



Our Company aspires
to become the world's
largest solar power
company by 2025
and the largest renewable
power company by 2030

About this report

This is Adani Green Energy Limited's (AGEL) second Integrated Annual Report. The report is intended to provide our stakeholder family with a comprehensively transparent insight into our aspirations and initiatives. This Integrated Report has been influenced by the reporting principles of the International Integrated Reporting Council's (IIRC) International <IR> Integrated Reporting Framework. The AGEL Integrated Report FY 20-21 provides an insight into the Company's multi-dimensional value-creation business model, comprising tangible and intangible, financial and non-financial coverage.



Scope

AGEL's integrated reporting is based on the framework developed by the IIRC, which promotes a holistic reporting approach (financial and non-financial). This Report includes information that is material to all stakeholders and presents an overview of our businesses and associated activities that catalyse short, medium and long-term value creation.



Reporting boundary

The Report provides information and data on key operations related to the reporting period leading to details of the value created for stakeholders.



Our capitals

Our commitment to create long-term value is linked to the various capitals available to us (inputs), how we use them (value-enhancing activities), our impact and value delivered (outputs and outcomes).



Reporting period

The AGEL Integrated Report is produced and published annually. This Report provides material information relating to our strategy and business model, operating context, material risks, stakeholder interests, performance, prospects and governance, covering the period 1st April, 2020 to 31st March, 2021.



Board and management assurance

The Board of Directors and management team acknowledge the responsibility to ensure the credibility of this Integrated Report. The Report addresses all material issues; the integrated performance has been presented in a fair and accurate manner.

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Our aspirations at
Adani Green Energy
Limited.

To be the world's
largest solar power
company by 2025.

To be the world's
largest renewable
power company by
2030.

*Boldness transforms
everything.*

Part 1

The world, India, renewable energy and Adani Green Energy Limited

DIRECTION

The world is entering a golden age on account of a seminal development.
Renewable energy.

Overview

The world is poised to enter its sharpest multi-year growth phase on account of a rapidly unfolding – irreversible – development. The world is rapidly moving away from conventional energy towards renewable energy forms. This singular development is expected to redefine the way the world will live.

Features

There are a number of reasons why this movement towards renewable energy represents a seminal moment in the recorded history of humankind. For the first ever time, humankind has begun to access an energy form that is virtually free (leaving aside the capital expenditure incurred)

and limitless, creating exciting possibilities of how this could transform the way we live.

At Adani Green Energy Limited, believe that this trend is not just irreversible; it represents a distinctive energy wave whose magnitude can barely be estimated at this point. We are excited about this accelerating trend for a number of reasons.

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

Grid parity: Renewable energy has achieved the scale and scope

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

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

Adani Group and renewable energy

Adani Green Energy Limited, a company belonging to the Adani Group, intends to emerge as the world's largest solar generation company in the private sector by 2025 and the world's largest renewable energy company in the private sector by 2030.

Adani Transmission Limited's distribution business intends to access and supply 30% of Mumbai's needs with renewable energy by FY 21-22 and 50% by FY 24-25

(Source: FY 19-20 ATL Annual Report).

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

Enduring: The consumption of renewable energy faces a large multi-year head room. Much of the world is still driven by thermal energy. This indicates that the absorption of renewable energy into our lives is at an inflection point and one can foresee decades of renewable capacity building going forward.

Target-driven: The subject has attracted a shared commitment by each country on how it will

increase renewable energy assets and contribute to fighting climate change.

India story: India announced an ambitious target of renewable energy capacity creation - 175 GW by 2022 and 450 GW by 2030 – that could transform the proportion of renewable energy consumed in the country as a proportion of all capacity. The target is substantial considering that India possessed a total renewable power capacity of 94.43 GW towards the close of 2020-21. (Source: CEA)

Consumer-driven: The trend towards renewable energy is not only being driven top-down but also bottom-up. A number of socially responsible organisations have announced

their intent to turn progressively 'green'. The retail giant Amazon expects to powering operations with 100% renewable energy by 2025, net-zero carbon emissions by 2040 and launched a USD 2 Billion Climate Pledge Fund to back visionary companies whose products and services facilitate a low-carbon future. Google became carbon neutral in 2007 and in 2017 became the first company of its size to match 100% of its global, annual electricity consumption with renewable energy. The Company intends to completely decarbonise its electricity supply and operate 24/7 carbon-free energy everywhere by 2030. Microsoft has been carbon-neutral across the world from 2012 and commits to emerging carbon-negative by 2030.

