

RENEW

Reaffirming trust with Efficient
actions to Nurture and Evolve a
Wholesome tomorrow

Value Creation Report 2017-18



RENEW

Reaffirming trust with Efficient actions to Nurture and Evolve a Wholesome tomorrow

Tomorrow depends on today. Hence, we at Adani Power Limited (APL), strive to power better, more efficient and inclusive possibilities for the future.

As India's largest private power producer, we acknowledge our responsibility in achieving sustainable growth and creating value for our stakeholders. In the last few years, we have delivered four world-class power plants supplying electricity at some of the most competitive rates, thus reaffirming the stakeholders' trust in our operations.

With a clear focus on reducing our environmental and societal impact, we have driven **efficiency** initiatives that help us achieve positive outcomes and drive growth across society. Last year, we did witness some headwinds. However, even amidst a complex and dynamic working environment, APL was committed to growing, **nurturing and evolving a wholesome tomorrow**. We focused on growing our business and servicing customers under long-term and medium-term Power Purchase Agreements (PPAs). It remains our

endeavour to ensure a healthy and sustainable operation that contributes to rapid national development and the growth of all our key stakeholders.

Around the same thought, we have developed our Value Creation Report centred around the idea of 'RENEW'. This report traces our value creation journey across six capitals and reflects how we are 'Reaffirming trust with **Efficient** actions to **Nurture** and **Evolve** a **Wholesome** tomorrow'.

Adani Group

Adani Group is one of India's largest integrated infrastructure conglomerates with interests in Resources (coal mining and trading), Logistics (ports, logistics, shipping and rail), Energy (renewable and thermal power generation, transmission and distribution), and Agro (commodities, edible oil, food products, cold storage and grain silos), Real Estate, Public Transport Infrastructure, Consumer Finance and Defence.

Adani owes its success and leadership position to its core philosophy of 'Nation Building' and 'Growth with Goodness' — a guiding principle for sustainable growth. The Group is committed to protecting the environment and improving communities through its CSR programme based on the principles of sustainability, diversity and shared values.

Group Vision

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

Growth with Goodness

Scale denotes growth. To us, scale is not only about the businesses we are in. It is also about the real influence and change we can spur, the lives we can touch, the communities we can nourish, the businesses we can propel and the future we can inspire. With consistent growth comes incredible goodness. With the size of our operations in multiple nation-critical sectors, we have been fortunate enough to reach out more and spread this goodness, regardless of the geography. We have consciously extended our scale to help India overcome economic challenges and to ensure people live a good quality of life.

Our values, 'Courage, Trust and Commitment', enables us to give back to the society by creating sustainable business value creation.

Businesses of Adani Group

Ports & SEZ | Power | Transmission | Renewables | Coal Mining & Trading | Agri Logistics | Edible Oil | Gas Distribution | Real Estate | NBFC | Defence


About this Value Creation Report


This report presents the value creation story of Adani Power Limited (APL) on material issues spanning six capitals — Financial, Manufactured, Natural, Human, Intellectual, and Social & Relationship — as per the Integrated Reporting <IR> framework. GRI Standards have been used to adopt measurable performance indicators and indexing of contents for our disclosures across six capitals. The content of the report has been guided by the reporting principles for <IR>. This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact**, International Finance Corporation (IFC) Performance Standards and Sustainable Development Goals (SDGs).


You can find details on Adani Group at <https://www.adani.com>




Highlights of FY 2017-18

- 

Revenue – ₹210,934.3 million
Equity – ₹8,845.4 million
EBIDTA – ₹61,736.2 million
Market capitalisation – ₹91,602.3 million
- 

Total power generation capacity – 10,480 MW
Power generation – 50.824 billion units
Power sale – 48.01 billion units
Operational availability – 90.9%
New Projects
> 2X800 MW Godda Thermal Power Project (TPP)
> 2X800 MW Expansion of Udupi Power Corporation Limited (Under Planning)
- 

Total CSR expenditure – ₹183.1 million (including ₹56.5 million directly by business)
Number of CSR beneficiaries – 5+ lakhs
Number of on-boarded vendors – 4,958
- 

Specific water consumption (m³/MWh)
> Adani Power (Mundra) Limited – 10.6 (seawater)
> Adani Power Maharashtra Limited – 2.38 (freshwater)
> Adani Power Rajasthan Limited – 2.92 (freshwater)
> Udupi Power Corporation Limited – 6.07 (seawater)
Specific coal consumption – 0.54 tonne/MWh
Specific GHG emissions – 0.83 t CO₂e/MWh
- 

Employment generation
> Company employees – 2,350
> Contract workforce – 6,869
Lost day rate excluding fatalities
> Company employees – 1.90
> Contract workforce – 1.18
Employee training man-hours – 35,898 hours
- 

E-logbook for O&M, category workbook for techno-commercial and a customised Enterprise Resource Planning (ERP) system
Learnings from Six Sigma projects
E-learning platform for employees

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This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

Through resolution of the Board of Directors, the responsibility for extra-financial disclosures has been delegated to the CEO. All strategic and operational responsibilities, including sustainability performance and value creation, are executed by the CEO of APL. For integrity and development of the contents of the report, the Sustainability Reporting Team at all operating locations and at the corporate office, guided by the Chief Sustainability Officer (CSO), has been responsible. The report has been reviewed by the Apex Sustainability Committee, which is a group of functional heads and station heads chaired by the CEO. Key indicators of value creation and sustainability performance are monitored and reviewed by the CEO and the results are deliberated at the Board of Directors (the Board) level on a quarterly basis.

Company Overview

Restating Trust by Redefining Energy



Adani Power Limited (APL), headquartered in Ahmedabad, Gujarat, is the largest private sector power producer in India. We began our journey in 2006 by commencing work on our first 330 MW unit at Mundra. To meet the growing energy demand of India, we have been scaling up through organic and inorganic growth and have achieved 10,480 MW at five locations, including a 40 MWp solar power plant in Bitta.

With passion to retain our leadership position in the private power sector and to meet the growing energy demand of India and the neighbouring countries, we are working on our goal of achieving 20,000 MW. We are constantly calibrating our efforts in the view of macroeconomic scenario to achieve this goal.

Refer to Pages 3-5 of our Annual Report 2017-18

Aligned with our business focus, we have developed expertise in our team to create and operate modern power-generation facilities. We also benefit from synergies by forward and backward linkages of businesses under different companies within the Group, which include coal mining, coal logistics, ports and electricity transmission.

