



Integrated Annual Report **2019-20** 

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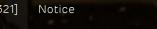
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## FY20 Highlights



#### **Environmental**

1,772.62 tCO2e

**EMISSIONS SAVED THROUGH OWN** SOLAR GENERATION

## STAR RATING

RECEIVED FROM MAHARASHTRA POLLUTION CONTROL BOARD (MPCB)

NUMBER OF SUBSTATIONS WITH RAINWATER HARVESTING



#### Social

11,980

TOTAL WORKFORCE

## 3 MILLION+

**DISTRIBUTION CUSTOMERS** 

₹18.14 CRORE

CSR EXPENDITURE



#### Governance

#### Structure and oversight

- Board with strong independence
- · Business Responsibility Policy
- Fully Independent Audit Committee
- Risk Management Policy

#### Transparency and reporting

- Material events policy
- Related party transactions
- Quarterly self-declaration on the web



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We are steadfast in our pursuit of energising and empowering the remotest corners of India by connecting sources of generation to consumption centres. As an enterprise of global repute, our ability to add value to all our businesses lies in our unwavering focus on delivering excellence in key areas of innovation, customer experience and sustainability. The are building a vibrant ecosystem by deepening our relationships with our customers, employees, business partners and other key stakeholders, thereby laying a strong foundation for sustainable and profitable growth.

#### Code and values

- Code of Conduct
- Whistle blower policy
- Anti-bribery and anti-slavery policy
- Remuneration policy
- Corporate-Environment-Health-And-Safety Policy
- ESG commitment
- Employee care and fairness
- Prevention of Sexual Harassment (POSH)
- Code of Practices for Fair Disclosure
- Code of Internal Procedures and Conduct for Insider Trading

**Resolute** – India's energy requirement is set to quadruple in the next few years. As largest private power transmission and retail electricity distribution company in the country, Adani Transmission Limited (ATL) is fully geared to create strong and reliable electricity transmission and distribution networks and contribute towards achieving India's target of 'Power for All' by 2022.

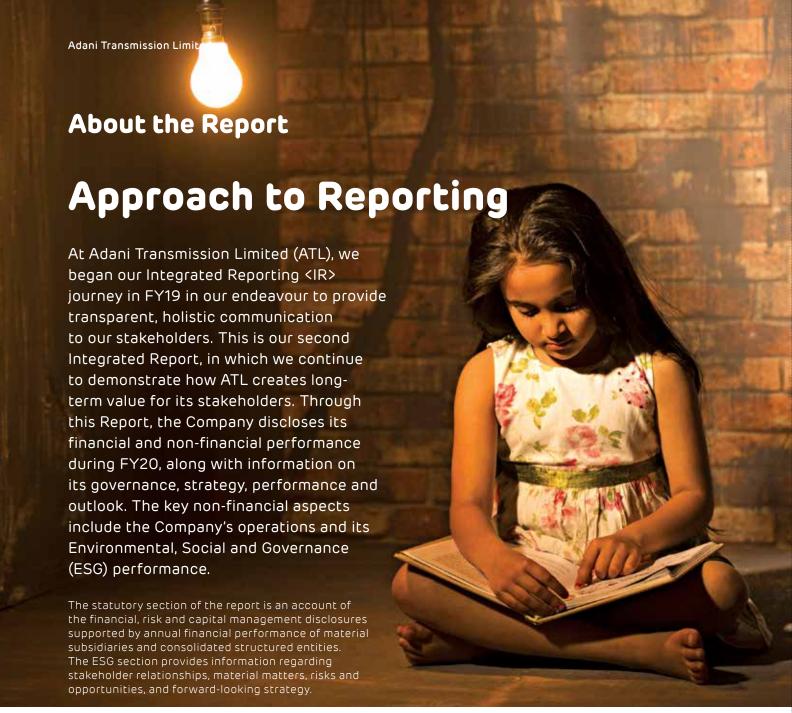
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Robust – Our strategy of growing the transmission and retail electricity distribution networks and consumer base is well on track. We are consistently operating at more than 99.76% availability. The continued demand growth on the retail electricity distribution side cushions the business from market volatilities and economic cycles.

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Responsible – The long-term success of our business is rooted in our ability to keep sustainability at the core of our endeavours. Our unwavering commitment towards balancing business growth, environmental stewardship and social progress bears testimony to our concerted and responsible efforts towards transitioning to a brighter future.

