in GOLD category
- ADTPS Quality Improvement Team – Urja (Electrical Maintenance) won the awards at

National conference of Quality Circle Forum of India (QCFI) in "Par Excellence" category.

- ADTPS declared "Certificate Of Excellence "in "16th State level Energy conservation Award 2021" by MEDA
- ADTPS Training Centre Received recognition of Category I training institute from CEA

**Annual Return**

The Annual Return of the Company as on 31 March, 2022 is available on the Company's website and can be accessed at <https://www.adanielectricity.com/Investor-Relations>.

**Dividend**

The Board of Directors of your Company, after considering holistically the relevant circumstances and keeping in view the growth opportunities in the energy sector that the Company is currently engaged with, has decided that it would be prudent not to recommend any Dividend for the year under review.

**Reserves**

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

**Subsidiary Companies**

As on date, Adani Electricity Mumbai Infra Limited and AEML SEEPZ Limited are subsidiaries of the Company.

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

**Changes in Directors in Key Managerial Personnel (KMPs)**

Pursuant to the provisions of Section 149 of the Companies Act, 2013, ("Act") Mrs. Chandra Iyengar (DIN: 02821294) was appointed as an Additional Director (Non-Executive) of the Company with effect from 27th October 2021. Further, the terms and conditions of appointment of Independent Directors are as per Schedule IV of the Act. In accordance with the provisions of the Act, Mrs. Chandra Iyengar (DIN: 02821294) holds office up to the date of the ensuing Annual General Meeting. Pursuant to Section 160 of the Act, the Company has received a notice in writing from a member proposing the candidature of Mrs. Chandra Iyengar (DIN: 02821294) for the office of Director at the ensuing Annual General Meeting of the members. It is therefore proposed to recommend the appointment of Mrs. Chandra Iyengar (DIN:

**DIRECTORS' REPORT (Contd.)**

02821294) as a Director of the Company at the ensuing Annual General Meeting. For a period of 5 years with effect from 27th October 2021.

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

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

Mr. Kunjal Mehta was appointed as a Chief Financial Officer of the Company with effect from 2 May, 2022. Mr. Rakesh Tiwary resigned as a Chief Financial Officer of the Company with effect from 1 April, 2022.

During the year, Mrs. Chitra Bhatnagar resigned from Directorship of the Company with effect from 27th October 2021. The Board places on record its appreciation for the valuable contributions made by Mrs. Chitra Bhatnagar during her tenure as Director of the Company.

**Directors' Responsibility Statement**

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

- that in the preparation of the annual accounts, for the year ended 31 March, 2022, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31 March, 2022 and of the profit of the Company for that period;
- that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- that the Directors had prepared the annual accounts on a going concern basis;
- that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating efficiently.

**Board Meetings**

The Board of Directors met 4 times during the financial year 2021-22 on the following dates: 3 May, 2021, 2 August, 2021, 27 October, 2021 and 1 February, 2022

**Independent Directors' Meeting**

The Independent Directors met on 28 March, 2022, without the attendance of Non-Independent Directors and members of the Management. The Independent Directors reviewed the performance of non-independent directors and the Board as a whole; the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**Re-constitution of Committees of the Board**

In the view of appointment of Mrs. Chandra Iyengar as an Additional Director of the Company and resignation of Mrs. Chitra Bhatnagar Nomination and Remuneration Committee and Audit Committee were reconstituted as under -

**Nomination & Remuneration Committee Members:**

Name	Position
Mr. K Jairaj (Non-Executive & Independent Director)	Chairman
Mrs. Chandra Iyengar (Non-Executive & Independent Director)	Member (appointed as member w.e.f. 27th October 2021)
Mr. Sagar Adani (Non-Executive & Non-Independent Director)	Member
Mr. Quinton Choi (Non-Executive & Non-Independent Director)	Member

**DIRECTORS' REPORT (Contd.)****Audit Committee Members:**

<b>Name</b>	<b>Position</b>
Mr. K. Jairaj (Non-Executive & Independent Director)	Chairman
Mr. Sagar Adani (Non-Executive & Non-Independent Director)	Member
Mrs. Chandra Iyengar (Non-Executive & Independent Director)	Member (appointed as member w.e.f. 27th October 2021)

The terms of reference and scope of the above committees are in compliance with the provisions of the Companies Act, 2013 along with relevant rules forming part of the same as amended.

**Auditors and Auditors Report**

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

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

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

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

**Cost Auditors**

Your Company has re-appointed M/s Devarajan Swaminathan and Co, Cost Accountants (Firm Registration Number 100669) to conduct audit of its cost records for the year 31 March, 2023.

The Cost Audit Report for the year 2020-21 was filed before the due date with the Ministry of Corporate Affairs.

The Company has maintained the cost accounts and records in accordance with Section 148 of the Act and rules made thereunder.

**Secretarial Audit**

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration

of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Ashita Kaul & Associates, Company Secretaries in Practice to undertake the Secretarial Audit of the Company. There is no qualification, reservation or adverse remark made by the Secretarial Auditor in the Secretarial Audit Report. The Audit Report of the Secretarial Auditor is attached hereto as **Annexure B**.

**Fixed Deposits**

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

**Particulars of loans, guarantees and investments**

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

**Related Party Transactions**

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

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

**Insurance**

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

**Particulars of Employees**

Statement pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forming part of the Directors' Report for the year ended 31 March, 2021 is annexed to this Report as Annexure C.

**Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)

**DIRECTORS' REPORT (Contd.)**

(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, as amended from time to time is annexed to this Report as **Annexure-D**.

**Vigil Mechanism**

In accordance with Section 177 of the Act the Company has formulated a Vigil Mechanism to address the genuine concern, if any of the directors and employees and uploaded the same on website of the Company at <https://www.adanielectricity.com/Investor-Relations>.

**Board Evaluation**

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

**Prevention of Sexual Harassment at Workplace**

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

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and rules made thereunder, your Company has constituted Internal Complaints Committee (ICC) which is responsible for redressal of complaints related to sexual harassment. During the year under review, there were no complaints pertaining to sexual harassment.

**Corporate Social Responsibility**

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

The CSR Policy is uploaded on website of the Company at <https://www.adanielectricity.com/Investor-Relations>.

**Internal Financial Controls and their adequacy**

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

**Risk Management Policy**

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

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

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

**Secretarial Standards**

The Company has complied with the applicable Secretarial Standards.

**Acknowledgement**

Your Directors are highly appreciative and grateful for all the guidance, support and assistance received from the Government, Financial Institutions and Banks. Your Directors thank esteemed customers, suppliers and business associates for their faith, trust and confidence reposed in the Company.

Your Directors also wish to place on record their sincere appreciation for the dedicated efforts and consistent contribution made by the employees at all levels, to ensure that the Company continues to grow and excel.

For and on behalf of the Board of Directors

**Anil Sardana**

Chairman

Place: Ahmedabad

Dated: 2 May, 2022

(DIN: 00006867)

## ANNEXURE-A

## FORM AOC-1

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

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

**Part A Subsidiaries**

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

1. Sl. No. 1
2. Name of the subsidiary : **AEML SEEPZ Limited**
3. The date since when subsidiary was acquired : **8 December, 2020**
4. Reporting period for the subsidiary concerned, if different from the holding company's reporting period. **1 April, 2021 to 31 March, 2022**
5. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries. **Not applicable**
6. Share capital: **1.00.000**
7. Reserves and surplus: **(44,240)**
8. Total assets: **(565,085)**
9. Total Liabilities: **(565,085)**
10. Investments: - **NIL**
11. Turnover: - **NIL**
12. Profit before taxation: **(31,389)**
13. Provision for taxation: **Not Applicable**
14. Profit after taxation: **(31,389)**
15. Proposed Dividend: **Not Applicable**
16. Extent of shareholding (in percentage): **100%**

**Part A Subsidiaries**

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

1. Sl. No. 1
2. Name of the subsidiary : **Adani Electricity Mumbai Infra Limited**
3. The date since when subsidiary was acquired : **3 January, 2020**
4. Reporting period for the subsidiary concerned, if different from the holding company's reporting period. **1 April, 2021 to 31 March, 2022**
5. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries. **Not applicable**
6. Share capital: **1.00.000**
7. Instrument Entirely Equity in Nature : (₹ in Lacs): **10,471.85**
8. Reserves and surplus (Rs in Lacs): **(8.35)**
9. Total assets (₹ in Lacs): **22,265.88**
10. Total Liabilities (₹ in Lacs): **22,265.88**
11. Investments: - **NIL**
12. Turnover: - **NIL**
13. Profit before taxation (₹ in Lacs): **(0.31)**
14. Provision for taxation: - **NIL**
15. Profit after taxation (₹ in Lacs): **(0.31)**
16. Proposed Dividend: **Not Applicable**
17. Extent of shareholding (in percentage): **100%**

## ANNEXURE B

## FORM NO. MR-3

**SECRETARIAL AUDIT REPORT  
FOR THE YEAR ENDED MARCH 31, 2022**

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

To  
The Members,  
**ADANI ELECTRICITY MUMBAI LIMITED**  
Adani Corporate House, Shantigram,  
Near Vaishno Devi Circle,  
S. G. Highway, Khodiyar  
Ahmedabad 382421, Gujarat, India

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Adani Electricity Mumbai Limited** (hereinafter called "the company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of **Adani Electricity Mumbai Limited's** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the year ended 31 March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the year ended 31 March, 2022 according to the provisions of:-

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder- Not applicable;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings-
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India

Act, 1992 ('SEBI Act')- Not applicable;

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with the client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulation, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
6. Other laws specifically applicable to the company:-
- (a) The Electricity Act, 2003 and the rules & regulations made thereunder;

The adequate systems and processes are in place to monitor and ensure compliance with general laws like labour laws, environmental laws etc. to the extent of their applicability to the Company.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that,** the Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors, Executive Directors and Independent Directors. The changes in the composition

**ANNEXURE B (Contd.)**

of the Board of Directors that took place during the period under review were carried out in compliance with the provision of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

**We further report that,** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliances with applicable laws, rules, regulations and guidelines.

**We further report that,** during the audit period no special Resolution were passed.

For **Ashita Kaul & Associates**  
**Company Secretaries**

Date: 2 May, 2022  
Place: Mumbai

Proprietor  
FCS 6988/ CP 6529  
UDIN: F006988D000254171

## ANNEXURE – C

### DISCLOSURE UNDER SECTION 134(3)(M) OF THE COMPANIES ACT, 2013, READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014 REGARDING CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

#### A. Conservation of Energy

##### Adani Dahanu Thermal Power Station

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

Following initiatives taken in ADTPS 2021-22

- i. Replacement of High Pressure (HP) & Intermediate Pressure (IP) Turbine and Annual Overhauling (AOH) of Low Pressure (LP) Turbine of Unit-01.
  - ii. Reduction in slip loss of Boiler Feed Pump (BFP) 1B hydraulic coupling in Unit-1.
  - iii. De-staging of – Condensate Extraction Pump (CEP) 1B.
  - iv. Installation of Coal Feeder Variable Frequency Drive (VFD) panel.
- b. Impact of measures outlined at (a) above on Energy Consumption:
- i. Heat rate improvement by @ 36kcal/Kwh in Unit-1 due to Replacement of HP & IP Turbine - AOH of LP Turbine.
  - ii. Auxiliary Power consumption reduced by 584 KW due to Reduction in slip loss of BFP 1B hydraulic coupling in U-1.
  - iii. Auxiliary Power consumption reduced by 83 KW due De-staging of - CEP 1B
  - iv. Auxiliary Power consumption reduced by 6.75 KW due installation of coal Feeder VFD Drive panel.
- c. The capital investment on energy conservation equipments:
- i. Replacement of refurbished HP & IP Turbine.
  - ii. Replacement of BFP 1B with modified Hydraulic coupling.
  - iii. De- staging of CEP 1B.
  - iv. Installation of Coal Feeder VFD Drive panel.

##### Distribution Business

- a. Energy Conservation measures undertaken:
- The Company conducts energy conservation and energy efficiency (EC and EE) programs

to create awareness in the society on the importance of energy conservation and smart usage of energy in order to reduce damage to environment due to Green House Gas (CHG) emission. The ultimate goal is to make every citizen in the AEML's licensed area, a part of this initiative and develop citizen's movement. Various initiatives were undertaken during financial year 2021-22 in all verticals of AEML.

The Company continued to pursue walkthrough energy audit services at no cost to consumers not only to identify energy saving potential but also to enhance energy efficiency awareness. Under this initiative company has covered over 61 consumers and identified potential saving of around 0.9 million units (MUs) to these consumers.

- Under large scale DSM program, AEML continued to offer it's residential customers, with approved quantity pf 50,000 super-efficient (Brush Less Direct Current) BLDC ceiling fans i.e. Bureau of Energy Efficiency (B.E.E.) certified 5 Star rated ceiling fan. In this financial year the Company has distributed 850 new BLDC technology, 28 watts ceiling fans resulting in annual savings of 0.16 million units (MUs). Till date total replacements are 1643 fans resulting in savings of 0.36 million units (MUs).
- On similar lines, AEML has another initiative "large scale DSM program" of replacement of 20,000 inefficient refrigerator of AEML residential consumers. In this financial year, Company has replaced 658 old refrigerators by 5-Star refrigerators, which resulted in saving of 0.7 million Units. Till date total replacements are 2342 refrigerators resulting in savings of 2.1 million units (MUs)
- The Company through Urja Samvardhan Upakaram programme, continued to conduct workshops in various academic institutions, offices, banks, hospitals, industrial estates, housing societies, slum areas, etc. This year company reached out to around 650+ people through on site/ on-line/digital/telephonic platform and educated them on 'Why to conserve and how to conserve energy'.

**ANNEXURE C (Contd.)**

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

Energy savings estimated due above initiatives taken during this financial year are 0.87 million units amounting to approximately 800 tonnes of CO<sub>2</sub> reduction.

- c. The capital investment on energy conservation equipment:

In 2021-22, approx. ₹ 5 Lacs subsidy is granted by the Company for residential consumers under 5 star BLDC ceiling fan program and ₹ 30 Lacs subsidy for 5 star Refrigerator program.

**B. Technology Absorption****Adani Dahanu Thermal Power Station**

- a. The Efforts made towards technology absorption

- i. Installation of modified hydraulic coupling with new gear ratio to reduce auxiliary power consumption.
- ii. Installation of air pressure booster system for Boiler feed pump (BFP) recirculation valve (RC) to increase the air pressure locally.
- iii. Installation of Noise level measurement system for FGD Booster fan.
- iv. Temperature monitoring of Electronic cards & Motor terminals through Thermo vision camera.
- v. Up gradation of turbine control from Iskematic system to MAX DNA
- vi. Up gradation Automated Voltage Regulator (Analog AVR) to Digital Automated Voltage Regulator (DAVR)
- vii. Implementation of Deviation Settlement Mechanism (DSM).

- b. Benefits derived

- i. Benefit in terms of power saving per day during daily operation.
- ii. After installation of air boosters in all Boiler feed pump (BFP) recirculation valve valves, loading/Unloading setting of compressor system reduced and results in Energy saving per day.
- iii. Increase in FGD reliability by reduction in equipment failures.

- iv. Equipment failure detected in advance hence availability is increased.

- v. By Upgrading to new MAX DNA reliability is increased.

- vi. Digitalization of AVR with latest available technology helps in achieving smooth functioning and more accuracy in operation.

- vii. DSM is a mechanism by which grid stability is achieved by imposing penalty and incentives for over drawl/injection or under drawl/injection from the schedule.

**Transmission Business**

- a. The efforts made towards technology absorption:

- i. Cyber Security Initiatives for OT System.
  - a. Third party assessment of current Cybersecurity posture for OT Infrastructure.
  - b. Preparation of "Cyber Crisis Management Plan" (CCMP) & "CII Identification & Assessment report" as per guidelines of NCIIPC.
  - c. Deployment of SCADA Centralized Patch Management System for regular update of OS Patches and anti-virus updates in all SCADA application servers, operator workstations and gateways machines across all transmission sub-stations.
- ii. Implementation of Controlled Switching Device (CSD) for reactor switching at 220kV AEML Gorai EHV Station.

- b. Benefits derived:

- i. Cyber security Controls for SCADA will enhance the security posture of SCADA system against any cyber incidents
- ii. The controlled switching device (CSD) for high voltage circuit breaker reduces the contact wear and the stress on circuit breaker and equipment failure by minimizing the switching surge by ensuring optimal switching of circuit breaker

## ANNEXURE C (Contd.)

- c. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

Sr No	Technology imported	Year of import	Status
I.	Distributed Acoustic Sensing (DAS) system for proposed HVDC cable scheme between Aarey-Kudus.	2024-25	Process Initiated.
II.	Deployment of Centralization of Patch management System at AEML-T resulting into enhancement of cyber security posture of transmission SCADA system.	2021-22	Completed
III.	Travelling Wave Fault locator	2020-21	Absorbed
IV.	Optical CT (To enable auto re-closure of hybrid transmission lines)	2020-21	Absorbed
V.	Online DC Earth fault detection system	2020-21	Absorbed
VI.	Intrusion detection system for underground EHV Cable System	2019-20	Absorbed
VII.	Augmented reality technology for outage management in 220kV EHV Station & 220kV Cable System	2018-19	Absorbed

## Distribution Business

AEML in pursuit of delivering quality and reliable power supply to the esteemed consumers of Mumbai always keeps focus on Safety, Quality, Cost competitiveness, Space saving (compactness). AEML has adopted the latest technology benchmarked by customising it to meet its requirement to enhance its operations. The company is constantly adopting technological innovations to meet its Customers' demands and expectation of business. To achieve these objectives, various technologies were explored and deployed in AEML during 2021-22.

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

**Intelligent Rack in Rack out device**

- Safety from hazard of Electrical Flashover
- Cost effective solution for PLC controlled accurate RI/RO operations of CB
- Overstress on Racking mechanism avoided thereby enhancing mechanism life

**Tower type substation (RCC Column Type Substation)**

- Compact Footprint - (LxBxH) 2.3mx2.2mx5.25m
- Preferable in slums to mitigate non-availability of space for substation

**Mini pillar with insulated busbar**

- Restricted access prevents possibility of theft.
- Insulated busbars restricts unauthorized cable connections.
- Elimination of crimping type cable connections facilitates faster installations

**LI-ion battery for RMU**

- Enhanced service life compared to VRLA SMF batteries
- Practically maintenance free
- Dedicated battery health monitoring system
- Lesser self-discharge

**Hybrid LV panel for large LV supply release**

- Space saving solution as no separate panel required for catering large LV loads and conventional loads

**On load changeover switch with metering unit**

- Compact and easy to install
- Single panel with On-load change over switch arrangement accommodates supply requirement for fire-fighting system (NFF & AFF) resulting elimination of existing two separate SDF metering units

**Arc Flash Relay –**

- Reduce shutdown risk, minimize damage, and optimize the maintenance effort
- Safety of people and installation
- Light as well as light + current based protection
- Point sensor, line sensor and/ or fast earthing switch
- Pilot completed for two 11kV switchboards for retrofitting at Sahar Plaza and Juhu North R/S

**MV Hybrid cable**

- Embedded Fiber Optic Cables inside HT cable using Composite cable construction.
- Elimination of access charges in laying FOC separately.

**ANNEXURE C (Contd.)**

- Elimination of RI Cost for laying FOC separately
- Enhanced CSS Connectivity with Fiber optic cable.
- Provide platform for new technologies- DTS and other cable diagnostic techniques.

**Twin Ferrule and Long Barrel Joints**

- Cable Fault repairing using twin ferrule, long barrel Joints
- Highly suitable for repair site with space constraint
- Require 50% less excavation for fault repair activity
- Single joint is used for repairing instead of 2 joints.
- Require 50% less time for completing repair activity.

**Twin Dry DTs**

- Two CCAs Horizontally placed or vertically stacked in one enclosure.
- 50% Redundancy in case of Failure of any one CCA
- 19% less footprint vis a vis conventional design
- Interchangeability hence fast to restore
- Fire safe design suitable for slum projects.

**Customized Compact Substations –**

- 25% to 75% footprint reductions w.r.t conventional solutions
- Restricting DT capacity to improve HT/LT ratio
- Improved power supply reliability

**Li-ion Battery -DSS**

- Compact footprint (60% less compared to Ni-Cd Battery System)
- Practically maintenance –free
- Dedicated battery health monitoring system
- Lesser self-discharge

**SMPS Battery Charger -DSS**

- Enhancing overall efficiency in the absence of magnetics in SMPS technology
- Modular in design, redundancy and hot swapping of modules ensured
- Single controller for charger control, protection and monitoring of charger parameters
- Intelligent management of BMS prolongs battery's life

**AR/VR System- Applications/benefits of Immersive Technology**

- Equipment Switching Operation Assistance & Maintenance Guidance
- Expert Remote Support at Field Troubleshooting
- Effective Knowledge Sharing/ training
- Virtual FAT or Site Activity Inspection

**Cable Diagnostics**

Cable Diagnostic and testing guidelines implemented in line with IEEE 400.2 and IEEE 400.3 guides. DC testing abolished for MV cables.

- VLF, Tan delta and Partial discharge testing sets commissioned in all Divisions of AEML-D. LT Portable Cable fault locator commissioned in Chembur Zone.
- Process for Trend analysis implemented by creating SAP measurement points for IR and Tan delta results for MV cables.
- Online PD conducted for 100 sections. Based on PD results, offline PD conducted & potential joint failures were averted.
- Consultancy Project with IIT for Transition Joints. Based on findings, OEM offers evaluated for "Apply & Supply Tender". Material properties and evaluation parameters have been updated for prospective vendors.

**Retro-filling of Transformers with Natural Ester oil**

- Enhanced life and loading capacity.
- 30 distribution transformers retro-filled at site.
- Benefits derived are extended life of transformer insulation and fire safety

**New initiatives in instruments and tools**

- Digital Wireless system for Disaster Management – New Wireless system commissioned.
- Salient features are built-in GPS Receiver/ Antenna, built-in Bluetooth for hands-free operation.

**Digitization of process at AEML:**

The company has realized that digital initiatives are critical to the success of any business. We are constantly adopting Strategic Digital interventions across people, process & customer to ensure sustainable growth for all stakeholders. Holistic transformation of Business Process using Automation & Data Driven Decision making has

## ANNEXURE C (Contd.)

reduced cost & completion time and helped in improving process efficiency and quality. Empowered Digital Workforce, strong IT network backbone, exposure to latest technologies, unified communications & collaboration & improved Cybersecurity posture & maturity are the strengths of our business. The principal differentiators in achieving objectives of digitization during the review are as under:

- Successful implementation of SAP Instance Consolidation & Suite on HANA Migration
- Visual Data Analytics- 200 plus analytics reports/dashboards developed and published
- Advanced Analytics- AI models developed and deployed for
  - ♦ Consumer Affluency
  - ♦ Payment behavior during COVID-19 lockdown
  - ♦ HT Cable Faults prediction
  - ♦ Demand Load Forecasting
- Implementation of ITIL Based Service Delivery Management Processes
- RPA Bot Deployment: 20+ Business Process Automated using RPA BOT
- Implementation of Data Visualisation tools to support & promote Data backed decision making
- **Digital Interventions for Customers & Employees:** Digital Empowerment of Customers & Employees to ensure sustainable adoption of Digital Interventions such as:
  - ♦ Customer Communication Management (CCM) Enhanced Customer Communication efficiency to reduce Cost of Communication and build rich data for Customer behavioral analytics

- ♦ Green Energy Initiative
- ♦ Self Help Customer Mobile Application with Submit meter reading.
- ♦ Mobility Solutions: My Work Mobile App. & Auto work allocation process- To ensure sustainable adoption of Digital Interventions among employees, My Work & Asset Care Application were successfully implemented
- ♦ Data-based decision making with the help of Power BI.

- **Cyber Security:**

As digitisation picks up speed, the importance of cybersecurity increases. In order to, reduce the risk of cyber-attacks and protect the systems, network and technologies against the unauthorised exploitation below major steps were taken:

- ♦ Successful segregation of IT-OT Network covering AEML Core network deployment across AEML offices and DDLO Data Centre Network
- ♦ Enhanced Data Security with encryption feature through deployment of Bit locker-disk, RSA Authentication deployment for Cyber Security
- ♦ Successful completion of AEML Security surveillance Project, which provides centralized access through Network Operation Control, covering 1200 CCTVs.
- ♦ Successful completion of ISO 27001 re-certification audit with zero NC (non-compliance)
- ♦ Successful Go Live of Contact Centre DR

**ANNEXURE C (Contd.)**

- C. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

Sr No	Technology imported	Year of import	Status
I.	Deployment of Centralization of Patch management System at AEML-T resulting into enhancement of cyber security posture of transmission SCADA system.	2021-22	Completed
II.	Travelling Wave Fault locator	2020-21	Completed
III.	Optical CT (To enable auto re-closure of hybrid transmission lines)	2020-21	Completed
IV.	Online DC Earth fault detection system	2020-21	Completed
V.	Intrusion detection system for underground EHV Cable System	2019-20	Completed
V.	Augmented reality technology for outage management in 220kV EHV Station & 220kV Cable System	2018-19	Completed

**Expenditure incurred on R&D:** NIL

**C. Foreign Exchange Earnings and Outgo**

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

- i. Total foreign exchange earnings : NIL
- ii. Total foreign exchange outgo : ₹ 2092.28 crore

## ANNEXURE D

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITIES (CSR) ACTIVITIES AS PER SECTION 135 OF THE COMPANIES ACT, 2013

#### 1. Brief outline on CSR Policy of the Company.

The Company has framed Corporate Social Responsibility (CSR) Policy which encompasses its philosophy and guides its sustained efforts for undertaking and supporting socially useful programs for the welfare & sustainable development of the society.

The CSR Policy has been uploaded on the website of the Company at <https://www.adanielectricity.com/Investor-Relations>.

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

Sr. No	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Kandarp Patel	Chairman	2	2
2	Mr. Sagar Adani	Member	2	1
3	Mr. K Jairaj	Member	2	2
4	Mr. Quinton Choi	Member	2	2

#### 3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company

<https://www.adanielectricity.com/Investor-Relations>

#### 4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report)

Not Applicable

#### 5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sr. No	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
Not Applicable			

#### 6. Average net profit of the company as per section 135(5): ₹ 282.60 crore

#### 7. (a) Two percent of average net profit of the company as per section 135(5): ₹ 6.37 crore (including unspent CSR amount of ₹ 0.72 crore pertaining to 2019-20)

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL

(c) Amount required to be set off for the financial year, if any: NIL

(d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 6.37 crore

#### 8. (a) CSR amount spent or unspent for the financial year:

(₹ In crore)

Total Amount Spent for the Financial Year.	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
6.41	Nil	N.A.	N.A.	N.A.	N.A.

## ANNEXURE D (Contd.)

## (b) Details of CSR amount spent against ongoing projects for the financial year:

Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project	Amount spent in the current financial Year	Amount transferred to Unspent CSR Account for the project as per Section 135(6)	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
1.	Promotion of health care, including preventive health care and sanitation, and disaster management including donation towards providing software support to Tata Memorial Hospital, Mumbai	Promotion of health care, including preventive health care and sanitation,	Yes	Maharashtra	Mumbai	3 years	6.13	6.13	NA	No	Adani Foundation	Adani Foundation (No. CSR000000265)

## (c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in ₹).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State.	District.			Name	CSR Registration number.
1	Contribution to the National Association of Disabled's Enterprises	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	Yes	Maharashtra	Mumbai	0.065	Yes	--	--
2	Contribution to Siddhivinayak Green India	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources	Yes	Maharashtra	Mumbai	0.11	Yes		
3	Contribution to Sadbhavana Sewa Samiti	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	Yes	Maharashtra	Mumbai	0.059	Yes	-	-
4	Contribution to Tribal areas	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups	Yes	Maharashtra	Mumbai	0.05	Yes		

## ANNEXURE D (Contd.)

(d) Amount spent in Administrative Overheads: NIL

(e) Amount spent on Impact Assessment, if applicable: NIL

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 6.41 crore

(g) Excess amount for set off, if any: 0.04

Sr. No	Particular	Amount (in crore.)
(i)	Two percent of average net profit of the company as per section 135(5)	₹ 6.37 crore (including unspent CSR amount of ₹ 0.72 crore pertaining to 2019-20)
(ii)	Total amount spent for the Financial Year	6.41
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.04
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	--
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.04

## 9. (a) Details of Unspent CSR amount for the preceding three financial years:

(₹ In crore)

Sr. No	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6)	Amount spent in the reporting Financial Year	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹).	Date of transfer.	
1	2019-20	0.72	0.72	--	--	--	Nil

## (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(₹ In crore)

Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project	Amount spent on the project in the reporting Financial Year	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed / Ongoing.
1.	CSR-Adani Foundation	Promotion of health care, including preventive health care and sanitation, and disaster management including donation towards providing software support to Tata Memorial Hospital, Mumbai	2019-20	3 years	6.13	6.13	8.38	Completed

## 10 In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: Not Applicable

(asset-wise details).

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

## 11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) - N.A.

**Kandarp Patel**  
Managing Director & CEO  
(DIN 02947643)

**K Jairaj**  
Director  
(DIN 01875126)

## INDEPENDENT VERIFICATION STATEMENT: PERFORMANCE AGAINST SUSTAINABILITY PERFORMANCE TARGET

### INTRODUCTION

DNV represented by DNV Business Assurance India Private Limited ('DNV') has been commissioned by the management of Adani Electricity Mumbai Limited ('the Company' or 'AEML', with Corporate Identification Number: U74999GJ2008PLC107256) to carry out an independent verification of the performance against following Key Performance Indicator's (KPI's) and Sustainability Performance Targets (SPTs) taken by the Company under its Sustainability Linked Bond ('SLB') Framework issued related to Integrated Power Utility business in Mumbai, India and disclosed in AEML's GHG Emissions and Renewable Power Share Report 2021-22 version 1.0 dated 27 June, 2022 ('GHG Report') for the period 1 April, 2021 – 31 March, 2022:

Key Performance Indicator's (KPI's) and Sustainability Performance Targets (SPTs)

- KPI-1: Increase Renewable power mix in the overall power purchase mix
- Attain at least 60% of renewable power procurement mix by end of 2026-27
- KPI 2: Reduction in GHG Emission Intensity (Scope 1 and Scope 2) (GHG Emission Scope 1 and Scope 2 emissions measured by  $tCO_2$  divided by EBITDA of AEML)
- SPT 2: Reduce GHG Emission Intensity (Scope 1 and 2) by 60% by end of 2028-29, compared with 2018-19

AEML has prepared its GHG Inventory in accordance with the requirements of the "Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard (Revised edition)" published by World Business Council for Sustainable Development (WBCSD) and World Resources Institute (WRI) and GRI Standards adopted for sustainability reporting and in its own bespoke spread sheets.

We performed our verification (Type 2, Moderate level) activities based on AccountAbility's AA1000 Assurance Standard v3, and DNV's assurance methodology VeriSustainTM1. In doing so, we evaluated the qualitative and quantitative disclosures related to KPI's and SPT's presented in the GHG Report prepared based on and the Guiding Principles of WBCSD Framework, together with AEML's protocols for measuring, recording and reporting GHG and associated performance data. This verification applies a

±5% materiality threshold towards errors and omissions based on DNV VeriSustain.

AEML is responsible for the collection, analysis, aggregation, preparation (conversion factors, assumptions, methodology, calculations) and presentation of GHG Emissions and all power purchased as part of its disclosures. Our responsibility of performing this work is to the management of Company and in accordance with terms of reference agreed with the Company.

The verification engagement is based on the assumption that the data provided to us is complete, sufficient, true and free from material misstatements. DNV disclaims any liability or co-responsibility for any decision a person or entity would make based on this verification statement. The verification was carried out during May 2022 – June 2022 by a team of qualified sustainability and GHG assessors.

### SCOPE, BOUNDARY AND LIMITATIONS OF VERIFICATION

The scope of work agreed upon with Company includes verification of its GHG Inventory as below:

- Direct GHG emissions (Scope 1 emissions) covering fossil fuels (Diesel, Petrol, LDO, Liquefied Petroleum Gas (LPG)) used in stationery and mobile equipment's and coal used in electricity generation process and releases of SF6 and refrigerant gases used in equipment.
- Indirect GHG emissions (Scope 2 emissions) arising from consumption of purchased electricity towards auxiliary power consumed in generation, transmission and distribution assets owned by AEML and T&D losses incurred.
- Verification of GHG emission intensity (performance against SPT-2) – Scope 1 and 2 i.e GHG Emission Intensity (Scope 1 and 2 measured by  $tCO_2$  divided by EBITDA of AEML)
- Verification of mix of Renewable power sourced by AEML to meet its Renewable power obligations and its commitment to source certain amount of green power in its power purchase portfolio (performance against SPT-1)

The operational boundary selected by AEML for reporting and consolidation of direct, indirect and other indirect GHG emissions data and power purchased is based on the operational control criterion and includes its 100% of Integrated Power Utility Business for power distribution to consumers in Mumbai, Maharashtra. We did not come across any limitations to the agreed scope of work. The

<sup>1</sup> The VeriSustain protocol is available on request from [www.dnv.com](http://www.dnv.com) and is based on our professional experience, international assurance best practices including the International Standard on Assurance Engagements 3000 (ISAE 3000) Revised (Assurance Engagements other than Audits or Reviews of Historical Financial Information) and GRI's Reporting Principles. GRI's Principles for defining Report Content and Quality.

## INDEPENDENT VERIFICATION STATEMENT: PERFORMANCE AGAINST SUSTAINABILITY PERFORMANCE TARGET (Contd.)

reported data on economic performance and other financial data (EBITDA) of AEML within the Report are based on audited financial statements which have been subjected to a separate independent statutory audit process and is not included in our scope of work.

### VERIFICATION METHODOLOGY

The verification was conducted by DNV in accordance with the requirements as set out in AA1000AS and VeriSustain for a limited level of verification, that is, a customised engagement was performed based on the principles of completeness, accuracy and reliability, while adopting a risk-based approach towards selection of samples for assessing the robustness of the underlying data management system, information flow and controls. Due to the COVID-19 pandemic and associated travel restrictions, we carried out hybrid assessments with AEML in line with DNV's audit methodology. We carried out the following activities:

- Desk review of the Company's Power purchased, Energy and GHG emissions data for 2021-22 for the business sites including embedded generation) provided in AEML's bespoke spreadsheet.
- Review of the Power and GHG data management system used to generate, aggregate and report GHG emission data, as well as assessment of the completeness, accuracy and reliability of the data.
- Onsite assessments at Adani Dahanu Thermal Power Plant at Dahanu, Transmission business sites (Aarey, Versova and Goregaon) and remote site assessments of distribution sites at Mumbai in India to review and confirm the identified emission

sources, activity data and related evidence maintained by the management teams at the respective plants on a sample basis.

- Sample based review of the system in place for collection of data pertaining to Power purchase and GHG emission, as well as associated emission factors and calculation methodologies and internal governance mechanism.
- Interaction with key managers and data owners to review data consolidation systems of the Company and sampled operational plants including reviews of emission factors and assumptions used for calculations of selected KPI.
- Review of the performance against Renewable Power mix (SPT-1), consolidated GHG Scope 1 and Scope 2 emission categories and Emission Intensity (SPT-2) as mutually agreed with the environment and sustainability teams of AEML.

### CONCLUSION

Based on our verification methodology and scope of work agreed upon, nothing has come to our attention to believe that the Renewable Power mix in power portfolio (SPT-1) and GHG Emission Intensity (SPT- 2) as brought out in the table below are not materially correct and is not a fair representation of the performance against SPT's taken by company during 2021-22 for its operational entities in Mumbai India. We observed minor data inaccuracies during the verification process, and these were found to be attributable to transcription, interpretation and aggregation errors and the errors have been communicated and corrected.

### RENEWABLE POWER MIX IN PURCHASED ELECTRICITY (KPI-1): UNITS IN MILLION (MUS)

Description		2018-19 <sup>(3)</sup>	2021-22
Procurement of electricity from the eligible renewable energy sources <sup>(1)</sup>	a	280.73	716.98
Procurement of electricity from other than renewable energy sources <sup>(2)</sup>	b	9,032.91	8,110.32
Total electricity procured	c=a+b	9,313.64	8,827.30
Percentage of procurement of electricity from the eligible renewable energy sources	a/c	3.01%	8.12%

Notes:

1. Eligible Renewable Energy sources are considered as per 'Renewable Purchase Obligation, its Compliance and Implementation of Renewal Energy Certificate Framework Regulations, 2019' issued by Maharashtra Electricity Regulatory Commission (the "Regulation") which means renewable sources such as mini hydro, micro hydro, small hydro, wind, Solar, biomass including bagasse, bio fuel cogeneration, urban or municipal waste and such other sources as are recognised or approved by Ministry of New and Renewable Energy, Government of India.
2. This includes utilisation of 3,268.16 Mus in FY 2018-19 and 2,974.87 Mus in FY 2021-22 through embedded captive generation as per power purchase arrangement for the years ended on March 31, 2019 and March 31, 2022.
3. The FY2018-19 (Baseline year) numbers are referred from assured numbers reported by AEML.

## INDEPENDENT VERIFICATION STATEMENT: PERFORMANCE AGAINST SUSTAINABILITY PERFORMANCE TARGET (Contd.)

### GHG EMISSIONS (SCOPE-1 & SCOPE-2) SUMMARY

Scope	Emission Source	Total GHG Emissions 2021-22 (tCO <sub>2</sub> e)
Scope-1	Fossil fuels (Coal, Diesel, Petrol, LDO, LPG) used in stationery and mobile equipment's and coal used in electricity generation process, SF6 and Refrigerants used in operations & maintenance activities	2,690,622
Scope-2	Emissions arising from consumption of purchased electricity towards auxiliary power consumed in generation, transmission and distribution assets owned by AEML and T&D losses incurred	547,204

### GHG EMISSION INTENSITY (KPI-2):

	Boundary of emission within the Company	2018-19	2021-22
GHG tCO <sub>2</sub> e	AEML: Scope 1 & Scope 2	3,750,069	3,237,826
EBITDA in INR- in Crore	AEML	1,664	2,083
Emission Intensity (tCO <sub>2</sub> e/ EBITDA in INR in Crore)		2,254	1,554

#### Notes:

- The reported data on EBITDA of AEML within the Report are based on audited financial statements of respective year.
- 1 Crore = INR 100,000,00
- The FY2018-19 (Baseline Year) numbers are referred from assured numbers reported by AEML.

### STATEMENT OF COMPETENCE AND INDEPENDENCE

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO IEC 17021:2015 - Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We have complied with the DNV Code of Conduct<sup>2</sup> during the assurance engagement and maintain independence where required by relevant ethical requirements as detailed in DNV VeriSustain. This engagement work was carried out by an independent team of sustainability assurance professionals. DNV was not involved in the preparation of any statements or data included in the Report except for this Verification Statement. DNV maintains complete impartiality toward stakeholders interviewed during the assurance process. DNV did not provide any services to AEML or its subsidiaries in the scope of assurance during FY 2021-2022 that could compromise the independence or impartiality of our work.

For DNV

<b>Vadakepatth, Nandkumar</b> Digitally signed by Vadakepatth, Nandkumar Date: 2022.06.27 17:13:48 +05'30'  Vadakepatth Nandkumar Lead Verifier DNV Business Assurance India Private Limited, India.	<b>Radhakrishnan, Kiran</b> Digitally signed by Radhakrishnan, Kiran Date: 2022.06.27 16:50:02 +05'30'  Kiran Radhakrishnan Technical Reviewer DNV Business Assurance India Private Limited, India.
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Bengaluru, India, 27 June, 2022.



DNV Business Assurance India Private Limited is part of DNV – Business Assurance, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance. [www.dnv.com](http://www.dnv.com)

<sup>2</sup> The DNV Code of Conduct is available on request from [www.dnv.com](http://www.dnv.com) (<https://www.dnv.com/about/in-brief/corporate-governance.html>)

## INDEPENDENT AUDITOR'S REPORT

### To the Members of Adani Electricity Mumbai Limited

#### REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

##### Opinion

We have audited the accompanying standalone financial statements of **Adani Electricity Mumbai Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2022, and its profit, total comprehensive expense, its cash flows and the changes in equity for the year ended on that date.

##### Basis for Opinion

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

#### INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

- The Company's Board of Directors is responsible for the other information. The other information

comprises the information included in the Directors' report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

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

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or

## INDEPENDENT AUDITOR'S REPORT (Contd.)

to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and,

based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit we report, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

**INDEPENDENT AUDITOR'S REPORT (Contd.)**

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The Management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

## INDEPENDENT AUDITOR'S REPORT (Contd.)

(c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The company has not declared or paid any dividend during the year.

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

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

**Mohammed Bengali**

(Partner)

Place: Mumbai

(Membership No.105828)

Date: 02 May, 2022

(UDIN: 22105828AIHHUB7552)

## ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

### REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of Adani Electricity Mumbai Limited ("the Company") as of 31st March, 2022 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

### MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit

evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

### MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of 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

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)**

financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2022, based on the criteria for internal financial control over financial

reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Mohammed Bengali**

(Partner)

Place: Mumbai (Membership No.105828)  
Date: 02 May, 2022 (UDIN: 22105828AIHHUB7552)

## ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Adani Electricity Mumbai Limited of even date)

- (i) In respect of the Company's property, plant and equipment:
- (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, capital work-in progress and relevant details of right-of-use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a program of physical verification of its property, plant and equipment, capital work-in-progress and right-of-use assets so to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain assets were due for verification during the year and were physically verified by the Management during the year. Also, certain assets that were due for verification in earlier years, however weren't verified due to COVID-19 and were planned to be verified in current year, were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification. However, we are informed that distribution system being underground is not physically verifiable.
- (c) Based on the examination of the registered sale deed / transfer deed / conveyance deed / possession certificate / Encumbrance certificate provided to us, we report that, the title deeds of all the immovable properties, (other than those that have been taken on lease and self-constructed properties) disclosed in the financial statements included in property, plant equipment and capital work-in progress are held in the name of the Company as at the balance sheet date. The title deeds of certain immovable properties which were transferred from Reliance Infrastructure Limited consequent to a scheme of arrangement are in the erstwhile names of the Company viz: "Bombay Suburban Electric Supply Limited" / "Reliance Energy Limited" / "Reliance Infrastructure Limited" and the Company is in process of updating the same from erstwhile Company's name to the name of the Company. In respect of immovable properties that have been taken on lease and disclosed in the financial statements as property, plant and equipment, right-of use asset and capital-work-in-progress as at the balance sheet date, the lease agreements are duly executed in favour of the Company, except for the following:

Description of immovable properties taken on lease	Gross carrying value as at 31 March 2022 (Rs. in Crores)	Carrying value (as at 31 March 2022 (Rs. in Crores)	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in name of Company
Leasehold land at various locations	0.65	0.63	NA	NA	NA	Title deeds in respect of the same are currently not traceable.
Right of use Leasehold land at BKC	510.00	506.56	NA	No	Since 18 September 2021	The Company has entered into memorandum of understanding and will enter into formal lease agreement on completion of the construction of the substation as per the applicable regulatory requirements (Refer note 5(b) (iii) of Financial Statement).

## ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

- (d) The Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) and intangible assets during the year.
- (e) According to the information and explanations given to us, no proceedings have been initiated or is pending against the company as at 31 March 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) In respect of the Company's Inventories:
- (a) The inventories except for goods in transit and those lying with a third party, were physically verified during the year by the Management at reasonable intervals. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. In respect of goods in transit, the goods have been received subsequent to the year end. Confirmation has been obtained in respect of inventories in custody of a third party. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.
- (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly statements comprising raw material, stores and spares, finished goods, advances for power purchase and coal, book debts (including unbilled revenue) and other receivable (<90 days) reduced by relevant trade payables (i.e. net of provisions, regulatory payables and other payables) filed by the Company with such banks are in agreement with the unaudited books of account of the Company of the respective quarters based on draft figures at the point of time of reporting and no material discrepancies have been observed.
- (iii) The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, except for loans to employees, advance in nature of loan to a related party during the year and an unsecured intercorporate deposit granted to a related party during the earlier years falling due during the year whose tenure and repayment date were extended during the year.
- (a) The details of said loans are given below:

Particulars	Intercorporate deposit in nature of loans to Adani Properties Private Limited (Related party)	Advances in nature of loans to Adani Enterprises Limited (Related party)	Loans to employees
Aggregate amount extended / advanced during the year	Rs. 1,040 Crores	Rs. 607.22 Crores	Rs. 5.41 Crores
Balance outstanding as at balance sheet date in respect of above	Rs. 1,040 Crores	Rs. Nil	Rs. 35.41 Crores

- (b) The terms and conditions of the extension of the above-mentioned intercorporate deposit, employee loans and advance in the nature of loan, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.
- (c) In respect of above intercorporate deposit, employee loans and advance in the nature of loan provided by the Company, the schedule of repayment of principal and payment of interest has been stipulated. Repayment of principal of the intercorporate deposit was not due during the year and the receipts of interest are regular as per stipulation. Repayment of principal and receipts of interest were regular as per

## ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

stipulation for employee loans and advance in nature of loan.

- (d) According to information and explanations given to us and based on the audit procedures performed, in respect of intercorporate deposit, employee loans and advance in the nature

of loan provided by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

- (e) The details of such intercorporate deposit in nature of loan that fell due and extended by modifying the terms during the year are stated below:

Name of the Party	Aggregate amount that fell due during the year	Aggregate amount of existing loans extended	Date of extension	Details of the extension granted during	Percentage of the aggregate to the total
Adani Properties Private Limited	Rs. 1,040 crores	Rs. 1,040 crores	3 May 2021	Extension of the tenure and repayment date by 3 years.	100%

- (f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans without specifying any terms or period of repayment during the year. The intercorporate deposit in nature of loan as stated above is for a period of 3 years and is repayable on demand or on maturity of 3 years whichever is earlier.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Act. We have broadly reviewed the cost records maintained during the year by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed cost records have been

made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) Undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Custom, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities in all cases during the year. We have been informed that there have not been payables towards Sales Tax, Service Tax, duty of Excise, Value Added Tax during the year.
- (b) There were no undisputed amounts payable in respect of Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Custom and corresponding cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.
- (c) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which amount relates	Amount
Finance Act, 1994	Service tax	Central, Excise and Service Tax Appellate Tribunal, Mumbai	October 2011 to December 2016	25.61*
Finance Act, 1994	Service tax	Mumbai High Court	July 2012 to June 2017	307.34

\* Net of Rs. 20.60 crore paid/ adjusted under protest.

**ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)**

There were no dues of Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Custom, cess and other material statutory dues applicable to the Company which have not been deposited as on March 31, 2022 on account of disputes.

- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) To the best of knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. The Company did not have any associate or joint venture during the year.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us, during the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence, reporting under paragraph (x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company. Therefore, reporting under clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties undertaken during the year and the details of such related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto (December 2021) and the draft of the internal audit reports were issued after the balance sheet date covering the period (January 2022 to March 2022) for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered any non-cash transactions with its Directors or persons connected to its Directors and hence provisions of section 192 of the Act are not applicable.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.
- (b) The Group does not have any Core Investment Company (CIC) as part of the Group and accordingly clause (xvi)(d) of the Order is not applicable.

**ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)**

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit

report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

**Mohammed Bengali**

(Partner)

Place: Mumbai

(Membership No.105828)

Date: 02 May, 2022

(UDIN: 22105828AIHHUB7552)

**BALANCE SHEET**

AS AT 31 MARCH, 2022

		(₹ in Crores)	
Particulars	Note	As at 31 March, 2022	As at 31 March, 2021
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, Plant and Equipment	5	13,487.71	12,985.27
Capital Work-In-Progress	5c	315.48	363.56
Right-of-Use Assets	5a	592.79	141.49
Intangible Assets	5b	1,038.19	1,004.30
Intangible Assets Under Development	5d	-	15.41
Financial Assets			
(i) Investments	6a	204.64	204.97
(ii) Loans	7	1,068.40	1,073.11
(iii) Other Financial Assets	8	700.23	639.82
Income Tax Assets (net)	9a	3.91	3.91
Other Non-current Assets	10	71.90	288.56
<b>Total Non-current Assets</b>		<b>17,483.25</b>	<b>16,720.40</b>
<b>Current Assets</b>			
Inventories	11	204.49	193.50
Financial Assets			
(i) Investments	6b	24.84	-
(ii) Trade Receivables	12	485.85	578.06
(iii) Cash and Cash Equivalents	13	74.41	151.89
(iv) Bank Balances other than (iii) above	14	624.48	886.56
(v) Loans	7	7.01	6.72
(vi) Other Financial Assets	8	623.59	491.10
Other Current Assets	10	145.95	385.22
<b>Total Current Assets</b>		<b>2,190.62</b>	<b>2,693.05</b>
<b>Total Assets before Regulatory Deferral Account</b>		<b>19,673.87</b>	<b>19,413.45</b>
<b>Regulatory Deferral Account - Assets</b>		1,121.92	439.45
<b>Total Assets</b>		<b>20,795.79</b>	<b>19,852.90</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share Capital	15	4,020.82	4,020.82
Other Equity	16	673.99	689.53
<b>Total Equity</b>		<b>4,694.81</b>	<b>4,710.35</b>
<b>Liabilities</b>			
<b>Non-current Liabilities</b>			
Financial Liabilities			
(i) Borrowings	17	11,864.65	10,544.70
(ii) Trade Payables	18		
(A) total outstanding dues of micro enterprises and small enterprises; and		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		32.22	31.93
(iii) Lease Liabilities	19	26.25	50.70
(iv) Other Financial Liabilities	20	66.02	63.12
Provisions	21	572.28	542.20
Deferred Tax Liabilities (Net)	29	179.35	78.17
Other Non Current Liabilities	22	245.47	282.89
<b>Total Non-current Liabilities</b>		<b>12,986.24</b>	<b>11,593.71</b>

## BALANCE SHEET (Contd.)

(₹ in Crores)			
Particulars	Note	As at 31 March, 2022	As at 31 March, 2021
<b>Current Liabilities</b>			
Financial Liabilities			
(i) Borrowings	23	-	916.68
(ii) Trade Payables	18		
(A) total outstanding dues of micro enterprises and small enterprises; and		25.07	28.99
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		1,465.88	1,158.69
(iii) Lease Liabilities	19	18.59	42.89
(iv) Other Financial Liabilities	20	976.01	817.82
Provisions	21	63.80	58.55
Current Tax Liabilities	9b	2.13	-
Other Current Liabilities	22	291.70	253.66
<b>Total Current Liabilities</b>		<b>2,843.18</b>	<b>3,277.28</b>
<b>Total Liabilities before Regulatory Deferral Account</b>		<b>15,829.42</b>	<b>14,870.99</b>
<b>Regulatory Deferral Account - Liabilities</b>		271.56	271.56
<b>Total Equity and Liabilities</b>		<b>20,795.79</b>	<b>19,852.90</b>
See accompanying notes forms part of the financial statements		-	-

As per our attached report of even date

**For Deloitte Haskins & Sells LLP****Chartered Accountants**

ICAI Firm Registration Number : 117366W/W-100018

**Mohammed Bengali**

Partner

Membership No. 105828

Place : Mumbai

Date : 2 May, 2022

For and on behalf of the Board of Directors

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

Chairman

DIN: 00006867

**Kunjal Mehta**

Chief Financial Officer

Place : Ahmedabad

Date : 2 May, 2022

**Kandarp Patel**

Managing Director &amp; CEO

DIN.: 02947643

**Jaladhi Shukla**

Company Secretary

# STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH, 2022

(₹ in Crores)			
Particulars	Note	For the year ended 31 March, 2022	For the year ended 31 March, 2021
<b>Income :</b>			
Revenue from Operations	24	6,908.94	6,049.27
Other Income	25	409.65	421.67
<b>Total Income</b>		<b>7,318.59</b>	<b>6,470.94</b>
<b>Expenses :</b>			
Cost Of Power Purchased		2,736.41	1,914.51
Cost of Fuel		1,065.99	972.56
Transmission Charges		477.84	468.52
Purchases of traded goods		0.76	1.46
Employee Benefits Expense	26	798.68	856.17
Finance Costs	27	1,160.38	1,096.98
Depreciation and Amortisation Expenses	5,5a&5b	651.58	644.56
Other Expenses	28	838.30	762.67
<b>Total Expenses</b>		<b>7,729.94</b>	<b>6,717.43</b>
<b>Profit/(Loss) Before Movement in Regulatory Deferral Balance, Exceptional Items and Tax</b>		<b>(411.35)</b>	<b>(246.49)</b>
Add/(Less): Net Movement in Regulatory Deferral Balance		682.47	582.81
<b>Profit Before Exceptional Items and Tax</b>		<b>271.12</b>	<b>336.32</b>
Exceptional items		-	-
<b>Profit Before Tax</b>		<b>271.12</b>	<b>336.32</b>
<b>Tax Expense:</b>	29		
Current Tax		47.78	49.40
Deferred Tax		101.18	27.75
		<b>148.96</b>	<b>77.15</b>
<b>Profit after tax</b>	<b>Total A</b>	<b>122.16</b>	<b>259.17</b>
<b>Other Comprehensive Income / (Expense)</b>			
(a) Items that will not be reclassified to profit or loss			
-Remeasurement of Defined Benefit Plans		17.17	33.34
-Income Tax Impact		(3.00)	(5.83)
(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		(151.87)	(100.66)
<b>Other Comprehensive Expense</b>	<b>Total B</b>	<b>(137.70)</b>	<b>(73.15)</b>
<b>Total Comprehensive Income</b>	<b>Total (A+B)</b>	<b>(15.54)</b>	<b>186.02</b>
<b>Earnings Per Share (EPS) (in ₹)</b>	30		
<b>(Face Value ₹ 10 Per Share)</b>			
Basic / Diluted earnings per Equity Share before net Movement in Regulatory Deferral Balance		(1.10)	(0.55)
Basic / Diluted earnings per Equity Share after net Movement in Regulatory Deferral Balance		0.30	0.64

See accompanying notes forms part of the financial statements

As per our attached report of even date

**For Deloitte Haskins & Sells LLP**  
**Chartered Accountants**

ICAI Firm Registration Number : 117366W/W-100018

**Mohammed Bengali**

Partner

Membership No. 105828

Place : Mumbai

Date : 2 May, 2022

For and on behalf of the Board of Directors

**ADANI ELECTRICITY MUMBAI LIMITED**

**Anil Sardana**

Chairman

DIN: 00006867

**Kunjali Mehta**

Chief Financial Officer

Place : Ahmedabad

Date : 2 May, 2022

**Kandarp Patel**

Managing Director & CEO

DIN.: 02947643

**Jaladhi Shukla**

Company Secretary

# STATEMENT OF CHANGES IN EQUITY

## A. EQUITY SHARE CAPITAL

(₹ in Crores)

Particulars	No. Shares	Amount
<b>Balance as at 01 April, 2020</b>	<b>4,02,08,23,535</b>	<b>4,020.82</b>
Changes in Equity Share Capital during the year	-	-
<b>Balance as at 31 March, 2021</b>	<b>4,02,08,23,535</b>	<b>4,020.82</b>
Changes in Equity Share Capital during the current year	-	-
<b>Balance as at 31 March, 2022</b>	<b>4,02,08,23,535</b>	<b>4,020.82</b>

## B. OTHER EQUITY

For the year ended 31 March, 2022

(₹ in Crores)

Particulars	Reserves and Surplus				Items of Other Comprehensive Income	Total
	Capital Reserve	Contingency Reserve Fund	Share Premium Account	Retained Earnings	Cashflow Hedge Reserve	
<b>Balance as at 01 April, 2020</b>	230.78	196.95	120.43	(31.41)	(13.24)	503.51
Profit for the year	-	-	-	259.17	-	259.17
Other comprehensive Income / (Expense) for the year	-	-	-	27.51	(100.66)	(73.15)
<b>Total comprehensive Income / (Expense) for the year</b>	-	-	-	<b>286.68</b>	<b>(100.66)</b>	<b>186.02</b>
Transfer to Contingency Reserve	-	22.74	-	(22.74)	-	-
<b>Balance as at 31 March, 2021</b>	<b>230.78</b>	<b>219.69</b>	<b>120.43</b>	<b>232.53</b>	<b>(113.90)</b>	<b>689.53</b>
<b>Balance as at 01 April, 2021</b>	<b>230.78</b>	<b>219.69</b>	<b>120.43</b>	<b>232.53</b>	<b>(113.90)</b>	<b>689.53</b>
Profit for the year	-	-	-	122.16	-	122.16
Other comprehensive Income / (Expense) for the year	-	-	-	14.17	(151.87)	(137.70)
<b>Total comprehensive Income / (Expense) for the year</b>	-	-	-	<b>136.33</b>	<b>(151.87)</b>	<b>(15.54)</b>
Transfer to Contingency Reserve	-	25.74	-	(25.74)	-	-
<b>Balance as at 31 March, 2022</b>	<b>230.78</b>	<b>245.43</b>	<b>120.43</b>	<b>343.12</b>	<b>(265.77)</b>	<b>673.99</b>

As per our attached report of even date

**For Deloitte Haskins & Sells LLP****Chartered Accountants**

ICAI Firm Registration Number : 117366W/W-100018

**Mohammed Bengali**

Partner

Membership No. 105828

Place : Mumbai

Date : 2 May, 2022

For and on behalf of the Board of Directors

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

Chairman

DIN: 00006867

**Kunjal Mehta**

Chief Financial Officer

Place : Ahmedabad

Date : 2 May, 2022

**Kandarp Patel**

Managing Director &amp; CEO

DIN.: 02947643

**Jaladhi Shukla**

Company Secretary

## STATEMENT OF CASH FLOW

(₹ in Crores)		
Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
<b>A. Cash flow from operating activities</b>		
Profit before tax	271.12	336.32
Adjustments for:		
Interest Income	(309.34)	(334.32)
Delayed Payment Charges	(22.90)	(27.00)
Unrealised Foreign Exchange Gain from Borrowings net of Hedging	155.64	166.80
Amortisation of Consumer Contribution	(10.30)	(9.22)
Gain On Sale / Fair Value Of Current Investments Measured at FVTPL	(1.13)	(39.73)
Gain On Sale / Fair Value Of Current Investments Measured at FVTPL - Contingency Reserve Fund	-	(1.33)
Finance Costs	1,004.74	930.18
Depreciation and Amortisation Expense	651.58	644.56
(Profit)/Loss on sale of Fixed Assets (Net)	(0.42)	(1.87)
Sundry credit balances written back	(57.41)	-
Provisions no longer required written back	(38.74)	-
Bad Debts Written Off	18.31	22.52
<b>Operating Profit before working capital changes</b>	<b>1,661.15</b>	<b>1,686.91</b>
Changes in Working Capital:		
Adjustments for (Increase) / Decrease in Assets :		
Trade Receivables	103.77	(48.58)
Inventories	(10.99)	317.92
Financial Assets - Current / Non Current	(132.43)	40.61
Other Assets - Current / Non Current	240.98	(73.82)
Regulatory Deferral Account - Assets	(682.47)	(191.72)
Adjustment for Increase / (Decrease) in Liabilities :		
Trade Payables	369.84	(253.14)
Financial Liabilities - Current / Non Current	(6.04)	(71.15)
Provisions - Current / Non Current	52.50	327.35
Other Liabilities - Current / Non Current	(14.42)	(31.31)
Regulatory Deferral Account - Liability	-	(232.77)
<b>Cash generated from operations</b>	<b>1,581.89</b>	<b>1,470.30</b>
Tax paid (Net)	(48.65)	(83.35)
<b>Net cash from operating activities (A)</b>	<b>1,533.24</b>	<b>1,386.95</b>
<b>B. Cash flow from investing activities</b>		
Capital expenditure on Property, Plant and Equipment & Intangible Assets	(1,235.43)	(1,191.82)
Proceeds from Sale of Property, Plant and Equipment	8.46	4.30
(Purchase) / Sale of Mutual Funds / Other Investments-Net	(27.41)	21.87
Investment in Subsidiary	-	(0.01)
Bank balances not considered as Cash & Cash Equivalents	237.28	(773.13)
Advances - Given	(607.22)	-
Advances - received back	607.22	-
Loans / Advances (given) / repaid (net)	4.42	590.11
Delayed payment charges received	22.90	27.00
Interest Received	299.82	297.96
<b>Net cash used in investing activities (B)</b>	<b>(689.96)</b>	<b>(1,023.72)</b>

## STATEMENT OF CASH FLOW (Contd.)

(₹ in Crores)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
<b>C. Cash flow from financing activities</b>		
Increase in Service Line Contribution	25.34	14.29
Proceeds from Long-term borrowings	2,231.98	767.54
Repayment of Long-term borrowings	(1,369.40)	(33.33)
Proceeds from Short-term borrowings	1,535.53	3,673.70
Repayment of Short-term borrowings	(2,418.88)	(3,774.66)
Payment of Lease Liability Obligation	(16.12)	(10.43)
Interest of Lease Liability Obligation	(6.25)	(6.92)
Interest & Other Borrowing Cost	(902.96)	(964.22)
<b>Net cash used in financing activities (C)</b>	<b>(920.76)</b>	<b>(334.03)</b>
<b>Net (decrease) / increase in cash and cash equivalents (A+B+C)</b>	<b>(77.48)</b>	<b>29.20</b>
<b>Cash and cash equivalents as at 01 April, (Opening Balance)</b>	<b>151.89</b>	<b>122.69</b>
<b>Cash and cash equivalents as at 31 March, (Closing Balance)</b>	<b>74.41</b>	<b>151.89</b>
	<b>As at 31 March, 2022</b>	<b>As at 31 March, 2021</b>
<b>Cash and Cash Equivalents Includes</b>		
Balances with banks		
- In current accounts	64.51	104.52
- Fixed Deposits	-	20.00
Cash On Hand	0.80	2.40
Cheques / Drafts On Hand	9.10	24.97
<b>Total Cash &amp; Cash Equivalents</b>	<b>74.41</b>	<b>151.89</b>

See accompanying notes forming part of the financial statements

As per our attached report of even date

**For Deloitte Haskins & Sells LLP**  
**Chartered Accountants**

ICAI Firm Registration Number : 117366W/W-100018

**Mohammed Bengali**

Partner

Membership No. 105828

Place : Mumbai

Date : 2 May, 2022

For and on behalf of the Board of Directors

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

Chairman

DIN: 00006867

**Kunjal Mehta**

Chief Financial Officer

Place : Ahmedabad

Date : 2 May, 2022

**Kandarp Patel**

Managing Director &amp; CEO

DIN.: 02947643

**Jaladhi Shukla**

Company Secretary

# NOTES TO FINANCIAL STATEMENTS

## FOR THE YEAR ENDED ON 31 MARCH, 2022

### 1 CORPORATE INFORMATION

Adani Electricity Mumbai Limited ("AEML") ("The Company") is a public limited company incorporated and domiciled in India having its registered office at Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad 382421, Gujarat, India. It is subsidiary of Adani Transmission Limited (ATL) ("the Holding Company") and ultimate holding entity is S. B. Adani Family Trust (SBAFT).

The integrated Mumbai Generation, Transmission and Distribution (GTD) Business, under a license, transmits and distributes electricity to consumers in and around suburbs of Mumbai inclusive of areas covered under the Mira Bhayender Municipal Corporation, making it the country's largest private sector integrated power utility.

These financial statements of the Company for the year ended March 31, 2022 were authorised for issue by the board of directors on 02 May, 2022.

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Statement of Compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (IndAS) as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with section 133 of the Companies Act, 2013 ("the Act") (as amended from time to time).

#### 2.2 Basis of preparation and presentation

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

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

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

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

#### 2.3 Current versus Non-Current Classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

#### 2.4 1 Property, plant and equipment ("PPE")

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

In respect of Property, Plant and Equipment ("Assets") pertaining to Mumbai Generation, Transmission and Distribution business acquired from Reliance Infrastructure Limited under a Court sanctioned scheme of arrangement with an appointed date of 01 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 01 April, 2018 based on valuation done by a Government registered valuer.

## NOTES TO FINANCIAL STATEMENTS (Contd.)

Subsequent additions to the assets on or after 01 April, 2018 are accounted for at cost. Cost includes purchase price (net of trade discount & rebates) and any directly attributable cost of bringing the asset to its working condition for its intended use and for qualifying assets, borrowing costs capitalised in accordance with IndAS 23. Capital work-in-progress is stated at cost, net of accumulated impairment loss, if any. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

**Decapitalisation**

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

**Depreciation**

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

Regulated Assets: subject to the below, depreciation on property, plant and equipment in respect of Mumbai Generation, Transmission and Distribution business of the Company covered under Part B of Schedule II of the Companies Act, 2013, has been provided on the straight line method at the rates using the methodology as notified by the regulator.

For certain types of assets in respect of which useful life is not specified in MERC Multi Year Tariff Regulations ("MYT regulations"), useful life as prescribed under Schedule-II of Companies Act, 2013 is considered.

In respect of assets (other than Dahanu Thermal Power Station-DTPS) which have been accounted at fair value, considering life as specified in MYT regulations, depreciation is provided on Straight

Line Method (considering a salvage value of 5%) over their balance useful life. In respect of DTPS based on technical evaluation, the balance useful life has been determined as 15 years as on 01 April, 2018.

Salvage value in respect of assets which have not been accounted at fair value has been considered at 10% except in respect of Furniture & Fixture, Vehicles, Office Equipment 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).

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

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

Type of Asset	Useful lives
Building	30-60 Years
Plant and Equipment (Except Meters & Batteries)*	25-35 Years
Plant and Equipment - Meters*	10 Years
Plant and Equipment - Batteries*	5 Years
Distribution Line / Transmission Cable	35 Years
Street Light	25 Years
Furniture and Fixtures	10 Years
Office Equipment	5 Years
Computers, Servers & Related Network	6 Years
Vehicles	8 - 10 Years

\* Consequent to amendment in tariff regulations, w.e.f. 01 April, 2020 the Company 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).

**2 Intangible Assets**

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

## NOTES TO FINANCIAL STATEMENTS (Contd.)

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

Subsequent additions to the assets on or after 01 April, 2018 are accounted for at cost.

**Derecognition of Intangible assets.**

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in statement of profit and loss when the asset is derecognised.

**Useful life**

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible Assets with Indefinite lives are not amortised but are tested for impairment on annual basis.

Estimated useful lives of the intangible assets are as follows

Type of Assets	Useful lives
Transmission License	Indefinite
Computer Software	3 years

Consequent to amendment in tariff regulations, the Company has changed the Salvage value of Computers Software from 1% to Nil w.e.f. 01 April, 2020.

**3 Intangible Assets Under Development - Software**

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled are recognised as intangible assets where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

**4 Impairment of PPE and intangible assets**

PPE (including CWIP) and intangible assets with definite lives, are reviewed for impairment, whenever events or changes in circumstances indicate that their carrying values may not be recoverable. Intangible assets having indefinite useful lives are tested for impairment, at-least annually and whenever circumstances indicate that it may be impaired.

For the purpose of impairment testing, the recoverable amount (that is, higher of the fair value less costs to sell and the value-in-use) is determined on an individual asset basis, unless the asset does not generate cash flows that are largely independent of those from other assets, in which case the recoverable amount is determined at the cash generating unit ("CGU") level to which the said asset belongs. If such

**NOTES TO FINANCIAL STATEMENTS (Contd.)**

individual assets or CGU are considered to be impaired, the impairment to be recognised in the statement of profit and loss is measured by the amount by which the carrying value of the asset / CGU exceeds their estimated recoverable amount and allocated on pro-rata basis.

Impairment losses are reversed in the statement of profit and loss and the carrying value is increased to its revised recoverable amount provided that this amount does not exceed the carrying value that would have been determined had no impairment loss been recognised for the said asset / CGU in previous years.

**2.5 Cash & Cash Equivalents**

Cash & cash equivalents comprises cash on hand, cash at bank and short term deposit with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Cash & cash equivalents include balance with banks which are unrestricted for withdrawal and usage. For the purpose of the statement of cash flows, cash & cash equivalents consists of cash at banks and short term deposits as defined above, as they are considered an integral part of the Company's cash management.

**2.6 Cash Flow Statement**

Cash flows are reported using the indirect method, where by profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

**2.7 Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable

to the acquisition of financial assets or financial liabilities measured at fair value through profit or loss are recognised immediately in the statement of profit and loss.

**2.8 Financial assets**

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

**1 Financial assets at amortised cost**

Financial assets are subsequently measured at amortised cost using the effective interest rate method if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**2 Financial assets at fair value through other comprehensive income (FVTOCI)**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition, the Company makes an irrevocable election on an instrument-by-instrument basis to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments, other than equity investment which are held for trading. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

## NOTES TO FINANCIAL STATEMENTS (Contd.)

On initial recognition, the Company makes an irrevocable election on an instrument-by-instrument basis to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments, other than equity investment which are held for trading. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

### 3 Financial assets at fair value through profit or loss (FVTPL)

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

### 4 Impairment of investments

The Company reviews its carrying value of investments carried at cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted in the statement of profit and loss.

### 5 Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- the right to receive cash flows from the asset have expired, or
- the Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks

and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

### 6 Impairment of financial assets

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

## 2.9 Financial liabilities and equity instruments

### 1 Classification as debt or equity

Debt and equity instruments issued by The Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

### 2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by The Company are recognised at the proceeds received, net of direct issue costs.

### 3 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the Effective Interest Rate (EIR) amortisation process.

**NOTES TO FINANCIAL STATEMENTS (Contd.)**

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

**4 Derecognition**

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

**2.10 Reclassification of financial assets and liabilities**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

**2.11 Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**2.12 Inventories**

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Cost of inventory includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Unserviceable/damaged stores and spares are identified and written down based on technical evaluation.

**2.13 Business combinations and Goodwill**

"The Company accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognised in statement of profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date.

If the initial accounting for a business combination is incomplete as at the reporting date in which the combination occurs, the identifiable assets and liabilities acquired in a business combination are measured at their provisional fair values at the date of acquisition. Subsequently adjustments to the provisional values are made within the measurement period, if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as of that date; otherwise the adjustments are recorded in the period in which they occur.

Purchase consideration paid in excess of the fair value of net assets acquired is recognised as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is

**NOTES TO FINANCIAL STATEMENTS (Contd.)**

recognised in other comprehensive income (OCI) and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

**2.14 Foreign currencies**

The functional currency of the Company is Indian Rupee. Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

Exchange differences on monetary items are recognised in the statement of profit and loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

**2.15 Derivative financial instruments and hedge accounting****Initial recognition and subsequent measurement:**

In order to hedge its exposure to foreign exchange and interest rate risks, the Company enters into forward,

option, swap contracts and other derivative financial instruments. The Company does not hold derivative financial instruments for speculative purposes.

Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the statement of profit and loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to the statement of profit and loss when the hedge item affects profit or loss. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

For the purpose of hedge accounting, hedges are classified as:

Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment.

Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting.

The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to

## NOTES TO FINANCIAL STATEMENTS (Contd.)

changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

**Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:**

**i) Fair value hedges**

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in the statement of profit and loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in statement of profit and loss.

Hedge accounting is discontinued when the Company revokes the hedge relationship, the hedging instrument or hedged item expires or is sold, terminated, or exercised or no longer meets the criteria for hedge accounting.

**ii) Cash flow hedges**

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

Amounts recognised in OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or

loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

**2.16 Revenue recognition**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services

**1 Transmission of Power**

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

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

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

**2 Sale of Power - Distribution**

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

**3 Rendering of Services**

Revenue from a contract to provide services is recognised over time based on output method where direct measurements of value to the customer based on survey's of performance completed to date. Revenue is recognised net of cash discount at a point in time at the contracted rate.

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

Consumers are billed on a monthly basis and are given average credit period of 15 to 30 days for payment. No delayed payment charges ('DPC') / interest on arrears ('IOA') is

## NOTES TO FINANCIAL STATEMENTS (Contd.)

charged for the initial 15-30 days from the date of invoice to customers. Thereafter, DPC / IOA is charged at the rate prescribed in the tariff order on the outstanding amount. Revenue in respect of delayed payment charges and interest on delayed payments leviable as per the relevant contracts are recognised on actual realisation or accrued based on an assessment of certainty of realisation supported by either an acknowledgement from customers or on receipt of favourable order from regulator / authorities.

**5 Sale of Traded Goods :**

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

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the amount of revenue can be measured reliably; and
- it is probable that the economic benefits associated with the transaction will flow to The Company.

There is no significant judgement involved while evaluating the timing as to when customers obtain control of promised goods and services.

**6 Amortisation of Service Line Contribution**

Contributions by consumers towards items of property, plant and equipment, which require an obligation to provide electricity connectivity to the consumers, are recognised as a credit to deferred revenue. Such revenue is recognised over the useful life of the property, plant and equipment.

**7 Interest income:**

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

**2.17 Regulatory Deferral Account**

The Company determines revenue gaps (i.e. surplus/ shortfall in actual returns over returns entitled) in respect of its regulated operations in accordance with the provisions of Ind AS 114 "Regulatory Deferral Accounts" read with the Guidance Note on Rate Regulated Activities issued by ICAI and based on the principles laid down under the relevant Tariff Regulations/Tariff Orders notified by the Electricity Regulator and the actual or expected actions of the regulator under the applicable regulatory framework. Appropriate adjustments in respect of such revenue gaps are made in the regulatory deferral account of the respective year for the amounts which are reasonably determinable and no significant uncertainty exists in such determination. These adjustments/accruals representing revenue gaps are carried forward as Regulatory deferral accounts debit/credit balances (Regulatory Assets/Regulatory Liabilities) as the case may be in the financial statements, which would be recovered/refunded through future billing based on future tariff determination by the regulator in accordance with the electricity regulations.

The Company presents separate line items in the balance sheet for:

- i. the total of all regulatory deferral account debit balances; and
- ii. the total of all regulatory deferral account credit balances.

A separate line item is presented in the Statement of Profit and Loss for the net movement in regulatory deferral account. Regulatory assets/ liabilities on deferred tax expense/income is presented separately in the tax expense line item

**2.18 Borrowing costs**

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

Substantial time is defined as time required for commissioning of the assets considering industry benchmarks/MERC tariff regulations.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on

## NOTES TO FINANCIAL STATEMENTS (Contd.)

qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

**2.19 Employee benefits****1 Defined contribution plan:**

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

**2 Defined benefit plans:**

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods. Past service costs are recognised in the statement of profit and loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

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

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

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit

and when the entity recognises any related restructuring costs

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

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

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

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

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

**4 Short-term and other long-term employee benefits**

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted

**NOTES TO FINANCIAL STATEMENTS (Contd.)**

amount of the benefits expected to be paid in exchange for that service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service. Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

**2.20 Leases**

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Lease term is a non-cancellable period together with periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments to be paid over the lease term at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. Subsequently, the lease liability is measured at amortised cost using the effective interest method.

**2.21 Taxation**

Tax on Income comprises current tax and deferred tax. These are recognised in Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

**1 Current tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**2 Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be

**NOTES TO FINANCIAL STATEMENTS (Contd.)**

utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction other than a business combination that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

"Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

Deferred tax assets are recognised for unused tax losses (excluding unabsorbed depreciation) to the extent that it is probable that taxable profit will be available against which the losses can be utilised.

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

**2.22 Earnings per share**

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

**2.23 Provisions, Contingent Liabilities and Contingent Assets.****1 Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

## NOTES TO FINANCIAL STATEMENTS (Contd.)

Present obligations arising under onerous contracts are recognised and measured as provisions with charge to statement of profit and loss. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

**2 Contingent liability**

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise are disclosed as contingent liability and not provided for. Such liability is not disclosed if the possibility of outflow of resources is remote.

**3 Contingent assets**

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are not recognised but disclosed only when an inflow of economic benefits is probable.

**2.24 Dividend distribution to equity shareholders of the Company**

The Company recognises a liability to make dividend distributions to its equity holders when the distribution is authorised and the distribution is no longer at its discretion. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

In case of Interim Dividend, the liability is recognised on its declaration by the Board of Directors.

**3.1 STANDARDS ISSUED BUT NOT EFFECTIVE**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23 March, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 01 April, 2022, as below:

**Ind AS 16 – Property, Plant and Equipment - Proceeds before intended use**

The amendments mainly prohibit an entity from deducting from the cost of property, plant and

equipment amounts received from selling items produced while the Company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

**Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts - Costs of Fulfilling a Contract**

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any impact in its financial statements. The Company has evaluated the amendment and expect the amendment to have no impact in its financial statements.

**Ind AS 103 – Business Combination - Reference to Conceptual Framework**

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired, and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

**Ind AS 107 – Financial Instruments - Annual Improvements to Ind AS (2021)**

The amendment clarifies which fees an entity includes when it applies the '10%' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

**Ind AS 116 – Leases - Annual Improvements to Ind AS (2021)**

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that

## NOTES TO FINANCIAL STATEMENTS (Contd.)

might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

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

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

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

The areas involving critical estimates or judgements are:

Estimation of current tax and deferred tax expense - Note 29

Estimates used for impairment of transmission license - Note 31

Assessment of lease classification in respect of long term power purchase agreement - Note 32 (l) (c)

Judgement to estimate the amount of provision required or to determine required disclosure related to litigation and claims against the Company - Note 33

Estimation of defined benefit obligation - Note 37

For the purpose of capitalisation of borrowing cost, substantial time is defined as time required for commissioning of the assets considering industry benchmarks/MERC tariff regulations.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

## NOTES TO FINANCIAL STATEMENTS (Contd.)

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

## For the year ended 31 March, 2022

(₹ in Crores)

	Freehold Land	Buildings - Residential	Buildings - Others	Plant and Equipment	Distribution Systems	Street Light	Railway Siding	Jetty	Furniture and Fixtures	Vehicles	Office Equipment	Computers	Electrical Installations	Total
<b>Gross carrying amount</b>														
As at 01 April, 2020	2,636.87	104.09	784.03	4,490.58	4,981.69	171.47	6.87	1.26	19.55	26.51	15.34	74.02	24.95	13,337.23
Additions	-	0.33	38.39	487.42	610.13	23.25	-	0.05	1.41	15.15	8.70	33.06	4.93	1,222.82
Disposals	-	-	-	5.59	-	-	-	-	-	1.58	0.03	-	0.07	7.27
<b>Closing Gross carrying amount as on 31 March, 2021</b>	<b>2,636.87</b>	<b>104.42</b>	<b>822.42</b>	<b>4,972.41</b>	<b>5,591.82</b>	<b>194.72</b>	<b>6.87</b>	<b>1.31</b>	<b>20.96</b>	<b>40.08</b>	<b>24.01</b>	<b>107.08</b>	<b>29.81</b>	<b>14,552.78</b>
<b>Accumulated depreciation and impairment</b>														
As at 01 April, 2020	-	8.30	53.74	449.80	365.10	21.26	0.84	0.16	7.37	5.18	9.89	29.39	8.14	959.17
Depreciation charge for the year	-	3.43	28.99	335.76	212.07	10.30	0.41	0.08	2.56	3.60	2.43	10.46	3.09	613.18
Eliminated on disposal of assets	-	-	-	4.09	-	-	-	-	-	0.65	0.03	-	0.07	4.84
<b>Closing accumulated depreciation as on 31 March, 2021</b>	<b>-</b>	<b>11.73</b>	<b>82.73</b>	<b>781.47</b>	<b>577.17</b>	<b>31.56</b>	<b>1.25</b>	<b>0.24</b>	<b>9.93</b>	<b>8.13</b>	<b>12.29</b>	<b>39.85</b>	<b>11.16</b>	<b>1,567.51</b>
<b>Net carrying amount - 31 March, 2021</b>	<b>2,636.87</b>	<b>92.69</b>	<b>739.69</b>	<b>4,190.94</b>	<b>5,014.65</b>	<b>163.16</b>	<b>5.62</b>	<b>1.07</b>	<b>11.03</b>	<b>31.95</b>	<b>11.72</b>	<b>67.23</b>	<b>18.65</b>	<b>12,985.27</b>
<b>Gross carrying amount</b>														
As at 01 April, 2021	2,636.87	104.42	822.42	4,972.41	5,591.82	194.72	6.87	1.31	20.96	40.08	24.01	107.08	29.81	14,552.78
Additions	-	0.49	48.94	332.23	597.00	37.41	-	0.08	0.70	6.86	4.74	77.10	17.75	1,123.30
Disposals	-	-	0.02	20.22	-	-	-	-	0.13	0.72	0.29	0.67	0.38	22.43
<b>Closing Gross carrying amount as on 31 March, 2022</b>	<b>2,636.87</b>	<b>104.91</b>	<b>871.34</b>	<b>5,284.42</b>	<b>6,188.82</b>	<b>232.13</b>	<b>6.87</b>	<b>1.39</b>	<b>21.53</b>	<b>46.22</b>	<b>28.46</b>	<b>183.51</b>	<b>47.18</b>	<b>15,653.65</b>
<b>Accumulated depreciation and impairment</b>														
As at 01 April, 2021	-	11.73	82.73	781.47	577.17	31.56	1.25	0.24	9.93	8.13	12.29	39.85	11.16	1,567.51
Depreciation charge for the year	-	3.94	30.53	289.62	246.78	11.51	0.41	0.08	2.20	5.09	3.05	16.43	3.18	612.82
Eliminated on disposal of assets	-	-	0.02	12.64	-	-	-	-	0.13	0.35	0.28	0.67	0.30	14.39
<b>Closing accumulated depreciation as on 31 March, 2022</b>	<b>-</b>	<b>15.67</b>	<b>113.24</b>	<b>1,058.45</b>	<b>823.95</b>	<b>43.07</b>	<b>1.66</b>	<b>0.32</b>	<b>12.00</b>	<b>12.87</b>	<b>15.06</b>	<b>55.61</b>	<b>14.04</b>	<b>2,165.94</b>
<b>Net carrying amount - 31 March, 2022</b>	<b>2,636.87</b>	<b>89.24</b>	<b>758.10</b>	<b>4,225.97</b>	<b>5,364.87</b>	<b>189.06</b>	<b>5.21</b>	<b>1.07</b>	<b>9.53</b>	<b>33.35</b>	<b>13.40</b>	<b>127.90</b>	<b>33.14</b>	<b>13,487.71</b>

## Notes:

- (i) Refer footnote to Note 17 for security/charges created on property, plant and equipment.
- (ii) The title deeds in respect of land and certain residential properties are either in the erstwhile names of the Company viz: "Bombay Suburban Electric Supply Limited" / "Reliance Energy Limited" / "Reliance Infrastructure Limited". The Company is in process of updating the same from erstwhile Company's name to the name of the Company. Details of Immovable Properties for which title deeds are not in the name of Company are given below:

## NOTES TO FINANCIAL STATEMENTS (Contd.)

Relevant Line Item in Balancesheet	Description of Property	Gross carrying value (₹ in Crores)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Company
Property, Plant and Equipment	Land (Free hold)	2,477.47	BSES / Reliance Energy / Reliance Infrastructure Limited	No	28 August, 2018	The title deeds in respect of land and certain residential properties are either in the erstwhile names of the Company viz: "Bombay Suburban Electric Supply Limited" / "Reliance Energy Limited" / "Reliance Infrastructure Limited". The Company is in process of updating the same from erstwhile Company's name to the name of the Company.
Property, Plant and Equipment	Building - Residential /Others	584.58	BSES / Reliance Energy / Reliance Infrastructure Limited	No	28 August, 2018	
Right-of-Use Assets	Leasehold Land	7.88	BSES / Reliance Energy / Reliance Infrastructure Limited	No	28 August, 2018	

- (iii) Consequent to amendment in tariff regulations w.e.f. 01 April, 2020, the Company in previous year had changed the useful life in respect of batteries and meters and accordingly depreciation for the year ended 31 March, 2021 is higher by ₹ 81.19 Crores.