APL has the following subsidiaries as on 31st March 2018

1. Adani Power Maharashtra Limited (APML) having 3,300 MW generating capacity at Tiroda, Maharashtra
2. Adani Power Rajasthan Limited (APRL) having 1,320 MW generating capacity at Kawai, Rajasthan
3. Udupi Power Corporation Limited (UPCL) having 1,200 MW generating capacity at Udupi, Karnataka
4. Adani Power (Mundra) Limited (APMuL), formerly known as Adani Power (Karnataka) Limited, having 4,620 MW generating capacity at Mundra, Gujarat
5. Adani Power Resources Limited
6. Adani Power (Jharkhand) Limited (APJL) developing the 2x800 MW Godda TPP at Godda, Jharkhand

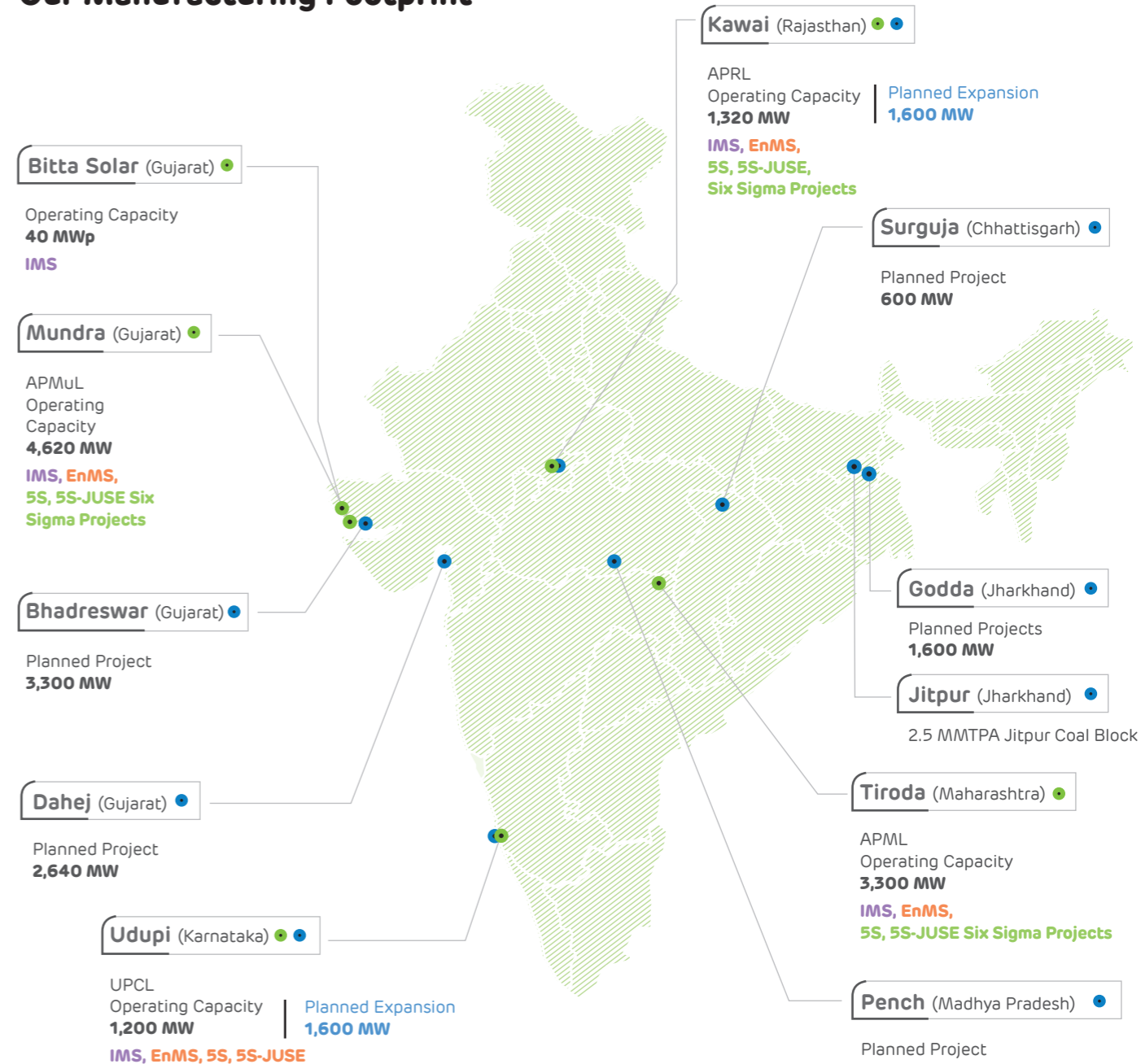
Refer to Pages 3-5 of our Annual Report 2017-18

Contribution of key services to the total turnover during FY 2017-18

79.26%
Power generation

15.19%
Wholesale coal trade services

Our Manufacturing Footprint



Integrated Management System (IMS)
ISO 9001, ISO 14001, OHSAS 18001

Energy Management System (EnMS)
ISO 50001

5S, 5S-JUSE, Six Sigma Projects

● Operating Power Plants (Reporting Boundary for FY 2017-18)

● Planned Project

Note: Map not to scale. For representation purposes only.

CEO's Statement

Paving the Path for a Successful Tomorrow



Vneet S Jaain
Chief Executive Officer

Dear Stakeholders,

As India's largest private power producer, we acknowledge our responsibility in achieving sustainable growth and creating value for our stakeholders. This report is a testimony of our efforts in doing so during the reporting year and also presents a way forward.



Our human resources are our strength and we continue to adopt and implement the global best practices. The average age of our employees is 35.25 years, which provides us a competitive advantage. This helps develop and cultivate leadership and succession planning within the organisation to meet our growth plans.”

During the reporting year, we generated 50.83 billion units of power and we contributed nearly 13.8% of India's total coal-based generation in the private sector. Critical aspects for APL continue to be better returns to shareholders, fulfilling our obligations under PPAs, uninterrupted domestic coal supply, water availability, safety in operations and land acquisition for new projects.

We are calibrating our goal of achieving 20,000 MW capacity by being conscious of the changing macroeconomic scenario and consolidation in the thermal power sector in India. Our approach is to achieve this capacity addition through organic and inorganic routes as we see opportunity for sustainable growth in the near future.