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#### Standards and Framework

The narrative sections of the Report follow the International Integrated Reporting Council (IIRC). The statutory sections, including the Directors' Report; its annexures, including the Management Discussion and Analysis (MDA), and the Corporate Governance Report, are as per the Companies Act, 2013 (including the rules framed thereunder); Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and the revised Secretarial Standards issued by The Institute of Company Secretaries of India. The financial statements are in accordance with the Indian Accounting Standards.

#### **Boundary**

The Report covers information on Adani Transmission Limited (ATL) and its material subsidiary including Mumbai Generation, Transmission and Distribution (GTD) housed under Adani Electricity Mumbai Limited (AEML). AEML distribution are provided in a separate section on Page 94.

#### **Materiality**

Our ability to create value in the short, medium and long term is impacted by multiple factors, including the externalities, operating environment, our responses to the risks and opportunities, and our chosen strategy. Through this Report, we provide context to what we deem as our material topics.

#### **Board and Management Assurance**

We apply a risk-based, combined assurance approach to the Company's operations. Internal controls, management assurance, compliance and internal audit reviews, as well as the services of independent external service providers support the accuracy of disclosures within our published reports. In line with their respective mandates, specific reports are reviewed and recommended to the Board for approval by the Audit. Stakeholder Relationship, Risk, CSR & Sustainability, Remuneration & Nomination and Securities Transfer.

For FY20. DNV GL Business Assurance India Private Limited conducted assurance on selected environmental. social and governance indicators. Deloitte Haskins & Sells LLP (Firm Registration no. 117366W/W-100018), our statutory auditors, have audited our annual financial statements. Information relating to the scope and conclusions of these statements can be found in the Independent Auditor's Report, and the Company's annual financial statements, all of which are available in the report.

The Board of Directors and Management Team acknowledge their responsibility of ensuring the integrity of this Report. The Board has accordingly applied its collective mind and believes it addresses all material issues and presents the integrated performance of the Company and its impact in a fair and accurate manner. Stakeholders can to review the Report and provide feedback at jaladhi.shukla@adani.com

#### Capitals and Value Creation

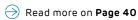
As an integrated electric utility, we play an important role in the development of the nation, people and business. Our relationships with our stakeholders play a key role in delivering essential services, as we pursue our ambition to create a positive impact on the society and deliver shareholder value.

We monitor the impact and outcomes of our business activities on the six capitals through stakeholder engagement and risk evaluation process. Our ability to create long-term value (outputs and outcomes) is interrelated and fundamentally dependent on the capitals available to us (inputs) and how we use them (value-accretive activities).



## Financial capital

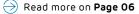
We judiciously deploy the funds that we raise and ensure that we enhance and add value to the financial returns that our business generates. for our stakeholders.





## Manufactured capital

Our manufacturing assets, plant, property and equipment form our manufactured capital.





## Human capital

The collective skills and experience of our workforce add value to our business outcomes.



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## Intellectual capital

With the proprietary knowledge we possess and the innovations we drive to improve our processes and products, we add value to our business outcomes.



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## Social and relationship capital

Our relationships with our stakeholders in the value chain and communities around us help us fulfill our role as a responsible corporate along with long term value creation, while also ensuring our social license to operate.



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## Natural capital

While we depend on the raw materials sourced from nature, we ensure that through our efficient operations, we make optimum use of the resources, have minimum impact on the environment and reduce our carbon footprint.



Read more on Page 62



ATL is the largest private power sector transmission and retail electricity distribution company in India. The Company builds, commissions, operates and maintains electric power transmission systems, and distributes electricity in the suburbs of Mumbai. Its operational projects in Gujarat, Maharashtra, Rajasthan, Madhya Pradesh, Uttar Pradesh, Chhattisgarh and Haryana comprise 11,576 ckt km (circuit kilometres) of electric transmission lines with a total transformation capacity of 18,330 MVA. The transmission networks are consistently operating at more than 99.76% availability.

Our power transmission business in India focuses on the execution of new transmission systems under licensing from central and state electricity bodies, and Operations and Maintenance (O&M) of existing assets through outsourced partners. Our distribution business focuses on two aspects. First, expanding our customer base through high reliable & affordable power supply and exceptional customer service provided through continuous

investments & technological upgradation. Second, modernising the operating model through Advance Metering Infrastructure to bring operational efficiency, flexibility and become at par with global utilities in FY19, we forayed into the retail electricity distribution space with the acquisition of Mumbai's Power Generation, Transmission and Distribution (GTD) business license. Today, Adani Electricity Mumbai Limited (AEML) caters to over 3 Million+ customers in the Mumbai suburbs and Mira-Bhayander Municipal Corporation in the Thane district with a distribution network spanning over 400 sq km.