Further in line with the tariff regulations w.e.f. 01 April, 2020, the Company in previous year had changed the useful life in respect to certain Plant & Machinery and IT Equipment, accordingly depreciation for the year ended 31 March, 2021 is lower by ₹ 13.40 Crores.

## NOTES TO FINANCIAL STATEMENTS (Contd.)

## 5A RIGHT OF USE

(₹ in Crores)

Particulars	Right of Use			
	Land	Building	Right of Way	Total
<b>Gross carrying amount</b>				
As at 01 April, 2020	13.75	129.30	40.16	183.21
Additions	-	14.14	-	14.14
Derecognition	-	4.78	-	4.78
<b>Closing Gross carrying amount as on 31 March, 2021</b>	<b>13.75</b>	<b>138.66</b>	<b>40.16</b>	<b>192.57</b>
<b>Accumulated amortisation &amp; Impairment</b>				
As at 01 April, 2020	0.32	23.80	1.80	25.92
Amortisation charge of the year	0.36	22.99	1.81	25.16
Derecognition	-	-	-	-
<b>Closing accumulated amortisation as on 31 March, 2021</b>	<b>0.68</b>	<b>46.79</b>	<b>3.61</b>	<b>51.08</b>
<b>Net carrying amount - 31 March, 2021</b>	<b>13.07</b>	<b>91.87</b>	<b>36.55</b>	<b>141.49</b>
<b>Gross carrying amount</b>				
As at 01 April, 2021	13.75	138.66	40.16	192.57
Additions	510.32	-	-	510.32
Derecognition	-	36.57	-	36.57
<b>Closing Gross carrying amount as on 31 March, 2022</b>	<b>524.07</b>	<b>102.09</b>	<b>40.16</b>	<b>666.32</b>
<b>Accumulated amortisation &amp; Impairment</b>				
As at 01 April, 2021	0.68	46.79	3.61	51.08
Amortisation charge of the year	3.63	19.74	3.02	26.39
Derecognition	-	3.94	-	3.94
<b>Closing accumulated amortisation as on 31 March, 2022</b>	<b>4.31</b>	<b>62.59</b>	<b>6.63</b>	<b>73.53</b>
<b>Net carrying amount - 31 March, 2022</b>	<b>519.76</b>	<b>39.50</b>	<b>33.53</b>	<b>592.79</b>

## 5B INTANGIBLE ASSETS

(₹ in Crores)

Particulars	Computer Software	Transmission License	Total
<b>Gross carrying amount</b>			
As at 01 April, 2020	24.20	981.62	1,005.82
Additions	18.94	-	18.94
Disposal	-	-	-
<b>Closing Gross carrying amount as on 31 March, 2021</b>	<b>43.14</b>	<b>981.62</b>	<b>1,024.76</b>
<b>Accumulated amortisation &amp; Impairment</b>			
As at 01 April, 2020	14.24	-	14.24
Amortisation charge for the year	6.22	-	6.22
Eliminated on disposal of assets	-	-	-
<b>Closing accumulated amortisation as on 31 March, 2021</b>	<b>20.46</b>	<b>-</b>	<b>20.46</b>
<b>Net carrying amount - 31 March, 2021</b>	<b>22.68</b>	<b>981.62</b>	<b>1,004.30</b>
<b>Gross carrying amount</b>			
As at 01 April, 2021	43.14	981.62	1,024.76
Additions	49.51	-	49.51

## NOTES TO FINANCIAL STATEMENTS (Contd.)

Particulars	Computer Software	Transmission License	Total
Disposal	-	-	-
<b>Closing Gross carrying amount as on 31 March, 2022</b>	<b>92.65</b>	<b>981.62</b>	<b>1,074.27</b>
<b>Accumulated amortisation &amp; Impairment</b>			
As at 01 April, 2021	20.46	-	20.46
Amortisation charge for the year	15.62	-	15.62
Eliminated on disposal of assets	-	-	-
<b>Closing accumulated amortisation as on 31 March, 2022</b>	<b>36.08</b>	<b>-</b>	<b>36.08</b>
<b>Net carrying amount - 31 March, 2022</b>	<b>56.57</b>	<b>981.62</b>	<b>1,038.19</b>

**Notes:**

- (i) The above Intangible Assets are other than internally generated Intangible Assets.
- (ii) Transmission License was acquired as part of the business acquisition. The License is valid for 25 years from 16 August, 2011 to 15 August, 2036. The license can 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) The title deeds in respect of certain lease hold land properties are in the erstwhile names of the Company viz: Bombay Suburban Electric Supply Limited" / "Reliance Energy Limited" / "Reliance Infrastructure Limited". The Company is in process of updating the same from erstwhile Company's name to the name of the Company.

Further during the year, the Company had entered into memorandum of understanding in name of the Company with M/s. Superheights Infraspace Private Limited (SIPL) (related party) for an amount of ₹ 510.00 Crores towards acquiring leasehold rights of land parcel at BKC, Mumbai for construction of Extra High Voltage (EHV) Substation to meet the incremental load requirement. The Company has obtained possession of the said land after giving capital advance of ₹ 431.00 Crores and commenced substantial pre-construction activities.

The leasehold land amounting to ₹ 510.00 Crores is included in the right of use assets. The Company will enter into formal lease agreement on completion of the construction of the substation as per the applicable regulatory requirements.

- (iv) Transmission License is pledged as security with the Lenders against borrowings.

(₹ in Crores)

Depreciation / Amortisation	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Depreciation on Tangible Assets	612.82	613.18
Amortisation on Intangible Assets	15.62	6.22
Amortisation on Right of Use	26.39	25.16
<b>Total</b>	<b>654.83</b>	<b>644.56</b>
Less : Transferred to Capital work in progress	(3.25)	-
<b>Net depreciation charged to the Statement of Profit and Loss</b>	<b>651.58</b>	<b>644.56</b>

## NOTES TO FINANCIAL STATEMENTS (Contd.)

## 5C CAPITAL WORK-IN-PROGRESS

## (a) Capital-work-in progress ageing schedule:

(₹ in Crores)

Particulars	Amount in CWIP for a period of				Total
	<1 year	1-2 years	2-3 years	> 3 years	
<b>As at 31 March, 2022</b>					
- Projects in progress	236.75	30.94	8.62	36.98	<b>313.29</b>
- Projects temporarily suspended	0.22	0.87	0.95	0.15	<b>2.19</b>
<b>Total</b>	<b>236.97</b>	<b>31.81</b>	<b>9.57</b>	<b>37.13</b>	<b>315.48</b>
<b>As at 31 March, 2021</b>					
- Projects in progress	285.97	28.64	23.51	24.56	<b>362.68</b>
- Projects temporarily suspended	0.21	0.51	0.07	0.09	<b>0.88</b>
<b>Total</b>	<b>286.18</b>	<b>29.15</b>	<b>23.58</b>	<b>24.65</b>	<b>363.56</b>

## (b) capital-work-in progress, which has exceeded its cost compared to its original plan:

(₹ in Crores)

CWIP	To be completed in				Total
	<1 year	1-2 years	2-3 years	> 3 years	
<b>As at 31 March, 2022</b>					
<b>- Projects in progress</b>					
220kV 120MVAR Reactor at AEML Gorai	0.19	-	-	-	<b>0.19</b>
<b>- Projects temporarily suspended</b>					
Low Tension network projects	0.17	-	-	-	<b>0.17</b>
<b>Total</b>	<b>0.36</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.36</b>
<b>As at 31 March, 2021</b>					
<b>- Projects in progress</b>					
Low Tension network projects	0.15	-	-	-	<b>0.15</b>
<b>- Projects temporarily suspended</b>					
Low Tension network projects	0.25	-	-	-	<b>0.25</b>
<b>Total</b>	<b>0.40</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.40</b>

Cost Overruns upto (+-) 10% are envisaged by the management's original plan, and hence not considered in above table.

## (c) capital-work-in progress, whose completion is overdue compared to its original plan:

(₹ in Crores)

CWIP	To be completed in				Total
	<1 year	1-2 years	2-3 years	> 3 years	
<b>As at 31 March, 2022</b>					
<b>- Projects in progress</b>					
Main Plant DPR Jobs	0.23	-	-	-	0.23
Main Plant Non DPR Jobs	0.01	-	-	-	0.01
11KV Substation jobs	0.06	-	-	-	0.06
Receiving Station Jobs	0.82	-	-	-	0.82
Low Tension Network jobs	0.02	-	-	-	0.02
Others Non DPR Jobs	0.06	-	-	-	0.06

## NOTES TO FINANCIAL STATEMENTS (Contd.)

(₹ in Crores)

CWIP	To be completed in				Total
	<1 year	1-2 years	2-3 years	> 3 years	
<b>- Projects temporarily suspended</b>					
Receiving Station Jobs	0.05	-	-	-	<b>0.05</b>
<b>Total</b>	<b>1.25</b>	-	-	-	<b>1.25</b>
As at 31 March, 2021					
<b>- Projects in progress</b>					
Main Plant DPR Jobs	0.68	-	-	-	<b>0.68</b>
<b>- Projects temporarily suspended</b>	-	-	-	-	-
<b>Total</b>	<b>0.68</b>	-	-	-	<b>0.68</b>

Time Overruns due to delay in statutory approvals and right of way issues, and approved by the management's revised plan are not considered in above table.

**5D INTANGIBLE ASSETS UNDER DEVELOPMENT AGING SCHEDULE:****(a) Intangible Assets Under Development ageing schedule:**

(₹ in Crores)

Particulars	Amount in CWIP for a period of				Total
	<1 year	1-2 years	2-3 years	> 3 years	
<b>As at 31 March, 2022</b>					
- Projects in progress	-	-	-	-	-
- Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	-	-	-	-	-
<b>As at 31 March, 2021</b>					
- Projects in progress	12.76	2.65	-	-	<b>15.41</b>
- Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>12.76</b>	<b>2.65</b>	-	-	<b>15.41</b>

**(b) Intangible Assets Under Development, whose completion is overdue or has exceeded its cost compared to its original plan:**

(₹ in Crores)

CWIP	To be completed in				Total
	<1 year	1-2 years	2-3 years	> 3 years	
<b>As at 31 March, 2022</b>	-	-	-	-	-
<b>As at 31 March, 2021</b>	-	-	-	-	-

**6 INVESTMENTS****6.A Non-current investments**

(₹ in Crores)

	Face Value of ₹ unless otherwise specified	No of Shares	As at 31 March, 2022	As at 31 March, 2021
			(₹ in crores)	(₹ in crores)
<b>Investment in Equity Shares of Subsidiary (Unquoted) (Cost)</b>				
Adani Electricity Mumbai Infra Limited	10 (10)	10,000 (10000)	0.01	0.01
AEML SEEPZ Limited	10 (10)	10,000 (10000)	0.01	0.01

## NOTES TO FINANCIAL STATEMENTS (Contd.)

	Face Value of ₹ unless otherwise specified	No of Shares	As at 31 March, 2022 (₹ in crores)	As at 31 March, 2021 (₹ in crores)
<b>Investment in Government Securities at amortised cost</b>				
<b>Contingency Reserve Investments (Quoted)</b>				
7.16% Central Government of India - 2050	100 (100)	1,87,50,000 (1,87,50,000)	201.78	202.07
9.23% Central Government of India - 2043	100 (100)	2,20,000 (2,20,000)	2.84	2.88
<b>Total</b>			<b>204.64</b>	<b>204.97</b>
<b>Aggregate Market Value of Quoted Investments</b>			188.31	198.81
<b>Aggregate Carrying Value of Quoted Investments</b>			204.62	204.95
<b>Aggregate Carrying Value of Unquoted Investments</b>			0.02	0.02
<b>Aggregate amount of impairment in the value of investments</b>			-	-

**6.B Current investments**

	Face Value of ₹ unless otherwise specified	No of Units	As at 31 March, 2022 (₹ in crores)	As at 31 March, 2021 (₹ in crores)
<b>Contingency Reserve Investments</b>				
Investment in Treasury Bills at FVTPL (Quoted)	100 (Nil)	25,00,000 (Nil)	24.84	-
			<b>24.84</b>	-
<b>Aggregate Market Value of Quoted Investments</b>			<b>24.84</b>	-
<b>Aggregate Carrying Value of Quoted Investments</b>			<b>24.84</b>	-

**7 LOANS - AT AMORTISED COST**

Particulars	Non-Current		Current	
	As at 31 March, 2022 (₹ in crores)	As at 31 March, 2021 (₹ in crores)	As at 31 March, 2022 (₹ in crores)	As at 31 March, 2021 (₹ in crores)
Housing loans to employee against hypothecation of the property (Secured, considered good)	19.86	25.96	3.47	3.74
Inter Corporate Deposit given to related party (Unsecured, considered good)	1,040.00	1,040.00	-	-
Loans to employees (Unsecured, considered good)	8.54	7.15	3.54	2.98
	<b>1,068.40</b>	<b>1,073.11</b>	<b>7.01</b>	<b>6.72</b>

## NOTES TO FINANCIAL STATEMENTS (Contd.)

Type of Borrowers	Amount of loan or advance in the nature of loan outstanding		Percentage to the total Loans and Advances in the nature of loans	
	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021
	(₹ in crores)	(₹ in crores)	(₹ in crores)	(₹ in crores)
Promoter	-	-	-	-
Director	-	-	-	-
Key Managerial Personnel	0.62	0.18	0.06%	0.02%
Related Party	1,040.00	1,040.00	96.71%	96.31%

- (i) Loans to Key Managerial Personnels are not repayable on demand and has defined repayments schedule and as per the Company's Employees Loan Policy
- (ii) Inter Corporate Deposit given to related party is for a period of 3 years and repayable on demand or on maturity of 3 years whichever is earlier.

## 8 OTHER FINANCIAL ASSETS - AT AMORTISED COST

(₹ in Crores)

Particulars	Non-current		Current	
	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021
(Unsecured, considered good unless otherwise stated)				
Security Deposits - Unsecured				
Considered Good	18.64	18.70	-	-
Considered doubtful	1.05	1.05	-	-
	19.69	19.75	-	-
Less : Provision For Doubtful Deposits	(1.05)	(1.05)	-	-
<b>Total</b>	<b>18.64</b>	<b>18.70</b>	<b>-</b>	<b>-</b>
Fixed Deposit with Banks*	516.34	477.99	-	-
Derivative instruments designated in hedge accounting relationship#	165.25	143.13	-	-
Unbilled Revenue	-	-	507.56	491.10
Other Financial Assets	-	-	116.03	-
	<b>700.23</b>	<b>639.82</b>	<b>623.59</b>	<b>491.10</b>

**Note :**

\*Represents deposits towards Debt Service Reserve Account (DSRA), Capex Reserve Account (CRA) and Margin money.

# Refer footnote to Note 17 for security/charges created on hedging instruments.

**9a. Income Tax Assets (net)**

(₹ in Crores)

	As at 31 March, 2022	As at 31 March, 2021
Income Tax Assets (net)	3.91	3.91
	<b>3.91</b>	<b>3.91</b>

**9b. Current Tax Liabilities**

(₹ in Crores)

	As at 31 March, 2022	As at 31 March, 2021
Current Tax Liabilities	2.13	-
	<b>2.13</b>	<b>-</b>

## NOTES TO FINANCIAL STATEMENTS (Contd.)

**10 OTHER ASSETS (Unsecured, Considered good)**

(₹ in Crores)

	Non-current		Current	
	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021
Advance to Suppliers	-	-	125.19	366.43
Balances with Government authorities	-	-	0.05	4.51
Prepaid Expenses	1.32	2.72	16.79	8.81
#Capital advances	68.55	283.50	-	-
Advance to Employees	2.03	2.34	3.92	5.47
	<b>71.90</b>	<b>288.56</b>	<b>145.95</b>	<b>385.22</b>

#Capital Advance of ₹ 271.00 Crores given to Sunbourn Developers Private Limited (SDPL) (related party) towards property in BKC in earlier years is returned on cancellation of relevant agreement during the year.

**11 INVENTORIES (Stated at lower of Cost and Net Realisable Value)**

(₹ in Crores)

	As at 31 March, 2022	As at 31 March, 2021
Fuel	127.40	128.06
Fuel - In Transit	35.83	19.06
Stores & spares	41.26	46.38
	<b>204.49</b>	<b>193.50</b>

Above inventories are pledged as security with the Lenders against borrowings (Refer Note No 17).

**12 TRADE RECEIVABLES**

(₹ in Crores)

	As at 31 March, 2022	As at 31 March, 2021
(unsecured otherwise stated)	450.49	536.31
Unsecured, considered good	35.36	41.75
Trade Receivables which have significant increase in credit risk	1.39	1.39
Credit Impaired	<b>487.24</b>	<b>579.45</b>
Less : Provision for doubtful Trade receivables	(1.39)	(1.39)
	<b>485.85</b>	<b>578.06</b>

**Note :**

- The Company holds security deposit in respect of trade receivables - Refer Note No 20
- Above trade receivables are pledged as security with the Lenders against borrowings (Refer Note No 17).
- As at 31 March, 2022 - ₹ 77.15 Crores (31 March, 2021 : ₹ 69.55 Crores) is due from Maharashtra State Electricity Transmission Company Limited and ₹ 43.70 Crores (31 March, 2021 : ₹ 49.51 Crores) is due from Municipal Corporation of Greater Mumbai which represents Company's large customer who owes more than 5% of the total balance of trade receivables.
- The average credit period for the Company's receivables from its transmission and distribution (including street light maintenance ) business is in the range of 15 to 30 days. No interest or delayed payment is charged on trade receivables till the due date. Thereafter, one time delayed payment charges at the rate of 1.25% & interest after 30 / 60 days from bill date is charged in the range of 12% to 15% per annum
- In case of transmission business, regulator approved tariff is receivable from long-term transmission customers (LTTCs) and Discoms that are highly rated companies or government parties. Counterparty credit risk with respect to these receivables is very minimal.

## NOTES TO FINANCIAL STATEMENTS (Contd.)

- (vi) The Company considers for impairment its receivables from customers in its Mumbai distribution business. The risk of recovery in these businesses is reduced to the extent of security deposits already collected and held as collateral. Balance amount receivable over and above the deposit is assessed for expected credit loss allowances. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experienced and adjusted for forward- looking information. The expected credit loss allowance is based on ageing of the days the receivables are due.

## 12.1 Trade Receivables ageing Schedule

Particulars	Outstanding for following periods from due date of receipt						
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March, 2022							
(i) Undisputed Trade receivables – considered good	244.67	160.47	1.97	40.61	-	-	447.72
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	6.25	18.08	3.87	7.12	-	-	35.32
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	1.39	-	-	1.39
(iv) Disputed Trade Receivables considered good	0.60	1.66	0.36	0.15	-	-	2.77
(v) Disputed Trade Receivables - which have significant increase in credit risk	0.01	0.03	-	-	-	-	0.04
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(vii) Provision for Doubtful Debts	-	-	-	(1.39)	-	-	(1.39)
Total	251.53	180.24	6.20	47.88	-	-	485.85
As at 31 March, 2021							
(i) Undisputed Trade receivables – considered good	187.16	262.34	83.25	0.92	-	-	533.67
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	2.67	19.39	8.70	10.98	-	-	41.74
(iii) Undisputed Trade Receivables – credit impaired	-	-	1.39	-	-	-	1.39
(iv) Disputed Trade Receivables considered good	0.87	1.15	0.33	0.29	-	-	2.64
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	0.01	-	-	-	-	0.01
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(vii) Provision for Doubtful Debts	-	-	(1.39)	-	-	-	(1.39)
Total	190.70	282.89	92.28	12.19	-	-	578.06

## 12.2 Movement in the allowance for doubtful trade receivables

	As at 31 March, 2022	As at 31 March, 2021
	(₹ in Crores)	(₹ in Crores)
<b>Balance at the beginning of the year</b>	1.39	64.70
Add/(Less) : Provision made / (Written off) during the year (net of recoveries)	-	(63.31)
<b>Balance at the end of the year</b>	<b>1.39</b>	<b>1.39</b>

The concentration of credit risk is very limited due to the fact that the large customers are mainly government bodies / departments and remaining customer base is large and widely dispersed and secured with security deposit.

## NOTES TO FINANCIAL STATEMENTS (Contd.)

## 13 CASH AND CASH EQUIVALENTS - AT AMORTISED COST

(₹ in Crores)

	As at 31 March, 2022	As at 31 March, 2021
Balances with banks		
- In current accounts	64.51	104.52
- Fixed Deposits	-	20.00
Cash On Hand	0.80	2.40
Cheques / Drafts On Hand	9.10	24.97
<b>Total Cash &amp; Cash Equivalents as per Statement of Cash Flows</b>	<b>74.41</b>	<b>151.89</b>

## Reconciliation of liabilities from Financing Activities

Particulars	As at 01 April, 2021	Cash flows		Non-cash Transaction	As at 31 March, 2022
		Proceeds	Repayment		
Non-current Borrowings (including Current Maturities of Non-current Borrowings)	10,578.03	2,231.98	(1,369.40)	424.04	11,864.65
Current Borrowings (Excluding Bank Overdraft)	883.35	1,535.53	(2,418.88)	-	-
<b>Total</b>	<b>11,461.38</b>	<b>3,767.51</b>	<b>(3,788.28)</b>	<b>424.04</b>	<b>11,864.65</b>

## Reconciliation of liabilities from Financing Activities

Particulars	As at 01 April, 2020	Cash flows		Non-cash Transaction	As at 31 March, 2021
		Proceeds	Repayment		
Non-current Borrowings (including Current Maturities of Non-current Borrowings)	10,184.03	767.54	(33.33)	(340.21)	10,578.03
Current Borrowings (Excluding Bank Overdraft)	984.31	3,673.70	(3,774.66)	-	883.35
<b>Total</b>	<b>11,168.34</b>	<b>4,441.24</b>	<b>(3,807.99)</b>	<b>(340.21)</b>	<b>11,461.38</b>

## Note:

Non-cash transactions represents movement in revaluation of foreign currency borrowings.

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

	As at 31 March, 2022	As at 31 March, 2021
*** Bank Deposits with Original Maturity of more than 3 months but less than 12 months	624.48	886.56
	<b>624.48</b>	<b>886.56</b>

\*\*\* Includes deposits placed towards Margin Money and Debt Service Reserve Account (DSRA) amounting to ₹ Nil (31 March, 2021: ₹ 3.70 Crores).

## 15 SHARE CAPITAL

(₹ in Crores)

	As at 31 March, 2022	As at 31 March, 2021
<b>Authorised Share Capital</b>		
5,000,000,000 (5,000,000,000) equity shares of ₹ 10 each.	5,000.00	5,000.00
	<b>5,000.00</b>	<b>5,000.00</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>		
4,020,823,535 (4,020,823,535) fully paid up equity shares of ₹ 10 each.	4,020.82	4,020.82
	<b>4,020.82</b>	<b>4,020.82</b>

## NOTES TO FINANCIAL STATEMENTS (Contd.)

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

Equity Shares	As at 31 March, 2022	As at 31 March, 2021
	No. Shares	No. Shares
At the beginning of the Year	4,02,08,23,535	4,02,08,23,535
Issued during the year	-	-
Outstanding at the end of the year	<b>4,02,08,23,535</b>	<b>4,02,08,23,535</b>

**Details of shares allotted for consideration other than cash**

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

**b. Terms/rights attached to equity shares**

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend if proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c. Details of shareholding of the promoters and shareholders holding more than 5% shares in the Company**

Equity shares of ₹ 10 each fully paid	As at 31 March, 2022		As at 31 March, 2021	
	No. Shares	% held	No. Shares	% held
Adani Transmission Limited and its nominees (Promoters)##	3,01,15,96,827	74.90%	3,01,15,96,827	74.90%
Qatar Holding LLC ##	1,00,92,26,708	25.10%	1,00,92,26,708	25.10%
	<b>4,02,08,23,535</b>	<b>100.00%</b>	<b>4,02,08,23,535</b>	<b>100.00%</b>
## Shares Pledged				
No. of equity shares pledged to Lenders - 100% (PY 100%)	4,02,08,23,529		4,02,08,23,529	

**16 OTHER EQUITY**

(₹ in Crores)

a. Capital Reserve	As at 31 March, 2022	As at 31 March, 2021
	<b>230.78</b>	<b>230.78</b>

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

(₹ in Crores)

b. Effective portion of cashflow Hedge	As at 31 March, 2022	As at 31 March, 2021
Opening Balance	(113.90)	(13.24)
Add : Effective portion of cash flow hedge for the year	(151.87)	(100.66)
Closing Balance	<b>(265.77)</b>	<b>(113.90)</b>

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.

## NOTES TO FINANCIAL STATEMENTS (Contd.)

<b>c. Contingency Reserve Fund</b>	<b>As at 31 March, 2022</b>	<b>As at 31 March, 2021</b>
Opening Balance	219.69	196.95
Transfer from Retained Earnings	25.74	22.74
Closing Balance	<b>245.43</b>	<b>219.69</b>

As per the provisions of MERC MYT Regulations read with Tariff orders passed by MERC, the Company being a Distribution and Transmission Licensee, makes an appropriation to the Contingency Reserve Fund to meet with certain exigencies. Investments have been made in Securities issued by Government of India.

<b>d. Share Premium Account</b>	<b>120.43</b>	120.43
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Securities Premium Reserve is used to record the premium on issue of shares and is utilised in accordance with the provisions of the Companies Act, 2013.

<b>e. Retained Earnings</b>	<b>As at 31 March, 2022</b>	<b>As at 31 March, 2021</b>
(Retained Earnings are the profits of the Company earned till date net of appropriations)		
Opening Balance	232.53	(31.41)
Add : Profit for the year	122.16	259.17
Other Comprehensive Income arising from remeasurement of Defined Benefit Plans(net of tax)	14.17	27.51
Transfer to Contingency Reserve Fund	(25.74)	(22.74)
Closing Balance	343.12	232.53
<b>Total</b>	<b>673.99</b>	<b>689.53</b>

**17 BORROWINGS (AT AMORTISED COST)**

(₹ in Crores)

	<b>Non-current \$\$\$</b>		<b>Current*</b>	
	<b>As at 31 March, 2022</b>	<b>As at 31 March, 2021</b>	<b>As at 31 March, 2022</b>	<b>As at 31 March, 2021</b>
<b>Secured</b>				
Rupee Term Loans from Banks - 8.50%	-	33.33	-	33.33
External Commercial Borrowings in Foreign Currency				
Senior Secured Note - 3.949%	7,512.41	7,235.63	-	-
Term Loans from Banks - 2.99938% (3.9466%)	-	1,248.77	-	-
Sustainability Linked Notes - 3.867%	2,246.10	-	-	-
<b>Unsecured</b>				
External Commercial Borrowings in Foreign Currency				
Shareholders Affiliated Debts - 6.365%	2,106.14	2,026.97	-	-
<b>Total</b>	<b>11,864.65</b>	<b>10,544.70</b>	<b>-</b>	<b>33.33</b>

\* Amount disclosed under the head "current borrowings" (Refer note 23)

\$\$\$ Includes processing fees netted of ₹ 125.72 Crores (31 March, 2021 - ₹ 140.76 Crores)

## NOTES TO FINANCIAL STATEMENTS (Contd.)

Borrowings	Security	Terms of Repayment of Borrowings
Rupee Term Loans from Banks - 8.50%	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);	During the year, the Company prepaid Rupee term loans from Banks in full. As at 31 March, 2021, the terms of repayment were : two equal annual instalments of ₹ 33.33 Crores starting from March 2021.
Senior Secured Note - 3.949% (and related hedging instruments)	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);	By way of bullet payment in February 2030 with an obligation to prepay the debt on occurrence of certain events. The Company can voluntarily prepay the Bond on payment of premium.
Term Loans from Banks - 2.99938% (3.9466%) (and related hedging instruments)	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.	During the year, the Company prepaid term loans from Banks. As at 31 March, 2021, the terms of repayment were as given below: By way of bullet payment with an obligation to prepay the debt on occurrence of certain events. 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 Installment amounting to ₹ 511.77 Crores in 2022-23. b) 2 Installment of amounting to ₹ 767.65 Crores in 2022-23. Impact of recognition of borrowings at amortised cost using effective interest method was ₹ (30.65) Crores.
Sustainability Linked Notes - 3.87% (and related hedging instruments)	<b>Ranking of Security</b> The Collateral will be a first charge ranking pari passu among the debt security holders, without any preference or priority and shall rank pari passu with all the senior secured debt of the Company in accordance with the Senior Secured Note Documents and the intercreditor agreement.	By way of bullet payment in July 2031 with an obligation to prepay the debt on occurrence of certain events. The Company can voluntarily prepay the Bond on payment of premium.
Buyers credit		
Working capital short term loan		As at 31 March, 2022 there are no working capital and buyers credit outstanding. For working capital or buyers credit outstanding on 31 March, 2021, the rate of interest for Secured loans from banks ranged from 1.55% to 5.7%.
Shareholders Affiliated Debts - 6.365%	(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.
Working capital short term loan	Unsecured loans from banks	As at 31 March, 2022 there are no working capital outstanding. For working capital outstanding on 31 March, 2021, the rate of interest for Unsecured loans from banks was 4.25%

## NOTES TO FINANCIAL STATEMENTS (Contd.)

## 18 TRADE PAYABLES

(₹ in Crores)

	Non-Current		Current	
	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021
(A) total outstanding dues of micro enterprises and small enterprises; and	-	-	25.07	28.99
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.	32.22	31.93	1,465.88	1,158.69
	<b>32.22</b>	<b>31.93</b>	<b>1,490.95</b>	<b>1,187.68</b>

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

(₹ in Crores)

	As at 31 March, 2022	As at 31 March, 2021
(a) the principal amount remaining unpaid to any supplier at the end of each accounting year (including payable for Property, Plant & equipment)	104.41	28.41
(b) Interest due on principal amount remaining unpaid to any supplier at the end of each accounting year	0.62	0.58
(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;	0.62	0.58
(e) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	0.62	0.58
(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.	0.62	0.58

## Trade Payables ageing schedule

Particulars	Outstanding for following periods from due date of payment*					
	Not Due	<1 year	1-2 years	2-3 years	More than 3 years	Total
<b>As at 31 March, 2022</b>						
(a) MSME	9.77	9.49	2.10	2.46	1.25	25.07
(b) Others	160.59	1,058.51	127.80	49.58	9.55	1,406.03
(c) Disputed dues – MSME	-	-	-	-	-	-
(d) Disputed dues - Others	-	92.07	-	-	-	92.07
<b>Total</b>	<b>170.36</b>	<b>1,160.07</b>	<b>129.90</b>	<b>52.04</b>	<b>10.80</b>	<b>1,523.17</b>
<b>As at 31 March, 2021</b>						
(a) MSME	18.15	8.53	1.56	0.43	0.32	28.99
(b) Others	54.76	807.06	263.92	23.56	41.32	1,190.62
(c) Disputed dues – MSME	-	-	-	-	-	-
(d) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>72.91</b>	<b>815.59</b>	<b>265.48</b>	<b>23.99</b>	<b>41.64</b>	<b>1,219.61</b>

\* Ageing for provisions have been considered based on transaction date.

## NOTES TO FINANCIAL STATEMENTS (Contd.)

## 19 LEASE LIABILITIES

(₹ in Crores)

	Non-current		Current	
	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021
Lease Obligation	26.25	50.70	18.59	42.89
	<b>26.25</b>	<b>50.70</b>	<b>18.59</b>	<b>42.89</b>

## 20 OTHER FINANCIAL LIABILITIES (At Amortised Cost)

(₹ in Crores)

	Non-current		Current	
	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021
Interest accrued but not due on borrowings	-	-	113.91	99.24
Payable towards purchase of PPE	-	-	315.14	191.58
Security Deposit from Consumers	-	-	471.70	474.80
Regulatory Liabilities other than Distribution	-	-	2.94	6.53
Security Deposit from Customers / Vendors	-	-	15.25	7.99
Other Financial Liabilities	-	-	-	6.61
Derivative Instruments designated in hedge accounting relationship#	66.02	63.12	57.07	31.07
	<b>66.02</b>	<b>63.12</b>	<b>976.01</b>	<b>817.82</b>

#Refer footnote to Note 17 for security/charges created on hedging instruments.

## 21 PROVISIONS

(₹ in Crores)

	Non-current		Current	
	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021
Provision for Gratuity	160.10	132.02	32.57	31.96
Provision for Compensated absences	393.31	390.17	28.07	23.61
Provision for Other Employment Benefits	18.87	20.01	3.16	2.98
<b>Total</b>	<b>572.28</b>	<b>542.20</b>	<b>63.80</b>	<b>58.55</b>

## 22 OTHER LIABILITIES

(₹ in Crores)

	Non-current		Current	
	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021
Deferred Revenue - Service Line Contributions from Consumers	245.47	231.77	11.12	9.78
Statutory dues payable	-	-	210.66	182.92
Advances From Customer	-	51.12	66.74	58.39
Other Payables	-	-	3.18	2.57
	<b>245.47</b>	<b>282.89</b>	<b>291.70</b>	<b>253.66</b>

## NOTES TO FINANCIAL STATEMENTS (Contd.)

**23 BORROWINGS (At Amortised Cost)**

(₹ in Crores)

	As at 31 March, 2022	As at 31 March, 2021
<b>Secured loans from banks</b>		
Current maturities of long-term borrowings	-	33.33
Buyers credit	-	92.35
Working capital short term loan	-	486.00
<b>Unsecured loans</b>		
Working capital short term loan	-	305.00
	-	<b>916.68</b>

**Security and Rate of Interest**

- (i) For Security of Current maturities of long-term borrowings, Short Term Loans, Buyers Credit and Working Capital Loans - (Refer Note No 17)
- (ii) As at 31 March, 2022 there are no working capital or short term loans or buyers credit outstanding. For working capital and buyers credit outstanding on 31 March, 2021, the rate of interest for Secured / unsecured loans from banks ranged from 1.55% to 5.70%.
- (iii) There are no charges or satisfaction which are to be registered with Registrar of Companies beyond the statutory period.
- (iv) The Company has been sanctioned working capital from banks on the basis of security of current assets. The Company in this regard has been duly submitting with all such banks from whom such facilities are taken, the quarterly statements comprising details of said current assets viz. raw material, stores and spares, finished goods, advances for power purchases and coal, book debts (including unbilled revenue) and other receivable (<90 days) reduced by relevant trade payables (i.e net of provisions, regulatory payables and other payables). The said quarterly statements are in agreement with the unaudited books of account of the Company of the respective quarters based on draft figures at the point of time of reporting and there are no material discrepancies.

**24 REVENUE FROM OPERATIONS**

(₹ in Crores)

	For the year ended 31 March, 2022	For the year ended 31 March, 2021
<b>a) Income from Sale of Power and Transmission Charges</b>		
Income from Sale of Power and Transmission Charges (Net)	6,673.94	5,881.61
(Less)/Add: Income to be adjusted in future tariff determination (Net)	3.59	21.97
	6,677.53	5,903.58
<b>b) Other Operating Income</b>		
Insurance Claim Received	2.55	0.01
Income in respect of Services rendered	42.04	6.55
Sale of Coal Rejects / Fly Ash	16.59	8.94
Street Light Maintenance Charges	141.77	101.83
Amortisation of Service Line Contribution	10.30	9.22
Miscellaneous Revenue	17.40	17.51
	230.65	144.06

## NOTES TO FINANCIAL STATEMENTS (Contd.)

(₹ in Crores)

	For the year ended 31 March, 2022	For the year ended 31 March, 2021
<b>c) Sale of Traded Goods</b>		
Sale of Traded Goods	0.76	1.63
	0.76	1.63
<b>Total</b>	<b>6,908.94</b>	<b>6,049.27</b>

Details of Revenue from Contracts with Customers (disaggregated by type and nature of product or services)

(₹ in Crores)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Income from Sale of Power	6,334.58	5,566.00
Income from Transmission Charges (Net)	342.95	337.58
Income in respect of Services rendered	42.04	6.55
Sale of Coal Rejects / Fly Ash	16.59	8.94
Street Light Maintenance Charges	141.77	101.83
Sale of Traded Goods	0.76	1.63
Add: Cash Discount/Rebates etc	31.29	26.54
<b>Total Revenue as per Contracted Price</b>	<b>6,909.98</b>	<b>6,049.07</b>

**Transaction Price - Remaining Performance Obligation**

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

There are no aggregate value of performance obligations that are completely or partially unsatisfied as of 31 March, 2022, other than those meeting the exclusion criteria mentioned above.

**Contract Balances**

(₹ in Crores)

	For the year ended 31 March, 2022	For the year ended 31 March, 2021
<b>Contract Assets</b>		
Recoverable from Consumers		
Non-current	-	-
Current	-	-
Total Contract Assets	-	-
<b>Contract liabilities</b>		
Liabilities towards Consumers		
Non-current	-	-
Current	2.94	6.53
Total Contract Liabilities	2.94	6.53
<b>Receivables</b>		
Trade Receivables (Gross)	487.24	579.45
Unbilled Revenue for passage of time	507.56	491.10
(Less): Allowance for Doubtful Debts	(1.39)	(1.39)
<b>Net Receivables</b>	<b>993.41</b>	<b>1,069.16</b>

## NOTES TO FINANCIAL STATEMENTS (Contd.)

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

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

(₹ in Crores)		
Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
<b>Opening Balance</b>		
Recoverable from consumers	-	-
Liabilities towards consumers	116.04	155.47
A	116.04	155.47
Income to be adjusted in future tariff determination in respect of earlier year	-	(9.55)
Income to be adjusted in future tariff determination (Net)	(3.59)	(12.42)
Adjusted on completion of performace obligation/Others	(42.77)	(17.46)
B	(46.36)	(39.43)
<b>Closing Balance</b>		
Recoverable from consumers	-	-
Liabilities towards consumers	69.68	116.04
(A+B)	69.68	116.04

## 25 OTHER INCOME

(₹ in Crores)		
Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
<b>a) Interest Income</b>		
On Financial Assets carried at Amortised Cost		
Bank Deposits	106.31	98.59
Overdue Trade Receivables	22.45	30.00
Contingency Reserve Fund Investment - Non Current	13.30	3.84
Contingency Reserve Fund Investment - Current	0.53	13.06
Other Investments	-	23.74
On Intercompany Deposits	114.40	116.87
Other interest	51.50	47.24
Interest on Security Deposits - Lease	0.85	0.98
<b>b) Gain/(Loss) on Investments</b>		
Gain On Sale / Fair Value Of Current Investments Measured at FVTPL	1.13	39.73
Gain On Sale / Fair Value Of Current Investments Measured at FVTPL - Contingency Reserve Fund	-	1.33
<b>c) Other Non-operating Income</b>		
Bad Debts Recovery	4.95	3.00
Sale of Scrap	11.79	8.63
Rental Income	0.27	0.21

## NOTES TO FINANCIAL STATEMENTS (Contd.)

(₹ in Crores)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Delayed Payment Charges	22.90	27.00
Foreign Exchange Gain (net)	-	4.96
Profit / (Loss) on Sale of Assets	0.42	1.87
Incentive Received	1.44	-
Sundry credit balances written back	57.41	-
Miscellaneous Income	-	0.62
<b>Total</b>	<b>409.65</b>	<b>421.67</b>

**26 EMPLOYEE BENEFITS EXPENSES**

(₹ in Crores)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
#Salaries, Wages & Bonus	680.35	744.53
Contribution To Gratuity	48.07	46.08
Contribution to Provident and Other Funds	57.52	51.91
Contribution to Superannuation Fund	7.76	7.91
Compensated absences	42.00	56.71
Staff Welfare Expenses	99.02	89.76
	934.72	996.90
Less : Staff Cost Capitalised	(136.04)	(140.73)
<b>Total</b>	<b>798.68</b>	<b>856.17</b>

#Net of wage provisions no longer required written back of ₹ 38.74 Crores (31 March, 2021 : Nil)

**27 FINANCE COSTS**

(₹ in Crores)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
<b>a) Interest Expense</b>		
<b>Borrowings - Amortised Cost</b>		
Rupee Term Loans	1.71	8.40
\$ Senior Secured Note	322.04	315.66
\$ Shareholders Affiliated Debts	138.00	135.66
\$ External Commercial Borrowings (Note 1 below)	47.99	42.02
\$ Sustainability Linked Notes	66.12	-
Working Capital Loans	44.44	78.32
Foreign Exchange Fluctuation Gain(net)-Borrowings (Note 3 below)	155.64	166.80
Interest - Hedging Cost	400.24	348.42
<b>Others</b>		
Security Deposits From Consumers at amortised cost	18.71	21.06
Interest on lease obligation	6.25	6.92
Interest - Others	0.24	1.48
	<b>1,201.38</b>	<b>1,124.74</b>
Less : Interest Cost Capitalised	(42.45)	(30.10)

## NOTES TO FINANCIAL STATEMENTS (Contd.)

(₹ in Crores)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
	1,158.93	1,094.64
<b>b) Other Borrowing Costs</b>		
Other Finance Cost	1.45	2.34
<b>Total</b>	<b>1,160.38</b>	<b>1,096.98</b>

**Note :**

\$ - In Foreign Currency,

- Includes ₹ 28.45 Crores (31 March, 2021: ₹ Nil) (unamortised upfront fees) charged off on settlement of External Commercial Borrowings.
- The weighted average capitalisation rate on the Company's general borrowings is 8.76% (31 March, 2021: 7.98%) per annum.
- Including Mark to Market gain of ₹ 252.56 Crores (31 March, 2021: loss of ₹ 512.11 Crores) on Derivative Instruments designated in hedge accounting relationship.