The steady global economic growth, coupled with rapid urbanisation, is expected to propel the global energy sector. Energy demand growth from India is expected to be the largest constituent of global energy demand. It is anticipated that India, which will be home to 18% of the world's population by 2040, will account for 11% of its energy usage. India, along with Southeast Asia and other developing Asian nations, will account for two-thirds of the global energy demand growth. The Indian economy is one of the fastest-growing economies globally. It has been experiencing historic and transformative changes in the last two years, notably in the form of the Goods and Services Tax (GST), the new indirect tax regime. GST brought along with it a major shift from the unorganised sector to the organised sector.

Increasing concerns over climate change and growing international commitments to contain global warming are expected to result in a major policy shift towards renewable sources of energy and energy efficiency. Though share of coal-based power generation in India is expected to drop in the energy mix of India, we expect net capacity

addition in the coal-based power plants to maintain the base load in the grid to meet the growing demand due to economic growth. The Government of India is taking policy initiatives to bring electricity to the most remote and difficult-to-reach corners of the nation and is also undertaking initiatives such as agricultural feeder separation and strengthening of rural grids under Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) and Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA), which aims to provide electricity connections to all households.

At the same time, we also recognise that demand growth is somewhat muted due to fewer PPAs being signed by DISCOMs in India. We also take cognizance of the various new initiatives launched by the Government of India to alleviate the concerns of the power sector in terms of better availability of domestic coal, improvement in the performance of DISCOMs and demand growth. The Government's initiative for reduction of DISCOM losses under the Ujjwal DISCOM Assurance Yojana (UDAY) is critical for translation of increased demand into new PPAs. It is expected that such initiatives will result in demand growth, thereby leading to the signing of more PPAs in the next 3-4 years, following which we will be rightly placed to leverage on this opportunity.

Over the past several years, we have stood at the forefront of this capacity-building effort and delivered four world-class power plants supplying electricity at some of the most competitive rates. Under the Indo-Bangla Friendship Treaty of 2010, we are developing a 1,600 MW power plant in the state of Jharkhand to supply power to Bangladesh. We have also signed a Memorandum of Understanding (MoU) with the Government of Jharkhand. During the year, we progressed by obtaining environment clearance from the Ministry of Environment, Forest and Climate Change (MoEF&CC), Government of India, and signed a long-term PPA for supply of power to Bangladesh. We have completed the due diligence, acquired the land for the main plant and signed the Engineering, Procurement and Construction (EPC) contract.

FY 2017-18 was a challenging year given the domestic coal shortages, high prices on imported coal and regulatory uncertainty. These factors impacted our profitability due to under-recoveries and underutilisation. On the regulatory front, we have recently received important regulatory approvals, which will contribute significantly to our



50.83 billion
units of power generated



Over the past several years, we have stood at the forefront of this capacity-building effort and delivered four world-class power plants supplying electricity at some of the most competitive rates.”

profitability going forward. On 29th October 2018, the Supreme Court directed the Central Electricity Regulatory Commission (CERC) to submit their decision on approving revised tariffs for our Mundra Power plant within eight weeks. Our wholly-owned subsidiary, APML, which operates the 3,300 MW power plant at Tiroda, can claim compensation for usage of alternate coal due to shortfall in domestic coal supply for the Tiroda plant. We received permission for this alternate usage from the Maharashtra Electricity Regulatory Commission (MERC), under 'Change in Law' provisions. Our wholly-owned subsidiary, Adani Power Rajasthan Limited (APRL), which operates the 1,320 MW power plant at Kawai, has also received an order from the Rajasthan Electricity Regulatory Commission (RERC) for compensation for use of alternate coal under 'Change in Law' provisions.

During the year, we achieved a milestone by signing the Fuel Supply Agreement (FSA) for our Tiroda and Kawai power plants under the Scheme for Harnessing and Allocating Koyala (Coal) Transparently in India (SHAKTI). These FSAs will enable lower cost and reliable fuel supply to these plants and reduce dependence on costly imported coal, thereby improving profitability.

Our plants at Mundra, Tiroda and Kawai suffered a generation loss mainly due to commercial issues and shortage of coal. Though, during the reporting year, we have secured long-term FSAs for assured domestic coal supply under the SHAKTI policy for the power plants at Tiroda and Kawai and we are confident of improving overall power generation by the Company in future. In 2015, MoEF&CC notified new emission standards for thermal power plants. Based on the representations of power sectors, the Central Electricity Authority (CEA) has clarified that new standards for emissions from thermal power plants qualify to be considered as a

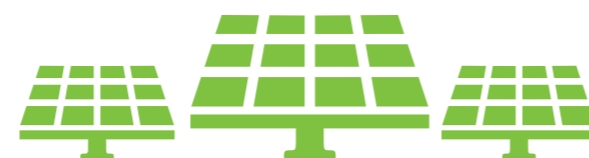
'Change in Law' for calculation of tariff, to absorb the cost to meet the new standards. Timeframe for implementation of Flue Gas Desulphurisation (FGD) for our Mundra, Tiroda, Kawai and Udupi plants is included in the phasing plan prepared by the CEA for all power plants in India. We have initiated the process of technology selection and detailed engineering for implementation of new pollution-control devices accordingly.

Safety remains a major concern and a material topic for us. We implemented a focused safety approach during the year and built strong mechanisms for ensuring safer working conditions. I regret that despite our best efforts, there were two fatalities during the year. We have aggressively renewed our efforts towards eliminating any possibility of unsafe act and unsafe situation. We have also engaged DuPont as our partner to support our 'Zero Harm' objective through 'Project Chetna'.