We are poised to tap the vast potential for power evacuation in India and have set an ambitious target of operating 20,000 ckt km of transmission lines by 2022. Aligned with our business focus, we have developed the expertise in our people to create modern transmission assets for the nation, backed by efficient O&M support.

We factor in ESG performance in our core business objective of value creation.



## Vision

To be a world class leader in businesses that enrich lives, create sustainable value and contribute to nation building.



## Values

## Courage

We shall embrace new ideas and businesses

#### Trust

We shall believe in our employees and other stakeholders

## Commitment

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



## Culture

Р	R	1	D	E
Passion	Results	Integration	Dedication	Entrepreneurship
Performing with enthusiasm and energy	Consistently achieving goals	Working across functions and businesses to create synergies	Working with commitment in the pursuit of our aims	Seizing new opportunities with initiatives and ownership

## About Adani Group -

Adani Group is a diversified organisation in India with combined market cap of \$ 21 Billion, comprising six publicly traded companies. It has created a world-class transport and utility infrastructure portfolio with a pan-India presence. Adani Group is headquartered in Ahmedabad, in the state of Gujarat, India. Over the years, the Group has positioned itself to be the market leader in its transport logistics and energy utility portfolio businesses, focussing on large scale infrastructure development in India with O&M practices benchmarked to global standards. With four Investment Grade (IG) rated businesses, it is the only Infrastructure Investment Grade issuer in India.

Adani Group owes its success and leadership position to its core philosophy of 'Nation Building' driven by 'Growth with Goodness' – a guiding principle for sustainable growth. The Group is committed to increasing its ESG footprint by realigning its businesses with emphasis on climate protection and increasing community outreach through its CSR programme based on the principles of sustainability, diversity and shared values.

## FY20 Operational Highlights

TRANSMISSION LINES

11,576 ckt km

TRANSMISSION SYSTEM AVAILABILITY

~99.76%

POWER TRANSFORMATION CAPACITY

18,330 MVA

DISTRIBUTION SUPPLY RELIABILITY [AVERAGE SERVICE AVAILABILITY INDEX (ASAI)]

~99,99%

## Key Achievements

- Won six transmission bids [including a Letter of Intent (LOI) received for one project]
- Qatar Investment Authority (QIA) invested ₹ 3,220 Crores for a 25.10% stake in AEML and for shareholder subordinated debt in AEML
- Cost optimisation through US Dollar bond issuance
  - (i) ATL's maiden and the first US Private Placement (USPP) an (30-year amortising) from India in a decade was priced at 5.20% for \$ 400 Million for six stapled assets
  - (ii) Adani Transmission Limited raised \$ 500 Million bond at 4.25% coupon amortising over 16.5 years
- 5S implementation completed at all substations and transmission lines
- Distribution loss reduced to 7.37%\*
- Transmission line of 227# ckt km got operational

#Including one element of GTL line

\*Provisional figure as March sales values are estimated owing to COVID-19 related restrictions

# **Project Portfolio**

# Balanced Mix Insulates from Market Volatility

	Transmission System	Route Length (ckt km)	Transformation Capacity (MVA)		Counterparty
Operational Assets	Maharashtra Eastern Grid Power Transmission				
	Company Limited (MEGPTCL)		6,000	2	State
	Adani Transmission India Limited (ATIL)	3,834	6,630	3	Centre/State
	Aravali Transmission Service Company Limited (ATSCL)	97	630	1	State
	Maru Transmission Service Company Limited (MTSCL)		730	1	State
	Western Transmission (Gujarat) Limited (WTGL)		_	-	Centre
	Western Transco Power Limited (WTPL)	2,089	_	-	Centre
	Adani Electricity Mumbai Limited (AEML)*	566	3,125	8	State
	Adani Transmission Bikaner Sikar Private Limited (ATBSPL)	343	-	-	State
	Sipat Transmission Limited (STL)	348	-	-	Centre
	Raipur Rajnandgaon-Warora Transmission Limited (RRWTL)	611	_	1	Centre
	Chhattisgarh-WR Transmission Limited (CWRTL)	434	630	1	Centre
	Adani Transmission (Rajasthan) Limited (ATRL)	278	-	_	State
	Hadoti Power Transmission Service Limited (PPP 8)	116	310	5	State
	Barmer Power Transmission Service Limited (PPP 9)	133	150	6	State
	Thar Power Transmission Service Limited (PPP 10)	164	125	5	State
	Ghatampur Transmission Limited (GTL) (1 of 3 elements in operation)	98	-	-	State
SUB-TOTAL		11,576	18,330	33	
	North Karanpura Transco Limited (NKTL)	299	1,000	1	Centre
Under- construction Assets	Fategarh-Bhadla Transmission Limited (FBTL)	291	-	1	Centre
	Ghatampur Transmission Limited (GTL) (2 out of 3 elements in construction)	799	-	-	State
	Obra-C Badaun Transmission Service Limited (OBTL)	624	950	1	State
	Bikaner-Khetri Transmission Limited (BKTL)	472	-	-	Centre
	WRSS XXI(A) Transco Limited [WRSS XXI (A)]	290	3,000	1	Centre
	Lakadia Banaskantha Transco Limited (LBTL)	351	-	-	Centre
	Jam Khambaliya Transco Limited (JKTL)	38	2,500	1	Centre
SUB-TOTAL		3,164	7,450	5	
TOTAL (OPERATIONAL + ONGOING)	Anna de la Caracteria de Caracteria de la Caracteria de l	14,740	25,780	38	