**28 OTHER EXPENSES**

(₹ in Crores)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Consumption Of Stores & Spares	56.59	37.82
Repairs & Maintenance		
- Plant & Machinery	367.77	355.36
- Buildings	20.22	17.83
- Others	26.18	13.36
@Short Term Lease Rental of Land,Building,Plant & Machinery Etc	12.62	11.35
Vehicle Hire Charges	16.97	19.57
Rates and Taxes	19.44	20.38
Legal & Professional Expenses	149.40	120.93
Directors' Sitting Fees	0.08	0.06
Bank Charges	6.04	9.62
@@Payment to Auditors	1.74	1.60
Communication Expenses	7.96	9.68
Travelling & Conveyance Expenses	8.45	10.57
Insurance Expenses	9.76	23.73
License fees	1.74	1.65
Security Charges	31.17	32.25
Seminar & Training Expenses	3.17	2.10
Software Expenses	18.15	13.05
Bad debt Write off (Refer Note 12.2)	18.31	22.52
Bill Print/Collection/ Distribution	11.88	9.95
Foreign Exchange Fluctuation Loss(net)	1.20	-
Call Center Expenses	8.37	3.64
Donations	0.30	-
@@@Corporate Social Responsibility Expenses	5.69	3.56

## NOTES TO FINANCIAL STATEMENTS (Contd.)

(₹ in Crores)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Electricity Expenses	0.51	0.41
Printing & Stationery	1.38	1.60
Advertisement & Publicity	9.26	3.50
Water charges	3.68	4.17
Other Miscellaneous Expenses	20.27	12.41
<b>Total</b>	<b>838.30</b>	<b>762.67</b>

@Lease Rentals in respect of low value assets is immaterial.

@@ Payment to auditors

(₹ in Crores)

	For the year ended 31 March, 2022	For the year ended 31 March, 2021
<b>As auditor:</b>		
Statutory Audit Fees	1.32	1.25
# Other Services	0.14	0.10
Out of Pocket Expenses	0.01	-
Applicable taxes	0.27	0.24
	<b>1.74</b>	<b>1.60</b>

#Excluding fees of ₹ 1.25 Crores (plus taxes 0.22 Crores) for services towards Sustainability linked bond issue which is netted off in borrowings for purposes of calculating Effective Interest Rate.

**@@@Details of Corporate Social Responsibilities under Section 135 of Companies Act**

(₹ in Crores)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
(i) Amount required to be spent by the Company during the year	5.65	3.56
(ii) Total of previous years shortfall amounts	0.72	-
(iii) Amount of expenditure incurred:		
(a) Construction or acquisition of any assets	-	-
(b) on purpose other than (a) above	0.28	0.59
- Donation to related party trust (not controlled by the Company)	6.13	2.25
<b>Total amount of expenditure incurred</b>	<b>6.41</b>	<b>2.84</b>
(iv) (Excess) / Shortfall at the end of the year	(0.04)	0.72
(v) Provision made towards CSR expenditure	-	0.72

(vi) Reason for shortfall : Nil (31 March, 2021 : Company intended to spend the unutilised amount in subsequent year and had deposited the amount with Unspent Corporate Social Responsibility Account)

(vii) Nature of CSR activities : Primary Education, Community Health and Sanitation, Sustainable Livelihood Development and Urban / Rural Infrastructure Development.

**29 TAX EXPENSES**

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

(₹ in Crores)

	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Current Income Tax (MAT)	47.78	49.40
Deferred Tax	101.18	27.75
	<b>148.96</b>	<b>77.15</b>

## NOTES TO FINANCIAL STATEMENTS (Contd.)

**2 Income Tax recognised in other comprehensive income**

(₹ in Crores)

	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Current Income Tax		
-Remeasurement of Defined Benefit Plans	3.00	5.83
Total income tax recognised in other comprehensive income	<b>3.00</b>	5.83
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will be reclassified to statement of profit and loss	-	-
Items that will not be reclassified to statement of profit and loss	3.00	5.83
	<b>3.00</b>	5.83
<b>The income tax expenses for the year can be reconciled to the accounting profit as follows:</b>		
<b>Profit Before Tax</b>	271.12	336.32
<b>Income tax using the Company's domestic tax rate</b>	94.74	117.52
<b>Tax Effect of :</b>		
- Non deductible Expenses	2.09	1.24
- MAT credit not recognised	47.78	49.40
- Tax on other Items	4.35	(0.85)
- Deferred Tax Asset on unabsorbed Depreciation in respect of earlier years	-	(90.16)
<b>Income tax expense recognised in statement of profit and loss</b>	<b>148.96</b>	<b>77.15</b>

**Notes**

- The tax rate used for the years 31 March, 2022 and 31 March, 2021 reconciliations above is the corporate tax rate of 34.944% payable by corporate entities in India on taxable profits under the Indian tax law.
- The rate used for calculation of Deferred tax is 34.944%, being statutory enacted rate at respective Balance Sheet date.
- The Union Cabinet on 20 November, 2019 approved the proposal for introducing the Taxation Laws (Amendment) Bill, 2019 in order to replace the Ordinance, 2019. Accordingly, on 25 November, 2019, the Taxation Laws (Amendment) Bill, 2019 (Bill) was introduced which received the assent of the President of India on 12 December, 2019. The Taxation Laws Amendment Bill inserted Section 115BAA in the Income Tax Act, 1961 which provides domestic companies a non-reversible option to pay corporate tax at reduced rates effective 01 April, 2019 subject to certain conditions. The Company has decided not to avail the benefit provided under the above Bill, however the Company would evaluate its option in the future based on business developments.

**Unrecognised unused tax credits**

(₹ in Crores)

	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Unrecognised Tax Credits	<b>50.78</b>	55.23

## NOTES TO FINANCIAL STATEMENTS (Contd.)

The expiry of unrecognised unused MAT credits is as described below:

(₹ in Crores)

	As at 31 March, 2022	As at 31 March, 2021
Within One Year	-	-
Greater than one year, less than five years	-	-
Greater than five years	194.01	143.23
No expiry date	-	-
<b>Total</b>	<b>194.01</b>	<b>143.23</b>

**3 Deferred Tax**

(₹ in Crores)

	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Deferred tax Assets	1,335.37	1,088.71
Deferred tax Liabilities	1,514.72	1,166.88
<b>Net Deferred Tax Assets / (Liabilities)</b>	<b>(179.35)</b>	<b>(78.17)</b>

**2021-22**

	Opening Balance	Recognised in Profit & Loss	Closing Balance
<b>Deferred Tax Assets in relation to</b>			
Allowance for Doubtful Debts, Deposits, Advances and property tax payable	5.67	2.03	7.70
Provisions for employee benefits and others	201.89	12.69	214.58
Unabsorbed Depreciation	881.16	231.94	1,113.10
	1,088.71	246.66	1,335.37
<b>Deferred Tax liabilities in relation to</b>			
Property, Plant & Equipment	1,166.88	347.84	1,514.72
	1,166.88	347.84	1,514.72
<b>Deferred Tax Asset/(Liability) (Net)</b>	<b>(78.17)</b>	<b>(101.18)</b>	<b>(179.35)</b>

**2020-21**

	Opening Balance	Recognised in Profit & Loss	Closing Balance
<b>Deferred Tax Assets in relation to</b>			
Allowance for Doubtful Debts, Deposits and Advances	-	5.67	5.67
Provisions for employee benefits and others	-	201.89	201.89
Unabsorbed Depreciation	764.89	116.27	881.16
	764.89	323.82	1,088.71
<b>Deferred Tax liabilities in relation to</b>			
Property, Plant & Equipment	815.31	351.57	1,166.88
	815.31	351.57	1,166.88
<b>Deferred Tax Asset/(Liability) (Net)</b>	<b>(50.42)</b>	<b>(27.75)</b>	<b>(78.17)</b>

## NOTES TO FINANCIAL STATEMENTS (Contd.)

## 30 EARNINGS PER SHARE (EPS)

(₹ in Crores)

		For the year ended 31 March, 2022	For the year ended 31 March, 2021
<b>(A) Before net Movement in Regulatory Deferral Balance</b>			
Profit / (Loss) attributable to Equity Shareholders		122.16	259.17
Add/(Less): Net Movement in Regulatory Deferral Balance		682.47	582.81
Income tax on Regulatory Income / (expense)		(119.24)	(101.83)
Regulatory Income / (expense) (net of tax)		563.23	480.98
Net Profit / (Net Loss) excluding regulatory Income		<b>(441.07)</b>	<b>(221.81)</b>
Number of Weighted Average Equity Shares, outstanding during the year for basic / diluted EPS	No.	4,02,08,23,535	4,02,08,23,535
Nominal Value of Equity Shares	₹	10.00	10.00
<b>Basic / Diluted Earnings per Share before net Movement in Regulatory Deferral Balance</b>	₹	<b>(1.10)</b>	<b>(0.55)</b>
<b>(B) After net Movement in Regulatory Deferral Balance</b>			
Profit / (Loss) attributable to Equity Shareholders		122.16	259.17
Number of Weighted Average Equity Shares, outstanding during the year for basic EPS	No.	4,02,08,23,535	4,02,08,23,535
Nominal Value of Equity Shares	₹	10.00	10.00
<b>Basic / Diluted Earnings per Share after net Movement in Regulatory Deferral Balance</b>	₹	<b>0.30</b>	<b>0.64</b>

## 31

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, 2022 wherein, recoverable amount of the TCGU has been determined applying value in use approach. The value in use of the TCGU has been determined using Discounted Cash Flow Method (DCF).

In deriving the recoverable amount of the TCGU a discount rate (post tax) of 9.10% (31 March, 2021: 8.75%) per annum has been used. In arriving at the recoverable amount of the TCGU, financial projections have been developed for 6 years (31 March, 2021: 6 years) and thereafter in perpetuity considering a terminal growth rate of 1.5% (31 March, 2021: 2%) per annum.

Based on the results of the TCGU impairment test, the estimated value in use of the TCGU was higher than its carrying amount, hence impairment provision recorded during the current year is ₹ Nil (31 March, 2021 - ₹ Nil) 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: 9.10% (31 March, 2021: 8.75%) Post-Tax Discount rate has been derived based on current cost of borrowing and equity rate of return in line with the current market expectations
- Capital expenditure / Capitalisation: Capital expenditure and capitalisation for 6 years (31 March, 2021: 6 years) is estimated based on management projections subject to regulatory approval and thereafter ₹ 500 Crores per annum (31 March, 2021: ₹ 325 Crores per annum)

## NOTES TO FINANCIAL STATEMENTS (Contd.)

## 32 LEASES

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

- a) The following is the movement in Lease liabilities during the year ended 31 March, 2022

(₹ in Crores)

	As at 31 March, 2022	As at 31 March, 2021
<b>Opening Balance</b>	93.59	104.02
Interest on Lease Liabilities	6.25	6.92
Lease Liabilities on account of Leases entered / terminated during the year	(32.63)	9.36
Payments of Lease Liabilities / Other Adjustments	(22.37)	(26.71)
<b>Closing Balance</b> (refer note 19)	<b>44.84</b>	<b>93.59</b>

- b) Where the Company is a lessee :

The Company has taken office premises on lease. Generally leases are renewed on mutual consent and at a prevalent market price and sub lease is restricted.

- Interest Expenses on lease liabilities amounts to ₹ 6.25 Crores (31 March, 2021 ₹ 6.92 Crores)
- 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 - ₹ 12.62 Crores (31 March, 2021 ₹ 11.35 Crores)
- Total Cash outflow for leases amounts to ₹ 34.99 Crores (31 March, 2021 ₹ 38.06 Crores) during the year including cash outflow short term and low value leases.

- c) The Company had a 25 year long term Power Purchase Agreement (PPA) with Vidharbha Industries Power Limited (VIPL), wherein the Company has committed to purchase the entire output generated from VIPL's generating station located at Butibori. In terms of the PPA, the Company subject to a minimum guaranteed plant availability (determined on a yearly basis) is liable to pay subject to MERC approval a fixed monthly capacity charge and a variable charge towards the cost of fuel. VIPL was obligated to make the plant available for generation for a minimum period of time (determined on a yearly basis) and the option as regards the timing of availability was at the discretion of VIPL.

The Company on assessment of the above arrangement has concluded, that considering the Company does not have the right to direct the use of the asset, the above arrangement does not qualify to be lease under IND AS 116.

During FY 2019-20, 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"). VIPL has filed an appeal before the Hon'ble Supreme Court against the said order issued by the ATE. The proceedings are ongoing with the Hon'ble Supreme Court.

## 33 CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in Crores)

	As at 31 March, 2022	As at 31 March, 2021
<b>(A) Contingent liabilities :</b>		
Claims against the Company not probable and hence not acknowledged as debts consists of : -		
(i) Demand disputed by the Company relating to Service tax on street light maintainance, wheeling charges and cross subsidy surcharges - Refer note 3	353.55	353.55

## NOTES TO FINANCIAL STATEMENTS (Contd.)

(₹ in Crores)

	As at 31 March, 2022	As at 31 March, 2021
(ii) Claims raised by the Government authorities towards unearned income arising on alleged transfer of certain land parcels - Refer note 3	127.65	127.65
(iii) Way Leave fees claims disputed by the Company relating to rates charged - Refer note 3	28.43	28.43
(iv) Property related disputes - Refer note 3	2.59	2.59
(v) Other claims against the Company not acknowledged as debts.	2.12	2.12
(vi) Claims raised by Vidharbha Industries Power Limited (VIPL) in respect of increase in fuel cost for the financial year ended 31 March, 2019 - Refer Note 3	1,381.28	1,381.28
(vii) Claims pertaining to interest in respect of certain regulatory Liabilities -Refer Note 3	@@	@@
(viii) Liability in respect of disposal of bottom Ash	@@	@@
(ix) Liability in respect of termination of power purchase lease agreement	@@	@@
	<b>1,895.62</b>	<b>1,895.62</b>

@@ Amount not determinable

**Notes:**

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

The Company, in respect of the above mentioned Contingent Liabilities has assessed that it is only possible but not probable that outflow of economic resources will be required.

(₹ in Crores)

	As at 31 March, 2022	As at 31 March, 2021
<b>(B) Capital Commitments :</b>		
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for	699.48	364.49
	<b>699.48</b>	<b>364.49</b>

**(C) Other Commitments :**

- In terms of the MERC RPO obligation regulations, the Company is required to procure on an annual basis a certain quantum of power generated from renewable sources, as at 31 March, 2022 the Company has an cumulative outstanding commitment to procure renewable power of 5038 Mu's (31 March, 2021 - 4256 Mu's)

The Company to meet its past and future RPO commitment, has entered into through a competitive bid, a long term 25 years PPA of 700 MW with a group entity (Adani Hybrid Energy Jaisalmer Four Limited) to purchase 700 MW of Wind Solar Hybrid Renewable Power at ₹ 3.24 per unit. The Company has purchased

## NOTES TO FINANCIAL STATEMENTS (Contd.)

292.95 Mus of Solar Hybrid from Adani Hybrid Energy Jaisalmer Four Limited during the year ended 31 March, 2022.

The Company in its MYT petition had requested MERC to allow it to carry forward its unmet RPO obligation to the next control period, so as to allow it to fulfil its past obligation from the above arrangement entered into. MERC has directed the Company to file a separate petition in respect of the same wherein appropriate view would be taken. The management is of the view that MERC would approve the above request and there would be no adverse financial implications of the non-compliance by the Company of its past RPO obligations.

## 34 TRANSACTION WITH STRUCK OFF COMPANIES

(₹ in Crores)

Name of the struck off company	Nature of transactions with struck off company	Balance outstanding	Relation with the struck off company, if any, to be disclosed
<b>As at 31 March, 2022</b>			
<b>Payables</b>			
Silent Sentinels Electrical Consultant Private Limited	Purchase of Service	0.01	Vendor
<b>Receivables</b>			
M S Gem Printers Private Limited	Sale of Power	0.13	Consumer
B B Consulting N Eng Private Limited	Sale of Power	0.01	Consumer
Uday Real Tdrs Private Limited	Sale of Power	0.01	Consumer
Unilink Tel Services (I) Private Limited	Sale of Power	0.02	Consumer
Flex Foot Wear India Private Limited	Sale of Power	0.01	Consumer
Kool Dring & Pack Private Limited	Sale of Power	0.02	Consumer
SSV Developeres & Indian Holiday Resort Private Limited	Sale of Power	0.10	Consumer
Others - 361 Parties < 50K	Sale of Power	0.09	Consumer
<b>As at 31 March, 2021</b>			
<b>Payables</b>			
Silent Sentinels Electrical Consultant Private Limited	Purchase of Service	0.01	Vendor
<b>Receivables</b>			
Bharti Infratel Services Limited	Sale of Power	0.04	Consumer
Interjewel Private Limited	Sale of Power	0.02	Consumer
Kunjan Silks Private Limited	Sale of Power	0.01	Consumer
Gem Printers Private Limited	Sale of Power	0.13	Consumer
B.B.Consulting 'N' Engineering Private Limited	Sale of Power	0.01	Consumer
Uday Realtors Private Limited	Sale of Power	0.01	Consumer
Unilink Tele Services (India) Private Limited	Sale of Power	0.02	Consumer
Navdurga Developments Private Limited	Sale of Power	0.01	Consumer
Flex Foot Wear India P.Limited	Sale of Power	0.01	Consumer
SSV Developeres & Indian Holiday Resort Private Limited	Sale of Power	0.11	Consumer
Others - 354 Parties < 50K	Sale of Power	0.09	Consumer

## 35

ATL has acquired the control of the Company w.e.f. 29 August, 2018, through its purchase from Reliance Infrastructure Limited ("RINFRA"), of the equity shares of the Company. In accordance with Share Purchase Agreement, any incremental adjustment, arising as a result of the MERC MYT order for the period 01 April, 2017 to 28 August, 2018 is to the account of R-infra. MERC in its MYT order has provided for recovery of certain regulatory assets in subsequent years subject to final truing up adjustments. Such recoverable amounts are mainly on account of various components such as annual surplus, capex disallowances, MAT credit etc. Pending final truing up by MERC, the amount recoverable from RINFRA have not been accounted for as at 31 March, 2022 and would be accounted for as and when such amount is finally determined.

## NOTES TO FINANCIAL STATEMENTS (Contd.)

**36 RELATED PARTY DISCLOSURE**

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

**Name of related parties & description of relationship**

<b>(A) Ultimate Holding Entity</b>	S. B. Adani Family Trust (SBFT)
<b>(B) Holding Company</b>	Adani Transmission Limited
<b>(C) Subsidiary Company</b>	Adani Electricity Mumbai Infra Limited AEML SEEPZ Limited (w.e.f. 08 December, 2020)
<b>(D) Key Management Personnel:</b>	Mr. Kandarp Patel, Managing Director & CEO Mr. Kunjal Mehta, Chief Financial Officer (w.e.f. 02 May, 2022) Mr. Rakesh Tiwary, Chief Financial Officer (upto 31 March, 2022) Mr. Jaldhi Shukla, Company Secretary Mr. Anil Sardana, Director Mr. Sagar Adani, Director Mr. K Jairaj, Independent Director Ms. Chitra Bhatnagar, Independent Director (upto 27 October, 2021) Ms. Chandra Iyengar (w.e.f. 27 October, 2021) Mr. Quinton Choi, Non Executive Director - (w.e.f. 01 July, 2020) Mr. Kenneth McLaren, Non Executive Director - (w.e.f. 22 October, 2020)
<b>(E) Entity having significant influence</b>	Qatar Holding LLC
<b>(F) Enterprises over which (A) or (B) or (D) or (E) above have significant influence :</b> (where transactions have taken place during the year and previous year / balance outstanding)	Adani Power Limited Adani Enterprises Limited Adani Properties Private Limited Karnavati Aviation Private Limited Adani Power (Mundra) Limited Adani Green Energy Limited Mundra Solar Private Limited Sunbourne Developers Private Limited Adani Institute For Education & Research Adani Township & Real Estate Company Limited AEML Infrastructure Limited Maharashtra Eastern Grid Power Transmission Co. Limited Power Distribution Services Limited Adani Power Maharashtra Limited Adani Total Gas Limited Adani Hybrid Energy Jaisalmer Four Limited Adani Foundation Adani Hospitals Mundra Private Limited Mumbai International Airport Limited (w.e.f. 13 July, 2021) Adani Transmission (India) Limited Superheights Infraspac Private Limited Adani Power Rajasthan Limited Ahmedabad International Airport Limited Mangaluru International Airport Limited Adani Ports And Special Economic Zone Limited Valuable Properties Private Limited Adani Krishnapatnam Port Limited
<b>(G) Employee Benefits Funds :</b>	AEML Gratuity Fund AEML Superannuation Fund

## NOTES TO FINANCIAL STATEMENTS (Contd.)

(₹ in Crores)			
Nature of Transaction	Name of Related Party	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Reimbursement of Expenses	Adani Transmission Limited	-	0.35
Inter Corporate Deposit (ICD) Received Back	Adani Properties Private Limited	-	580.00
Interest expenses on Shareholders Affiliated Debts	Qatar Holding LLC	134.47	131.87
Interest Income on ICD (Loans)	Adani Properties Private Limited	114.40	116.87
Investment in Equity share capital	AEML SEEPZ Limited	-	0.01
Earnest Money Deposit (EMD) received	Adani Enterprises Limited	-	6.84
Earnest Money Deposit (EMD) Given Back	Adani Enterprises Limited	-	6.64
Contribution to Employee Benefits	AEML Gratuity Fund	1.08	0.96
	AEML Superannuation Fund	7.76	7.91
Reimbursement of Expenses- Given	Adani Electricity Mumbai Infra Limited	-	15.50
Purchase of Services	Karnavati Aviation Private Limited	9.00	9.00
	Adani Township & Real Estate Company Limited	-	0.20
	Adani Enterprises Limited	86.02	71.30
	Power Distribution Services Limited	15.00	14.90
	Mundra Solar Private Limited	0.00	-
	Adani Hospitals Mundra Private Limited	0.90	-
Services Given	Adani Institute For Education & Research	0.07	0.01
Sale of Goods	Adani Power (Mundra) Limited	-	0.02
	Adani Transmission (India) Limited	0.01	-
Purchase of PPE	Mundra Solar Private Limited	-	0.47
Employee advance transferred In	Maharashtra Eastern Grid Power Transmission Co. Limited	-	0.04
Employee advance transferred Out	Adani Electricity Mumbai Infra Limited	-	0.94
Employees benefits Received	Adani Enterprises Limited	-	8.26
	Adani Power Maharashtra Limited	-	0.05
	Adani Total Gas Limited	0.02	0.59
Employees benefits Transferred	Adani Electricity Mumbai Infra Limited	-	14.92
	Adani Enterprises Limited	0.02	-
	Adani Power Rajasthan Limited	0.01	-
	Ahmedabad International Airport Limited	0.10	-
	Mangaluru International Airport Limited	0.03	-
	Adani Ports And Special Economic Zone Limited	0.01	-
	Valuable Properties Private Limited	0.03	-
	Adani Green Energy Limited	0.01	-
	Adani Power (Mundra) Limited	0.01	-
	Mumbai International Airport Limited	0.34	-
	Adani Krishnapatnam Port Limited	0.22	-
	Maharashtra Eastern Grid Power Transmission Co. Limited	0.04	-
	Adani Power Limited	0.27	-

## NOTES TO FINANCIAL STATEMENTS (Contd.)

(₹ in Crores)			
Nature of Transaction	Name of Related Party	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Advance - Received Back	AEML Infrastructure Limited	0.05	3.36
Payment made on behalf of Group Companies	AEML Infrastructure Limited	0.07	0.05
	Adani Electricity Mumbai Infra Limited	0.91	0.46
	Power Distribution Services Limited	0.54	0.68
	AEML Seepz Limited	0.05	-
Payment made on behalf of Group Companies-Received Back	AEML Infrastructure Limited	0.08	-
	Adani Electricity Mumbai Infra Limited	1.32	-
	Power Distribution Services Limited	1.21	-
Advance paid towards Purchase of property - Received back	Sunbourne Developers Private Limited	271.00	-
Towards acquisition of leasehold land	Superheights Infraspace Private Limited	510.00	-
Advance paid towards Purchase of Power	Adani Enterprises Limited	1,313.31	700.00
Advance paid towards Purchase of Power-Received back	Adani Enterprises Limited	607.22	250.00
Corporate Social Responsibility Contribution	Adani Foundation	6.13	2.25
Interest Income	Adani Enterprises Limited	50.12	34.90
Purchase of Power (net of discount)	Adani Enterprises Limited (excluding banking transactions)	1,284.73	360.70
	Adani Hybrid Energy Jaisalmer Four Limited	93.87	-
Rent Paid	Mumbai International Airport Limited	1.09	-
Remuneration paid	Mr. Kanderp Patel	4.61	3.55
	Mr. Rakesh Tiwary	1.88	1.49
Employee Loan given	Mr. Rakesh Tiwary	0.50	0.20
Sitting Fees	Mr. K Jairaj	0.06	0.05
	Ms. Chitra Bhatnagar	0.01	0.01
	Ms. Chandra Iyengar	0.02	-

(₹ in Crores)			
Closing Balance	Name of Related Party	As at 31 March, 2022	As at 31 March, 2021
Balance Payable	Mundra Solar Private Limited	0.10	0.01
	Adani Transmission Limited	-	2.72
	Karnavati Aviation Private Limited	3.00	0.75
	Power Distribution Services Limited	13.73	6.56
	Adani Hybrid Energy Jaisalmer Four Limited	42.66	-
	Adani Enterprises Limited	303.97	-
	Superheights Infraspace Private Limited	79.00	-

## NOTES TO FINANCIAL STATEMENTS (Contd.)

(₹ in Crores)

Closing Balance	Name of Related Party	As at 31 March, 2022	As at 31 March, 2021
	Mumbai International Airport Limited	0.34	-
	Adani Power Rajasthan Limited	0.01	-
	Ahmedabad International Airport Limited	0.10	-
	Mangaluru International Airport Limited	0.03	-
	Adani Ports And Special Economic Zone Limited	0.01	-
	Valuable Properties Private Limited	0.03	-
	Adani Power (Mundra) Limited	0.01	-
	Adani Krishnapatnam Port Limited	0.22	-
	Adani Power Limited	0.27	-
	Maharashtra Eastern Grid Power Transmission Co. Limited	0.04	-
Balance Receivable	Adani Enterprises Limited	-	278.43
	Adani Green Energy Limited	0.15	0.16
	Adani Properties Private Limited*	1,040.00	1,040.00
	Sunbourn Developers Private Limited	-	271.00
	AEML Infrastructure Limited	0.04	0.10
	Adani Electricity Mumbai Infra Limited	0.05	1.77
	AEML SEEPZ Limited	0.05	-
	Adani Power Maharashtra Limited	-	0.05
	Adani Total Gas Limited	-	0.59
Investment in Equity Shares of Subsidiary	Adani Electricity Mumbai Infra Limited	0.01	0.01
	AEML SEEPZ Limited	0.01	0.01
Employee Loan Balance Receivable	Mr. Rakesh Tiwary	0.62	0.18
Shareholders Affiliated Debt payable	Qatar Holding LLC	2,137.35	2,061.70
Interest accrued but not due on Shareholders Affiliated Debt	Qatar Holding LLC	53.28	51.40

\* The Company has provided long-term intercorporate deposit at rates comparable to the average commercial rate of interest.

**Note:**

All the above transactions are executed at arm's length basis.

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

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

## NOTES TO FINANCIAL STATEMENTS (Contd.)

**37 DISCLOSURE UNDER IND AS 19 "EMPLOYEE BENEFITS":****1 Defined Contribution Plan**

- (ii) Superannuation fund
- (iii) State defined contribution plans
  - Employer's contribution to Employees' state insurance
  - Employers' Contribution to Employees' Pension Scheme 1995

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

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

(₹ in Crores)		
Particulars	31 March, 2022	31 March, 2021
Contribution to Provident Fund	43.46	38.13
Contribution to Employees Superannuation Fund	7.76	7.91
Contribution to Employees Pension Scheme	<b>6.83</b>	<b>6.90</b>

**2 Defined Benefit Plan****Gratuity**

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

Particulars	Gratuity for the year ended 31 March, 2022	Gratuity for the year ended 31 March, 2021
Starting Period	01 April, 2021	01 April, 2020
Date of Reporting	March 31, 2022	March 31, 2021
<b>Principal Assumptions in actuarial valuation</b>		
Rate of Discounting	6.98%	6.86%
Rate of Salary Increase	10.25%	9.75%
Rate of Employee Turnover	1.00%	0.40%
Mortality Rate During Employment	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality (2006-08)

(₹ in Crores)		
Change in the Present Value of Defined Benefit Obligation	March 31, 2022	March 31, 2021
Present value of Benefit Obligation at the beginning of the year	649.75	645.00
Liability Transferred in	-	5.15
Liability Transferred Out	(1.12)	(9.07)
Interest Cost	44.57	44.11
Current Service Cost	36.82	35.40

## NOTES TO FINANCIAL STATEMENTS (Contd.)

	(₹ in Crores)	
<b>Change in the Present Value of Defined Benefit Obligation</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
Benefit Paid From the Fund	(29.57)	(36.60)
Actuarial (Gain) / Losses on Obligation- Due to Change in Financial Assumptions	20.06	(1.18)
Actuarial (Gain) / Losses on Obligation- Due to Change in Demographic Assumptions	12.79	6.91
Actuarial (Gain) / Losses on Obligation-Due to Experience	(51.17)	(39.97)
<b>Present Value of Benefit Obligation at the end of the year</b>	<b>682.13</b>	<b>649.75</b>
<b>Change in the Fair Value of Plan Assets</b>		
Fair Value of Plan Asset at the beginning of the year	485.77	488.88
Interest Income	33.32	33.43
Benefit Paid From the Fund	(29.57)	(36.60)
Contribution by the Employer	1.09	0.96
Return on Plan Assets Excluding Interest Income	(1.15)	(0.90)
<b>Fair Value of Plan Asset at the end of the year</b>	<b>489.46</b>	<b>485.77</b>
<b>Amount Recognised in the Balance Sheet</b>		
Present Value of Benefit Obligation at the end of the year	682.13	649.75
Fair Value of Plan Assets at the end of the year	489.46	485.77
<b>Funded Status (Deficit)</b>	<b>(192.67)</b>	<b>(163.98)</b>
<b>Net (Liability) Recognised in the Balance Sheet</b>	<b>(192.67)</b>	<b>(163.98)</b>
<b>Provisions</b>		
<b>Current</b>	32.57	31.96
<b>Non-Current</b>	160.10	132.02
<b>Expenses Recognised in the Statement of Profit and Loss</b>		
Current Service Cost	36.82	35.40
Net Interest Cost	11.25	10.68
<b>Expenses Recognised</b>	<b>48.07</b>	<b>46.08</b>
<b>Expenses Recognised in Other Comprehensive Income (OCI)</b>		
Actuarial (Gains) / Losses on Obligation for the year	(18.32)	(34.24)
Return on Plan Assets Excluding Interest Income	1.15	0.90
<b>Net Expenses for the year recognised in OCI</b>	<b>(17.17)</b>	<b>(33.34)</b>
<b>Major Categories of plan assets</b>		
Government Securities	81.02%	70.07%
Debt and other Instruments	10.71%	23.85%
Equity Instruments	8.27%	6.08%
Total	100%	100%
<b>Expected Contribution for next financial year</b>	<b>32.57</b>	<b>31.96</b>
<b>Expected Maturity Analysis of undiscounted defined Benefit Obligation is as follows</b>		
Within one year	35.07	27.46
Between 2 to 5 years	174.27	144.68
Between 6 to 10 years	366.92	347.73
Beyond 10 years	803.48	839.47
The weighted average duration of the defined benefit obligation	10.00	11.00

## NOTES TO FINANCIAL STATEMENTS (Contd.)

	(₹ in Crores)	
Change in the Present Value of Defined Benefit Obligation	March 31, 2022	March 31, 2021
<b>Sensitivity Analysis</b>		
Projected Benefit Obligation on Current Assumptions	<b>682.13</b>	<b>649.75</b>
<b>Assumptions – Discount Rate</b>		
<b>Sensitivity Level</b>	1.00%	1.00%
Impact on defined benefit obligation –in% increase	(7.91%)	(8.46%)
Impact on defined benefit obligation –in ₹ Crores	(53.93)	(54.94)
Impact on defined benefit obligation –in% decrease	9.03%	9.71%
Impact on defined benefit obligation –in ₹ Crores	61.62	63.10
<b>Assumptions – Future Salary Increase</b>		
<b>Sensitivity Level</b>	1.00%	1.00%
Impact on defined benefit obligation –in% increase	8.49%	9.22%
Impact on defined benefit obligation –in ₹ Crores	57.90	59.92
Impact on defined benefit obligation –in% decrease	(7.60%)	(8.20%)
Impact on defined benefit obligation –in ₹ Crores	(51.83)	(53.30)
<b>Assumptions – Employee Turnover</b>		
<b>Sensitivity Level</b>	1.00%	1.00%
Impact on defined benefit obligation –in% increase	(1.72%)	(1.72%)
Impact on defined benefit obligation –in ₹ Crores	(11.72)	(11.19)
Impact on defined benefit obligation –in% decrease	1.90%	0.74%
Impact on defined benefit obligation –in ₹ Crores	12.96	4.81

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting year) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

### 3 Risk exposure:

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility:

The plan liabilities are calculated using a discount rate set with reference to government bond yield. If plan assets underperform this yield, it will result in deficit. These are subject to interest rate risk. To offset the risk, the plan assets have been deployed in high grade insurer managed funds.

Inflation rate risk:

Higher than expected increase in salary and medical cost will increase the defined benefit obligation.

Demographic risk:

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligations is not straight forward and depends upon the combination of salary increase, discount rate and vesting criterion.

## NOTES TO FINANCIAL STATEMENTS (Contd.)

## 38 REGULATORY DEFERRAL ACCOUNT

(₹ in Crores)

Particulars	As at 31 March, 2022	As at 31 March, 2021
<b>Regulatory Deferral Account - Liability</b>		
Regulatory Liabilities	271.56	271.56
<b>Regulatory Deferral Account - Assets</b>		
Regulatory Assets	1,121.92	439.45
Net Regulatory Assets/(Liabilities)	850.36	167.89

**Rate Regulated Activities**

- As per the Ind AS-114 'Regulatory Deferral Accounts', the business of electricity distribution is a Rate Regulated activity wherein Maharashtra Electricity Regulatory Commission (MERC), the regulator determines Tariff to be charged from consumers based on prevailing regulations in place.
- MERC Multi Year Tariff Regulations, 2015 (MYT Regulations), is applicable for the period beginning from 01 April, 2016 to 31 March, 2020.

MERC Multi Year Tariff Regulations, 2019 (MYT Regulations), is applicable for the period beginning from 01 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.

- Reconciliation of Regulatory Assets/Liabilities of distribution business as per Rate Regulated Activities is as follows:

(₹ in Crores)

Particulars	As at 31 March, 2022	As at 31 March, 2021
A Opening Regulatory Assets (Net)	167.89	(256.60)
<b>Add:</b>		
B Income recoverable/(reversible) from future tariff / Revenue Gap for the year		
1 For Current Year	682.47	582.81
2 For Earlier Year	-	-
<b>Total a (1 + 2)</b>	<b>682.47</b>	582.81
<b>Less:</b>		
C Recovered / (refunded) during the year ^	-	158.32
D Net Movement during the year (C - D)	682.47	424.49
<b>E Closing Balance (A - E)</b>	<b>850.36</b>	<b>167.89</b>

^ Includes ₹ 143.98 Crores recovered during 31 March, 2021 on account of final truing up for 2017-18 and 2018-19

## NOTES TO FINANCIAL STATEMENTS (Contd.)

## 39 FINANCIAL INSTRUMENTS.

## 1 Fair Value Measurement

(₹ in Crores)

Particulars	31 March, 2022		31 March, 2021	
	Book Value	Fair Value	Book Value	Fair Value
<b>Financial Assets</b>				
Investment				
- Investment in Treasury Bills at FVTPL	24.84	24.84	-	-
- Government Securities	204.62	188.31	204.95	198.81
Trade Receivables	485.85	485.85	578.06	578.06
Loans Given	1,075.41	1,075.41	1,079.83	1,079.83
Cash and Cash Equivalents	74.41	74.41	151.89	151.89
Other Balances with Bank	624.48	624.48	886.56	886.56
Derivative instruments designated in hedge accounting relationship	165.25	165.25	143.13	143.13
Other Financial Assets	1,158.57	1,158.57	987.79	987.79
<b>Total Financial Assets</b>	<b>3,813.43</b>	<b>3,797.12</b>	<b>4,032.21</b>	<b>4,026.07</b>
<b>Financial Liabilities</b>				
Borrowings (Including Interest accrued & Current Maturities) - Fixed Rate	11,978.56	11,117.56	9,572.93	9,670.04
Borrowings (Including Interest accrued & Current Maturities) - Floating Rate	-	-	1,987.69	1,987.69
Lease Liability obligation	44.84	44.84	93.59	93.59
Trade Payables	1,523.17	1,523.17	1,219.61	1,219.61
Derivative instruments designated in hedge accounting relationship	123.09	123.09	94.19	94.19
Other Financial Liabilities	805.03	805.03	687.51	687.51
<b>Total Financial Liabilities</b>	<b>14,474.69</b>	<b>13,613.69</b>	<b>13,655.52</b>	<b>13,752.63</b>

Above excludes carrying value of investment in subsidiary accounted at cost in accordance with Ind AS 27.

The management assessed that the fair value of cash and cash equivalents, other balances with bank, trade receivables, loans, trade payables, other financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values.

Fair value of the Govt. securities, mutual funds are based on the price quotations near the reporting date.

The fair value of loans from banks and other financial liabilities, as well as other non-current financial liabilities is estimated by discounting future cash flow using rates currently available for debt on similar terms, credit risk and remaining maturities.

The Company enters into derivative financial instruments with various counterparties, principally banks and financial institutions with investment grade credit ratings. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying currency. All derivative contracts are fully collateralised, thereby, eliminating both counterparty and the Company's own non-performance risk.

## NOTES TO FINANCIAL STATEMENTS (Contd.)

- 2 The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels

**Level 1 :**

Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2 :**

Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

**Level 3 :**

Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

(₹ in Crores)

Particulars	Fair Value Hierarchy as at 31 March, 2022				
	Date of Valuation	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
<b>Asset measured at Fair Value</b>					
FVTPL financial investments - In Treasury bills	31 March, 2022	24.84	-	-	24.84
<b>Asset for which Fair Value are disclosed</b>					
Amortised Cost financial investments:					
- Government Securities	31 March, 2022	188.31	-	-	188.31
<b>Derivative instruments designated in hedge accounting relationship</b>					
Derivative financial assets	31 March, 2022	-	165.25	-	165.25
<b>Total</b>		<b>213.15</b>	<b>165.25</b>	<b>-</b>	<b>378.40</b>
<b>Liabilities measured at fair values</b>					
<b>Derivative instruments designated in hedge accounting relationship</b>					
Derivative financial Liabilities	31 March, 2022	-	123.09	-	123.09
<b>Liabilities for which fair values are disclosed</b>					
Borrowings (Including Interest accrued & Current Maturities) - Fixed Rate	31 March, 2022	8,897.51	2,220.05	-	11,117.56
Borrowings (Including Interest accrued & Current Maturities) - Floating Rate	31 March, 2022	-	-	-	-
<b>Total</b>		<b>8,897.51</b>	<b>2,220.05</b>	<b>-</b>	<b>11,117.56</b>

(₹ in Crores)

Particulars	Fair Value Hierarchy as at 31 March, 2021				
	Date of Valuation	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
<b>Asset measured at Fair Value</b>					
FVTPL financial investments - Mutual Funds	31 March, 2021	-	-	-	-

## NOTES TO FINANCIAL STATEMENTS (Contd.)

(₹ in Crores)

Particulars	Fair Value Hierarchy as at 31 March, 2021				
	Date of Valuation	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
<b>Asset for which Fair Value are disclosed</b>					
Amortised Cost financial investments:					
- Government Securities	31 March, 2021	198.81	-	-	198.81
<b>Derivative instruments designated in hedge accounting relationship</b>					
Derivative financial assets	31 March, 2021	-	143.13	-	143.13
<b>Total</b>		<b>198.81</b>	<b>143.13</b>	<b>-</b>	<b>341.94</b>
<b>Liabilities measured at fair values</b>					
<b>Derivative instruments designated in hedge accounting relationship</b>					
Derivative financial Liabilities	31 March, 2021	-	94.19	-	94.19
<b>Liabilities for which fair values are disclosed</b>					
Borrowings (Including Interest accrued & Current Maturities) - Fixed Rate	31 March, 2021	7,372.03	2,298.00	-	9,670.04
Borrowings (Including Interest accrued & Current Maturities) - Floating Rate	31 March, 2021	-	1,987.69	-	1,987.69
<b>Total</b>		<b>7,372.03</b>	<b>4,285.70</b>	<b>-</b>	<b>11,657.73</b>

There has been no transfer between level 1 and level 2 during the period

### 3 Capital Management & Gearing Ratio

The Company manages its capital structure in a manner to ensure that it will be able to continue as a going concern while optimising the return to stakeholders through the appropriate debt and equity balance. The Company's capital structure is represented by equity (comprising issued capital, retained earnings and other reserves) and debt. The Company's management reviews the capital structure of the Company on an annual basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital. The Company's objective is to ensure that the gearing ratio (debt equity ratio) is around 70 : 30

#### Gearing ratio

The gearing ratio at the end of the reporting period was as follows :

(₹ in Crores)

	As at 31 March, 2022	As at 31 March, 2021
Debt	11,978.56	11,560.62
Less : Cash & Bank Balance	1,215.23	1,516.44
<b>Net debt</b>	<b>10,763.33</b>	<b>10,044.18</b>
Total Capital	4,694.81	4,710.35
Capital & net debt	<b>15,458.14</b>	<b>14,754.53</b>
Net debt to Total Capital plus net debt ratio (%)	70%	68%

(i) Debt is defined as Non-current borrowings (including current maturities) and Current borrowings.

**NOTES TO FINANCIAL STATEMENTS (Contd.)**

(ii) Equity is defined as Equity share capital and other equity including reserves and surplus.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no significant breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

**4 Financial risk management objectives and policies**

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations/projects. The Company's principal financial assets include loans, investment including mutual funds, trade and other receivables, and cash and cash equivalents which is derived from its operations.