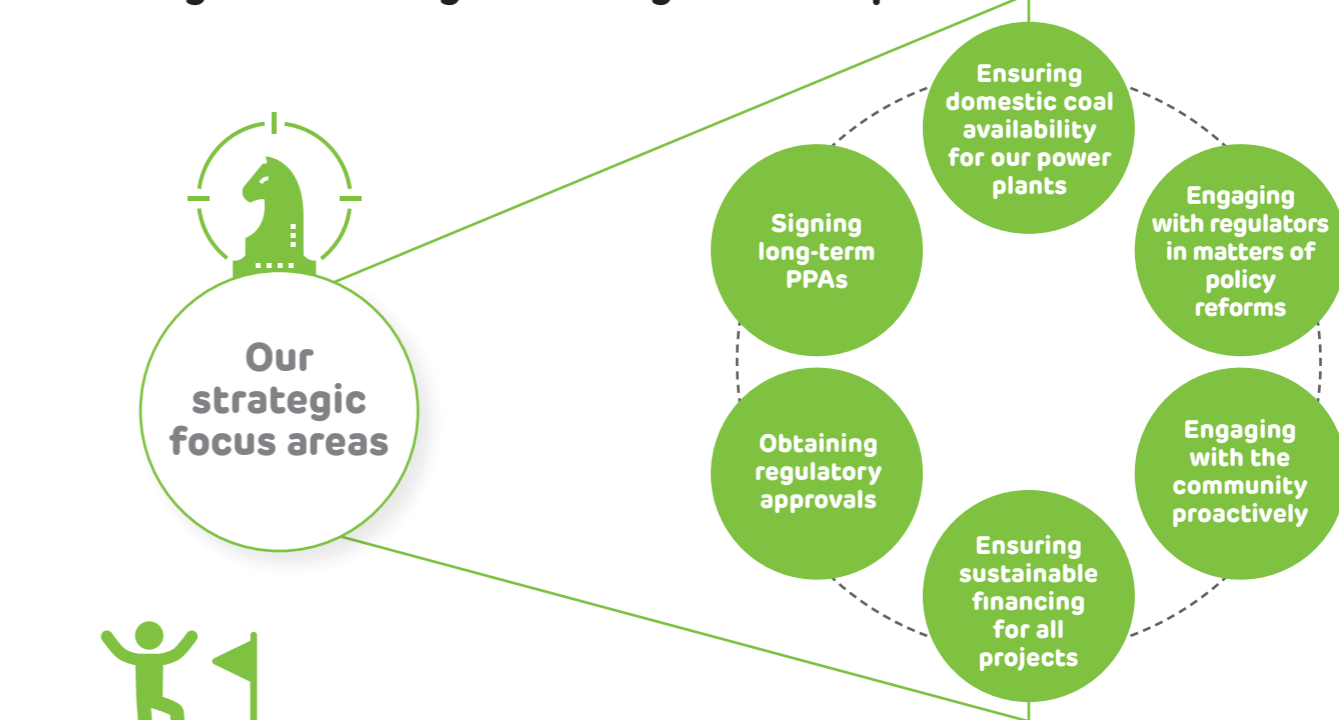
As water is one of the main requirements for thermal power plants, we are committed to conserve and optimise water use. We have set an internal target of 2.5 m³/MWh of surface water for our hinterland power plants. We are well within the standards of 3.5 m³/MWh set by regulatory authorities. Though there is no regulatory limit for seawater consumption, we have set an internal target of 9.5 m³/MWh at power plants with seawater-based FGD and 6 m³/MWh at power plants without seawater based FGD. During the reporting year, seawater consumption has been 10.6 m³/MWh at the Mundra plant and 6.07 m³/MWh at the Udupi plant.



0.83 tCO₂e/MWh
Direct GHG emissions



Providing Value through a Strategic Roadmap



Our human resources are our strength and we continue to adopt and implement the global best practices related to human resources. We also revisited our Human Resource (HR) policies and procedures and fine-tuned them based on the changing corporate and employee needs. The average age of our employees is 35.25 years. This provides us a competitive advantage to cultivate leaderships and succession planning within the organisation to meet our growth plans.

We continue to identify various Corporate Social Responsibility (CSR) activities in the core areas of education, sustainable livelihood, community healthcare and rural infrastructure development and partner with Adani Foundation to implement them. During the year, we also reached out to the local communities. Though the Company did not make any profit and does not qualify for mandatory CSR spend requirement, ₹183 million has been spent for CSR activities, which includes ₹56.5 million spent by Company and ₹126.5 million spent by Adani Foundation at the operating location of APL.

We understand the climate change challenges and in order to reduce their impact, we are committed to adopting environment-friendly technologies. Our Godda project will have efficient 800 MW ultra-supercritical technology units to further reduce our specific Greenhouse Gas (GHG) footprint. This year, we recorded direct

GHG emissions of 0.83 t CO₂e/MWh, which has improved over the last year. Moreover, dedicated efforts are underway within our Group to incorporate renewables as a significant portfolio.

There has been a thrust by the Indian Government towards effective utilisation of ash from power plants, primarily within a 300 km radius. We have therefore created infrastructure to handle and utilise the fly ash. This year, we recorded fly ash utilisation of 87.9% as compared to 66% last year. Recently, we initiated the development of a Fly Ash Utilisation Promotion and Research Park at our Tiroda plant to encourage Research and Development (R&D) for fly ash utilisation.

Our sustainability and value creation journey has been a path of self-discovery and innovation.

I express my sincere gratitude to all those who are part of this journey.

Jai Hind!

Vneet S Jaain
Chief Executive Officer

CSO's Statement

Nurturing Sustainable Growth

Dear Stakeholders,

It is my pleasure to introduce our Value Creation Report 2017-18 to the providers of financial capital and other key stakeholders. This report presents the value creation story of APL on material issues spanning across six capitals as per the Integrated Reporting <IR> framework.



Though there were no significant changes in the Company's business during FY 2017-18, we revisited our list of material topics based on the feedback from our stakeholders, the emerging global megatrends and the sustainability context of our business."

Santosh Kumar Singh
Chief Sustainability Officer



87.9%

Fly ash utilisation during the year



As a policy, we seek external assurance to the disclosures in this report before releasing it in public domain. We have retained DNV GL Business Assurance India Private Limited to carry out an independent assurance to this report based on AA1000AS and DNV GL VeriSustain."

This Value Creation Report is for Adani Power Limited (APL), which has its corporate office at Ahmedabad and solar power assets at Bitta in Gujarat. The report covers our subsidiary companies Adani Power Mundra Limited (APMuL), Adani Power Maharashtra Limited (APML), Adani Power Rajasthan Limited (APRL), Udupi Power Corporation Limited (UPCL) and Adani Power Jharkhand Limited (APJL), which have their assets at Mundra in Gujarat, Tiroda in Maharashtra, Kawai in Rajasthan, Udupi in Karnataka and Godda in Jharkhand, respectively.

This report presents the value creation story of APL on material issues spanning six capitals — Financial, Manufactured, Natural, Human, Intellectual, and Social & Relationship capitals — as per the Integrated Reporting <IR> framework. GRI Standards have been used to adopt measurable performance indicators across the six capitals where social and environmental performance is reported. The content of the report has been guided by the reporting principles for <IR>. Disclosures in this report have also been mapped with UN Global Compact Principles, International Finance Corporation (IFC) Performance Standards and Sustainable Development Goals (SDGs). This report also articulates our disclosures on the CSR initiatives focused on education, community health, sustainable livelihood and rural infrastructure development under the Social & Relationship Capital.