<sup>\*</sup>Includes assets under Mumbai Transmission Business of AEML (an integrated utility with Generation, Transmission & Distribution portfolio)

LOI received for Kharghar-Vikhroli project with a capacity of 500 MVA and a length of 74 ckt km

## Projects under Construction







Immediate evacuation for North Karanpura (3x660 MW) Generation Project of NTPC along with the creation of a 400/220 kV substation at Dhanbad (ERSS- XIX)

#### **Project Location**

Jharkhand, Bihar

#### Regulator

Central Electricity
Regulatory Commission

#### Concession / TSA Term

35 years

#### **Project Mode**

TBCB

#### **Project Type**

Intra-state

#### Beneficiary State / Off-taker

Bihar, Jharkhand, West Bengal and Odisha

#### **Business Model**

Build Own Operate Maintain

Transmission system for Ultra Mega Solar Park in Fatehgarh, Dist. Jaisalmer, Rajasthan

#### **Project Location**

Rajasthan

#### Regulator

Central Electricity
Regulatory Commission

#### **Concession / TSA Term**

35 years

#### **Project Mode**

TBCB

#### Project Type

Inter-state

#### Beneficiary State / Off-taker

Adani Renewable Energy Park Rajasthan Limited (AREPRL)

#### **Business Model**

Build Own Operate Maintain

Transmission system for Evacuation of Power from 3X660MW Ghatampur Thermal Power Project

#### **Project Location**

Uttar Pradesh

#### Regulator

Uttar Pradesh Electricity Regulatory Commission

#### Concession / TSA Term

35 years

#### **Project Mode**

TBCB

#### **Project Type**

Intra-state

#### Beneficiary State / Off-taker

Uttar Pradesh

#### **Business Model**

Build Own Operate Maintain

## Project Portfolio Contd.

## Projects Under Construction







Transmission system for evacuation of power from Obra-C (2x660 MW) Thermal Power Project & Construction of 400 kV GIS Substation Badaun with associated transmission lines

#### **Project Location**

Uttar Pradesh

#### Regulator

Uttar Pradesh Electricity Regulatory Commission

#### Concession / TSA Term

35 years

#### **Project Mode**

TBCB

#### **Project Type**

Inter-state

#### Beneficiary State / Off-taker

Uttar Pradesh

#### **Business Model**

Build Own Operate Maintain

Western Region Strengthening Scheme – 21 (WRSS-21) Part A – Transmission system strengthening for relieving over loadings observed in Gujarat intra-state system due to Renewable Energy (RE) injections in Bhuj PS

#### **Project Location**

Gujarat

#### Regulator

Central Electricity Regulatory Commission

#### Concession / TSA Term

35 years

#### **Project Mode**

TBCB

#### **Project Type**

Inter-state

## Beneficiary State / Transmission Customers

Renewable energy generators

#### **Business Model**

Build Own Operate Maintain

Transmission system associated with Long-term Access (LTA) applications from Rajasthan SEZ Part-D

#### **Project Location**

Rajasthan

#### Regulator

Central Electricity
Regulatory Commission

#### Concession / TSA Term

35 years

#### **Project Mode**

TBCB

#### **Project Type**

Inter-state

## Beneficiary State / Transmission Customers

Renewable energy generators

#### **Business Model**

Build Own Operate Maintain