In the ordinary course of business, the Company is mainly exposed to risks resulting from exchange rate fluctuation (currency risk), interest rate movements (interest rate risk) collectively referred as Market Risk, Credit Risk and Liquidity Risk. The Company's senior management oversees the management of these risks. It manages its exposure to these risks through the use of derivative financial instruments for hedging transactions. It uses derivative instruments such as Cross Currency Swaps, Full Currency swaps, Interest rate swaps and foreign currency Future Option contracts to manage these risks. These derivative instruments reduce the impact of both favorable and unfavorable fluctuations.

The Company's risk management activities are subject to the management, direction and control of Central Treasury team of the Company under the framework of Risk Management Policy for Currency and Interest rate risk, as approved by the Board of Directors of the Company. The Company's Central Treasury team ensures appropriate financial risk governance framework for the Company through appropriate policies & procedures and financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. It is the Company's policy that no trading in derivatives for speculative purposes is undertaken.

The decision of whether and when to execute derivative financial instruments along with its tenure can vary from period to period depending on market conditions and the relative costs of the instruments. The tenure is linked to the timing of the underlying exposure, with the connection between the two being regularly monitored. All derivative contracts are executed with counterparties that are creditworthy. The outstanding derivatives are reviewed periodically to ensure that there is no inappropriate concentration of outstanding to any particular counterparty.

**A. Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk, and currency risk. Financial instruments affected by market risk include loans and borrowings. The sensitivity analysis in interest rate and foreign currency risk sections relate to the position as at March 31, 2021 and March 31, 2022.

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 and March 31, 2022.

**I. Foreign currency risk**

The Company is exposed to foreign currency risks arising from its exposure to the USD. Foreign currency risks arise from future commercial transactions and recognised assets and liabilities, when they are denominated in a currency other than Indian Rupee. Exposures on foreign currency loans are managed through the Company wide hedging policy, which is reviewed periodically to ensure that the results from fluctuating currency exchange rates are appropriately managed. The Company's exposure with regards to foreign currency risk is given below.

The following table shows foreign currency exposures in US Dollar on financial instruments at the end of the reporting period

(Refer Note 39 (5))

## NOTES TO FINANCIAL STATEMENTS (Contd.)

Foreign Currency Exposures				
Particulars	As at 31 March, 2022		As at 31 March, 2021	
	Foreign Currency (In Millions)	₹ Crore	Foreign Currency (In Millions)	₹ Crore
<b>In USD</b>				
(i) Interest accrued but not due	14.66	111.12	12.96	94.75
(ii) Buyers Credit	-	-	12.63	92.35
(iii) Import Creditors and Acceptances	14.38	108.99	0.69	5.04
(iv) Bond	1,000.00	7,579.25	1,000.00	7,311.00
(iv) Bond - Sustainability Linked Notes	300.00	2,273.78	-	-
(v) Shareholders Affiliated Debts	282.00	2,137.35	282.00	2,061.70
(vi) Term Loans from Banks	-	-	175.00	1,279.43
<b>Derivatives</b>				
- Call Options	(582.00)	(4,411.12)	(582.00)	(4,255.00)
- Cross Currency Swaps	(400.00)	(3,031.70)	(575.00)	(4,203.83)
- Forward coupon	(2.26)	(17.13)	(12.63)	(92.34)
- Forward principal	(300.00)	(2,273.78)	-	-
- Coupon Only Swaps	(5.38)	(40.78)	(5.98)	(43.72)
- Principal Only Swaps	(300.00)	(2,273.78)	(300.00)	(2,193.30)
<b>Total</b>	<b>21.40</b>	<b>162.20</b>	<b>7.67</b>	<b>56.08</b>
<b>In Euro</b>				
(i) Import Creditors and Acceptances	0.01	0.09	0.02	0.18
<b>Total</b>	<b>0.01</b>	<b>0.09</b>	<b>0.02</b>	<b>0.18</b>

**Note :**

The Company has executed 4 year cross currency swaps derivative contract of USD 300 mn which will be effective from 22 July 2022 to hedge outstanding Sustainability linked bond of USD 300 mn which is not included in above figures.

**(i) Foreign currency sensitivity analysis**

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant on the Company's profit before tax and pre-tax equity is as under:

(₹ in Crores)

	Effect on profit before tax and consequential impact on Equity			
	As at 31 March, 2022		As at 31 March, 2021	
	Appreciate	Depreciate	Appreciate	Depreciate
Rupee appreciate / (depreciate) by ₹ 1 against USD / EURO / GBP	2.14	(2.14)	0.77	(0.77)
Rupee appreciate / (depreciate) by ₹ 2 against USD / EURO / GBP	4.28	(4.28)	1.53	(1.53)
Rupee appreciate / (depreciate) by ₹ 3 against USD / EURO / GBP	6.42	(6.42)	2.31	(2.31)

Notes: 1) +/- Gain/Loss

**II. Interest rate risk management**

The Company is exposed to interest rate risk on short-term and medium-term floating rate borrowings and on the refinancing of fixed rate debt. The Company's policy is to borrow long term debt with fixed interest rate. The short term borrowings of the Company are mainly floating rate rupee denominated working capital borrowings.

## NOTES TO FINANCIAL STATEMENTS (Contd.)

The long-term borrowings of the Company are by way of Senior Secured Notes (SSN) and Shareholder's Affiliated Debts which carry fixed rate of interest till maturity. Further during the year the Company issued the Sustainability Linked Bond (SLB) of USD 300 million through 10-year notes on 15 July, 2021 under USD 2 billion Global Medium-Term Notes program (GMTN) which carry fixed rate of interest till maturity with certain Sustainability Performance Targets (SPTs), non-attainment of which will result in increase in fixed rate of interest by 0.15% p.a. for SPT 1 in March 2027 and further 0.15% p.a. for SPT 2 for March 2029.

**(i) Interest rate sensitivity:**

The sensitivity analysis below has been determined based on average outstanding exposure of borrowings during the year that have floating interest rates.

If the interest rates had been 50 basis points higher or lower and all the other variables were held constant, the effect on Interest expense for the respective financial years and consequent effect on Company's profit in that financial year would have been as below:

(₹ in Crores)

	As at 31 March, 2022		As at 31 March, 2021*	
	50 bps increase	50 bps decrease	50 bps increase	50 bps decrease
Interest expense on loan	4.60	(4.60)	6.75	(6.75)
Effect on profit / (loss) before tax	(4.60)	4.60	(6.75)	6.75

\*In Previous Year reporting, sensitivity of interest rate change of ₹ 3.95 Crs was determined on the basis of working capital outstanding as on March 31 2021.

**B. Credit risk management**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and other financial assets) and from its financing activities, including loans to others, deposits with banks, financial institutions & others, foreign exchange transactions and other financial assets.

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk defined in accordance with this assessment.

Credit risk on cash and bank balances is limited as the Company generally invests in deposits with banks with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units and quoted bonds issued by government. Counterparty credit limits are reviewed by the Company's management on a regular basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

(₹ in Crores)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Trade receivables	485.85	578.06
Loans	1,075.41	1,079.83
Other financial assets	1,323.82	1,130.92
<b>Total</b>	<b>2,885.08</b>	<b>2,788.81</b>

Refer Note 12 for credit risk and other information in respect of trade receivables. Moreover, given the diverse nature of the consumer profile of the Company, trade receivables are spread over a number of customers with no significant concentration of credit risk. No single customer accounted for 10.0% or more of revenue basis in any of the years presented. The history of trade receivables shows a negligible provision for bad and doubtful debts compared to the volume/value of sales recorded. Other receivables as stated above are due from the parties / banks under normal course of the business having sound credit worthiness, and as such the Company believes exposure to credit risk to be minimal.

The Company has not acquired any credit impaired asset.

## NOTES TO FINANCIAL STATEMENTS (Contd.)

**C. Liquidity risk management**

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. The Company has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The Company also has adequate credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner.

(₹ in Crores)

<b>Contractual Maturities of Financial liabilities</b>	<b>Less than 1 year</b>	<b>1 to 5 years</b>	<b>More than 5 years</b>	<b>Total</b>
<b>As at 31 March, 2022</b>				
Borrowings**	637.18	2,093.10	13,625.30	16,355.58
Trade Payables	1,490.95	-	32.22	1,523.17
Lease Liabilities	18.59	22.75	3.50	44.84
Other Financial Liabilities	862.10	66.02	-	928.12
<b>Total</b>	<b>3,008.82</b>	<b>2,181.87</b>	<b>13,661.02</b>	<b>18,851.71</b>
<b>As at 31 March, 2021</b>				
Borrowings**	1,493.62	3,015.70	11,015.70	15,525.02
Trade Payables	1,187.68	-	31.93	1,219.61
Lease Liabilities	42.89	46.64	4.06	93.59
Other Financial Liabilities	718.58	63.12	-	781.70
<b>Total</b>	<b>3,442.77</b>	<b>3,125.46</b>	<b>11,051.69</b>	<b>17,619.92</b>

\*\*The table has been drawn up based on the undiscounted contractual maturities of the financial liabilities including interest that will be paid on those liabilities upto the maturity of the instruments, ignoring the call and refinancing options available with the Company. The amounts included above for variable interest rate instruments for non-derivative liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

**5 Derivative Financial Instrument**

The Company uses derivatives instruments as part of its management of risks relating to exposure to fluctuation in foreign currency exchange rates and interest rates. The Company does not acquire derivative financial instruments for trading or speculative purposes neither does it enter into complex derivative transactions to manage the above risks. The derivative transactions are normally in the form of forward currency contracts, cross currency swaps, options and interest rate swaps to hedge its foreign currency risks and interest rate risks, respectively and are subject to the Company's guidelines and policies.

The fair values of all derivatives are separately recorded in the balance sheet within current and non current assets and liabilities. Derivative that are designated as hedges are classified as current or non current depending on the maturity of the derivative.

The use of derivative can give rise to credit and market risk. The Company tries to control credit risk as far as possible by only entering into contracts with stipulated / reputed banks and financial institutions. The use of derivative instrument is subject to limits, authorities and regular monitoring by appropriate levels of management. The limits, authorities and monitoring systems are periodically reviewed by management and the Board. The market risk on derivative is mitigated by changes in the valuation of underlying assets, liabilities or transactions, as derivatives are used only for risk management purpose.

The Company enters into derivative financial instruments, such as forward currency contracts, cross currency swaps, options, interest rate futures and interest rate swaps for hedging the liabilities incurred/recorded and accounts for them as cash flow hedges and states them at fair value. The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion

## NOTES TO FINANCIAL STATEMENTS (Contd.)

is recognised immediately in the statement of profit and loss. Amounts recognised in OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. These hedges have been effective for the year ended 31 March, 2022 and 31 March, 2021.

**The fair value of the Company's derivative positions recorded under derivative financial assets and derivative financial liabilities are as follows :-**

Derivative Financials Instruments	As at 31 March, 2022		As at 31 March, 2021	
	Assets	Liabilities	Assets	Liabilities
<b>Current</b>				
<b>Cashflow hedge*</b>				
-Call Options	58.10	68.76	137.21	87.50
-Cross Currency Swaps	47.39	21.74	30.36	5.91
-Forward	-	32.59	-	0.78
-Coupon Only Swaps	(5.79)	-	(3.81)	-
-Principal Only Swaps	65.55	-	(20.63)	-
<b>Total</b>	<b>165.25</b>	<b>123.09</b>	<b>143.13</b>	<b>94.19</b>

\*Refer statement of profit and loss and statement of changes in equity for the changes in the fair value of cashflow hedges

**Derivative Contracts entered into by the Company and outstanding as at Balance Sheet date :**

To hedge Currency risks and interest related risks, the Company has entered into various derivative Contracts. The category wise break-up of the amount outstanding as at Balance Sheet date is given below :-

Particulars	As at 31 March, 2022			As at 31 March, 2021		
	Foreign Currency (In Millions)	₹ Crore	Purpose	Foreign Currency (In Millions)	₹ Crore	Purpose
<b>In USD</b>						
-Call Options	582.00	4,411.12	Hedging of foreign currency borrowing principal	582.00	4,255.00	Hedging of foreign currency borrowing principal & interest liability
-Cross Currency Swaps*	700.00	5,305.48	Hedging of foreign currency borrowing principal & interest liability	575.00	4,203.83	Hedging of foreign currency borrowing principal & interest liability
-Forward	305.80	2,317.73	Hedging of foreign currency borrowing principal & interest liability	12.63	92.34	Hedging of foreign currency borrowing principal liability - Buyers credit
-Coupon Only Swaps	600.00	4,547.55	Hedging of foreign currency borrowing interest liability	600.00	4,386.60	Hedging of foreign currency borrowing interest liability
-Principal Only Swaps	300.00	2,273.78	Hedging of foreign currency borrowing principal liability	300.00	2,193.30	Hedging of foreign currency borrowing principal liability
<b>Total</b>	<b>2,487.80</b>	<b>18,855.66</b>		<b>2,069.63</b>	<b>15,131.07</b>	

\* The Company has executed 4 year cross currency Swaps derivative contract of USD 300 mn which will be effective from 22 July, 2022 to hedge outstanding Sustainability linked bond of USD 300 mn which are included in above table.

## NOTES TO FINANCIAL STATEMENTS (Contd.)

## 40 RATIOS:

(₹ in Crores)

Name of Ratio	Particulars	Numerator / Denominator considered	As at 31 March, 2022	As at 31 March, 2021	% change in Ratio	Remarks
Current Ratio	<b>Ratio</b>		<b>0.77</b>	<b>0.82</b>	-6%	
	Numerator	a. Inventories b. Current Investments c. Trade Receivables & Unbilled Revenue d. Cash and Bank balances e. Current Loans f. Security Deposit g. Other Financial Assets h. Other Current Assets	2,190.62	2,693.05		
	Denominator	a. Current Borrowings (Including Current Maturities of Long term borrowing) b. Trade Payables c. Other Financial Liabilities d. Current Provision e. Other Current Liabilities f. Lease Liability g. Current tax liability	2,843.18	3,277.28		
Debt- Equity Ratio	<b>Ratio</b>		<b>2.53</b>	<b>2.43</b>	4%	
	Numerator	Borrowings (Current & Non Current) (Including Current Maturities of Long term borrowing)	11,864.65	11,461.38		
	Denominator	a. Equity Share Capital b. Other Equity	4,694.81	4,710.35		
Debt Service Coverage Ratio	<b>Ratio</b>		<b>1.70</b>	<b>1.85</b>	-8%	
	Numerator	Profit after Tax before exceptional items, taxes, Depreciation and Amortisation Expenses and Finance Costs (EBIDTA)	1,934.12	2,000.71		
	Denominator	a. Interest on Loan and Lease Payments b. Current Maturities of Long term loan (Installments)	1,138.31	1,078.70		
Return on Equity Ratio	<b>Ratio</b>		<b>0.03</b>	<b>0.06</b>	-54%	
	Numerator	Profit for the year after tax before Other Comprehensive Income / Expenses	122.2	259.2		
	Denominator	a. Equity Share Capital b. Other Equity	4,702.58	4,617.34		Due to increase in finance cost as a result of increase in debt in Current year and Increase in deferred tax assets in previous year

## NOTES TO FINANCIAL STATEMENTS (Contd.)

						(₹ in Crores)
Name of Ratio	Particulars	Numerator / Denominator considered	As at 31 March, 2022	As at 31 March, 2021	% change in Ratio	Remarks
Inventory Turnover Ratio	Ratio		6.87	3.43	100%	Due to increase in fuel consumption for increased generation and decrease in average inventory of fuel.
	Numerator	a. Cost of fuel b. Purchase of Traded Goods	1,066.75	974.02		
	Denominator	Average Traded Inventories excluding stores inventories	155.18	283.57		
Trade Receivables turnover ratio	Ratio		6.68	5.62	19%	
	Numerator	a. Income from Sale of Power and Transmission Charges b. Sale of Coal Rejects / Fly Ash c. Street Light Maintenance Charges d. Income in respect of Services rendered e. Sale of Traded Goods f. Misc. Revenue	6,892.50	6,018.07		
	Denominator	Average Trade receivables (including Unbilled revenue)	1,031.29	1,070.28		
Trade payables turnover ratio	Ratio		4.51	3.57	26%	Due to increase in fuel consumption for increased generation and decrease in average trade payables.
	Numerator	a. Cost Of Power Purchased b. Cost of Fuel c. Transmission Charges d. Purchases of traded goods e. Other Expenses	5,119.30	4,119.72		
	Denominator	Average Trade payables (excluding provision for salary, wages and bonus provision)	1,134.29	1,154.07		
Net capital turnover ratio	Ratio		(10.59)	(10.35)	2%	
	Numerator	Total Revenue from Operation	6,908.94	6,049.27		
	Denominator	Working Capital (current assets minus current liabilities)	(652.56)	(584.23)		
Net profit ratio	Ratio		0.02	0.04	(59%)	Due to increase in finance cost as a result of increase in debt in Current year, Increase in deferred tax assets in previous year
	Numerator	Profit for the year after tax before Other Comprehensive Income / Expenses	122.16	259.17		
	Denominator	Total Revenue from Operation	6,908.94	6,049.27		

## NOTES TO FINANCIAL STATEMENTS (Contd.)

(₹ in Crores)						Remarks
Name of Ratio	Particulars	Numerator / Denominator considered	As at 31 March, 2022	As at 31 March, 2021	% change in Ratio	
Return on Capital employed	<b>Ratio</b>		<b>0.09</b>	<b>0.09</b>	(3%)	
	Numerator	Profit before tax and Interest expenses	1,431.50	1,433.30		
	Denominator	a. Networth b.Total Debt c.Deferred tax Liability"	16,738.81	16,249.90		
Return on investment	<b>Ratio</b>		<b>0.09</b>	<b>0.10</b>	(13%)	
	Numerator	Income From Investments, Intercompany deposits, Bank Deposits	235.67	273.42		
	Denominator	Average Investments (including Intercompany deposits, Bank Deposits)	2,632.58	2,671.87		

## 41

The chief operating decision maker evaluates the Company's performance and applies the resources to whole of the Company business viz. "Generation, Transmission and Distribution of Power" as an integrated utility. Hence the Company does not have any reportable segment as per Ind AS- 108 "Operating Segments"

## 42 SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

There were no significant adjusting events that occurred subsequent to the reporting period other than the events disclosed in the relevant notes.

As per our attached report of even date

**For Deloitte Haskins & Sells LLP**  
**Chartered Accountants**

ICAI Firm Registration Number : 117366W/W-100018

**Mohammed Bengali**

Partner

Membership No. 105828

Place : Mumbai

Date : 2 May, 2022

For and on behalf of the Board of Directors

**ADANI ELECTRICITY MUMBAI LIMITED**

**Anil Sardana**

Chairman

DIN: 00006867

**Kunjal Mehta**

Chief Financial Officer

Place : Ahmedabad

Date : 2 May, 2022

**Kandarp Patel**

Managing Director & CEO

DIN.: 02947643

**Jaladhi Shukla**

Company Secretary

# INDEPENDENT AUDITOR'S REPORT

## To The Members of Adani Electricity Mumbai Limited

### REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

#### Opinion

We have audited the accompanying consolidated financial statements of Adani Electricity Mumbai Limited ("the Holding Company") and its subsidiaries, (the Holding Company and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31st March 2022, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the reports of the other auditors on separate financial statements of a subsidiary as explained in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March 2022, and their consolidated profit, their consolidated total comprehensive expense, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

#### Basis for Opinion

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

### INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

- The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of 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 Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and

## INDEPENDENT AUDITOR'S REPORT (Contd.)

presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

### AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design

audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced.

**INDEPENDENT AUDITOR'S REPORT (Contd.)**

We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**OTHER MATTERS**

(a) We did not audit the financial statements of a subsidiary (Adani Electricity Mumbai Infra Limited) whose financial statements reflect total assets of Rs.222.66 crores as at 31st March, 2022, total revenues of Rs. Nil and net cash inflows amounting to Rs. 15.15 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 this subsidiary, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on 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 matters with respect to our reliance on the work done and the reports of the other auditors.

**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 subsidiary referred to in the Other Matters section above 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 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 Holding Company as on 31st March, 2022 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of the subsidiary companies, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Holding company and the 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.

**INDEPENDENT AUDITOR'S REPORT (Contd.)**

With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
- ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies incorporated in India.
- (iv) (a) The respective Managements of the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"),

with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) The respective Managements of the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

**INDEPENDENT AUDITOR'S REPORT (Contd.)**

- iv) The Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, has not declared or paid interim or final dividend during the year or previous year.
2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by the auditors of the subsidiaries included in the consolidated

financial statements of the Company, to which reporting under CARO is applicable, provided to us by the Management of the Company and based on the identification of matters of qualifications or adverse remarks in their CARO reports by the respective component auditors and provided to us, we report that the auditors of such companies have not reported any qualifications or adverse remarks in their CARO report.

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Mohammed Bengali**  
(Partner)

Place: Mumbai (Membership No. 105828)  
Date: 02 May, 2022 (UDIN: 22105828AIHSLT9325)

## 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, 2022, we have audited the internal financial controls over financial reporting of Adani Electricity Mumbai Limited (hereinafter referred to as "the Holding Company") 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 Holding company 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 Holding Company 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 reports of the other auditors on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the subsidiaries, which are companies incorporated in India, in terms of it being referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company and its subsidiary 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.

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)****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 as regards the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to a subsidiary company referred to in the Other Matters paragraph below, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as

at March 31, 2022, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to a subsidiary company (Adani Electricity Mumbai Infra Limited), which is company incorporated in India, is based solely on the reports of the statutory auditors of such company incorporated in India.

Our opinion is not modified in respect of the above matters.

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Mohammed Bengali**  
(Partner)

Place: Mumbai (Membership No. 105828)  
Date: 02 May, 2022 (UDIN: 22105828AIHSLT9325)

# CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH, 2022

(₹ in Crores)			
Particulars	Note	As at 31 March, 2022	As at 31 March, 2021
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, Plant and Equipment	5	13,487.71	12,985.27
Capital Work-In-Progress	5c	489.94	387.14
Right-of-Use Assets	5a	592.79	141.49
Intangible Assets	5b	1,038.19	1,004.30
Intangible Assets Under Development	5d	-	15.41
Financial Assets			
(i) Investments	6a	204.62	204.95
(ii) Loans	7	1,068.94	1,073.84
(iii) Other Financial Assets	8	731.13	639.82
Income Tax Assets (net)	9a	4.00	3.93
Other Non-current Assets	10	72.45	288.56
<b>Total Non-current Assets</b>		<b>17,689.77</b>	<b>16,744.71</b>
<b>Current Assets</b>			
Inventories	11	204.49	193.50
Financial Assets			
(i) Investments	6b	24.84	-
(ii) Trade Receivables	12	485.85	576.29
(iii) Cash and Cash Equivalents	13	90.10	152.42
(iv) Bank Balances other than (iii) above	14	624.48	886.56
(v) Loans	7	7.10	12.77
(vi) Other Financial Assets	8	623.59	491.10
Other Current Assets	10	146.26	385.49
<b>Total Current Assets</b>		<b>2,206.71</b>	<b>2,698.13</b>
<b>Total Assets before Regulatory Deferral Account</b>		<b>19,896.48</b>	<b>19,442.84</b>
<b>Regulatory Deferral Account - Assets</b>		1,121.92	439.45
<b>Total Assets</b>		<b>21,018.40</b>	<b>19,882.29</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share Capital	15	4,020.82	4,020.82
Other Equity	16	673.91	689.53
Instrument Entirely Equity in Nature	15a	104.72	-
<b>Total Equity</b>		<b>4,799.45</b>	<b>4,710.35</b>
<b>Liabilities</b>			
<b>Non-current Liabilities</b>			
Financial Liabilities			
(i) Borrowings	17	11,956.68	10,555.82
(ii) Trade Payables	18		
(A) total outstanding dues of micro enterprises and small enterprises; and		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		32.22	31.93
(iii) Lease Liabilities	19	26.25	50.70
(iv) Other Financial Liabilities	20	67.78	63.55
Provisions	21	587.19	557.12
Deferred Tax Liabilities (Net)	29	179.35	78.17
Other Non Current Liabilities	22	245.47	282.89
<b>Total Non-current Liabilities</b>		<b>13,094.94</b>	<b>11,620.18</b>
<b>Current Liabilities</b>			
Financial Liabilities			
(i) Borrowings	23	-	916.68
(ii) Trade Payables	18		
(A) total outstanding dues of micro enterprises and small enterprises; and		25.07	28.99

## CONSOLIDATED BALANCE SHEET (Contd.)

(₹ in Crores)			
Particulars	Note	As at 31 March, 2022	As at 31 March, 2021
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		1,465.88	1,161.15
(iii) Lease Liabilities	19	18.59	42.89
(iv) Other Financial Liabilities	20	977.51	817.82
Provisions	21	66.28	58.55
Current Tax Liabilities	9b	2.13	-
Other Current Liabilities	22	296.99	254.12
<b>Total Current Liabilities</b>		<b>2,852.45</b>	<b>3,280.20</b>
<b>Total Liabilities before Regulatory Deferral Account</b>		<b>15,947.39</b>	<b>14,900.38</b>
<b>Regulatory Deferral Account - Liabilities</b>		271.56	271.56
<b>Total Equity and Liabilities</b>		<b>21,018.40</b>	<b>19,882.29</b>
See accompanying notes forms part of the financial statements		-	-

As per our attached report of even date

**For Deloitte Haskins & Sells LLP**  
**Chartered Accountants**

ICAI Firm Registration Number : 117366W/W-100018

**Mohammed Bengali**

Partner

Membership No. 105828

Place : Mumbai

Date : 2 May, 2022

For and on behalf of the Board of Directors

**ADANI ELECTRICITY MUMBAI LIMITED**

**Anil Sardana**

Chairman

DIN: 00006867

**Kunjal Mehta**

Chief Financial Officer

Place : Ahmedabad

Date : 2 May, 2022

**Kandarp Patel**

Managing Director & CEO

DIN.: 02947643

**Jaladhi Shukla**

Company Secretary

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH, 2022

(₹ in Crores)			
Particulars	Note	For the year ended 31 March, 2022	For the year ended 31 March, 2021
<b>Income :</b>			
Revenue from Operations	24	6,908.94	6,049.27
Other Income	25	409.65	421.67
<b>Total Income</b>		<b>7,318.59</b>	<b>6,470.94</b>
<b>Expenses :</b>			
Cost Of Power Purchased		2,736.41	1,914.51
Cost of Fuel		1,065.99	972.56
Transmission Charges		477.84	468.52
Purchases of traded goods		0.76	1.46
Employee Benefits Expense	26	798.68	856.17
Finance Costs	27	1,160.38	1,096.98
Depreciation and Amortisation Expenses	5,5a&5b	651.58	644.56
Other Expenses	28	838.30	762.67
<b>Total Expenses</b>		<b>7,729.94</b>	<b>6,717.43</b>
<b>Profit/(Loss) Before Movement in Regulatory Deferral Balance, Exceptional Items and Tax</b>		<b>(411.35)</b>	<b>(246.49)</b>
Add/(Less): Net Movement in Regulatory Deferral Balance		682.47	582.81
<b>Profit Before Exceptional Items and Tax</b>		<b>271.12</b>	<b>336.32</b>
Exceptional items		-	-
<b>Profit Before Tax</b>		<b>271.12</b>	<b>336.32</b>
<b>Tax Expense:</b>	29		
Current Tax		47.78	49.40
Deferred Tax		101.18	27.75
		<b>148.96</b>	<b>77.15</b>
<b>Profit after tax</b>	<b>Total A</b>	<b>122.16</b>	<b>259.17</b>
<b>Other Comprehensive Income / (Expense)</b>			
(a) Items that will not be reclassified to profit or loss			
-Remeasurement of Defined Benefit Plans		17.09	33.34
-Income Tax Impact		(3.00)	(5.83)
(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		(151.87)	(100.66)
<b>Other Comprehensive Expense</b>	<b>Total B</b>	<b>(137.78)</b>	<b>(73.15)</b>
<b>Total Comprehensive Income</b>	<b>Total (A+B)</b>	<b>(15.62)</b>	<b>186.02</b>
<b>Earnings Per Share (EPS) (in ₹)</b>	30		
<b>(Face Value ₹ 10 Per Share)</b>			
Basic / Diluted earnings per Equity Share before net Movement in Regulatory Deferral Balance		(1.10)	(0.55)
Basic / Diluted earnings per Equity Share after net Movement in Regulatory Deferral Balance		0.30	0.64

See accompanying notes forms part of the financial statements

As per our attached report of even date

**For Deloitte Haskins & Sells LLP**  
**Chartered Accountants**

ICAI Firm Registration Number : 117366W/W-100018

**Mohammed Bengali**

Partner

Membership No. 105828

Place : Mumbai

Date : 2 May, 2022

For and on behalf of the Board of Directors

**ADANI ELECTRICITY MUMBAI LIMITED**

**Anil Sardana**

Chairman

DIN: 00006867

**Kunjali Mehta**

Chief Financial Officer

Place : Ahmedabad

Date : 2 May, 2022

**Kandarp Patel**

Managing Director & CEO

DIN.: 02947643

**Jaladhi Shukla**

Company Secretary

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## A. EQUITY SHARE CAPITAL

(₹ in Crores)

Particulars	No. Shares	Amount
<b>Balance as at 01 April, 2020</b>	<b>4,02,08,23,535</b>	<b>4,020.82</b>
Changes in Equity Share Capital during the year	-	-
<b>Balance as at 31 March, 2021</b>	<b>4,02,08,23,535</b>	<b>4,020.82</b>
Changes in Equity Share Capital during the current year	-	-
<b>Balance as at 31 March, 2022</b>	<b>4,02,08,23,535</b>	<b>4,020.82</b>

## B. OTHER EQUITY

For the period ended 31 March, 2022

(₹ in Crores)

Particulars	Reserves and Surplus				Items of Other Comprehensive Income	Total
	Capital Reserve	Contingency Reserve Fund	Share Premium Account	Retained Earnings	Cashflow Hedge Reserve	
<b>Balance as at 01 April, 2020</b>	230.78	196.95	120.43	(31.41)	(13.24)	503.51
Profit for the year	-	-	-	259.17	-	259.17
Other comprehensive Income / (Expense) for the year	-	-	-	27.51	(100.66)	(73.15)
<b>Total comprehensive Income / (Expense) for the year</b>	-	-	-	<b>286.68</b>	<b>(100.66)</b>	<b>186.02</b>
Transfer to Contingency Reserve	-	22.74	-	(22.74)	-	-
<b>Balance as at 31 March, 2021</b>	<b>230.78</b>	<b>219.69</b>	<b>120.43</b>	<b>232.53</b>	<b>(113.90)</b>	<b>689.53</b>
<b>Balance as at 01 April, 2021</b>	230.78	219.69	120.43	232.53	(113.90)	689.53
Profit for the year	-	-	-	122.16	-	122.16
Other comprehensive Income / (Expense) for the year	-	-	-	14.09	(151.87)	(137.78)
<b>Total comprehensive Income / (Expense) for the year</b>	-	-	-	<b>136.25</b>	<b>(151.87)</b>	<b>(15.62)</b>
Transfer to Contingency Reserve	-	25.74	-	(25.74)	-	-
<b>Balance as at 31 March, 2022</b>	<b>230.78</b>	<b>245.43</b>	<b>120.43</b>	<b>343.04</b>	<b>(265.77)</b>	<b>673.91</b>

See accompanying notes forming part of the financial statements

As per our attached report of even date

**For Deloitte Haskins & Sells LLP**  
**Chartered Accountants**

ICAI Firm Registration Number : 117366W/W-100018

**Mohammed Bengali**

Partner

Membership No. 105828

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

**Anil Sardana**

Chairman

DIN: 00006867

**Kunjal Mehta**

Chief Financial Officer

**Kandarp Patel**

Managing Director &amp; CEO

DIN.: 02947643

**Jaladhi Shukla**

Company Secretary

Place : Mumbai

Date : 2 May, 2022

Place : Ahmedabad

Date : 2 May, 2022

## CONSOLIDATED STATEMENT OF CASH FLOW

(₹ in Crores)		
Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
<b>A. Cash flow from operating activities</b>		
Profit before tax	271.12	336.32
Adjustments for:		
Interest Income	(309.34)	(334.32)
Delayed Payment Charges	(22.90)	(27.00)
Unrealised Foreign Exchange Gain from Borrowings net of Hedging	155.64	166.80
Amortisation of Consumer Contribution	(10.30)	(9.22)
Gain On Sale / Fair Value Of Current Investments Measured at FVTPL	(1.13)	(39.73)
Gain On Sale / Fair Value Of Current Investments Measured at FVTPL - Contingency Reserve Fund	-	(1.33)
Finance Costs	1,004.74	930.18
Depreciation and Amortisation Expense	651.58	644.56
(Profit)/Loss on sale of Fixed Assets (Net)	(0.42)	(1.87)
Sundry credit balances written back	(57.41)	
Provisions no longer required written back	(38.74)	
Bad Debts Written Off	18.31	22.52
<b>Operating Profit before working capital changes</b>	<b>1,661.15</b>	<b>1,686.91</b>
Changes in Working Capital:		
Adjustments for (Increase) / Decrease in Assets :		
Trade Receivables	103.77	(46.81)
Inventories	(10.99)	317.92
Financial Assets - Current / Non Current	(132.43)	40.61
Other Assets - Current / Non Current	240.98	(74.09)
Regulatory Deferral Account - Assets	(682.47)	(191.72)
Adjustment for Increase / (Decrease) in Liabilities :		
Trade Payables	369.84	(250.68)
Financial Liabilities - Current / Non Current	(6.04)	(71.15)
Provisions - Current / Non Current	52.42	342.27
Other Liabilities - Current / Non Current	(14.42)	(30.85)
Regulatory Deferral Account - Liability	-	(232.77)
<b>Cash generated from operations</b>	<b>1,581.81</b>	<b>1,489.64</b>
Tax paid (Net)	(48.72)	(83.37)
<b>Net cash from operating activities (A)</b>	<b>1,533.09</b>	<b>1,406.27</b>
<b>B. Cash flow from investing activities</b>		
Capital expenditure on Property, Plant and Equipment & Intangible Assets	(1,413.01)	(1,215.27)
Proceeds from Sale of Property, Plant and Equipment	8.46	4.30
(Purchase) / Sale of Mutual Funds / Other Investments-Net	(27.41)	21.87
Bank balances not considered as Cash & Cash Equivalents	237.28	(773.13)
Advances - Given	(607.22)	-
Advances - received back	607.22	-
Loans (given) / repaid (net)	10.26	584.34
Delayed payment charges received	22.90	27.00
Interest Received	300.50	298.28
<b>Net cash used in investing activities (B)</b>	<b>(861.02)</b>	<b>(1,052.61)</b>
<b>C. Cash flow from financing activities</b>		

## CONSOLIDATED STATEMENT OF CASH FLOW (Contd.)

(₹ in Crores)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Increase in Service Line Contribution	25.33	14.29
Proceeds from Long-term borrowings	2,293.24	778.66
Repayment of Long-term borrowings	(1,404.41)	(33.33)
Proceeds from Short-term borrowings	1,535.54	3,673.70
Repayment of Short-term borrowings	(2,418.89)	(3,775.66)
Proceeds from issue of Optionally convertible Debentures	158.98	-
Payment of Lease Liability Obligation	(16.12)	(10.43)
Interest of Lease Liability Obligation	(6.25)	(6.92)
Interest & Other Borrowing Cost	(901.81)	(964.25)
<b>Net cash used in financing activities (C)</b>	<b>(734.39)</b>	<b>(323.94)</b>
<b>Net (decrease) / increase in cash and cash equivalents (A+B+C)</b>	<b>(62.32)</b>	<b>29.72</b>
<b>Cash and cash equivalents as at 001 April, (Opening Balance)</b>	<b>152.42</b>	<b>122.70</b>
<b>Cash and cash equivalents as at 31 March, (Closing Balance)</b>	<b>90.10</b>	<b>152.42</b>
	<b>As at 31 March, 2022</b>	<b>As at 31 March, 2021</b>
<b>Cash and Cash Equivalents Includes</b>		
Balances with banks		
- In current accounts	80.20	105.05
- Fixed Deposits	-	20.00
Cash On Hand	0.80	2.40
Cheques / Drafts On Hand	9.10	24.97
<b>Total Cash &amp; Cash Equivalents</b>	<b>90.10</b>	<b>152.42</b>

See accompanying notes forming part of the financial statements

As per our attached report of even date

**For Deloitte Haskins & Sells LLP**  
**Chartered Accountants**

ICAI Firm Registration Number : 117366W/W-100018

**Mohammed Bengali**

Partner

Membership No. 105828

Place : Mumbai

Date : 2 May, 2022

For and on behalf of the Board of Directors

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

Chairman

DIN: 00006867

**Kunjal Mehta**

Chief Financial Officer

Place : Ahmedabad

Date : 2 May, 2022

**Kandarp Patel**

Managing Director &amp; CEO

DIN.: 02947643

**Jaladhi Shukla**

Company Secretary

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED ON 31 MARCH, 2022

### 1 CORPORATE INFORMATION

Adani Electricity Mumbai Limited ("AEML") ("The Company") is a public limited company incorporated and domiciled in India having its registered office at Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad 382421, Gujarat, India. It is subsidiary of Adani Transmission Limited (ATL) ("the Holding Company") and ultimate holding entity is S. B. Adani Family Trust (SBAFT). The integrated Mumbai Generation, Transmission and Distribution (GTD) Business, under a license, transmits and distributes electricity to consumers in and around suburbs of Mumbai inclusive of areas covered under the Mira Bhayender Municipal Corporation, making it the country's largest private sector integrated power utility. The Tariff to be charged to the consumers is regulated by Maharashtra Electricity Regulatory Commission ("MERC").

The Company has incorporated wholly owned subsidiary AEML SEEPZ Limited ("ASL") for the purpose of distribution of electricity to Santacruz Electronic Export Processing Zone ("SEEPZ") and Adani Electricity Mumbai Infra Limited (AEMIL) for the purpose of carrying out works like infrastructure development, transmission line development along with the commissioning of HVDC.

The Company, AEMIL and ASL is together referred to as "the Group" in these Consolidated Financial Statements.

These financial statements of the Group for the year ended 31 March, 2022 were authorised for issue by the board of directors on 02 May, 2022.

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Statement of Compliance

The financial statements of the Group have been prepared in accordance with Indian Accounting Standards (IndAS) as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with section 133 of the Companies Act, 2013 ("the Act") (as amended from time to time).

#### 2.2 Basis of preparation and presentation

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

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

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

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

#### 2.3 Current versus Non-Current Classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

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

#### 2.4 Basis of Consolidation

The Group consolidates all entities which are controlled by it. The consolidated financial statements comprise the financial statements of the Company

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

and its subsidiary. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. The entities are consolidated from the date control commences until the date control ceases.

The consolidated financial statements of the Group companies are consolidated on a line-by-line basis and intra-group balances and transactions including unrealised gain/loss from such transactions are eliminated upon consolidation. These consolidated financial statements are prepared by applying uniform accounting policies in use at the Group. Profit or loss on each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interest having a deficit balance.

Changes in the Group's holding that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's holding and the non-controlling interests are adjusted to reflect the changes in their relative holding. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

The details of subsidiary included in consolidation and its shareholding therein is as under: The reporting date for the subsidiary is 31 March, 2022

<b>Name of Company &amp; Country of Incorporation</b>	<b>Relationship</b>	<b>Shareholding as on 31 March, 2022</b>
Adani Electricity Mumbai Infra Limited, India	Subsidiary	100%
AEMIL SEEPZ Limited, India	Subsidiary	100%

AEMIL has been incorporated on 03 January, 2020 and ASL has been incorporated on 08 December 2020. The Audited Financial Statements of these subsidiaries, from date of incorporation till the reporting date, have been considered for consolidation.

**Business Combination and Goodwill**

The Group accounts for its business combinations under acquisition method of accounting. Acquisition

related costs are recognised in statement of profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date.

If the initial accounting for a business combination is incomplete as at the reporting date in which the combination occurs, the identifiable assets and liabilities acquired in a business combination are measured at their provisional fair values at the date of acquisition. Subsequently adjustments to the provisional values are made within the measurement period, if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as of that date; otherwise the adjustments are recorded in the period in which they occur.

Purchase consideration paid in excess of the fair value of net assets acquired is recognised as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve.

The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interest's share of subsequent changes in equity of subsidiaries.

Business combinations arising from transfers of interests in entities that are under the common control are accounted at historical costs. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in shareholders' equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in other comprehensive income (OCI) and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

**2.6 1 Property, plant and equipment ("PPE")**

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

In respect of Property, Plant and Equipment ("Assets") pertaining to Mumbai Generation, Transmission and Distribution business acquired from Reliance Infrastructure Limited under a Court sanctioned scheme of arrangement with an appointed date of 01 April, 2018, in line with the requirements of the Court Scheme, the Group has accounted for such Assets at their respective fair values as at 01 April, 2018 based on valuation done by a Government registered valuer.

Subsequent additions to the assets on or after 01 April, 2018 are accounted for at cost. Cost includes purchase price (net of trade discount & rebates) and any directly attributable cost

of bringing the asset to its working condition for its intended use and for qualifying assets, borrowing costs capitalised in accordance with IndAS 23. Capital work-in-progress is stated at cost, net of accumulated impairment loss, if any. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

**Decapitalisation**

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

**Depreciation**

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

Regulated Assets: Subject to the below, depreciation on property, plant and equipment in respect of Mumbai Generation, Transmission and Distribution business of the Group is covered under Part B of Schedule II of the Companies Act, 2013, and has been provided on the straight line method at the rates and using the methodology as notified by the regulator.

For certain types of assets in respect of which useful life is not specified in MERC Multi Year Tariff Regulations ("MYT regulations"), useful life as prescribed under Schedule-II of Companies Act, 2013 is considered.