Though there were no significant changes in the Company's business during FY 2017-18, we revisited our list of material topics based on the feedback from our stakeholders, the emerging global megatrends and the sustainability context of our business. In the process, we identified critical topics, which are detailed in the report.

We have set up robust governance and management practices and complying to them is of paramount importance for us. We have implemented an IT-enabled platform for mapping and regularly monitoring our legal compliance related to the economic, environment and social aspects of our business.

Data relevant to key performance indicators for plant operations are regularly collated and internally reported for review at different levels at the operating plants and corporate office. Our Enterprise Resource Planning (ERP) system supports us in capturing performance parameters on material purchase and consumption, plant operations, employees and workforce, waste generation and disposal etc. On the other hand, other material data such as emissions, safety statistics, trainings, grievances etc. are captured and aggregated at the site level after due validation. Calculations, assumptions and other relevant non-quantitative disclosures required by topic-specific GRI Standards are also included in this report.

As our business also includes coal trading, the financial disclosures of the same are covered in the Annual Report. We have identified GHG emissions related to coal transportation via sea, road, rail and belt conveyer route, which is material for our coal-trading business. This disclosure is covered in the Natural Capital section of this report. We are further assessing the impacts of our coal-trading business and shall report the same, if found material, going forward.

As a policy, we seek external assurance to the disclosures in this report before releasing it in public domain. We have retained DNV GL Business Assurance India Private Limited to carry out an independent assurance to this report based on AA1000AS and DNV GL VeriSustain.

We look forward to receiving your feedback to help us improve further. You may write to us at csopower@adani.com

Santosh Kumar Singh
Chief Sustainability Officer

CFO's Statement

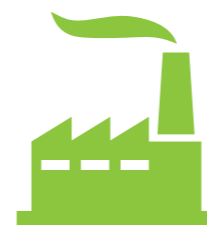
A Sustainable Foundation for the Future

Dear Stakeholders,

FY 2017-18 witnessed a few structural reforms by the Government of India, which are expected to have long-term impact across the value chain for the power sector.

“Improvement in domestic coal availability due to the newly signed FSAs under SHAKTI is expected to alleviate reliance on imported and open market coal for the Tiroda and Kawai power plants. This will help improve certainty of cash flows and avoid outages due to coal shortage.”

Rajat Kumar Singh
Chief Financial Officer



₹61,736 million
Consolidated EBITDA

We have experienced a decrease in revenue from power supply mainly on account of a decrease in the volume of power sale in FY 2017-18, which stood at 48.01 billion units as compared to 60.2 billion units in the previous year. Even though the cost of fuel has reduced, the gain in this regard has been offset with higher coal prices in the year under review.

In FY 2017-18, our consolidated total income stood at ₹ 210,934 million as compared to ₹ 230,345 million in FY 2016-17. For the same period, our consolidated net loss before tax and before exceptional items for FY 2017-18 reduced to ₹ (20,953) million from ₹ (21,835) million. Favourable currency movement helped reduce other borrowing costs, thus driving the decline in finance cost. Following the adoption of a loss minimisation strategy owing to high prices of imported coal and under-recoveries under the PPAs, consolidated EBITDA for FY 2017-18 was at ₹61736.2 million as compared to ₹63906.1 million in the previous year.

During FY 2017-18, coal demand from China increased and Indonesia experienced production issues. This cumulatively led the Indonesian Harga Batubara Acua (HBA) index to increase from \$82 per tonne in March 2017 to \$102 per tonne in March 2018, thereby

raising the landed price of imported coal in India significantly. It is against this background that the Company experienced a challenging FY 2017-18. High prices of imported coal and shortages and delays in the supply of domestic coal led to commercial shutdowns at the Mundra and Kawai power plants. Forced outages at the Udipi power plant also impacted our overall capacity utilisation. As a result, there was a significant drop in the aggregate Plant Load Factor (PLF) for the financial year, along with a dip in billed availability.

The wholly-owned subsidiaries of the Company, Adani Power Maharashtra Ltd. (APML) and Adani Power Rajasthan Ltd. (APRL), won bids of 5.85 MT for the Tiroda plant and of 4.12 MT for the Kawai plant, respectively, in the SHAKTI auctions of August 2017. However, owing to procedural delays, the FSAs for these were only signed near the end of the year, resulting in coal shortages. On the bright side, improvement in domestic coal availability due to the newly signed FSAs is expected to alleviate reliance on imported and open market coal for the Tiroda and Kawai power plants. This will help improve profitability and cash flows and avoid outages due to coal shortage.

On the regulatory front, APML has received an order from the MERC to claim compensation for usage of alternate coal due to shortfall in domestic coal supply for the Tiroda plant under 'Change in Law' provisions. Similarly, APRL has also received an order from the RERC to claim compensation for use of alternate coal under 'Change in Law' provisions. Another order was received from the CERC allowing recovery of capital expenses on Flue Gas Desulphurisation (FGD) units for Units 7 to 9 of the Mundra power plant that supplies power to Haryana DISCOMs. It is important to note that these claims include prior period 'Changes in Law' and other regulatory matters. Non-receipt of these amounts over the past years had caused significant cashflow mismatches. We have addressed these mismatches through suitable promoter contributions and the issue is expected to alleviate in FY 2018-19 and going forward.

The Company operates 10,480 MW of power project assets with a total asset size of ₹ 695,000 million, against which loans have been availed. The Company has been regularly servicing its debt. After the Supreme Court order in the matter of the Mundra power plant, in April 2017, various regulatory commissions have issued orders for pass-through of 'Changes in Law' concerning shortfall in domestic coal in APML and APRL, which will help the plants realise prior period income. Further, in the matter of Adani Power (Mundra) Ltd. (APMuL), a High Powered Committee (HPC) constituted by the Gujarat government has suggested a sustainable solution that takes into consideration the interests of the consumers, procurer and developer. The Supreme Court has directed the CERC to issue suitable orders in this regard, shortly. Hence, with robust operational assets on ground and the fructification of the 'Change in Law' claims, availability of domestic coal and a sustainable solution for APMuL, the Company is confident of meeting its obligations to its lenders.

To conclude, the outlook for our business is positive. We propose to continue our value creation journey of mutual growth in the future by leveraging the opportunities in the market.