TRANSFORMATION

Tomorrow's India.
Cleaner. Healthier.
Quicker. More
competitive.

All due to the
increased use of
renewable energy

Where the urban air becomes progressively cleaner

Where it is possible to light the last remote home on account of abundantly available renewable energy

Where consumers are likely to report lower costs following increased renewable energy use

Where the lifecycle cost of product ownership is likely to decline on account of lower renewable energy costs

Where the increased use of renewable energy moderates the overall environment load

Where the competitive cost arising out of the increased use of cost-effective renewable energy helps revive closed units, widening employment

Where the increased use of renewable energy provides hope that environmental integrity does not need to be sacrificed for economic growth

Where it is possible to add to national capacity with speed by commissioning renewable energy assets faster than the corresponding thermal sector average

Where it is possible to commission renewable energy assets in growing installments instead of being required to commission large capacities in one go

Where the challenging issue of electricity transfer is circumvented by on-site renewable energy generation and consumption

Where responsible renewable energy use could strengthen the credit-rating of companies, moderating their debt cost and enhancing their global competitiveness

APPRECIATION

Renewable energy. Bedrock of a progressive society

Countries will increasingly re-image their blueprint around renewable energy

Overview

The world is faced with challenges related to climate change, urban pollution, health vulnerability and inflation.

There is a growing conviction that these challenges could be addressed or moderated through the growing use of a cleaner energy source.

Inevitably, the selection of this clean energy source has come down to renewable energy.

There is a growing consensus across the judiciary, environmentalists, urban planners, economists and citizens that renewable energy represents a near-comprehensive answer to most modern challenges with the possibility of leading humankind into a better tomorrow.

The re-structuring of the global energy mix across the last few decades – now beginning to happen in India – is inspiring

the hope that the future of the world can indeed be cleaner and cheaper.

The use of renewable energy ensures that economic growth can be reconciled with environment responsibility that increased wealth creation – by any country does not come at the cost of depriving succeeding generations the opportunity of living more complete and prosperous lives.

Decoupling

The increased use of renewable energy is sending out a signal that economic growth need not be coupled with environment degradation: that there is a hope that humankind can drive consumption-driven economic growth without a corresponding environment load that compromises the capacity of succeeding generations to benefit from the earth.

Economy

After decades of sustained inflation in the area of electricity (fossil fuel-derived), what the world is now seeing is a welcome break: the prospect of sustained stability or decline in the cost of power generated from renewable energy, partly as a result of abundance in its generation and availability. Affordable renewable energy generates extensive savings, which accelerates consumer demand that, in turn, incentivises investments, strengthening a virtuous cycle.

Hygiene

The use of renewable energy represents a moderated environment load that inevitably translates into lower health care implications, lower related expenses and aggregate savings that extend across areas and into the high numbers.

Logistics competitiveness

When seen through a functional prism, renewable energy is but a fuel form; when appraised through the prism of effectiveness, it is seen as an effective tool through which nations deepen their competitiveness. By the virtue of it being used as transportation energy source, renewable energy can reduce national logistic costs that make national services and products more competitive, increase exports, accelerate employment and widen prosperity. In view of this, renewable energy is more than one of the energy sources available; it is integral to national well-being.

Government policies

A number of governments are stepping forward to actively catalyse the use of renewable energy through supporting policies that make it more profitable to generate renewable energy over conventional fuels.

(Source: Met Group, Bio Energy Consult, AP news, PR news wire, research gate, OPEC, World Bank)