In respect of assets (other than Dahanu Thermal Power Station-DTPS) which have been accounted at fair value, considering life as specified in MYT regulations, depreciation is provided on Straight Line Method (considering a salvage value of 5%) over their balance useful life. In respect of DTPS based on technical evaluation, the balance useful life has been determined as 15 years as on 01 April, 2018.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

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).

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

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

Type of Assets	Useful lives
Building	30-60 Years
Plant and Equipment (Except Meters & Batteries)*	25-35 Years
Plant and Equipment - Meters*	10 Years
Plant and Equipment - Batteries*	5 Years
Distribution Line / Transmission Cable	35 Years
Street Light	25 Years
Furniture and Fixtures	10 Years
Office Equipment	5 Years
Computers, Servers & Related Network	6 Years
Vehicles	8 - 10 Years

\* Consequent to amendment in tariff regulations, w.e.f. 01 April, 2020 the Company 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).

## 2 Intangible Assets

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

In respect of Intangible Asset ("Assets") pertaining to Mumbai Generation, Transmission and Distribution business acquired from Reliance Infrastructure Limited under a Court sanctioned

scheme of arrangement with an appointed date of 01 April, 2018, in line with the requirements of the Court Scheme, the Group has accounted for such Assets at their respective fair values as at 01 April, 2018 based on valuation done by professional valuation firm.

Subsequent additions to the assets on or after 01 April, 2018 are accounted for at cost.

### Derecognition of Intangible assets.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in statement of profit and loss when the asset is derecognised.

### Useful life

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible Assets with Indefinite lives are not amortised but are tested for impairment on annual basis.

Estimated useful lives of the intangible assets are as follows

Type of Assets	Useful lives
Transmission License	Indefinite
Computer Software	3 years

Consequent to amendment in tariff regulations, the Company has changed the Salvage value of Computers Software from 1% to Nil w.e.f. 001 April, 2020.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

**3 Intangible Assets Under Development - Software**

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled are recognised as intangible assets where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

**4 Impairment of PPE and intangible assets**

PPE (including CWIP) and intangible assets with definite lives, are reviewed for impairment, whenever events or changes in circumstances indicate that their carrying values may not be recoverable. Intangible assets having indefinite useful lives are tested for impairment, at-least annually and whenever circumstances indicate that it may be impaired.

For the purpose of impairment testing, the recoverable amount (that is, higher of the fair value less costs to sell and the value-in-use) is determined on an individual asset basis, unless the asset does not generate cash flows that are largely independent of those from other assets, in which case the recoverable amount is determined at the cash generating unit ("CGU") level to which the said asset belongs. If such individual assets or CGU are considered to be

impaired, the impairment to be recognised in the statement of profit and loss is measured by the amount by which the carrying value of the asset / CGU exceeds their estimated recoverable amount and allocated on pro-rata basis.

Impairment losses are reversed in the statement of profit and loss and the carrying value is increased to its revised recoverable amount provided that this amount does not exceed the carrying value that would have been determined had no impairment loss been recognised for the said asset / CGU in previous years.

**2.7 Cash & Cash Equivalents**

Cash & cash equivalents comprises cash on hand, cash at bank and short term deposit with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Cash & cash equivalents include balance with banks which are unrestricted for withdrawal and usage. For the purpose of the statement of cash flows, cash & cash equivalents consists of cash at banks and short term deposits as defined above, as they are considered an integral part of the Group cash management.

**2.8 Cash Flow Statement**

Cash flows are reported using the indirect method, where by profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

**2.9 Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities measured at fair value through profit or loss are recognised immediately in the statement of profit and loss.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

**2.10 Financial assets**

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

**1 Financial assets at amortised cost**

Financial assets are subsequently measured at amortised cost using the effective interest rate method if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**2 Financial assets at fair value through other comprehensive income (FVTOCI)**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition, the Group makes an irrevocable election on an instrument-by-instrument basis to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments, other than equity investment which are held for trading. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

**3 Financial assets at fair value through profit or loss (FVTPL)**

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

**4 Impairment of investments**

The Group reviews its carrying value of investments carried at cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted in the statement of profit and loss.

**5 Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group balance sheet) when:

- the right to receive cash flows from the asset have expired, or
- the Group has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

**6 Impairment of financial assets**

The Group assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Group recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

**2.11 Financial liabilities and equity instruments****1 Classification as debt or equity**

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**2 Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

**3 Financial liabilities**

All financial liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the Effective Interest Rate (EIR) amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

**4 Derecognition**

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

**5 Compound financial instruments**

The component parts of compound financial instruments (optionally convertible debentures) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and

an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in the statement of profit or loss upon conversion or expiration of the conversion option.

**2.12 Reclassification of financial assets and liabilities**

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes 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.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)****2.13 Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**2.14 Inventories**

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Cost of inventory includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Unserviceable/damaged stores and spares are identified and written down based on technical evaluation.

**2.15 Foreign currencies**

The functional currency of the Company is Indian Rupee ₹. Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

Exchange differences on monetary items are recognised in the statement of profit and loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

**2.16 Derivative financial instruments and hedge accounting****Initial recognition and subsequent measurement:**

In order to hedge its exposure to foreign exchange and interest rate risks, the Group enters into forward, option, swap contracts and other derivative financial instruments. The Group does not hold derivative financial instruments for speculative purposes.

Such derivative financial instruments are initially recognised at fair value on the date on which

a derivative contract is entered into and are subsequently re-measured at fair value.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the statement of profit and loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to the statement of profit and loss when the hedge item affects profit or loss. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

For the purpose of hedge accounting, hedges are classified as:

Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an Unrecognised firm commitment.

Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an Unrecognised firm commitment.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting.

The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging 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.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

**Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:**

**i) Fair value hedges**

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in the statement of profit and loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

When an Unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in statement of profit and loss.

Hedge accounting is discontinued when the Group revokes the hedge relationship, the hedging instrument or hedged item expires or is sold, terminated, or exercised or no longer meets the criteria for hedge accounting.

**ii) Cash flow hedges**

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

Amounts recognised in OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

**2.17 Revenue recognition**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services

**1 Transmission of Power**

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

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

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

**2 Sale of Power - Distribution**

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

**3 Rendering of Services**

Revenue from a contract to provide services is recognised over time based on output method where direct measurements of value to the customer based on survey's of performance completed to date. Revenue is recognised net of cash discount at a point in time at the contracted rate.

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

Consumers are billed on a monthly basis and are given average credit period of 15 to 30 days for payment. No delayed payment charges ('DPC') / interest on arrears ('IOA') is charged for the initial 15-30 days from the date of invoice to customers. Thereafter, DPC / IOA is charged at the rate prescribed in the tariff order on the outstanding amount. Revenue in respect of delayed payment charges and interest on delayed payments leviable as per the relevant contracts are recognised on actual realisation or accrued based on an assessment of certainty of realisation supported by either an acknowledgement from customers or on receipt of favourable order from regulator / authorities.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

**5 Sale of Traded Goods :**

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

- The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the amount of revenue can be measured reliably; and
- it is probable that the economic benefits associated with the transaction will flow to the Group.

There is no significant judgement involved while evaluating the timing as to when customers obtain control of promised goods and services.

**6 Amortisation of Service Line Contribution**

Contributions by consumers towards items of property, plant and equipment, which require an obligation to provide electricity connectivity to the consumers, are recognised as a credit to deferred revenue. Such revenue is recognised over the useful life of the property, plant and equipment.

**7 Interest income:**

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

**2.18 Regulatory Deferral Account**

The Group determines revenue gaps (i.e. surplus/shortfall in actual returns over returns entitled) in respect of its regulated operations in accordance with the provisions of Ind AS 114 "Regulatory Deferral Accounts" read with the Guidance Note on Rate Regulated Activities issued by ICAI and based on the principles laid down under the relevant Tariff Regulations/Tariff Orders notified by the Electricity Regulator and the actual or expected actions of the regulator under the applicable regulatory framework. Appropriate adjustments in respect of such revenue gaps are made in the regulatory deferral account of the respective year for the amounts which are reasonably

determinable and no significant uncertainty exists in such determination. These adjustments/accruals representing revenue gaps are carried forward as Regulatory deferral accounts debit/credit balances (Regulatory Assets/Regulatory Liabilities) as the case may be in the financial statements, which would be recovered/refunded through future billing based on future tariff determination by the regulator in accordance with the electricity regulations

The Group presents separate line items in the balance sheet for:

- i. the total of all regulatory deferral account debit balances; and
- ii. the total of all regulatory deferral account credit balances.

A separate line item is presented in the Statement of Profit and Loss for the net movement in regulatory deferral account. Regulatory assets/ liabilities on deferred tax expense/income is presented separately in the tax expense line item

**2.19 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Substantial time is defined as time required for commissioning of the assets considering industry benchmarks/MERC tariff regulations.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

**2.20 Employee benefits****1 Defined contribution plan:**

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

**2 Defined benefit plans:**

The cost of providing benefits under the defined benefit plan is determined using the projected

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

unit credit method. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods. Past service costs are recognised in the statement of profit and loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs

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

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

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds. The mortality rate is based on publicly available mortality tables. Those

mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

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

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

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

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

### 4 Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service. Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

## 2.21 Leases

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

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.

**2.22 Taxation**

Tax on Income comprises current tax and deferred tax. These are recognised in Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

**1 Current tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**2 Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction other than a business combination that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets 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.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised. The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

Deferred tax assets are recognised for unused tax losses (excluding unabsorbed depreciation) to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

**2.23 Earnings per share**

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Group by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Group by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

**2.24 Provisions, Contingent Liabilities and Contingent Assets.****1 Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Present obligations arising under onerous contracts are recognised and measured as provisions with charge to statement of profit and loss. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

**2 Contingent liability**

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise are disclosed as contingent liability and not provided for. Such liability is not disclosed if the possibility of outflow of resources is remote.

**3 Contingent assets**

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are not recognised but disclosed only when an inflow of economic benefits is probable.

**2.25 Dividend distribution to equity shareholders of the Group**

The Group recognises a liability to make dividend distributions to its equity holders when the distribution is authorised and the distribution is no longer at its discretion. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

In case of Interim Dividend, the liability is recognised on its declaration by the Board of Directors.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

**3.1 STANDARDS ISSUED BUT NOT EFFECTIVE**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 01 April, 2022, as below:

**Ind AS 16 – Property, Plant and Equipment - Proceeds before intended use**

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Group does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

**Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts - Costs of Fulfilling a Contract**

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any impact in its financial statements. The Group has evaluated the amendment and expect the amendment to have no impact in its financial statements.

**Ind AS 103 – Business Combination - Reference to Conceptual Framework**

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired, and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Group does not expect the amendment to have any significant impact in its financial statements.

**Ind AS 107 – Financial Instruments - Annual Improvements to Ind AS (2021)**

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Group does not expect the amendment to have any significant impact in its financial statements.

**Ind AS 116 – Leases - Annual Improvements to Ind AS (2021)**

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Group does not expect the amendment to have any significant impact in its financial statements.

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

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

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

The areas involving critical estimates or judgements are:

Estimation of current tax and deferred tax expense - Note 29

Estimates used for impairment of transmission license - Note 31

Assessment of lease classification in respect of long term power purchase agreement - Note 32 (l) (c)

Judgement to estimate the amount of provision required or to determine required disclosure related to litigation and claims against the Group - Note 33

Estimation of defined benefit obligation - Note 37

For the purpose of capitalisation of borrowing cost, substantial time is defined as time required for commissioning of the assets considering industry benchmarks/MERC tariff regulations.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in Crores)

Particulars	Freehold Land	Buildings - Residential	Buildings - Others	Plant and Equipment	Distribution Systems	Street Light	Railway Siding	Jetty	Furniture and Fixtures	Vehicles	Office Equipment	Computers	Electrical Installations	Total
<b>Gross carrying amount</b>														
As at 01 April, 2020	2,636.87	104.09	784.03	4,490.58	4,981.69	171.47	6.87	1.26	19.55	26.51	15.34	74.02	24.95	13,337.23
Additions	-	0.33	38.39	487.42	610.13	23.25	-	0.05	1.41	15.15	8.70	33.06	4.93	1,222.82
Disposals	-	-	-	5.59	-	-	-	-	-	1.58	0.03	-	0.07	7.27
<b>Closing Gross carrying amount as on 31 March, 2021</b>	<b>2,636.87</b>	<b>104.42</b>	<b>822.42</b>	<b>4,972.41</b>	<b>5,591.82</b>	<b>194.72</b>	<b>6.87</b>	<b>1.31</b>	<b>20.96</b>	<b>40.08</b>	<b>24.01</b>	<b>107.08</b>	<b>29.81</b>	<b>14,552.78</b>
<b>Accumulated depreciation and impairment</b>														
As at 01 April, 2020	-	8.30	53.74	449.80	365.10	21.26	0.84	0.16	7.37	5.18	9.89	29.39	8.14	959.17
Depreciation charge for the year	-	3.43	28.99	335.76	212.07	10.30	0.41	0.08	2.56	3.60	2.43	10.46	3.09	613.18
Eliminated on disposal of assets	-	-	-	4.09	-	-	-	-	-	0.65	0.03	-	0.07	4.84
<b>Closing accumulated depreciation as on 31 March, 2021</b>	<b>-</b>	<b>11.73</b>	<b>82.73</b>	<b>781.47</b>	<b>577.17</b>	<b>31.56</b>	<b>1.25</b>	<b>0.24</b>	<b>9.93</b>	<b>8.13</b>	<b>12.29</b>	<b>39.85</b>	<b>11.16</b>	<b>1,567.51</b>
<b>Net carrying amount - 31 March, 2021</b>	<b>2,636.87</b>	<b>92.69</b>	<b>739.69</b>	<b>4,190.94</b>	<b>5,014.65</b>	<b>163.16</b>	<b>5.62</b>	<b>1.07</b>	<b>11.03</b>	<b>31.95</b>	<b>11.72</b>	<b>67.23</b>	<b>18.65</b>	<b>12,985.27</b>
<b>Gross carrying amount</b>														
As at 01 April, 2021	2,636.87	104.42	822.42	4,972.41	5,591.82	194.72	6.87	1.31	20.96	40.08	24.01	107.08	29.81	14,552.78
Additions	-	0.49	48.94	332.23	597.00	37.41	-	0.08	0.70	6.86	4.74	77.10	17.75	1,123.30
Disposals	-	-	0.02	20.22	-	-	-	-	0.13	0.72	0.29	0.67	0.38	22.43
<b>Closing Gross carrying amount as on 31 March, 2022</b>	<b>2,636.87</b>	<b>104.91</b>	<b>871.34</b>	<b>5,284.42</b>	<b>6,188.82</b>	<b>232.13</b>	<b>6.87</b>	<b>1.39</b>	<b>21.53</b>	<b>46.22</b>	<b>28.46</b>	<b>183.51</b>	<b>47.18</b>	<b>15,653.65</b>
<b>Accumulated depreciation and impairment</b>														
As at 01 April, 2021	-	11.73	82.73	781.47	577.17	31.56	1.25	0.24	9.93	8.13	12.29	39.85	11.16	1,567.51
Depreciation charge for the year	-	3.94	30.53	289.62	246.78	11.51	0.41	0.08	2.20	5.09	3.05	16.43	3.18	612.82
Eliminated on disposal of assets	-	-	0.02	12.64	-	-	-	-	0.13	0.35	0.28	0.67	0.30	14.39
<b>Closing accumulated depreciation as on 31 March, 2022</b>	<b>-</b>	<b>15.67</b>	<b>113.24</b>	<b>1,058.45</b>	<b>823.95</b>	<b>43.07</b>	<b>1.66</b>	<b>0.32</b>	<b>12.00</b>	<b>12.87</b>	<b>15.06</b>	<b>55.61</b>	<b>14.04</b>	<b>2,165.94</b>
<b>Net carrying amount - 31 March, 2022</b>	<b>2,636.87</b>	<b>89.24</b>	<b>758.10</b>	<b>4,225.97</b>	<b>5,364.87</b>	<b>189.06</b>	<b>5.21</b>	<b>1.07</b>	<b>9.53</b>	<b>33.35</b>	<b>13.40</b>	<b>127.90</b>	<b>33.14</b>	<b>13,487.71</b>

**Notes:**

- (i) Refer footnote to Note 17 for security/charges created on property, plant and equipment.
- (ii) Consequent to amendment in tariff regulations w.e.f. 01 April, 2020, the Company in previous year had changed the useful life in respect of batteries and meters and accordingly depreciation for the year ended 31 March, 2021 is higher by ₹ 81.19 Crores.
- Further in line with the tariff regulations w.e.f. 01 April, 2020, the Company in previous year had changed the useful life in respect to certain Plant & Machinery and IT Equipment, accordingly depreciation for the year ended 31 March, 2021 is lower by ₹ 13.40 Crores.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

## 5A RIGHT OF USE

(₹ in Crores)

Particulars	Right of Use			
	Land	Building	Right of Way	Total
<b>Gross carrying amount</b>				
As at 01 April, 2020	13.75	129.30	40.16	183.21
Additions	-	14.14	-	14.14
Derecognition	-	4.78	-	4.78
<b>Closing Gross carrying amount as on 31 March, 2021</b>	13.75	138.66	40.16	192.57
<b>Accumulated amortisation &amp; Impairment</b>				
As at 01 April, 2020	0.32	23.80	1.80	25.92
Amortisation charge of the year	0.36	22.99	1.81	25.16
Derecognition	-	-	-	-
<b>Closing accumulated amortisation as on 31 March, 2021</b>	0.68	46.79	3.61	51.08
<b>Net carrying amount - 31 March, 2021</b>	<b>13.07</b>	<b>91.87</b>	<b>36.55</b>	<b>141.49</b>
<b>Gross carrying amount</b>				
As at 01 April, 2021	13.75	138.66	40.16	192.57
Additions	510.32	-	-	510.32
Derecognition	-	36.57	-	36.57
<b>Closing Gross carrying amount as on 31 March, 2022</b>	524.07	102.09	40.16	666.32
<b>Accumulated amortisation &amp; Impairment</b>				
As at 01 April, 2021	0.68	46.79	3.61	51.08
Amortisation charge of the year	3.63	19.74	3.02	26.39
Derecognition	-	3.94	-	3.94
<b>Closing accumulated amortisation as on 31 March, 2022</b>	<b>4.31</b>	<b>62.59</b>	<b>6.63</b>	<b>73.53</b>
<b>Net carrying amount - 31 March, 2022</b>	<b>519.76</b>	<b>39.50</b>	<b>33.53</b>	<b>592.79</b>

## 5B INTANGIBLE ASSETS

(₹ in Crores)

Particulars	Computer Software	Transmission License	Total
<b>Gross carrying amount</b>			
As at 001 April, 2020	24.20	981.62	1,005.82
Additions	18.94	-	18.94
Disposal	-	-	-
<b>Closing Gross carrying amount as on 31 March, 2021</b>	43.14	981.62	1,024.76
<b>Accumulated amortisation &amp; Impairment</b>			
As at 01 April, 2020	14.24	-	14.24
Amortisation charge for the year	6.22	-	6.22
Eliminated on disposal of assets	-	-	-
<b>Closing accumulated amortisation as on 31 March, 2021</b>	<b>20.46</b>	<b>-</b>	<b>20.46</b>
<b>Net carrying amount - 31 March, 2021</b>	<b>22.68</b>	<b>981.62</b>	<b>1,004.30</b>
<b>Gross carrying amount</b>			
As at 001 April, 2021	43.14	981.62	1,024.76
Additions	49.51	-	49.51

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Particulars	Computer Software	Transmission License	Total
Disposal	-	-	-
<b>Closing Gross carrying amount as on 31 March, 2022</b>	92.65	981.62	1,074.27
<b>Accumulated amortisation &amp; Impairment</b>			
As at 001 April, 2021	20.46	-	20.46
Amortisation charge for the year	15.62	-	15.62
Eliminated on disposal of assets	-	-	-
<b>Closing accumulated amortisation as on 31 March, 2022</b>	<b>36.08</b>	<b>-</b>	<b>36.08</b>
<b>Net carrying amount - 31 March, 2022</b>	<b>56.57</b>	<b>981.62</b>	<b>1,038.19</b>

**Notes:**

- (i) The above Intangible Assets are other than internally generated Intangible Assets.
- (ii) Transmission License was acquired as part of the business acquisition. The License is valid for 25 years from 16 August, 2011 to 15 August, 2036. The license can 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) Further during the year, the Company had entered into memorandum of understanding in name of the Company with M/s. Superheights Infraspace Private Limited (SIPL) (related party) for an amount of ₹ 510.00 Crores towards acquiring leasehold rights of land parcel at BKC, Mumbai for construction of Extra High Voltage (EHV) Substation to meet the incremental load requirement. The Company has obtained possession of the said land after giving capital advance of ₹ 431.00 Crores and commenced substantial pre-construction activities. The leasehold land amounting to ₹ 510.00 Crores is included in the right of use assets. The Company will enter into formal lease agreement on completion of the construction of the substation as per the applicable regulatory requirements.
- (iv) Transmission License is pledged as security with the Lenders against borrowings.

(₹ in Crores)

Depreciation / Amortisation	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Depreciation on Tangible Assets	612.82	613.18
Amortisation on Intangible Assets	15.62	6.22
Amortisation on Right of Use	26.39	25.16
<b>Total</b>	<b>654.83</b>	<b>644.56</b>
Less : Transferred to Capital work in progress	(3.25)	-
<b>Net depreciation charged to the Statement of Profit and Loss</b>	<b>651.58</b>	<b>644.56</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

**5C CAPITAL WORK-IN-PROGRESS****(a) Capital-work-in progress ageing schedule:**

(₹ in Crores)

Particulars	Amount in CWIP for a period of				Total
	<1 year	1-2 years	2-3 years	> 3 years	
<b>As at 31 March, 2022</b>					
- Projects in progress	387.63	54.52	8.62	36.98	<b>487.75</b>
- Projects temporarily suspended	0.22	0.87	0.95	0.15	<b>2.19</b>
<b>Total</b>	<b>387.85</b>	<b>55.39</b>	<b>9.57</b>	<b>37.13</b>	<b>489.94</b>
<b>As at 31 March, 2021</b>					
- Projects in progress	309.55	28.64	23.51	24.56	<b>386.26</b>
- Projects temporarily suspended	0.21	0.51	0.07	0.09	<b>0.88</b>
<b>Total</b>	<b>309.76</b>	<b>29.15</b>	<b>23.58</b>	<b>24.65</b>	<b>387.14</b>

**(b) capital-work-in progress, which has exceeded its cost compared to its original plan:**

(₹ in Crores)

CWIP	To be completed in				Total
	<1 year	1-2 years	2-3 years	> 3 years	
<b>As at 31 March, 2022</b>					
<b>- Projects in progress</b>					
220kV 120MVAR Reactor at AEML Gorai	0.19	-	-	-	<b>0.19</b>
<b>- Projects temporarily suspended</b>					
Low Tension network projects	0.17	-	-	-	<b>0.17</b>
<b>Total</b>	<b>0.36</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.36</b>
<b>As at 31 March, 2021</b>					
<b>- Projects in progress</b>					
Low Tension network projects	0.15	-	-	-	<b>0.15</b>
<b>- Projects temporarily suspended</b>					
Low Tension network projects	0.25	-	-	-	<b>0.25</b>
<b>Total</b>	<b>0.40</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.40</b>

Cost Overruns upto (+-) 10% are envisaged by the management's original plan, and hence not considered in above table.

**(c) capital-work-in progress, whose completion is overdue compared to its original plan:**

(₹ in Crores)

CWIP	To be completed in				Total
	<1 year	1-2 years	2-3 years	> 3 years	
<b>As at 31 March, 2022</b>					
<b>- Projects in progress</b>					
Main Plant DPR Jobs	0.23	-	-	-	0.23
Main Plant Non DPR Jobs	0.01	-	-	-	0.01
11KV Substation jobs	0.06	-	-	-	0.06
Receiving Station Jobs	0.82	-	-	-	0.82
Low Tension Network jobs	0.02	-	-	-	0.02
Others Non DPR Jobs	0.06	-	-	-	0.06

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in Crores)

CWIP	To be completed in				Total
	<1 year	1-2 years	2-3 years	> 3 years	
<b>- Projects temporarily suspended</b>					
Receiving Station Jobs	0.05	-	-	-	<b>0.05</b>
<b>Total</b>	<b>1.25</b>	-	-	-	<b>1.25</b>
As at 31 March, 2021					
<b>- Projects in progress</b>					
Main Plant DPR Jobs	0.68	-	-	-	<b>0.68</b>
<b>- Projects temporarily suspended</b>	-	-	-	-	-
<b>Total</b>	<b>0.68</b>	-	-	-	<b>0.68</b>

Time Overruns due to delay in statutory approvals and right of way issues, and approved by the management's revised plan are not considered in above table.

**5D INTANGIBLE ASSETS UNDER DEVELOPMENT AGING SCHEDULE:****(a) Intangible Assets Under Development ageing schedule:**

(₹ in Crores)

Particulars	Amount in CWIP for a period of				Total
	<1 year	1-2 years	2-3 years	> 3 years	
<b>As at 31 March, 2022</b>					
- Projects in progress	-	-	-	-	-
- Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	-	-	-	-	-
<b>As at 31 March, 2021</b>					
- Projects in progress	12.76	2.65	-	-	<b>15.41</b>
- Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>12.76</b>	<b>2.65</b>	-	-	<b>15.41</b>

**(b) Intangible Assets Under Development, whose completion is overdue or has exceeded its cost compared to its original plan:**

(₹ in Crores)

CWIP	To be completed in				Total
	<1 year	1-2 years	2-3 years	> 3 years	
<b>As at 31 March, 2022</b>	-	-	-	-	-
<b>As at 31 March, 2021</b>	-	-	-	-	-

**6 INVESTMENTS****6.A Non-current investments**

(₹ in Crores)

	Face Value of ₹ unless otherwise specific	No of Shares	As at 31 March, 2022	As at 31 March, 2021
			(₹ in crores)	(₹ in crores)
<b>Investment in Government Securities at amortised cost</b>				
<b>Contingency Reserve Investments (Quoted)</b>				
<b>Contingency Reserve Investments (Quoted)</b>				
7.16% Central Government of India - 2050	100 (100)	1,87,50,000	201.78	202.07

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

	Face Value of ₹ unless otherwise specified	No of Shares	As at 31 March, 2022 (₹ in crores)	As at 31 March, 2021 (₹ in crores)
		(1,87,50,000)		
9.23% Central Government of India - 2043	100 (100)	2,20,000	2.84	2.88
		(2,20,000)		
<b>Total</b>			<b>204.62</b>	<b>204.95</b>
<b>Aggregate Market Value of Quoted Investments</b>			188.31	198.81
<b>Aggregate Carrying Value of Quoted Investments</b>			204.62	204.95
<b>Aggregate amount of impairment in the value of investments</b>			-	-

## 6.B Current investments

	Face Value of ₹ unless otherwise specified	No of Units	As at 31 March, 2022 (₹ in crores)	As at 31 March, 2021 (₹ in crores)
<b>Contingency Reserve Investments</b>				
Investment in Treasury Bills at FVTPL (Quoted)	100 (Nil)	25,00,000 (Nil)	24.84	-
			<b>24.84</b>	<b>-</b>
<b>Aggregate Carrying Value of Unquoted Investments</b>			24.84	-
<b>Aggregate Market Value of Unquoted Investments</b>			24.84	-

## 7 LOANS - AT AMORTISED COST

Particulars	Non-Current		Current	
	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021
	(₹ in crores)	(₹ in crores)	(₹ in crores)	(₹ in crores)
Housing loans to employee against hypothecation of the property (Secured, considered good)	20.17	26.32	3.49	3.74
Inter Corporate Deposit given to related party (Unsecured, considered good)	1,040.00	1,040.00	-	-
Loans Given (Unsecured, considered good)	-	-	-	6.05
Loans to employees (Unsecured, considered good)	8.77	7.52	3.61	2.98
	<b>1,068.94</b>	<b>1,073.84</b>	<b>7.10</b>	<b>12.77</b>

Type of Borrowers	Amount of loan or advance in the nature of loan outstanding		Percentage to the total Loans and Advances in the nature of loans	
	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021
	(₹ in crores)	(₹ in crores)	(₹ in crores)	(₹ in crores)
Promoter	-	-	-	-
Director	-	-	-	-
Key Managerial Personnel	0.62	0.18	0.06%	0.02%
Related Party	1,040.00	1,040.00	96.65%	95.71%

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

- (i) Loans to Key Managerial Personnels are not repayable on demand and has defined repayments schedule and as per the Company's Employees Loan Policy
- (ii) Inter Corporate Deposit given to related party is for a period of 3 years and repayable on demand or on maturity of 3 years whichever is earlier.

**8 OTHER FINANCIAL ASSETS - AT AMORTISED COST**

(₹ in Crores)

Particulars	Non-Current		Current	
	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021
(Unsecured, considered good unless otherwise stated)				
Security Deposits - Unsecured				
Considered Good	49.54	18.70	-	-
Considered doubtful	1.05	1.05	-	-
	50.59	19.75	-	-
Less : Provision For Doubtful Deposits	(1.05)	(1.05)	-	-
<b>Total</b>	<b>49.54</b>	<b>18.70</b>	<b>-</b>	<b>-</b>
*Fixed Deposit with Banks	516.34	477.99	-	-
#Derivative instruments designated in hedge accounting relationship (Refer Note No. 39)	165.25	143.13	-	-
Unbilled Revenue	-	-	507.56	491.10
Other Financial Assets	-	-	116.03	-
	<b>731.13</b>	<b>639.82</b>	<b>623.59</b>	<b>491.10</b>

**Note :**

\*Represents deposits towards Debt Service Reserve Account (DSRA), Capex Reserve Account (CRA) and Margin money.

#Refer footnote to Note 17 for security/charges created on hedging instruments.

**9a. Income Tax Assets (net)**

	As at 31 March, 2022	As at 31 March, 2021
Income Tax Assets (net)	4.00	3.93
	<b>4.00</b>	<b>3.93</b>

**9b Current Tax Liabilities**

(₹ in Crores)

	As at 31 March, 2022	As at 31 March, 2021
Current Tax Liabilities	2.13	-
	<b>2.13</b>	<b>-</b>

**10 OTHER ASSETS (Unsecured, Considered good)**

(₹ in Crores)

	Non-current		Current	
	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021
Advance to Suppliers	-	-	125.18	366.43
Balances with Government authorities	-	-	0.05	4.51
Prepaid Expenses	1.32	2.72	16.84	8.81
#Capital advances	69.10	283.50	-	-
Advance to Employees	2.03	2.34	4.19	5.74
	<b>72.45</b>	<b>288.56</b>	<b>146.26</b>	<b>385.49</b>

# Capital Advance of ₹ 271.00 Crores given to Sunbourn Developers Private Limited (SDPL) (related party) towards property in BKC in earlier years is returned on cancellation of relevant agreement during the year.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

**11 INVENTORIES (Stated at lower of Cost and Net Realisable Value)**

(₹ in Crores)

	<b>As at 31 March, 2022</b>	<b>As at 31 March, 2021</b>
Fuel	127.40	128.06
Fuel - In Transit	35.83	19.06
Stores & spares	41.26	46.38
	<b>204.49</b>	<b>193.50</b>

Above inventories are pledged as security with the Lenders against borrowings (Refer Note No 17).

**12 TRADE RECEIVABLES**

(₹ in Crores)

	<b>As at 31 March, 2022</b>	<b>As at 31 March, 2021</b>
(unsecured otherwise stated)	450.49	534.54
Unsecured, considered good	35.36	41.75
Trade Receivables which have significant increase in credit risk	1.39	1.39
Credit Impaired	<b>487.24</b>	<b>577.68</b>
Less : Provision for doubtful Trade receivables	(1.39)	(1.39)
	<b>485.85</b>	<b>576.29</b>

**Note :**

- (i) The Company holds security deposit in respect of trade receivables - Refer Note No 20
- (ii) Above trade receivables are pledged as security with the Lenders against borrowings (Refer Note No 17).
- (iii) As at 31 March, 2022 - ₹ 77.15 Crores (31 March, 2021 : ₹ 69.55 Crores) is due from Maharashtra State Electricity Transmission Company Limited and ₹ 43.70 Crores (31 March, 2021 : ₹ 49.51 Crores) is due from Municipal Corporation of Greater Mumbai which represents Company's large customer who owes more than 5% of the total balance of trade receivables.
- (iv) The average credit period for the Company's receivables from its transmission and distribution (including street light maintenance ) business is in the range of 15 to 30 days. No interest or delayed payment is charged on trade receivables till the due date. Thereafter, one time delayed payment charges at the rate of 1.25% & interest after 30 / 60 days from bill date is charged in the range of 12% to 15% per annum
- (v) 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.
- (vi) The Company considers for impairment its receivables from customers in its Mumbai distribution business. The risk of recovery in these businesses is reduced to the extent of security deposits already collected and held as collateral. Balance amount receivable over and above the deposit is assessed for expected credit loss allowances. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experienced and adjusted for forward- looking information. The expected credit loss allowance is based on ageing of the days the receivables are due.

**12.1 Trade Receivables ageing Schedule**

Particulars	Outstanding for following periods from due date of receipt						
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>As at 31 March, 2022</b>							
(i) Undisputed Trade receivables – considered good	244.67	160.47	1.97	40.61	-	-	<b>447.72</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Particulars	Outstanding for following periods from due date of receipt						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	6.25	18.08	3.87	7.12	-	-	<b>35.32</b>
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	1.39	-	-	<b>1.39</b>
(iv) Disputed Trade Receivables considered good	0.60	1.66	0.36	0.15	-	-	<b>2.77</b>
(v) Disputed Trade Receivables - which have significant increase in credit risk	0.01	0.03	-	-	-	-	<b>0.04</b>
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	<b>-</b>
(vii) Provision for Doubtful Debts	-	-	-	(1.39)	-	-	<b>(1.39)</b>
<b>Total</b>	<b>251.53</b>	<b>180.24</b>	<b>6.20</b>	<b>47.88</b>	<b>-</b>	<b>-</b>	<b>485.85</b>

**As at 31 March, 2021**

(i) Undisputed Trade receivables – considered good	187.16	260.57	83.25	0.92	-	-	<b>531.90</b>
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	2.67	19.39	8.70	10.98	-	-	<b>41.74</b>
(iii) Undisputed Trade Receivables – credit impaired	-	-	1.39	-	-	-	<b>1.39</b>
(iv) Disputed Trade Receivables considered good	0.87	1.15	0.33	0.29	-	-	<b>2.64</b>
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	0.01	-	-	-	-	<b>0.01</b>
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	<b>-</b>
(vii) Provision for Doubtful Debts	-	-	(1.39)	-	-	-	<b>(1.39)</b>
<b>Total</b>	<b>190.70</b>	<b>281.12</b>	<b>92.28</b>	<b>12.19</b>	<b>-</b>	<b>-</b>	<b>576.29</b>

**12.2 Movement in the allowance for doubtful trade receivables**

	As at 31 March, 2022	As at 31 March, 2021
	(₹ in Crores)	(₹ in Crores)
<b>Balance at the beginning of the year</b>	1.39	64.70
Add/(Less) : Provision made / (Written off) during the year (net of recoveries)	-	(63.31)
<b>Balance at the end of the year</b>	<b>1.39</b>	<b>1.39</b>

The concentration of credit risk is very limited due to the fact that the large customers are mainly government bodies / departments and remaining customer base is large and widely dispersed and secured with security deposit.

**13 CASH AND CASH EQUIVALENTS - AT AMORTISED COST**

(₹ in Crores)

	As at 31 March, 2022	As at 31 March, 2021
Balances with banks		
- In current accounts	80.20	105.05
- Fixed Deposits	-	20.00
Cash On Hand	0.80	2.40
Cheques / Drafts On Hand	9.10	24.97
<b>Total Cash &amp; Cash Equivalents as per Statement of Cash Flows</b>	<b>90.10</b>	<b>152.42</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

## Reconciliation of liabilities from Financing Activities

Particulars	As at 01 April, 2021	Cash flows		Non-cash Transaction	As at 31 March, 2022
		Proceeds	Repayment		
Non-current Borrowings (including Current Maturities of Non-current Borrowings)	10,589.15	2,347.90	(1,404.41)	424.04	11,956.68
Current Borrowings (Excluding Bank Overdraft)	883.35	1,535.54	(2,418.89)	-	-
<b>Total</b>	<b>11,472.50</b>	<b>3,883.44</b>	<b>(3,823.30)</b>	<b>424.04</b>	<b>11,956.68</b>

## Reconciliation of liabilities from Financing Activities

Particulars	As at 01 April, 2020	Cash flows		Non-cash Transaction	As at 31 March, 2021
		Proceeds	Repayment		
Non-current Borrowings (including Current Maturities of Non-current Borrowings)	10,184.03	778.66	(33.33)	(340.21)	10,589.15
Current Borrowings (Excluding Bank Overdraft)	985.31	3,673.70	(3,775.66)	-	883.35
<b>Total</b>	<b>11,169.34</b>	<b>4,452.36</b>	<b>(3,808.99)</b>	<b>(340.21)</b>	<b>11,472.50</b>

## Note:

Note : Non-cash transactions represents movement in revaluation of foreign currency borrowings.

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

(₹ in Crores)

	As at 31 March, 2022	As at 31 March, 2021
*** Bank Deposits with Original Maturity of more than 3 months but less than 12 months (Towards Debt Service Reserve Account)	624.48	886.56
	<b>624.48</b>	<b>886.56</b>

\*\*\* Includes deposits placed towards Margin Money and Debt Service Reserve Account (DSRA) amounting to ₹ Nil (31 March, 2021: ₹ 3.70 Crores).

## 15 SHARE CAPITAL

(₹ in Crores)

	As at 31 March, 2022	As at 31 March, 2021
<b>Authorised Share Capital</b>		
5,00,00,00,000 (5,00,00,00,000) equity shares of ₹ 10 each.	5,000.00	5,000.00
	<b>5,000.00</b>	<b>5,000.00</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>		
40,20,23,535 (4,02,08,23,535) fully paid up equity shares of ₹ 10 each.	4,020.82	4,020.82
	<b>4,020.82</b>	<b>4,020.82</b>

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

Equity Shares	As at 31 March, 2022	As at 31 March, 2021
	No. Shares	No. Shares
At the beginning of the Year	4,02,08,23,535	4,02,08,23,535
Issued during the year	-	-
Outstanding at the end of the year	<b>4,02,08,23,535</b>	<b>4,02,08,23,535</b>

## Details of shares allotted for consideration other than cash

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

**b. Terms/rights attached to equity shares**

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend if proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Equity shares of ₹ 10 each fully paid	As at 31 March, 2022		As at 31 March, 2021	
	No. Shares	% held	No. Shares	% held
Adani Transmission Limited and its nominees (Promoters) ##	3,01,15,96,827	74.90%	3,01,15,96,827	74.90%
Qatar Holding LLC##	1,00,92,26,708	25.10%	1,00,92,26,708	25.10%
	<b>4,02,08,23,535</b>	<b>100.00%</b>	<b>4,02,08,23,535</b>	<b>100.00%</b>

## Shares Pledged

No. of equity shares pledged to Lenders - 100% (PY 100%)	4,02,08,23,529	4,02,08,23,529
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In terms of Shareholders Agreement entered into between the Company, Adani Transmission Limited ("ATL") and Qatar Holding (QH), a subsidiary of Qatar Investment Authority ("QIA") during 2019-20, QH had acquired from ATL 25.1% stake in the Company and had provided Shareholders Affiliated Debt of US\$ 282 million to the Company.

**15a INSTRUMENT ENTIRELY EQUITY IN NATURE**

	(₹ in Crores)	
	As at 31 March, 2022	As at 31 March, 2021
10,471,850 (Nil) 11% Optionally convertible debentures classified as Equity of ₹ 100 each	<b>104.72</b>	-
	<b>104.72</b>	-

The Group has issued unlisted unsecured 11% optionally convertible debentures (OCD) of nominal value of ₹ 100 each to WRSS XXI (A) Transco Limited and Lakadia Banaskantha Transco Limited, which shall be optionally converted at the option of the issuer in to equity shares of the Company after expiry of 4 years from 29 November, 2021, the date of allotment or at the option of holder in event of default. The holder can call upon the issuer to redeem OCD in full on completion of 4 years and the issuer also is entitled to voluntarily redeem OCD in full upon mutual discussion and agreement with the holders. The OCD rank pari passu over other but will be subordinated to the any Senior Secured Loan availed by the Company. Interest on OCD is repayable on maturity. The OCD amounting to ₹ 159.38 Crores has been fair valued at the balance sheet date and accordingly ₹ 54.66 Crores has been classified as debt component and ₹ 104.72 Crores as equity component..

**16 OTHER EQUITY**

	(₹ in Crores)	
	As at 31 March, 2022	As at 31 March, 2021
<b>a. Capital Reserve</b>	<b>230.78</b>	<b>230.78</b>

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

	(₹ in Crores)	
	As at 31 March, 2022	As at 31 March, 2021
<b>b. Effective portion of cashflow Hedge</b>		
Opening Balance	(113.90)	(13.24)
Add : Effective portion of cash flow hedge for the year	(151.87)	(100.66)
Closing Balance	<b>(265.77)</b>	<b>(113.90)</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow hedging reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item.

<b>c. Contingency Reserve Fund</b>	<b>As at 31 March, 2022</b>	<b>As at 31 March, 2021</b>
Opening Balance	219.69	196.95
Transfer from Retained Earnings	25.74	22.74
Closing Balance	<b>245.43</b>	<b>219.69</b>

As per the provisions of MERC MYT Regulations read with Tariff orders passed by MERC, the Company being a Distribution and Transmission Licensee, makes an appropriation to the Contingency Reserve Fund to meet with certain exigencies. Investments have been made in Securities issued by Government of India.

<b>d. Share Premium Account</b>	<b>120.43</b>	120.43
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Securities Premium Reserve is used to record the premium on issue of shares and is utilised in accordance with the provisions of the Companies Act, 2013.