Rajat Kumar Singh
Chief Financial Officer

Governance and Risk Management

Achieving Our Objectives through Effective Governance and Risk Management Processes

We consider accountability and transparency to be fundamental for our business. We believe robust corporate governance is necessary to protect shareholders' values and achieve our strategic objective. We have established high standards of corporate governance in line with the requirements of SEBI and the Companies Act, 2013, which includes establishing an independent Board to guide our operations and monitor and drive compliances.

Board of Directors

Mr. Gautam S Adani



Mr. CP Jain*



Mr. Mukesh Shah®



Mr. Rajesh S Adani



Ms. Nandita Vohra#



Mr. Rajat Kumar Singh§



Mr. Vneet S Jaain



Mr. Raminder Singh Gujral



Mr. Vinod Bhandawat**



- Chairperson
- Member
- A** **A** Audit Committee
- N** **N** Nomination and Remuneration Committee
- S** **S** Stakeholders' Relationship Committee
- C** **C** CSR & Sustainability Committee
- R** **R** Risk Management Committee
- Executive **■** Independent
- Non-executive **□** Non-independent

* Ceased to be a director w.e.f. 03rd February 2018 and accordingly also ceased to be a Member and the Chairman of the various committees.

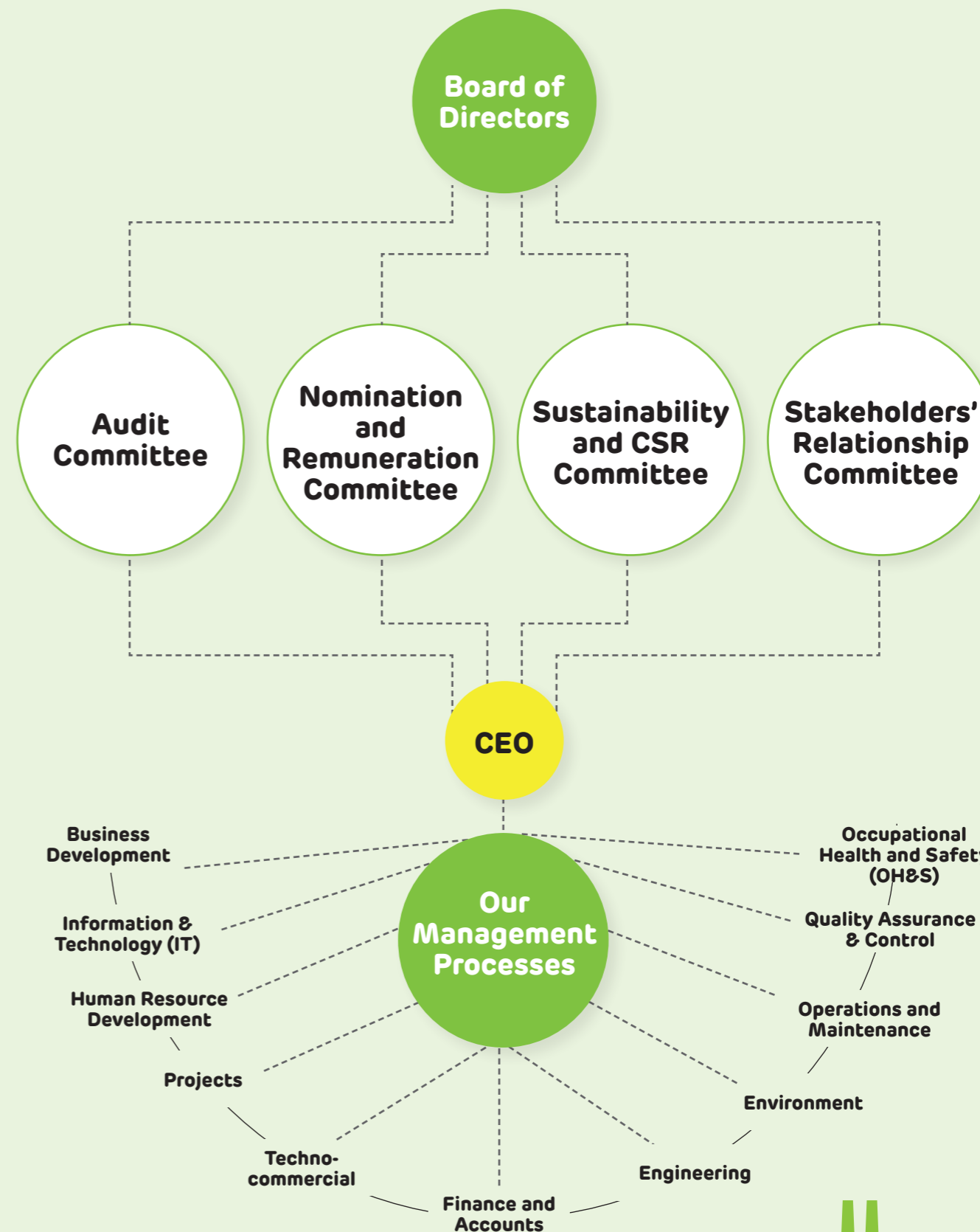
@ Appointed as an Additional Director (Non-executive Independent Director) w.e.f. 31st March 2018

Appointed as Chairperson of the Nomination and Remuneration Committee w.e.f. 29th March 2018

§ Appointed as Member of the Risk Management Committee w.e.f. 31st March 2018

** Ceased to be Member of the Risk Management Committee w.e.f. 31st January 2018

Our Governance



Governance and Risk Management



Ensuring Prudent Governance

At APL, the roles of the Chairman and the CEO are separate. The Chairman is responsible for fostering and promoting the integrity of the Board while nurturing a culture where the Board works harmoniously for the long-term benefit of the Company and all its stakeholders. The CEO is responsible for corporate strategy, brand equity, planning and everything related to the management of the Company. He is also responsible for achieving annual and long-term business targets, acquisitions and sustainable development.

During the year, we changed our statutory auditor from M/s Deloitte Haskins & Sells LLP to M/s S R B C & Co LLP, Chartered Accountants, Ahmedabad,

based on the recommendation of the Audit Committee and the Board.

📄 Refer to details on changes in the governance structure from 1st May 2018 on Page 59 of our Annual Report 2017-18

📄 Refer to details on our approach towards resolving investors' grievances on Page 66 of our Annual Report 2017-18

The present strength of the Board reflects a judicious mix of professionalism, competence and sound knowledge, providing effective leadership to the Company. As part of a continuous learning philosophy at all levels, the Board members

enhance their knowledge and expertise on sustainability topics through business forums, newsletters and learning platforms linked to institutions. Further, the CSO is responsible for apprising the Board about sustainability performance as well as sensitising them on the current trends related to economic, social and environmental issues.