<b>e. Retained Earnings</b>	<b>As at 31 March, 2022</b>	<b>As at 31 March, 2021</b>
(Retained Earnings are the profits of the Company earned till date net of appropriations)		
Opening Balance	232.53	(31.41)
Add : Profit for the year	122.16	259.17
Other Comprehensive Income arising from remeasurement of Defined Benefit Plans(net of tax)	14.09	27.51
Transfer to Contingency Reserve Fund	(25.74)	(22.74)
Closing Balance	<b>343.04</b>	232.53
<b>Total</b>	<b>673.91</b>	<b>689.53</b>

**17 BORROWINGS (At Amortised Cost)**

	<b>Non-current \$\$\$</b>		<b>Current*</b>	
	<b>As at 31 March, 2022</b>	<b>As at 31 March, 2021</b>	<b>As at 31 March, 2022</b>	<b>As at 31 March, 2021</b>
<b>Secured</b>				
Rupee Term Loans from Banks - 8.50%	-	33.33	-	33.33
External Commercial Borrowings in Foreign Currency				
Senior Secured Note - 3.949%	7,512.41	7,235.63	-	-
Term Loans from Banks - 2.99938% (3.9466%)	-	1,248.77	-	-
Sustainability Linked Notes - 3.867%	2,246.10			
<b>Unsecured</b>				
External Commercial Borrowings in Foreign Currency				
Shareholders Affiliated Debts - 6.365%	2,106.14	2,026.97	-	-
@ Inter Corporate Deposit from related party	37.37	11.12	-	-
@@ 11% Optionally Convertible Debentures	54.66	-	-	-
<b>Total</b>	<b>11,956.68</b>	<b>10,555.82</b>	<b>-</b>	<b>33.33</b>

\* Amount disclosed under the head "Current Borrowings" (Refer Note 23)

\$\$\$ Includes processing fees netted of ₹ 125.72 Crores (31 March, 2021 - ₹ 140.76 Crores)

@ The inter corporate deposit outstanding on 31 March, 2021 is at 11.05% from a fellow subsidiary company and is repayable by July 2027. (31 March, 2021: from parent company at 11.00% and repayable by March 2023)

@@ Optionally convertible debentures includes accrued interest of ₹ 0.40 Crores as per terms of the agreement. Also refer note 15a for rate of interest and terms of repayment.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

## Notes

Borrowings	Security	Terms of Repayment of Borrowings
Rupee Term Loans from Banks - 8.50%	<p>a) a first pari passu mortgage over certain Identified Immovable Properties;</p> <p>b) a first pari passu charge on the movable assets of the Project (both present and future);</p> <p>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);</p>	During the year, the Company prepaid Rupee term loans from Banks in full. As at 31 March, 2021, the terms of repayment were : two equal annual instalments of ₹ 33.33 Crores starting from March 2021.
Senior Secured Note - 3.949% (and related hedging instruments)	<p>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);</p>	By way of bullet payment in February 2030 with an obligation to prepay the debt on occurrence of certain events. The Company can voluntarily prepay the Bond on payment of premium.
Term Loans from Banks - 2.99938% (3.9466%) (and related hedging instruments)	<p>e) a first pari passu assignment in relation to Transmission License and Distribution License, subject to approval from the MERC;</p> <p>f) a pledge over 100% of the entire paid up equity and preference share capital of the Company;</p> <p>g) a non-disposal undertaking over immovable properties other than certain identified immoveable properties;</p> <p>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</p> <p>i) a non-disposal undertaking over 100% of the equity and preference share capital of the Service Company.</p> <p>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.</p>	<p>During the year, the Company prepaid term loans from Banks. As at 31 March, 2021, the terms of repayment were as given below: By way of bullet payment with an obligation to prepay the debt on occurrence of certain events. The Company can voluntarily prepay the Term Loan either in full or part. The Future annual repayment obligations on principal amount are as under:-</p> <p>a) 1 Installment amounting to ₹ 511.77 Crores in 2022-23.</p> <p>b) 2 Installment of amounting to ₹ 767.65 Crores in 2022-23.</p> <p>Impact of recognition of borrowings at amortised cost using effective interest method was ₹ (30.65) Crores.</p>
Sustainability Linked Notes - 3.87% (and related hedging instruments)	<p>Ranking of Security</p> <p>The Collateral will be a first charge ranking pari passu among the debt security holders, without any preference or priority and shall rank pari passu with all the senior secured debt of the Company in accordance with the Senior Secured Note Documents and the intercreditor agreement.</p>	By way of bullet payment in July 2031 with an obligation to prepay the debt on occurrence of certain events. The Company can voluntarily prepay the Bond on payment of premium.
Buyers credit		As at 31 March, 2022 there are no working capital and buyers credit outstanding. For working capital or buyers credit outstanding on 31 March, 2021, the rate of interest for Secured loans from banks ranged from 1.55% to 5.7%.
Working capital short term loan		
Shareholders Affiliated Debts - 6.365%	<p>(i) First-ranking fixed charge over all its present and future right, title, benefit and interest in the Excluded Loan Accounts</p> <p>(ii) First-ranking floating charge over all of its present and future right, title, benefit and interest in the equity distribution account</p>	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.
Working capital short term loan	Unsecured loans from banks	As at 31 March, 2022 there are no working capital outstanding. For working capital outstanding on 31 March, 2021, the rate of interest for Unsecured loans from banks was 4.25%

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

## 18 TRADE PAYABLES

(₹ in Crores)

	Non-Current		Current	
	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021
(A) total outstanding dues of micro enterprises and small enterprises; and	-	-	25.07	28.99
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.	32.22	31.93	1,465.88	1,161.15
	<b>32.22</b>	<b>31.93</b>	<b>1,490.95</b>	<b>1,190.14</b>

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

(₹ in Crores)

	As at 31 March, 2022	As at 31 March, 2021
(a) the principal amount remaining unpaid to any supplier at the end of each accounting year (including payable for Property, Plant & equipment)	104.41	28.41
(b) Interest due on principal amount remaining unpaid to any supplier at the end of each accounting year	0.62	0.58
(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;	0.62	0.58
(e) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	0.62	0.58
(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.	0.62	0.58

## Trade Payables ageing schedule

Particulars	Outstanding for following periods from due date of payment*					
	Not Due	<1 year	1-2 years	2-3 years	More than 3 years	Total
<b>As at 31 March, 2022</b>						
(a) MSME	9.77	9.49	2.10	2.46	1.25	25.07
(b) Others	160.59	1,058.51	127.80	49.58	9.55	1,406.03
(c) Disputed dues – MSME	-	-	-	-	-	-
(d) Disputed dues - Others	-	92.07	-	-	-	92.07
<b>Total</b>	<b>170.36</b>	<b>1,160.07</b>	<b>129.90</b>	<b>52.04</b>	<b>10.80</b>	<b>1,523.17</b>
<b>As at 31 March, 2021</b>						
(a) MSME	18.15	8.53	1.56	0.43	0.32	28.99
(b) Others	57.22	807.06	263.92	23.56	41.32	1,193.08
(c) Disputed dues – MSME	-	-	-	-	-	-
(d) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>75.37</b>	<b>815.59</b>	<b>265.48</b>	<b>23.99</b>	<b>41.64</b>	<b>1,222.07</b>

\* Ageing for provisions have been considered based on transaction date.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

## 19 LEASE LIABILITIES

(₹ in Crores)

	Non-current		Current	
	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021
Lease Obligation	26.25	50.70	18.59	42.89
	<b>26.25</b>	<b>50.70</b>	<b>18.59</b>	<b>42.89</b>

## 20 OTHER FINANCIAL LIABILITIES (At Amortised Cost)

(₹ in Crores)

	Non-current		Current	
	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021
Interest accrued but not due on borrowings	1.58	0.43	113.91	99.24
Payable towards purchase of PPE	-	-	316.64	191.58
Security Deposit from Consumers	-	-	471.70	474.80
Regulatory Liabilities other than Distribution	-	-	2.94	6.53
Security Deposit from Customers / Vendors	0.18	-	15.25	7.99
Other Financial Liabilities	-	-	-	6.61
#Derivative Instruments designated in hedge accounting relationship	66.02	63.12	57.07	31.07
	<b>67.78</b>	<b>63.55</b>	<b>977.51</b>	<b>817.82</b>

# Refer footnote to Note 17 for security/charges created on hedging instruments.

## 21 PROVISIONS

(₹ in Crores)

	Non-current		Current	
	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021
Provision for Gratuity	168.77	141.09	34.01	31.96
Provision for Compensated absences	399.55	396.02	29.11	23.61
Provision for Other Employment Benefits	18.87	20.01	3.16	2.98
<b>Total</b>	<b>587.19</b>	<b>557.12</b>	<b>66.28</b>	<b>58.55</b>

## 22 OTHER LIABILITIES

(₹ in Crores)

	Non-current		Current	
	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2022	As at 31 March, 2021
Deferred Revenue - Service Line Contributions from Consumers	245.47	231.77	11.12	9.78
Statutory dues payable	-	-	215.95	183.38
Advances From Customer	-	51.12	66.74	58.39
Other Payables	-	-	3.18	2.57
	<b>245.47</b>	<b>282.89</b>	<b>296.99</b>	<b>254.12</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

**23 BORROWINGS (At Amortised Cost)**

(₹ in Crores)

	As at 31 March, 2022	As at 31 March, 2021
<b>Secured loans from banks</b>		
Current maturities of long-term borrowings	-	33.33
Buyers credit	-	92.35
Working capital short term loan	-	486.00
<b>Unsecured loans</b>		
Working capital short term loan	-	305.00
	-	<b>916.68</b>

**Security and Rate of Interest**

- (i) For Security of Current maturities of long-term borrowings, Short Term Loans, Buyers Credit and Working Capital Loans - (Refer Note No 17)
- (ii) As at 31 March, 2022 there are no working capital or short term loans or buyers credit outstanding. For working capital and buyers credit outstanding on 31 March, 2021, the rate of interest for Secured / unsecured loans from banks ranged from 1.55% to 5.70%.
- (iii) The Company has been sanctioned working capital from banks on the basis of security of current assets. The Company in this regard has been duly submitting with all such banks from whom such facilities are taken, the quarterly statements comprising details of said current assets viz. raw material, stores and spares, finished goods, advances for power purchases and coal, book debts (including unbilled revenue) and other receivable (<90 days) reduced by relevant trade payables (i.e net of provisions, regulatory payables and other payables). The said quarterly statements are in agreement with the unaudited books of account of the Company of the respective quarters based on draft figures at the point of time of reporting and there are no material discrepancies.

**24 REVENUE FROM OPERATIONS**

(₹ in Crores)

	For the year ended 31 March, 2022	For the year ended 31 March, 2021
<b>a) Income from Sale of Power and Transmission Charges</b>		
Income from Sale of Power and Transmission Charges (Net)	6,673.94	5,881.61
(Less)/Add: Income to be adjusted in future tariff determination (Net)	3.59	21.97
	6,677.53	5,903.58
<b>b) Other Operating Income</b>		
Insurance Claim Received	2.55	0.01
Income in respect of Services rendered	42.04	6.55
Sale of Coal Rejects / Fly Ash	16.59	8.94
Street Light Maintenance Charges	141.77	101.83
Amortisation of Service Line Contribution	10.30	9.22
Miscellaneous Revenue	17.40	17.51
	230.65	144.06
<b>c) Sale of Traded Goods</b>		
Sale of Traded Goods	0.76	1.63
	0.76	1.63
<b>Total</b>	<b>6,908.94</b>	<b>6,049.27</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

**Details of Revenue from Contracts with Customers (disaggregated by type and nature of product or services)**

(₹ in Crores)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Income from Sale of Power	6,334.58	5,566.00
Income from Transmission Charges (Net)	342.95	337.58
Income in respect of Services rendered	42.04	6.55
Sale of Coal Rejects / Fly Ash	16.59	8.94
Street Light Maintenance Charges	141.77	101.83
Sale of Traded Goods	0.76	1.63
Add: Cash Discount/Rebates etc	31.29	26.54
<b>Total Revenue as per Contracted Price</b>	<b>6,909.98</b>	<b>6,049.07</b>

**Transaction Price - Remaining Performance Obligation**

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

There are no aggregate value of performance obligations that are completely or partially unsatisfied as of 31 March, 2022, other than those meeting the exclusion criteria mentioned above.

**Contract Balances**

(₹ in Crores)

	For the year ended 31 March, 2022	For the year ended 31 March, 2021
<b>Contract Assets</b>		
Recoverable from Consumers		
Non-current	-	-
Current	-	-
Total Contract Assets	-	-
<b>Contract liabilities</b>		
Liabilities towards Consumers		
Non-current	-	-
Current	2.94	6.53
Total Contract Liabilities	2.94	6.53
<b>Receivables</b>		
Trade Receivables (Gross)	487.24	577.68
Unbilled Revenue for passage of time	507.56	491.10
(Less): Allowance for Doubtful Debts	(1.39)	(1.39)
<b>Net Receivables</b>	<b>993.41</b>	<b>1,067.39</b>

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

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

(₹ in Crores)		
Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
<b>Opening Balance</b>		
Recoverable from consumers	-	-
Liabilities towards consumers	116.04	155.47
A	116.04	155.47
Income to be adjusted in future tariff determination in respect of earlier year	-	(9.55)
Income to be adjusted in future tariff determination (Net)	(3.59)	(12.42)
Adjusted on completion of performance obligation/Others	(42.77)	(17.46)
B	(46.36)	(39.43)
<b>Closing Balance</b>		
Recoverable from consumers	-	-
Liabilities towards consumers	69.68	116.04
(A+B)	69.68	116.04

## 25 OTHER INCOME

(₹ in Crores)		
Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
<b>a) Interest Income</b>		
On Financial Assets carried at Amortised Cost		
Bank Deposits	106.31	98.59
Overdue Trade Receivables	22.45	30.00
Contingency Reserve Fund Investment - Non Current	13.30	3.84
Contingency Reserve Fund Investment - Current	0.53	13.06
Other Investments	-	23.74
On Intercompany Deposits*	114.40	116.87
Other interest	51.50	47.24
Interest on Security Deposits - Lease	0.85	0.98
<b>b) Gain/(Loss) on Investments</b>		
Gain On Sale / Fair Value Of Current Investments Measured at FVTPL	1.13	39.73
Gain On Sale / Fair Value Of Current Investments Measured at FVTPL - Contingency Reserve Fund	-	1.33
<b>c) Other Non-operating Income</b>		
Bad Debts Recovery	4.95	3.00
Sale of Scrap	11.79	8.63
Rental Income	0.27	0.21
Delayed Payment Charges	22.90	27.00
Foreign Exchange Gain (net)	-	4.96
Profit / (Loss) on Sale of Assets	0.42	1.87
Incentive Received	1.44	
Sundry credit balances written back	57.41	
Miscellaneous Income	-	0.62
<b>Total</b>	<b>409.65</b>	<b>421.67</b>

\*Interest Income on Inter Corporate Deposit amounting to ₹ 0.68 Crores (31 March, 2021: ₹ 0.32 Crores) has been taken to capital work in progress.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

## 26 EMPLOYEE BENEFITS EXPENSES

(₹ in Crores)		
Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
#Salaries, Wages & Bonus	686.41	784.79
Contribution To Gratuity	48.07	46.08
Contribution to Provident and Other Funds	57.52	52.18
Contribution to Superannuation Fund	7.76	7.96
Compensated absences	42.00	56.86
Staff Welfare Expenses	99.02	90.09
	940.78	1,037.96
Less : Staff Cost Capitalised	(142.10)	(181.79)
<b>Total</b>	<b>798.68</b>	<b>856.17</b>

#Net of wage provisions no longer required written back of ₹ 38.74 Crores (31 March, 2021 : Nil).

## 27 FINANCE COSTS

(₹ in Crores)		
Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
<b>a) Interest Expense</b>		
<b>Borrowings - Amortised Cost</b>		
Rupee Term Loans	5.14	8.53
\$ Senior Secured Note	322.04	315.66
\$ Shareholders Affiliated Debts	138.00	135.66
\$ External Commercial Borrowings (Note 1 below)	47.99	42.02
\$ Sustainability Linked Notes	66.12	-
Working Capital Loans	44.44	78.32
Foreign Exchange Fluctuation Gain(net)-Borrowings (Note 3 below)	155.64	166.80
Interest - Hedging Cost	400.24	348.42
Interest on Intercompany Deposit - Parent Company	-	0.46
<b>Others</b>		
Security Deposits From Consumers at amortised cost	18.71	21.06
Interest on lease obligation	6.25	6.92
Interest - Others	0.24	1.48
	<b>1,204.81</b>	<b>1,125.33</b>
Less : Interest Cost Capitalised	(45.88)	(30.69)
	1,158.93	1,094.64
<b>b) Other Borrowing Costs</b>		
Other Finance Cost	1.45	2.34
<b>Total</b>	<b>1,160.38</b>	<b>1,096.98</b>

**Note :**

\$ In Foreign Currency,

- Includes ₹ 28.45 Crores (31 March, 2021: ₹ Nil) (unamortised upfront fees) charged off on settlement of External Commercial Borrowings.
- The weighted average capitalisation rate on the Company's general borrowings is 8.76% (31 March, 2021: 7.98%) per annum.
- Including Mark to Market gain of ₹ 252.56 Crores (31 March, 2021: loss of ₹ 512.11 Crores) on Derivative Instruments designated in hedge accounting relationship.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

## 28 OTHER EXPENSES

(₹ in Crores)		
Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Consumption Of Stores & Spares	56.59	37.82
Repairs & Maintenance		
- Plant & Machinery	367.77	355.36
- Buildings	20.22	17.83
- Others	26.18	13.36
@Short Term Lease Rental of Land,Building,Plant & Machinery Etc	12.62	11.35
Vehicle Hire Charges	16.97	19.57
Rates and Taxes	19.44	20.38
Legal & Professional Expenses	149.40	118.79
Directors' Sitting Fees	0.08	0.06
Bank Charges	6.04	9.62
@@Payment to Auditors	1.74	1.60
Communication Expenses	7.96	9.68
Travelling & Conveyance Expenses	8.45	10.57
Insurance Expenses	9.76	23.73
License fees	1.74	1.65
Security Charges	31.17	32.25
Seminar & Training Expenses	3.17	2.10
Software Expenses	18.15	13.05
Baddebt Write off (Refer Note 12.2)	18.31	22.52
Bill Print/Collection/ Distribution	11.88	9.95
Foreign Exchange Fluctuation Loss(net)	1.20	-
Call Center Expenses	8.37	3.64
Donations	0.30	-
@@@Corporate Social Responsibility Expenses	5.69	3.56
Electricity Expenses	0.51	0.41
Printing & Stationery	1.38	1.60
Advertisement & Publicity	9.26	3.50
Water charges	3.68	4.17
Other Miscellaneous Expenses	20.27	14.55
<b>Total</b>	<b>838.30</b>	<b>762.67</b>

@ Lease Rentals in respect of low value assets is immaterial.

**@@ (i) Payment to auditors**

(₹ in Crores)		
	For the year ended 31 March, 2022	For the year ended 31 March, 2021
<b>As auditor:</b>	1.32	1.25
Statutory Audit Fees	0.14	0.10
#Other Services	0.01	-
Out of Pocket Expenses	0.27	0.24
Applicable taxes	1.74	1.60
	<b>1.74</b>	<b>1.60</b>

#Excluding fees of ₹ 1.25 Crores (plus taxes 0.22 Crores) for services towards Sustainability linked bond issue which is netted off in borrowings for purposes of calculating Effective Interest Rate.

**@@@ Details of Corporate Social Responsibilities under Section 135 of Companies Act**

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
(i) Amount required to be spent by the Company during the year	5.65	3.56
(ii) Total of previous years shortfall amounts	0.72	-
(iii) Amount of expenditure incurred:		
(a) Construction or acquisition of any assets	-	-
(b) on purpose other than (a) above	0.28	0.59
- Donation to related party trust (not controlled by the Company)	6.13	2.25
<b>Total amount of expenditure incurred</b>	<b>6.41</b>	<b>2.84</b>
(iv) (Excess) / Shortfall at the end of the year	-0.04	0.72
(v) Provision made towards CSR expenditure	-	0.72
(vi) Reason for shortfall : Nil (31 March, 2021 : Company intended to spend the unutilised amount in subsequent year and had deposited the amount with Unspent Corporate Social Responsibility Account)		
(vii) Nature of CSR activities : Primary Education, Community Health and Sanitation, Sustainable Livelihood Development and Urban / Rural Infrastructure Development.		

**29 TAX EXPENSES****1 Income Taxes recognised in the statement of profit & loss**

(₹ in Crores)

	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Current Income Tax (MAT)	47.78	49.40
Deferred Tax	101.18	27.75
	<b>148.96</b>	<b>77.15</b>

**2 Income Tax recognised in other comprehensive income**

(₹ in Crores)

	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Current Income Tax		
-Remeasurement of Defined Benefit Plans	3.00	5.83
Total income tax recognised in other comprehensive income	<b>3.00</b>	5.83
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will be reclassified to statement of profit and loss	-	-
Items that will not be reclassified to statement of profit and loss	3.00	5.83
	<b>3.00</b>	5.83

**The income tax expenses for the year can be reconciled to the accounting profit as follows:**

<b>Profit Before Tax</b>	271.12	336.32
<b>Income tax using the Company's domestic tax rate</b>	94.74	117.52
<b>Tax Effect of :</b>		
- Non deductible Expenses	2.09	1.24
- MAT credit not recognised	47.78	49.40
- Tax on other Items	4.35	(0.85)
- Deferred Tax Asset on unabsorbed Depreciation in respect of earlier years	-	(90.16)
<b>Income tax expense recognised in statement of profit and loss</b>	<b>148.96</b>	<b>77.15</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

## Notes

- a The tax rate used for the years 31 March, 2022 and 31 March, 2021 reconciliations above is the corporate tax rate of 34.944% payable by corporate entities in India on taxable profits under the Indian tax law.
- b The rate used for calculation of Deferred tax is 34.944%, being statutory enacted rate at respective Balance Sheet date.
- c The Union Cabinet on 20 November, 2019 approved the proposal for introducing the Taxation Laws (Amendment) Bill, 2019 in order to replace the Ordinance, 2019. Accordingly, on 25 November, 2019, the Taxation Laws (Amendment) Bill, 2019 (Bill) was introduced which received the assent of the President of India on 12 December 2019. The Taxation Laws Amendment Bill inserted Section 115BAA in the Income Tax Act, 1961 which provides domestic companies a non-reversible option to pay corporate tax at reduced rates effective 01 April, 2019 subject to certain conditions. The Company has decided not to avail the benefit provided under the above Bill, however the Company would evaluate its option in the future based on business developments.

## Unrecognised unused tax credits

	(₹ in Crores)	
	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Unrecognised Tax Credits	50.78	55.23
	<b>50.78</b>	<b>55.23</b>

The expiry of unrecognised unused MAT credits is as described below:

	(₹ in Crores)	
	As at 31 March, 2022	As at 31 March, 2021
Within One Year	-	-
Greater than one year, less than five years	-	-
Greater than five years	194.01	143.23
No expiry date	-	-
<b>Total</b>	<b>194.01</b>	<b>143.23</b>

## 3 Deferred Tax

	(₹ in Crores)	
	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Deferred tax Assets	1,335.37	1,088.71
Deferred tax Liabilities	1,514.72	1,166.88
<b>Net Deferred Tax Assets / (Liabilities)</b>	<b>(179.35)</b>	<b>(78.17)</b>

## 2021-22

	Opening Balance	Recognised in Profit & Loss	Closing Balance
<b>Deferred Tax Assets in relation to</b>			
Allowance for Doubtful Debts, Deposits, Advances and property tax payable	5.67	2.03	7.70
Provisions for employee benefits and others	201.89	12.69	214.58
Unabsorbed Depreciation	881.16	231.94	1,113.10
	1,088.71	246.66	1,335.37
<b>Deferred Tax liabilities in relation to</b>			
Property, Plant & Equipment	1,166.88	347.84	1,514.72
	1,166.88	347.84	1,514.72
<b>Deferred Tax Asset/(Liability) (Net)</b>	<b>(78.17)</b>	<b>(101.18)</b>	<b>(179.35)</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

## 2020-21

	Opening Balance	Recognised in Profit & Loss	Closing Balance
<b>Deferred Tax Assets in relation to</b>			
Allowance for Doubtful Debts, Deposits and Advances	-	5.67	5.67
Provisions for employee benefits and others	-	201.89	201.89
Unabsorbed Depreciation	764.89	116.27	881.16
	764.89	323.82	1,088.71
<b>Deferred Tax liabilities in relation to</b>			
Property, Plant & Equipment	815.31	351.57	1,166.88
	815.31	351.57	1,166.88
<b>Deferred Tax Asset/(Liability) (Net)</b>	<b>(50.42)</b>	<b>(27.75)</b>	<b>(78.17)</b>

## 30 EARNINGS PER SHARE (EPS)

		(₹ in Crores)	
		For the year ended 31 March, 2022	For the year ended 31 March, 2021
<b>A. Before net Movement in Regulatory Deferral Balance</b>			
Profit / (Loss) attributable to Equity Shareholders		122.16	259.17
Add/(Less): Net Movement in Regulatory Deferral Balance		682.47	582.81
Income tax on Regulatory Income / (expense)		(119.24)	(101.83)
Regulatory Income / (expense) (net of tax)		563.23	480.98
Net Profit / (Net Loss) excluding regulatory Income		<b>(441.07)</b>	<b>(221.81)</b>
Number of Weighted Average Equity Shares, outstanding during the year for basic / diluted EPS	No	4,02,08,23,535	4,02,08,23,535
Nominal Value of Equity Shares	₹	10.00	10.00
<b>Basic / Diluted Earnings per Share before net Movement in Regulatory Deferral Balance</b>	₹	<b>(1.10)</b>	<b>(0.55)</b>
<b>(B) After net Movement in Regulatory Deferral Balance</b>			
Profit / (Loss) attributable to Equity Shareholders		122.16	259.17
Number of Weighted Average Equity Shares, outstanding during the year for basic EPS	No.	4,02,08,23,535	4,02,08,23,535
Nominal Value of Equity Shares	₹	10.00	10.00
<b>Basic / Diluted Earnings per Share after net Movement in Regulatory Deferral Balance</b>	₹	<b>0.30</b>	<b>0.64</b>

## 31

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, 2022 wherein, recoverable amount of the TCGU has been determined applying value in use approach. The value in use of the TCGU has been determined using Discounted Cash Flow Method (DCF).

In deriving the recoverable amount of the TCGU a discount rate (post tax) of 9.10% (31 March, 2021: 8.75%) per annum has been used. In arriving at the recoverable amount of the TCGU, financial projections have been developed for 6 years (31 March, 2021: 6 years) and thereafter in perpetuity considering a terminal growth rate of 1.5% (31 March, 2021: 2%) per annum.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Based on the results of the TCGU impairment test, the estimated value in use of the TCGU was higher than its carrying amount, hence impairment provision recorded during the current year is ₹ Nil (31 March, 2021 - ₹ Nil) Crore. Management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the fair value of the Transmission License.

The key assumptions used in determining the recoverable amount of TCGU are as follows :

- (i) Discount Rate: 9.10% (31 March, 2021: 8.75%) Post-Tax Discount rate has been derived based on current cost of borrowing and equity rate of return in line with the current market expectations
- (ii) Capital expenditure / Capitalisation: Capital expenditure and capitalisation for 6 years (31 March, 2021: 6 years) is estimated based on management projections subject to regulatory approval and thereafter ₹ 500 Crores per annum (31 March, 2021: ₹ 325 Crores per annum)

**32 LEASES****(i) Disclosure under Ind AS 116 Leases:**

- a) The following is the movement in Lease liabilities during the year ended 31 March, 2022

	As at 31 March, 2022	As at 31 March, 2021
<b>Opening Balance</b>	93.59	104.02
Interest on Lease Liabilities	6.25	6.92
Lease Liabilities on account of Leases entered / terminated during the year	(32.63)	9.36
Payments of Lease Liabilities / Other Adjustments	(22.37)	(26.71)
Closing Balance (refer note 19)	<b>44.84</b>	<b>93.59</b>

**b) Where the Group is a lessee :**

The Company has taken office premises on lease. Generally leases are renewed on mutual consent and at a prevalent market price and sub lease is restricted.

Interest Expenses on lease liabilities amounts to ₹ 6.25 Crores (31 March, 2021 ₹ 6.92 Crores)

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 - ₹ 12.62 Crores (31 March, 2021 ₹ 11.35 Crores)

Total Cash outflow for leases amounts to ₹ 34.99 Crores (31 March, 2021 ₹ 38.06 Crores) during the year including cash outflow short term and low value leases.

- c) The Group had a 25 year long term Power Purchase Agreement (PPA) with Vidharbha Industries Power Limited (VIPL), wherein the Group has committed to purchase the entire output generated from VIPL's generating station located at Butibori. In terms of the PPA, the Group subject to a minimum guaranteed plant availability (determined on a yearly basis) is liable to pay subject to MERC approval a fixed monthly capacity charge and a variable charge towards the cost of fuel. VIPL was obligated to make the plant available for generation for a minimum period of time (determined on a yearly basis) and the option as regards the timing of availability was at the discretion of VIPL.

The Group on assessment of the above arrangement has concluded, that considering the Group does not have the right to direct the use of the asset, the above arrangement does not qualify to be lease under IND AS 116.

During FY 2019-20, the Group had terminated the above PPA due to non-performance of obligations under the PPA by VIPL, such termination has been upheld by MERC / Appellate Tribunal of Electricity ("ATE"). VIPL has filed an appeal before the Hon'ble Supreme Court against the said order issued by the ATE. The proceedings are ongoing with the Hon'ble Supreme Court.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

## 33 CONTINGENT LIABILITIES AND COMMITMENTS

	(₹ in Crores)	
	As at 31 March, 2022	As at 31 March, 2021
<b>(A) Contingent liabilities :</b>		
Claims against the Group not probable and hence not acknowledged as debts consists of : -		
(i) Demand disputed by the Group relating to Service tax on street light maintainance, wheeling charges and cross subsidy surcharges - Refer note 3	353.55	353.55
(ii) Claims raised by the Government authorities towards unearned income arising on alleged tranfer of certain land parcels - Refer note 3	127.65	127.65
(iii) Way Leave fees claims disputed by the Group relating to rates charged - Refer note 3	28.43	28.43
(iv) Property related disputes - Refer note 3	2.59	2.59
(v) Other claims against the Group not acknowledged as debts.	2.12	2.12
(vi) Claims raised by Vidharbha Industries Power Limited (VIPL) in respect of increase in fuel cost for the financial year ended 31 March, 2019 - Refer Note 3	1,381.28	1,381.28
(vii) Claims pretaining to interest in respect of certain regulatory Liabilities -Refer Note 3	@@	@@
(viii) Liability in respect of disposal of bottom Ash	@@	@@
(ix) Liability in respect of termination of power purchase lease agreement	@@	@@
	<b>1,895.62</b>	<b>1,895.62</b>

@@ Amount not determinable

**Notes:**

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

The Group, in respect of the above mentioned Contingent Liabilities has assessed that it is only possible but not probable that outflow of economic resources will be required.

	(₹ in Crores)	
	As at 31 March, 2022	As at 31 March, 2021
<b>(B) Capital Commitments :</b>		
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for	712.37	377.37
	<b>712.37</b>	<b>377.37</b>

**(C) Other Commitments :**

- In terms of the MERC RPO obligation regulations, the Company is required to procure on an annual basis a certain quantum of power generated from renewable sources, as at 31 March, 2022 the Company has an cumulative outstanding commitment to procure renewable power of 5038 Mu's (31 March, 2021 - 4256 Mu's)

The Company to meet its past and future RPO commitment, has entered into through a competitive bid, a long term 25 years PPA of 700 MW with a group entity (Adani Hybrid Energy Jaisalmer Four Limited) to purchase 700 MW of Wind Solar Hybrid Renewable Power at ₹ 3.24 per unit. The Company has purchased

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

292.95 Mus of Solar Hybrid from Adani Hybrid Energy Jaisalmer Four Limited during the year ended 31 March, 2022.

The Company in its MYT petition had requested MERC to allow it to carry forward its unmet RPO obligation to the next control period, so as to allow it to fulfil its past obligation from the above arrangement entered into. MERC has directed the Company to file a separate petition in respect of the same wherein appropriate view would be taken. The management is of the view that MERC would approve the above request and there would be no adverse financial implications of the non-compliance by the Company of its past RPO obligations.

**34 TRANSACTION WITH STRIKE OFF COMPANIES**

Name of the struck off company	Nature of transactions with struck off company	Balance outstanding	Relation with the struck off company, if any, to be disclosed
<b>As at 31 March, 2022</b>			
<b>Payables</b>			
Silent Sentinels Electrical Consultant Private Limited	Purchase of Service	0.01	Vendor
<b>Receivables</b>			
M S Gem Printers Private Limited	Sale of Power	0.13	Consumer
B B Consulting N Eng Private Limited	Sale of Power	0.01	Consumer
Uday Real Tdrs Private Limited	Sale of Power	0.01	Consumer
Unilink Tel Services (I) Private Limited	Sale of Power	0.02	Consumer
Flex Foot Wear India Private Limited	Sale of Power	0.01	Consumer
Kool Dring & Pack Private Limited	Sale of Power	0.02	Consumer
SSV Developeres & Indian Holiday Resort Private Limited	Sale of Power	0.10	Consumer
Others - 361 Parties < 50K	Sale of Power	0.09	Consumer
<b>As at 31 March, 2021</b>			
<b>Payables</b>			
Silent Sentinels Electrical Consultant Private Limited	Purchase of Service	0.01	Vendor
<b>Receivables</b>			
Bharti Infratel Services Limited	Sale of Power	0.04	Consumer
Interjewel Private Limited	Sale of Power	0.02	Consumer
Kunjan Silks Private Limited	Sale of Power	0.01	Consumer
Gem Printers Private Limited	Sale of Power	0.13	Consumer
B.B.Consulting 'N' Engineering Private Limited	Sale of Power	0.01	Consumer
Uday Realtors Private Limited	Sale of Power	0.01	Consumer
Unilink Tele Services (India) Private Limited	Sale of Power	0.02	Consumer
Navdurga Developments Private Limited	Sale of Power	0.01	Consumer
Flex Foot Wear India P.Limited	Sale of Power	0.01	Consumer
SSV Developeres & Indian Holiday Resort Private Limited	Sale of Power	0.11	Consumer
Others - 354 Parties < 50K	Sale of Power	0.09	Consumer

**35**

ATL has acquired the control of the Company w.e.f. 29 August, 2018, through its purchase from Reliance Infrastructure Limited ("RINFRA"), of the equity shares of the Company. In accordance with Share Purchase Agreement, any incremental adjustment, arising as a result of the MERC MYT order for the period 01 April, 2017 to 28 August, 2018 is to the account of R-infra. MERC in its MYT order has provided for recovery of certain regulatory assets in subsequent years subject to final truing up adjustments. Such recoverable amounts are mainly on account of various components such as annual surplus, capex disallowances, MAT credit etc. Pending final truing up by MERC, the amount recoverable from RINFRA have not been accounted for as at 31 March, 2022 and would be accounted for as and when such amount is finally determined.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

**36 RELATED PARTY DISCLOSURE**

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

**Name of related parties & description of relationship**

<b>(A) Ultimate Holding Entity</b>	S. B. Adani Family Trust (SBAFT)
<b>(B) Holding Company</b>	Adani Transmission Limited
<b>(C) Key Management Personnel:</b>	Mr. Kandarp Patel, Managing Director & CEO Mr. Kunjal Mehta, Chief Financial Officer (w.e.f. 02 May, 2022) Mr. Rakesh Tiwary, Chief Financial Officer (upto 31 March, 2022) Mr. Jaldhi Shukla, Company Secretary Mr. Anil Sardana, Director Mr. Sagar Adani, Director Mr. K Jairaj, Independent Director Ms. Chitra Bhatnagar, Independent Director (upto 27 October, 2021) Ms. Chandra Iyengar (w.e.f. 27 October, 2021) Mr. Quinton Choi, Non Executive Director - (w.e.f. 01 July, 2020) Mr. Kenneth McLaren, Non Executive Director - (w.e.f. 22 October, 2020)
<b>(D) Entity having significant influence</b>	Qatar Holding LLC
<b>(E) Enterprises over which (A) or (B) or (C) or (D) above have significant influence :</b> (where transactions have taken place during the year and previous year / balance outstanding)	Adani Power Limited Adani Enterprises Limited Adani Properties Private Limited Karnavati Aviation Private Limited Adani Power (Mundra) Limited Adani Green Energy Limited Mundra Solar Pv Limited Sunbourne Developers Private Limited Adani Institute For Education & Research Adani Township & Real Estate Company Limited AEML Infrastructure Limited Maharashtra Eastern Grid Power Transmission Co. Limited Power Distribution Services Limited Adani Power Maharashtra Limited Adani Total Gas Limited Adani Hybrid Energy Jaisalmer Four Limited Adani Foundation Adani Hospitals Mundra Private Limited Mumbai International Airport Limited (w.e.f. 13 July, 2021) Adani Transmission (India) Limited Superheights Infraspaces Private Limited Adani Power Rajasthan Limited Ahmedabad International Airport Limited Mangaluru International Airport Limited Adani Ports And Special Economic Zone Limited Valuable Properties Private Limited Adani Krishnapatnam Port Limited ATL HVDC Limited WRSS XXI Transco Limited Lakadia Banaskantha Transco Limited
<b>(G) Employee Benefits Funds :</b>	AEML Gratuity Fund AEML Superannuation Fund

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in Crores)

Nature of Transaction	Name of Related Party	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Reimbursement of Expenses	Adani Transmission Limited	-	0.35
Inter Corporate Deposit (ICD) Received	Adani Transmission Limited	23.89	10.12
	ATL HVDC Limited	37.37	-
Interest Expenses on ICD	Adani Transmission Limited	1.22	0.46
	ATL HVDC Limited	1.76	-
Amount received towards issue of Optional Convertible Debendures	WRSS XXI Transco Limited	18.25	-
	Lakadia Banaskantha Transco Limited	140.73	-
Interest Expenses on Optional Convertible Debendures	WRSS XXI Transco Limited	0.14	-
	Lakadia Banaskantha Transco Limited	0.31	-
Inter Corporate Deposit (ICD) Repaid	Adani Transmission Limited	35.01	-
Inter Corporate Deposit (ICD) Received Back	Adani Properties Private Limited	-	580.00
Interest expenses on Shareholders Affiliated Debts	Qatar Holding LLC	134.47	131.87
Interest Income on ICD (Loans)	Adani Properties Private Limited	114.40	116.87
Earnest Money Deposit (EMD) received	Adani Enterprises Limited	-	6.84
Earnest Money Deposit (EMD) Given Back	Adani Enterprises Limited	-	6.64
Contribution to Employee Benefits	AEML Gratuity Fund	1.08	0.96
	AEML Superannuation Fund	7.76	7.91
Purchase of Services	Karnavati Aviation Private Limited	9.00	9.00
	Adani Township & Real Estate Company Limited	-	0.20
	Adani Enterprises Limited	86.02	71.30
	Power Distribution Services Limited	15.00	14.90
	Mundra Solar Pv Limited	0.00	-
	Adani Hospitals Mundra Private Limited	0.90	-

(₹ in Crores)

Nature of Transaction	Name of Related Party	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Services Given	Adani Institute For Education & Research	0.07	0.01
Sale of Goods	Adani Power (Mundra) Limited	-	0.02
	Adani Transmission (India) Limited	0.01	-
Purchase of PPE	Mundra Solar Pv Limited	-	0.47
Employee advance transferred In	Maharashtra Eastern Grid Power Transmission Co. Limited	-	0.04
Employees benefits Received	Adani Enterprises Limited	-	8.26
	Adani Power Maharashtra Limited	-	0.05
	Adani Total Gas Limited	0.02	0.59
Employees benefits Transferred	Adani Enterprises Limited	0.02	-
	Adani Power Rajasthan Limited	0.01	-
	Ahmedabad International Airport Limited	0.10	-
	Mangaluru International Airport Limited	0.03	-

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in Crores)			
Nature of Transaction	Name of Related Party	For the year ended 31 March, 2022	For the year ended 31 March, 2021
	Adani Ports And Special Economic Zone Limited	0.01	-
	Valuable Properties Private Limited	0.03	-
	Adani Green Energy Limited	0.01	-
	Adani Power (Mundra) Limited	0.01	-
	Mumbai International Airport Limited	0.34	-
	Adani Krishnapatnam Port Limited	0.22	-
	Maharashtra Eastern Grid Power Transmission Co. Limited	0.04	-
	Adani Power Limited	0.27	-
Advance - Received Back	AEML Infrastructure Limited	0.05	3.36
Payment made on behalf of Group Companies	AEML Infrastructure Limited	0.07	0.05
	Power Distribution Services Limited	0.54	0.68
Payment made on behalf of Group Companies-Received Back	AEML Infrastructure Limited	0.08	-
	Power Distribution Services Limited	1.21	-
Advance paid towards Purchase of property - Received back	Sunbourn Developers Private Limited	271.00	-
Towards acquisition of leasehold land	Superheights Infraspace Private Limited	510.00	-
Advance paid towards Purchase of Power	Adani Enterprises Limited	1,313.31	700.00
Advance paid towards Purchase of Power-Received back	Adani Enterprises Limited	607.22	250.00
Corporate Social Responsibility Contribution	Adani Foundation	6.13	2.25
Interest Income	Adani Enterprises Limited	50.12	34.90
Purchase of Power (net of discount)	Adani Enterprises Limited (excluding banking transactions)	1,284.73	360.70
	Adani Hybrid Energy Jaisalmer Four Limited	93.87	-
Rent Paid	Mumbai International Airport Limited	1.09	-
Remuneration paid	Mr. Kanderp Patel	4.61	3.55
	Mr. Rakesh Tiwary	1.88	1.49
Employee Loan given	Mr. Rakesh Tiwary	0.50	0.20
Sitting Fees	Mr. K Jairaj	0.06	0.05
	Ms. Chitra Bhatnagar	0.01	0.01
	Ms. Chandra Iyengar	0.02	-

(₹ in Crores)			
Closing Balance	Name of Related Party	As at 31 March, 2022	As at 31 March, 2021
Balance Payable	Mundra Solar Pv Limited	0.10	0.01
	Adani Transmission Limited	-	2.72
	Karnavati Aviation Private Limited	3.00	0.75
	Power Distribution Services Limited	13.73	6.56
	Adani Hybrid Energy Jaisalmer Four Limited	42.66	-
	Adani Enterprises Limited	303.97	-
	Superheights Infraspace Private Limited	79.00	-

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in Crores)

Closing Balance	Name of Related Party	As at 31 March, 2022	As at 31 March, 2021
	ATL HVDC Limited	38.95	-
	Adani Transmission Limited	-	11.55
	Mumbai International Airport Limited	0.34	-
	Adani Power Rajasthan Limited	0.01	-
	Ahmedabad International Airport Limited	0.10	-
	Mangaluru International Airport Limited	0.03	-
	Adani Ports And Special Economic Zone Limited	0.01	-
	Valuable Properties Private Limited	0.03	-
	Adani Power (Mundra) Limited	0.01	-
	Adani Krishnapatnam Port Limited	0.22	-
	Adani Power Limited	0.27	-
	Maharashtra Eastern Grid Power Transmission Co. Limited	0.04	-
Balance Receivable	Adani Enterprises Limited	-	278.43
	Adani Green Energy Limited	0.15	0.16
	Adani Properties Private Limited*	1,040.00	1,040.00
	Sunbourne Developers Private Limited	-	271.00
	AEML Infrastructure Limited	0.04	0.10
	Adani Power Maharashtra Limited	-	0.05
	Adani Total Gas Limited	-	0.59
Optionally convertible debentures payable (including Interest accrued but not due on OCD)	WRSS XXI Transco Limited	18.38	-
	Lakadia Banaskantha Transco Limited	141.00	-
Employee Loan Balance Receivable	Mr. Rakesh Tiwary	0.62	0.18
Shareholders Affiliated Debt payable	Qatar Holding LLC	2,137.35	2,061.70
Interest accrued but not due on Shareholders Affiliated Debt	Qatar Holding LLC	53.28	51.40

\* The Company has provided long-term intercorporate deposit at rates comparable to the average commercial rate of interest.

**Note:**

All the above transactions are executed at arm's length basis.

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

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

**37 DISCLOSURE UNDER IND AS 19 "EMPLOYEE BENEFITS" :****1 Defined Contribution Plan**

- (i) Provident fund
- (ii) Superannuation fund
- (iii) State defined contribution plans
  - Employer's contribution to Employees' state insurance
  - Employers' Contribution to Employees' Pension Scheme 1995

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

The Group has recognised the following amounts as expense in the Statement of Profit or loss or capital working process in financial statements for the year:

	(₹ in Crores)	
Particulars	31 March, 2022	31 March, 2021
Contribution to Provident Fund	44.03	38.32
Contribution to Employees Superannuation Fund	7.96	7.96
Contribution to Employees Pension Scheme	<b>6.89</b>	<b>6.92</b>

**2 Defined Benefit Plan****Gratuity**

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

Particulars	Gratuity for the year ended 31 March, 2022	Gratuity for the year ended 31 March, 2021
Starting Period	<b>01 April, 2021</b>	<b>01 April, 2020</b>
Date of Reporting	<b>31 March, 2022</b>	<b>31 March, 2021</b>
<b>Principal Assumptions in actuarial valuation</b>		
Rate of Discounting	6.98%	6.86%
Rate of Salary Increase	10.25%	9.75%
Rate of Employee Turnover	1.00%	0.40%
Mortality Rate During Employment	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality (2006-08)

	(₹ in Crores)	
Change in the Present Value of Defined Benefit Obligation	31 March, 2022	31 March, 2021
Present value of Benefit Obligation at the beginning of the year	658.82	645.00
Liability Transferred in	-	5.15
Liability Transferred Out	(1.12)	-

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

	(₹ in Crores)	
<b>Change in the Present Value of Defined Benefit Obligation</b>	<b>31 March, 2022</b>	<b>31 March, 2021</b>
Interest Cost	45.19	44.11
Current Service Cost	37.16	35.40
Benefit Paid From the Fund	(29.57)	(36.60)
Actuarial (Gain) / Losses on Obligation- Due to Change in Financial Assumptions	20.01	(1.18)
Actuarial (Gain) / Losses on Obligation- Due to Change in Demographic Assumptions	12.80	6.91
Actuarial (Gain) / Losses on Obligation-Due to Experience	(51.05)	(39.97)
<b>Present Value of Benefit Obligation at the end of the year</b>	<b>692.24</b>	<b>658.82</b>
<b>Change in the Fair Value of Plan Assets</b>		
Fair Value of Plan Asset at the beginning of the year	485.77	488.88
Interest Income	33.32	33.43
Benefit Paid From the Fund	(29.57)	(36.60)
Contribution by the Employer	1.09	0.96
Return on Plan Assets Excluding Interest Income	(1.15)	(0.90)
<b>Fair Value of Plan Asset at the end of the year</b>	<b>489.46</b>	<b>485.77</b>
<b>Amount Recognised in the Balance Sheet</b>		
Present Value of Benefit Obligation at the end of the year	692.24	658.82
Fair Value of Plan Assets at the end of the year	489.46	485.77
<b>Funded Status (Deficit)</b>	<b>(202.78)</b>	<b>(173.05)</b>
<b>Net (Liability) Recognised in the Balance Sheet</b>	<b>(202.78)</b>	<b>(173.05)</b>
<b>Provisions</b>		
<b>Current</b>	34.01	31.96
<b>Non-Current</b>	168.77	141.09
<b>Expenses Recognised in the Statement of Profit and Loss</b>		
Current Service Cost	36.82	35.40
Net Interest Cost	11.25	10.68
<b>Expenses Recognised</b>	<b>48.07</b>	<b>46.08</b>
<b>Amount recognised to Capital Work in Progress</b>	<b>0.96</b>	-
<b>Expenses Recognised in Other Comprehensive Income (OCI)</b>		
Actuarial (Gains) / Losses on Obligation for the year	(18.24)	(34.24)
Return on Plan Assets Excluding Interest Income	1.15	0.90
<b>Net Expenses for the year recognised in OCI</b>	<b>(17.09)</b>	<b>(33.34)</b>
<b>Major Categories of plan assets</b>		
Government Securities	81.02%	70.07%
Debt and other Instruments	10.71%	23.85%
Equity Instruments	8.27%	6.08%
Total	100%	100%
<b>Expected Contribution for next financial year</b>	<b>32.57</b>	<b>31.96</b>
<b>Expected Maturity Analysis of undiscounted defined Benefit Obligation is as follows</b>		
Within one year	35.07	27.46
Between 2 to 5 years	174.27	144.68

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

	(₹ in Crores)	
<b>Change in the Present Value of Defined Benefit Obligation</b>	<b>31 March, 2022</b>	<b>31 March, 2021</b>
Between 6 to 10 years	366.92	347.73
Beyond 10 years	803.48	839.47
The weighted average duration of the defined benefit obligation	10.00	11.00
<b>Sensitivity Analysis</b>		
Projected Benefit Obligation on Current Assumptions	<b>692.24</b>	<b>658.82</b>
<b>Assumptions – Discount Rate</b>		
<b>Sensitivity Level</b>	1.00%	1.00%
Impact on defined benefit obligation –in % increase	-7.94%	-8.34%
Impact on defined benefit obligation –in ₹ Crores	(54.94)	(54.94)
Impact on defined benefit obligation –in % decrease	9.12%	9.58%
Impact on defined benefit obligation –in ₹ Crores	63.10	63.10
<b>Assumptions – Future Salary Increase</b>		
<b>Sensitivity Level</b>	1.00%	1.00%
Impact on defined benefit obligation –in% increase	8.66%	9.10%
Impact on defined benefit obligation –in ₹ Crores	59.92	59.92
Impact on defined benefit obligation –in% decrease	-7.70%	-8.09%
Impact on defined benefit obligation –in ₹ Crores	(53.30)	(53.30)
<b>Assumptions – Employee Turnover</b>		
<b>Sensitivity Level</b>	1.00%	1.00%
Impact on defined benefit obligation –in% increase	-1.62%	-1.70%
Impact on defined benefit obligation –in ₹ Crores	(11.19)	(11.19)
Impact on defined benefit obligation –in% decrease	0.69%	0.73%
Impact on defined benefit obligation –in ₹ Crores	4.81	4.81

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting year) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

### 3 Risk exposure:

Through its defined benefit plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility:

The plan liabilities are calculated using a discount rate set with reference to government bond yield. If plan assets underperform this yield, it will result in deficit. These are subject to interest rate risk. To offset the risk, the plan assets have been deployed in high grade insurer managed funds.

Inflation rate risk:

Higher than expected increase in salary and medical cost will increase the defined benefit obligation.

Demographic risk:

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligations is not straight forward and depends upon the combination of salary increase, discount rate and vesting criterion.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

## 38 REGULATORY DEFERRAL ACCOUNT

(₹ in Crores)

Particulars	As at 31 March, 2022	As at 31 March, 2021
<b>Regulatory Deferral Account - Liability</b>		
Regulatory Liabilities	271.56	271.56
<b>Regulatory Deferral Account - Assets</b>		
Regulatory Assets	1,121.92	439.45
Net Regulatory Assets/(Liabilities)	850.36	167.89

**Rate Regulated Activities**

- As per the Ind AS-114 'Regulatory Deferral Accounts', the business of electricity distribution is a Rate Regulated activity wherein Maharashtra Electricity Regulatory Commission (MERC), the regulator determines Tariff to be charged from consumers based on prevailing regulations in place.
- MERC Multi Year Tariff Regulations, 2015 (MYT Regulations), is applicable for the period beginning from 01 April, 2016 to 31 March, 2020.

MERC Multi Year Tariff Regulations, 2019 (MYT Regulations), is applicable for the period beginning from 01 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.

- Reconciliation of Regulatory Assets/Liabilities of distribution business as per Rate Regulated Activities is as follows:

(₹ in Crores)

Particulars	As at 31 March, 2022	As at 31 March, 2021
A Opening Regulatory Assets (Net)	167.89	(256.60)
<b>Add:</b>		
B Income recoverable/(reversible) from future tariff / Revenue Gap for the year		
1 For Current Year	682.47	582.81
2 For Earlier Year	-	-
<b>Total a (1 + 2)</b>	<b>682.47</b>	582.81
<b>Less:</b>		
C Recovered / (refunded) during the year ^	-	158.32
D Net Movement during the year (C - D)	682.47	424.49
<b>E Closing Balance (A - E)</b>	<b>850.36</b>	<b>167.89</b>

^ Includes ₹ 143.98 Crores recovered during 31 March, 2021 on account of final truing up for 2017-18 and 2018-19

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

## 39 FINANCIAL INSTRUMENTS

## 1 Fair Value Measurement

(₹ in Crores)

Particulars	31 March, 2022		31 March, 2021	
	Book Value	Fair Value	Book Value	Fair Value
<b>Financial Assets</b>				
Investment				
- Investment in Treasury Bills at FVTPL	24.84	24.84	-	-
- Government Securities	204.62	188.31	204.95	198.81
Trade Receivables	485.85	485.85	576.29	576.29
Loans Given	1,076.04	1,076.04	1,086.61	1,086.61
Cash and Cash Equivalents	90.10	90.10	152.42	152.42
Other Balances with Bank	624.48	624.48	886.56	886.56
Derivative instruments designated in hedge accounting relationship	165.25	165.25	143.13	143.13
Other Financial Assets	1,189.47	1,189.47	987.79	987.79
<b>Total Financial Assets</b>	<b>3,860.65</b>	<b>3,844.34</b>	<b>4,037.75</b>	<b>4,031.61</b>
<b>Financial Liabilities</b>				
Borrowings (Including Interest accrued & Current Maturities) - Fixed Rate	12,072.17	11,211.17	9,584.48	9,681.59
Borrowings (Including Interest accrued & Current Maturities) - Floating Rate	-	-	1,987.69	1,987.69
Lease Liability obligation	44.84	44.84	93.59	93.59
Trade Payables	1,523.17	1,523.17	1,222.07	1,222.07
Derivative instruments designated in hedge accounting relationship	123.09	123.09	94.19	94.19
Other Financial Liabilities	806.71	806.71	687.51	687.51
<b>Total Financial Liabilities</b>	<b>14,569.98</b>	<b>13,708.98</b>	<b>13,669.53</b>	<b>13,766.64</b>

Above excludes carrying value of investment in subsidiary accounted at cost in accordance with Ind AS 27.

The management assessed that the fair value of cash and cash equivalents, other balances with bank, trade receivables, loans, trade payables, other financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values.

Fair value of the Govt. securities, mutual funds are based on the price quotations near the reporting date.

The fair value of loans from banks and other financial liabilities, as well as other non-current financial liabilities is estimated by discounting future cash flow using rates currently available for debt on similar terms, credit risk and remaining maturities.

The Company enters into derivative financial instruments with various counterparties, principally banks and financial institutions with investment grade credit ratings. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying currency. All derivative contracts are fully collateralised, thereby, eliminating both counterparty and the Company's own non-performance risk.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

- 2 The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels

**Level 1 :**

Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2 :**

Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

**Level 3 :**

Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

(₹ in Crores)

Particulars	Fair Value Hierarchy as at 31st March.2022				
	Date of Valuation	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
<b>Asset measured at Fair Value</b>					
FVTPL financial investments - In Treasury bills	31 March, 2022	24.84	-	-	24.84
<b>Asset for which Fair Value are disclosed</b>					
Amortised Cost financial investments:					
- Government Securities	31 March, 2022	188.31	-	-	188.31
<b>Derivative instruments designated in hedge accounting relationship</b>					
Derivative financial assets	31 March, 2022	-	165.25	-	165.25
<b>Total</b>		<b>213.15</b>	<b>165.25</b>	<b>-</b>	<b>378.40</b>
<b>Liabilities measured at fair values</b>					
<b>Derivative instruments designated in hedge accounting relationship</b>					
Derivative financial Liabilities	31 March, 2022	-	123.09	-	123.09
<b>Liabilities for which fair values are disclosed</b>					
Borrowings (Including Interest accrued & Current Maturities) - Fixed Rate	31 March, 2022	8,897.51	2,313.66	-	11,211.17
Borrowings (Including Interest accrued & Current Maturities) - Floating Rate	31 March, 2022	-	-	-	-
<b>Total</b>		<b>8,897.51</b>	<b>2,313.66</b>	<b>-</b>	<b>11,211.17</b>

(₹ in Crores)

Particulars	Fair Value Hierarchy as at 31st March.2021				
	Date of Valuation	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
<b>Asset measured at Fair Value</b>					
FVTPL financial investments - Mutual Funds	31 March, 2021	-	-	-	-

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in Crores)

Particulars	Fair Value Hierarchy as at 31st March, 2021				
	Date of Valuation	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
<b>Asset for which Fair Value are disclosed</b>					
Amortised Cost financial investments:					
- Government Securities	31 March, 2021	198.81	-	-	198.81
<b>Derivative instruments designated in hedge accounting relationship</b>					
Derivative financial assets	31 March, 2021	-	143.13	-	143.13
<b>Total</b>		<b>198.81</b>	<b>143.13</b>	<b>-</b>	<b>341.94</b>
<b>Liabilities measured at fair values</b>					
<b>Derivative instruments designated in hedge accounting relationship</b>					
Derivative financial Liabilities	31 March, 2021	-	94.19	-	94.19
<b>Liabilities for which fair values are disclosed</b>					
Borrowings (Including Interest accrued & Current Maturities) - Fixed Rate	31 March, 2021	7,372.03	2,309.55	-	9,681.59
Borrowings (Including Interest accrued & Current Maturities) - Floating Rate	31 March, 2021	-	1,987.69	-	1,987.69
<b>Total</b>		<b>7,372.03</b>	<b>4,297.25</b>	<b>-</b>	<b>11,669.28</b>

There has been no transfer between level 1 and level 2 during the period

### 3 Capital Management & Gearing Ratio

"The Company manages its capital structure in a manner to ensure that it will be able to continue as a going concern while optimising the return to stakeholders through the appropriate debt and equity balance. The Company's capital structure is represented by equity (comprising issued capital, retained earnings and other reserves) and debt. The Company's management reviews the capital structure of the Company on an annual basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital. The Company's objective is to ensure that the gearing ratio (debt equity ratio) is around 70 : 30

#### Gearing ratio

The gearing ratio at the end of the reporting period was as follows :

(₹ in Crores)

	As at 31 March, 2022	As at 31 March, 2021
Debt	12,072.17	11,572.17
Less : Cash & Bank Balance	1,230.92	1,516.97
<b>Net debt</b>	<b>10,841.25</b>	<b>10,055.20</b>
Total Capital	4,799.45	4,710.35
Capital & net debt	<b>15,640.70</b>	<b>14,765.55</b>
Net debt to Total Capital plus net debt ratio (%)	69%	68%

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

- (i) Debt is defined as Non-current borrowings (including current maturities) and Current borrowings.
- (ii) Equity is defined as Equity share capital and other equity including reserves and surplus.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no significant breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

**4 Financial risk management objectives and policies**

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations/projects. The Company's principal financial assets include loans, investment including mutual funds, trade and other receivables, and cash and cash equivalents which is derived from its operations.

In the ordinary course of business, the Company is mainly exposed to risks resulting from exchange rate fluctuation (currency risk), interest rate movements (interest rate risk) collectively referred as Market Risk, Credit Risk and Liquidity Risk. The Company's senior management oversees the management of these risks. It manages its exposure to these risks through the use of derivative financial instruments for hedging transactions. It uses derivative instruments such as Cross Currency Swaps, Full Currency swaps, Interest rate swaps and foreign currency Future Option contracts to manage these risks. These derivative instruments reduce the impact of both favorable and unfavorable fluctuations.

The Company's risk management activities are subject to the management, direction and control of Central Treasury team of the Company under the framework of Risk Management Policy for Currency and Interest rate risk, as approved by the Board of Directors of the Company. The Company's Central Treasury team ensures appropriate financial risk governance framework for the Company through appropriate policies & procedures and financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. It is the Company's policy that no trading in derivatives for speculative purposes is undertaken.

The decision of whether and when to execute derivative financial instruments along with its tenure can vary from period to period depending on market conditions and the relative costs of the instruments. The tenure is linked to the timing of the underlying exposure, with the connection between the two being regularly monitored. All derivative contracts are executed with counterparties that are creditworthy. The outstanding derivatives are reviewed periodically to ensure that there is no inappropriate concentration of outstanding to any particular counterparty.

**A. Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk, and currency risk. Financial instruments affected by market risk include loans and borrowings. The sensitivity analysis in interest rate and foreign currency risk sections relate to the position as at 31 March, 2021 and 31 March, 2022.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant as at 31 March, 2021 and 31 March, 2022.

**I. Foreign currency risk**

The Company is exposed to foreign currency risks arising from its exposure to the US\$. Foreign currency risks arise from future commercial transactions and recognised assets and liabilities, when they are denominated in a currency other than Indian Rupee. Exposures on foreign currency loans are managed through the Company wide hedging policy, which is reviewed periodically to ensure that the results from fluctuating currency exchange rates are appropriately managed. The Company's exposure with regards to foreign currency risk is given below.

The following table shows foreign currency exposures in US Dollar on financial instruments at the end of the reporting period

(Refer Note 39 (5))

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Foreign Currency Exposures				
Particulars	As at 31 March, 2022		As at 31 March, 2021	
	Foreign Currency (In Millions)	₹ Crore	Foreign Currency (In Millions)	₹ Crore
<b>In US\$</b>				
(i) Interest accrued but not due	14.66	111.12	12.96	94.75
(ii) Buyers Credit	-	-	12.63	92.35
(iii) Import Creditors and Acceptances	14.38	108.99	0.69	5.04
(iv) Bond	1,000.00	7,579.25	1,000.00	7,311.00
(iv) Bond - Sustainability Linked Notes	300.00	2,273.78	-	-
(v) Shareholders Affiliated Debts	282.00	2,137.35	282.00	2,061.70
(vi) Term Loans from Banks	-	-	175.00	1,279.43
<b>Derivatives</b>				
- Call Options	(582.00)	(4,411.12)	(582.00)	(4,255.00)
- Cross Currency Swaps	(400.00)	(3,031.70)	(575.00)	(4,203.83)
- Forward coupon	(2.26)	(17.13)	(12.63)	(92.34)
- Forward principal	(300.00)	(2,273.78)	-	-
- Coupon Only Swaps	(5.38)	(40.78)	(5.98)	(43.72)
- Principal Only Swaps	(300.00)	(2,273.78)	(300.00)	(2,193.30)
<b>Total</b>	<b>21.40</b>	<b>162.20</b>	<b>7.67</b>	<b>56.08</b>
<b>In Euro</b>				
(i) Import Creditors and Acceptances	0.01	0.09	0.02	0.18
<b>Total</b>	<b>0.01</b>	<b>0.09</b>	<b>0.02</b>	<b>0.18</b>

**Note :**

The Company has executed 4 year cross currency swaps derivative contract of US\$ 300 mn which will be effective from 22 July 2022 to hedge outstanding Sustainability linked bond of US\$ 300 mn which is not included in above figures.

**(i) Foreign currency sensitivity analysis**

The following tables demonstrate the sensitivity to a reasonably possible change in US\$ exchange rates, with all other variables held constant on the Company's profit before tax and pre-tax equity is as under:

(₹ in Crores)

	Effect on profit before tax and consequential impact on Equity			
	As at 31 March, 2022		As at 31 March, 2021	
	Appreciate	Depreciate	Appreciate	Depreciate
Rupee appreciate / (depreciate) by ₹ 1 against US\$ / EURO / GBP	2.14	(2.14)	0.77	(0.77)
Rupee appreciate / (depreciate) by ₹ 2 against US\$ / EURO / GBP	4.28	(4.28)	1.53	(1.53)
Rupee appreciate / (depreciate) by ₹ 3 against US\$ / EURO / GBP	6.42	(6.42)	2.31	(2.31)

Notes: 1) +/- Gain/Loss

**II. Interest rate risk management**

The Company is exposed to interest rate risk on short-term and medium-term floating rate borrowings and on the refinancing of fixed rate debt. The Company's policy is to borrow long term debt with fixed interest rate. The short term borrowings of the Company are mainly floating rate rupee denominated working capital borrowings.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

The long-term borrowings of the Company are by way of Senior Secured Notes (SSN) and Shareholder's Affiliated Debts which carry fixed rate of interest till maturity. Further during the year the Company issued the Sustainability Linked Bond (SLB) of US\$ 300 million through 10-year notes on 15 July, 2021 under US\$ 2 billion Global Medium-Term Notes program (GMTN) which carry fixed rate of interest till maturity with certain Sustainability Performance Targets (SPTs), non-attainment of which will result in increase in fixed rate of interest by 0.15% p.a. for SPT 1 in March 2027 and further 0.15% p.a. for SPT 2 for March 2029.

**(i) Interest rate sensitivity:**

The sensitivity analysis below has been determined based on average outstanding exposure of borrowings during the year that have floating interest rates.

If the interest rates had been 50 basis points higher or lower and all the other variables were held constant, the effect on Interest expense for the respective financial years and consequent effect on Company's profit in that financial year would have been as below:

(₹ in Crores)

	As at 31 March, 2022		As at 31 March, 2021	
	50 bps increase	50 bps decrease	50 bps increase	50 bps decrease
Interest expense on loan	4.78	(4.78)	6.77	(6.77)
Effect on profit / (loss) before tax	(4.78)	4.78	(6.77)	6.77

\*In Previous Year reporting, sensitivity of interest rate change of ₹ 3.95 Crores was determined on the basis of working capital outstanding as on March 31 2021.

**B. Credit risk management**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and other financial assets) and from its financing activities, including loans to others, deposits with banks, financial institutions & others, foreign exchange transactions and other financial assets.

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk defined in accordance with this assessment.

Credit risk on cash and bank balances is limited as the Company generally invests in deposits with banks with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units and quoted bonds issued by government. Counterparty credit limits are reviewed by the Company's management on a regular basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

(₹ in Crores)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Trade receivables	485.85	576.29
Loans	1,076.04	1,086.61
Other financial assets	1,354.72	1,130.92
<b>Total</b>	<b>2,916.61</b>	<b>2,793.82</b>

Refer Note 12 for credit risk and other information in respect of trade receivables. Moreover, given the diverse nature of the consumer profile of the Company, trade receivables are spread over a number of customers with no significant concentration of credit risk. No single customer accounted for 10.0% or more of revenue basis in any of the years presented. The history of trade receivables shows a negligible provision for bad and doubtful debts compared to the volume/value of sales recorded. Other receivables as stated above are due from the parties / banks under normal course of the business having sound credit worthiness, and as such the Company believes exposure to credit risk to be minimal.

The Company has not acquired any credit impaired asset.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

**C. Liquidity risk management**

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. The Company has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The Company also has adequate credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner.

(₹ in Crores)

<b>Contractual Maturities of Financial liabilities</b>	<b>Less than 1 year</b>	<b>1 to 5 years</b>	<b>More than 5 years</b>	<b>Total</b>
<b>As at 31 March, 2022</b>				
Borrowings**	647.27	2,222.06	13,625.30	16,494.62
Trade Payables	1,490.95	-	32.22	1,523.17
Lease Liabilities	18.59	22.75	3.50	44.84
Other Financial Liabilities	863.60	67.78	-	931.38
<b>Total</b>	<b>3,020.41</b>	<b>2,312.59</b>	<b>13,661.02</b>	<b>18,994.01</b>
<b>As at 31 March, 2021</b>				
Borrowings**	1,495.27	3,028.04	11,015.70	15,539.02
Trade Payables	1,190.14	-	31.93	1,222.07
Lease Liabilities	42.89	46.64	4.06	93.59
Other Financial Liabilities	718.58	63.55	-	782.13
<b>Total</b>	<b>3,446.88</b>	<b>3,138.23</b>	<b>11,051.69</b>	<b>17,636.81</b>

\*\*The table has been drawn up based on the undiscounted contractual maturities of the financial liabilities including interest that will be paid on those liabilities upto the maturity of the instruments, ignoring the call and refinancing options available with the Company. The amounts included above for variable interest rate instruments for non-derivative liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

**5 Derivative Financial Instrument**

The Company uses derivatives instruments as part of its management of risks relating to exposure to fluctuation in foreign currency exchange rates and interest rates. The Company does not acquire derivative financial instruments for trading or speculative purposes neither does it enter into complex derivative transactions to manage the above risks. The derivative transactions are normally in the form of forward currency contracts, cross currency swaps, options and interest rate swaps to hedge its foreign currency risks and interest rate risks, respectively and are subject to the Company's guidelines and policies.

The fair values of all derivatives are separately recorded in the balance sheet within current and non current assets and liabilities. Derivative that are designated as hedges are classified as current or non current depending on the maturity of the derivative.

The use of derivative can give rise to credit and market risk. The Company tries to control credit risk as far as possible by only entering into contracts with stipulated / reputed banks and financial institutions. The use of derivative instrument is subject to limits, authorities and regular monitoring by appropriate levels of management. The limits, authorities and monitoring systems are periodically reviewed by management and the Board. The market risk on derivative is mitigated by changes in the valuation of underlying assets, liabilities or transactions, as derivatives are used only for risk management purpose.

The Company enters into derivative financial instruments, such as forward currency contracts, cross currency swaps, options, interest rate futures and interest rate swaps for hedging the liabilities incurred/recorded and accounts for them as cash flow hedges and states them at fair value. The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss. Amounts recognised in OCI are transferred to

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. These hedges have been effective for the year ended 31 March, 2022 and 31 March, 2021.

**The fair value of the Company's derivative positions recorded under derivative financial assets and derivative financial liabilities are as follows :-**

(₹ in Crores)

Derivative Financials Instruments	As at 31 March, 2022		As at 31 March, 2021	
	Assets	Liabilities	Assets	Liabilities
<b>Current</b>				
<b>Cashflow hedge*</b>				
-Call Options	58.10	68.76	137.21	87.50
-Cross Currency Swaps	47.39	21.74	30.36	5.91
-Forward	-	32.59	-	0.78
-Coupon Only Swaps	(5.79)	-	(3.81)	-
-Principal Only Swaps	65.55	-	(20.63)	-
<b>Total</b>	<b>165.25</b>	<b>123.09</b>	<b>143.13</b>	<b>94.19</b>

\* Refer statement of profit and loss and statement of changes in equity for the changes in the fair value of cashflow hedges

**Derivative Contracts entered into by the Company and outstanding as at Balance Sheet date :**

To hedge Currency risks and interest related risks, the Company has entered into various derivative Contracts. The category wise break-up of the amount outstanding as at Balance Sheet date is given below :-

(₹ in Crores)

Particulars	As at 31 March, 2022			As at 31 March, 2021		
	Foreign Currency (In Millions)	₹ Crore	Purpose	Foreign Currency (In Millions)	₹ Crore	Purpose
<b>In US\$</b>						
-Call Options	582.00	4,411.12	Hedging of foreign currency borrowing principal	582.00	4,255.00	Hedging of foreign currency borrowing principal & interest liability
-Cross Currency Swaps*	700.00	5,305.48	Hedging of foreign currency borrowing principal & interest liability	575.00	4,203.83	Hedging of foreign currency borrowing principal & interest liability
-Forward	305.80	2,317.73	Hedging of foreign currency borrowing principal & Interest liability	12.63	92.34	Hedging of foreign currency borrowing principal liability - Buyers credit
-Coupon Only Swaps	600.00	4,547.55	Hedging of foreign currency borrowing principal & interest liability	600.00	4,386.60	Hedging of foreign currency borrowing principal liability - Buyers credit
-Principal Only Swaps	300.00	2,273.78	Hedging of foreign currency borrowing principal liability	300.00	2,193.30	Hedging of foreign currency borrowing principal liability
<b>Total</b>	<b>2,487.80</b>	<b>18,855.66</b>		<b>2,069.63</b>	<b>15,131.07</b>	

\* The Company has executed 4 year cross currency Swaps derivative contract of US\$ 300 mn which will be effective from 22 July 2022 to hedge outstanding Sustainability linked bond of US\$ 300 mn which are included in above table.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

**40** The chief operating decision maker evaluates the Company's performance and applies the resources to whole of the Company business viz. "Generation, Transmission and Distribution of Power" as an integrated utility. Hence the Company does not have any reportable segment as per Ind AS- 108 "Operating Segments"

**41** 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

**31 March, 2022**

(₹ in Crores)

Sr. No	Name of the Entity	As% of Consolidated Net Assets as on 31 March, 2022	Amount (₹)	As% of Consolidated Profit or Loss for the period ended 31 March, 2022	Amount (₹)	As% of Consolidated Other Comprehensive Income for the period ended 31 March, 2022	Amount (₹)	As% of Consolidated Total Comprehensive Income for the period ended 31 March, 2022	Amount (₹)
1	Adani Electricity Mumbai Limited	97.82%	4,694.81	100.00%	122.16	99.94%	(137.70)	99.50%	(15.54)
	<b>Subsidiaries (Indian)</b>								
2	Adani Electricity Mumbai Infra Limited	2.18%	104.65	0.00%	-	0.06%	(0.08)	0.50%	(0.08)
3	AEML SEEPZ Limited	0.00%	0.01	0.00%	-	0.00%	-	0.00%	-
	<b>Total</b>	<b>100.00%</b>	<b>4,799.47</b>	<b>100.00%</b>	<b>122.16</b>	<b>100.00%</b>	<b>(137.78)</b>	<b>100.00%</b>	<b>(15.62)</b>
	Less: Adjustment of Consolidation		0.02						
	<b>Consolidated Net Assets / Profit after tax</b>		<b>4,799.45</b>		<b>122.16</b>		<b>(137.78)</b>		<b>(15.62)</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

31 March, 2021

(₹ in Crores)

Sr. No	Name of the Entity	As% of Consolidated Net Assets as on 31 March, 2021	Amount (₹)	As% of Consolidated Profit or Loss for the year ended 31 March, 2021	Amount (₹)	As% of Consolidated Other Comprehensive Income for the year ended 31 March, 2021	Amount (₹)	As% of Consolidated Total Comprehensive Income for the year ended 31 March, 2021	Amount (₹)
1	Adani Electricity Mumbai Limited	100.00%	4,710.35	100.00%	259.17	100.00%	(73.15)	100.00%	186.02
	<b>Subsidiaries (Indian)</b>								
2	Adani Electricity Mumbai Infra Limited	0.00%	0.01	0.00%	-	0.00%	-	0.00%	-
3	AEML SEEPZ Limited	0.00%	0.01	0.00%	-	0.00%	-	0.00%	-
	<b>Total</b>	<b>100.00%</b>	<b>4,710.37</b>	<b>100.00%</b>	<b>259.17</b>	<b>100.00%</b>	<b>(73.15)</b>	<b>100.00%</b>	<b>186.02</b>
	Less: Adjustment of Consolidation		0.02						
	<b>Consolidated Net Assets / Profit after tax</b>		<b>4,710.35</b>		<b>259.17</b>		<b>(73.15)</b>		<b>186.02</b>

## 42 SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

There were no significant adjusting events that occurred subsequent to the reporting period other than the events disclosed in the relevant notes.

As per our attached report of even date

**For Deloitte Haskins & Sells LLP**  
**Chartered Accountants**

ICAI Firm Registration Number : 117366W/W-100018

**Mohammed Bengali**

Partner

Membership No. 105828

Place : Mumbai

Date : 2 May, 2022

For and on behalf of the Board of Directors

**ADANI ELECTRICITY MUMBAI LIMITED**

**Anil Sardana**

Chairman

DIN: 00006867

**Kunjai Mehta**

Chief Financial Officer

Place : Ahmedabad

Date : 2 May, 2022

**Kandarp Patel**

Managing Director & CEO

DIN.: 02947643

**Jaladhi Shukla**

Company Secretary

## ADANI ELECTRICITY MUMBAI LIMITED

## NOTICE

Notice is hereby given that the 14th Annual General Meeting of the Members of Adani Electricity Mumbai Limited will be held on Wednesday, 27 July, 2022 at 11.00 a.m. through Video Conferencing / Other Audio Visual Means to transact the following businesses:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended on 31 March, 2022 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Anil Sardana (DIN 00006867), who retires by rotation under the provisions of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS****3. Appointment of Mrs. Chandra Iyengar (DIN: 02821294) as Director of the Company**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as 'the Act') (including any statutory modification or re-enactment thereof for the time being in force), and the relevant Rules made there under, as amended from time to time, Mrs. Chandra Iyengar (DIN: 02821294) who was appointed as an Additional Director of the Company pursuant to the provisions of Section 161 of the Act and Articles of Association of the Company and in respect of whom the Company has received a Notice in writing from a Member under Section 160 of the Act proposing her candidature for appointment as an Independent Director, be and is hereby appointed as an Independent Director (Non-Executive) of the Company to hold office for five consecutive years with effect from 27 October, 2021 and shall not be liable to retire by rotation in accordance with the provisions of Companies Act, 2013."

**4. Ratification of Remuneration to Cost Auditors**

To consider and, if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) (hereinafter referred to as 'the Act') and the relevant Rules there under, as amended from time to time, M/s Devarajan Swaminathan and Co, Cost Accountants (Firm Registration Number 100669) appointed as the Cost Auditors of the Company for audit of the cost accounting records of the Company for the financial year ending 31 March, 2023, be paid remuneration of ₹ 2,00,000/- plus applicable taxes and out of pocket expenses, if any."

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

For and on behalf of the Board

Sd/-

**Jaladhi Shukla**

Company Secretary

Date: 2 May, 2022

Place: Ahmedabad

**Registered Office:**

Adani Corporate Office  
Shantigram, Near Vaishno Devi Circle  
S G Highway, Ahmedabad 382421  
CIN: U74999GJ2008PLC107256

**Attachments:**

- (i) **Annexure A:** Explanatory Statement;
- (ii) **Annexure B:** Details of Directors seeking Appointment / Re-appointment

**NOTICE (Contd.)****NOTES:**

1. The Explanatory Statement as required pursuant to the provisions of Section 102(1) of the Companies Act, 2013 ("**Companies Act**"), is annexed as **Annexure A** hereto and forms a part of this notice.
2. Pursuant to the Circular No. 14/2020 dated 08 April 2020, Circular No.17/2020 dated 13 April, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated 05 May, 2020 and Circular No. 02/2021 dated 13 January, 2021 and Circular No. 21/2021 dated 14 December, 2021 and 02/2022 dated 5 May, 2022, physical attendance of the Members to the EGM/AGM venue is not required and Annual General Meeting (AGM) be held through Video Conferencing (VC) or Other Audio Visual Means (OAVM) which allows two way teleconferencing or webex for the ease of participation of the members. Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
3. The Company has arranged VC / OAVM facility for the members to participate and vote in the forthcoming AGM through MS Teams. The members can participate and vote in the ensuing AGM through the same.
4. Pursuant to the Circular No. 14/2020 dated 08 April 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and 113 of the Companies Act, 2013, representatives of the members may be appointed for participation and voting in the meeting held through VC or OAVM.
5. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.
6. Sub-section (1) of section 107 provides that voting in the first instance shall be done by show of hands unless a poll under section 109 is demanded. A poll can be demanded under section 109 of the Act without going through the formality of a show of hands. The members can convey their vote on the designated email address – [jaladhi.shukla@adani.com](mailto:jaladhi.shukla@adani.com) when a poll is required to be taken during the meeting on any resolution.
7. Corporate members are requested to authorise their representative to attend and vote at the Annual General Meeting, pursuant to Section 113 of the Companies Act.

# ANNEXURE A

## ANNEXURE TO NOTICE

### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

#### Item No. 3

The Board of Directors at its meeting held on 27 October, 2021, pursuant to the provisions of Section 149 and 161 of the Companies Act, 2013 ('Act'), the Articles of Association of the Company, appointed Mrs. Chandra Iyengar (DIN: 02821294) as an Additional Director (Independent Non-Executive) of the Company subject to the approval of the members at the general meeting. According to the provisions of Section 161 of the Companies Act 2013, she holds office as Director only up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member proposing the candidature of Mrs. Chandra Iyengar (DIN: 02821294) for office of Director of the Company under the provisions of Section 160 of the Act. In terms of provisions of Section 152 and other applicable provisions, if any, of the Act read with rules made there under, the appointment of director requires approval of members. The Company has received a declaration from Mrs. Chandra Iyengar (DIN: 02821294) confirming that she meets the criteria of independence as prescribed under the Act. Mrs. Chandra Iyengar (DIN: 02821294) is also not disqualified from being appointed as a Director in terms of Section 164 of the Act.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mrs. Chandra Iyengar (DIN: 02821294) as an Independent Director is now being placed before the Members for their approval for a term of five years w.e.f. 27 October 2021.

In the opinion of the Board, Mrs. Chandra Iyengar (DIN: 02821294) fulfils the conditions for her appointment as an Independent Director as specified in the Act and she is independent of the management and possesses appropriate skills, experience and knowledge. Mrs. Chandra Iyengar (DIN: 02821294) is not related to any other Director and Key Managerial Personnel of the Company.

Mrs. Chandra Iyengar holds degree in MA from Miranda House, New Delhi and is an officer of the 1973 batch of the Indian Administrative Services (IAS). Over the course

of her career, she has led several departments in the Government of

Maharashtra and the Government of India, such as Women & Child Development, Higher & Technical Education, Rural Development, and Health. As the Secretary for Women & Child Development for the Government of Maharashtra, she was responsible for drafting and implementing the first-ever state policy for women's empowerment in India. She has served as Additional Chief Secretary – Home Ministry for the Government of Maharashtra and as a Director on the Board of Bharat Heavy Electricals Limited (BHEL) and also as a Chairperson for the Maharashtra Energy Regulatory Commission (MERC).

Accordingly, Mrs. Chandra Iyengar (DIN: 02821294) is proposed to be appointed as an Independent Director of the Company. Keeping in view the above, it is proposed to seek approval of the members to appoint Mrs. Chandra Iyengar (DIN: 02821294) as an Independent Director on the Board of the Company.

The terms and conditions for appointment of Mrs. Chandra Iyengar (DIN: 02821294) as an Independent Director of the Company shall be open for inspection by the members at the Registered Office of the Company during normal business hours on any working day.

The Board of Directors accordingly recommend the resolution as set out at Item No. 3 of the accompanying Notice for the approval of the Members.

Except Mrs. Chandra Iyengar (DIN: 02821294) none of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the said resolution,

#### Item No 4:

The Board of Directors have approved the appointment and remuneration of M/s Devarajan Swaminathan and Co, Cost Accountants (Firm Registration Number 100669), as the Cost Auditors for audit of the cost accounting records of the Company for the financial year ending 31 March, 2023, at a remuneration of ₹ 2,00,000/- plus applicable taxes and out-of-pocket expenses, if any.

**ANNEXURE A (Contd.)**

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, remuneration payable to the Cost Auditor needs to be ratified by the Members of the Company.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested financially or otherwise in this resolution set out at Item no. 4 of the Notice.

The Board accordingly recommends the Ordinary Resolution set out at Item No.4 of the accompanying Notice for approval of the Members.

For and on behalf of the Board

Sd/-

**Jaladhi Shukla**

Company Secretary

Date: 2 May, 2022

Place: Ahmedabad

**Registered Office:**

Adani Corporate Office

Shantigram, Near Vaishno Devi Circle

S G Highway, Ahmedabad 382421

CIN:U74999GJ2008PLC107256

## NOTES

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NOTES

## NOTES

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**Adani Electricity Mumbai Limited**

**Corporate office**

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[www.adanielectricity.com](http://www.adanielectricity.com)