A delegation process exists to ensure that the Board can oversee the functioning of various committees and sub-committees reporting to it.

The organisational policies, purpose, values, mission statement, strategies, goals and targets related to sustainable development are developed by senior management committees based on

the identified risks and opportunities related to the power sector, external environment, legal and other requirements, management system requirements and stakeholder consultation. These policies are regularly reviewed and approved by the highest governance body.

The critical concerns from various stakeholders such as communities, suppliers and vendors, lenders and investors, employees, contract workforce, customers, government, regulatory authority, and media and civil groups are captured in our management systems through respective heads and their teams and deliberated at the top management level. The CEO regularly monitors the critical concerns and updates the Board on issues that may impact the business ecosystem.

Governance and Risk Management

Addressing Risks and Capitalising Opportunities

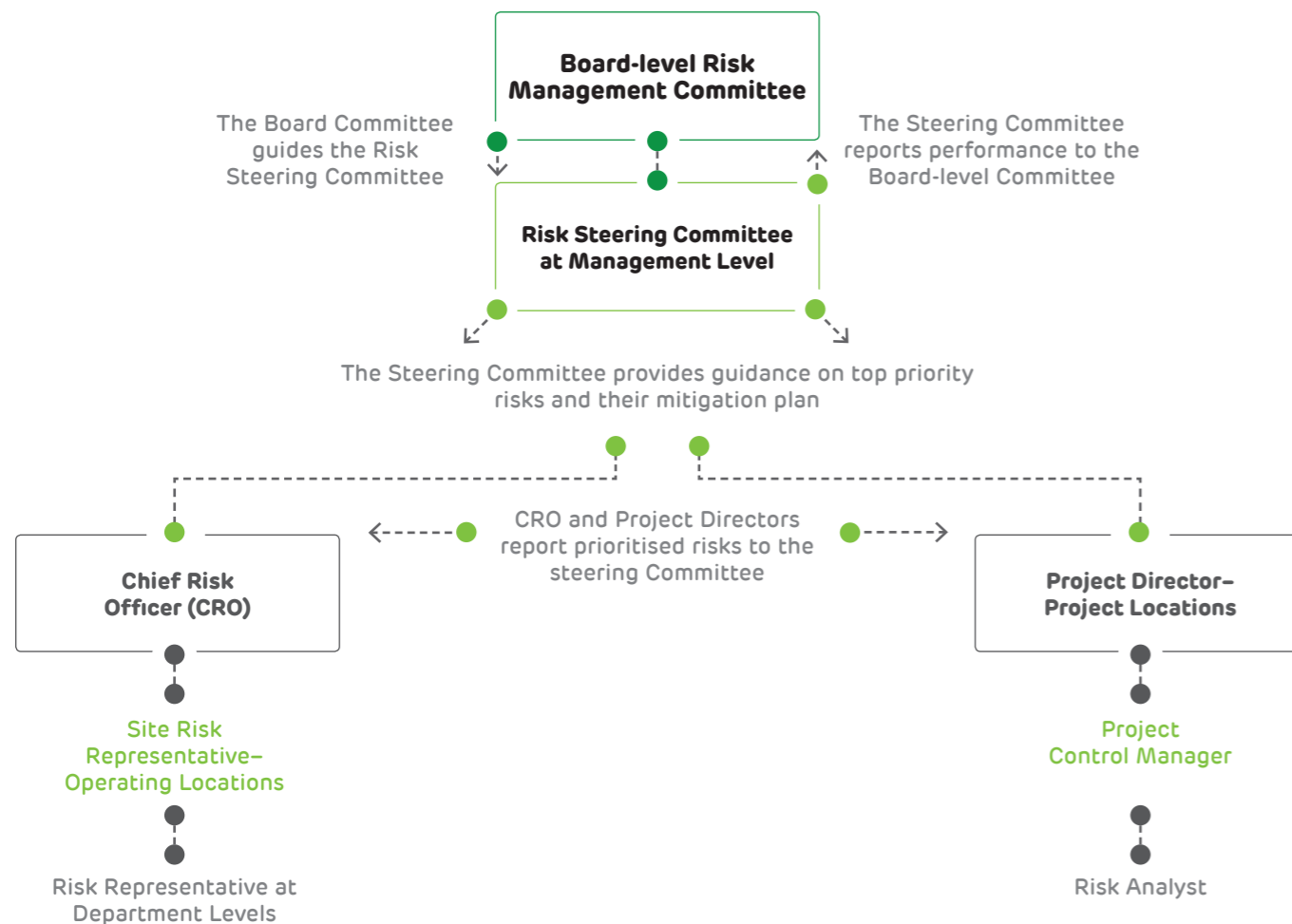
Non-financial risks are increasingly becoming more visible to various stakeholders such as investors, lenders and regulators. We constantly identify our risks and opportunities to ensure our business strategy is aligned to the internal and external environment. In this regard, we have developed procedures for risk identification and mitigation and established risk management systems under AGILE and DISHA, which are our business process transformation programmes.

The process of risk identification is collectively performed by a

cross-functional task force, which includes the risk analyst, project engineering manager, project control manager, project contract administrator, construction manager, commissioning manager, Operations and Maintenance (O&M) manager, Health, Safety and Environment (HSE) manager, quality manager and land acquisition manager, with support from the heads of the businesses. All identified risks are validated and prioritised in order to finalise a risk mitigation and control plan, which is monitored on a regular basis. The risks and mitigation strategies

are discussed in the top management committees and later presented to the Board.

We constantly leverage the opportunities and minimise risks by improving project execution proficiency and operational efficiency. We build our business strategies based on the identified risks and opportunities to meet the needs of diverse stakeholders and to remain competitive. We have identified the following risks and impacted capitals and processes to manage the risks.

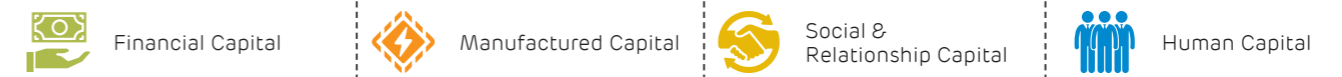


Identified Risks

Identified Risks	Impacted Capitals	Organisational Process to Manage the Risk
Availability of Quality Coal		Fuel Management
Forex Variation		Financial Management
Dynamic Regulatory Environment		Business Development & Risk Management
Disruptive Technology		Risk Management
Availability of Human Resources		SYNERGY (HR Management Process)
Delay in Environmental Clearance		Project Management
Land Acquisition and Forest Clearance		Project Management
Social Activism		Stakeholder & Relations and Corporate Communication
Human Rights in Supply Chain		Procurement
Credit Risk and Timely Financial Closures		Financial Management
Account Receivables		Financial Management
Climate Change Concerns		Environment Management and Risk Mitigation

Identified Opportunities

Identified Opportunities	Impacted Capitals	Organisational Process to Leverage the Opportunity
Electricity Demand in Neighbouring Countries		Business Development
Growth of Renewables due to Regulations for Power Generators		Business Development
Energy Demand due to Improved Living Standard		Business Development
Power Demand for Electric Mobility in Future		Business Development
Base Electricity Load and Proportion of Coal in Fuel Mix in India		Business Development



The above risks and opportunities are rated and prioritised. Critical concerns are reported to the Board on a quarterly basis and mitigation strategies are developed. A total of 12 critical concerns were reported to the Board during the

reporting period. Timely and appropriate actions were taken to control and mitigate the high-rated risks. While we are in the process of assessing climate change related risks and

impacts using suitable frameworks and guidelines, we have mitigated the financial impacts of climate change to a significant extent by insuring our assets.

Governance and Risk Management

Ensuring Employees' Welfare through Renewed Governance Mechanisms

Grievance Management

We understand that grievance management impacts an organisation's activities and relationships with multiple internal and external stakeholders. We believe a healthy workplace should therefore have adequate and effective modes of registering grievances freely. We understand that all concerns are not grievances. A regular problem with something or someone that is not easy to resolve or that can infringe the legal rights of someone or can lead to legal violation is understood as a grievance.

We have created a sub-committee named as Stakeholders Relationship Committee and a form-based system called 'MyConcern' has been introduced for employees to register their grievances. For our contract workforce, the department or site heads at project and operating sites act as an interface between the workforce and the top management to resolve their grievances. The HR department also actively interacts with contract workforce to ensure that the statutory and legal requirements are met. For supply chain related grievances, we keep contact of our techno-commercial officials in each and every contract document. Grievances of business partners are received by the business development team. Our CSR team acts as an interface between the Company and community and any grievance related to the community is recorded and handled by the CSR team. Besides, there is a dedicated investor relationship team at Group level for

receiving and redressing investors' grievances, which is disclosed in the Annual Report of the Company.

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

Timely resolution of grievances remains our top priority. We have set up a process for the resolution of grievances.

Ethics and Integrity

We have adopted a Code of Conduct and Ethics (The Code), approved by the Board. The Code is applicable for all members of the Board and senior management. The Code of Conduct is also adopted by the APL business for all its employees. The expected behaviour of contract workmen is governed through general terms and conditions of the contract communicated, along with all contract documents and face-to-face communication while on the job.

The objective of the Code is to maintain the standards of business conduct of the Company and ensure compliance with applicable laws. The Code lays down standards and values that can enhance the Company's image, set the criteria for business transactions and deter wrongdoing in all business-related

activities. The Code expects all members of the Board and senior management to act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct*.

➔ Refer to Page 60 of our Annual Report 2017-18 for more details on the Board's compliance

➔ The Code of Business Conduct and Ethics (The Code) is available at www.adanipower.com

For seeking advice or clarifications on ethical and lawful behaviour, employees can consult the HR Head or the Audit Committee Chairman. External advice is sought on ethical and lawful behaviour and matters related to organisational integrity on a case-to-case basis when any such situations arise.

*All members of the Board are also bound by the requirements for ethics and integrity as per SEBI guidelines. All Independent Directors have provided declarations confirming that they meet the criteria for independence provided in Section 149 (6) of the Companies Act, 2013 and SEBI's Listing Regulations.



As part of our operational as well as organisational level risk identification and management process, all our businesses undergo an assessment for risks.

Whistleblower Mechanism

We have established a mechanism for all stakeholders to report genuine concerns. The objective of this mechanism is to provide a framework for responsible and secure whistleblowing. Protected disclosures can be made under this mechanism in relation to matters concerning the Company and can be utilised in one of the following ways:

- By sending an email to whistleblower@adani.com, with the subject line 'Protected disclosure under the whistleblower policy'
- By sending a letter in a sealed envelope, superscribed as 'Protected disclosure under the whistleblower policy' to the vigilance and ethics officer

Anti-corruption Mechanism

Integrity, anti-corruption and work ethics are key constituents of the Group's policies. We adhere to high standards of business, including corporate governance and the law of the land. We therefore have zero tolerance towards corruption.

As part of our operational as well as organisational-level risk identification and management process, all our businesses undergo an assessment for risks, which also include aspects related to corruption. Internal and statutory audits, and formal and informal information to the top management by employees, suppliers and other stakeholders brings corruption-related issues in the system.



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Investor grievances received and resolved

During the reporting period, no cases were reported through the whistleblower mechanism.

Governance and Risk Management



internal and external audits at all our business locations, which enables us to maintain compliance. The CEO is responsible for ensuring compliances in the business and the Company Secretary is the compliance officer of the Company as per the requirements of SEBI's Listing Regulations. The compliance requirements are delegated to the respective heads of department to ensure each function remains in compliance to the applicable requirements. Standard Operating Procedures (SOPs) of internal audits and Delegation of Authority (DOA) for controlling important functions of the Company have been developed. Compliance reports are presented to the Board of Directors by MAAS periodically for review.

As part of the implementation process of the management systems, our compliance with environmental, health and safety and quality standards is audited regularly. All Mergers and

Acquisitions (M&A) and significant contracts are subjected to due diligence and assessment of existing and potential risks related to human rights, environment and labour practices, through an independent third party. During the reporting year, we had no M&A. However, during the year, we have demerged the power plant situated at Mundra, with its wholly-owned subsidiary company APMuL. To ensure compliance in our supply chain, we follow a Vendor Relationship Management (VRM) system, which involves collaborative working and relationship building with vendors to meet business objectives. Our supplier-onboarding process and regular evaluation after onboarding covers environmental and social parameters, including human rights issues.

Our techno-commercial team incorporates the necessary changes as per best industry practices in the vendor-assessment process as and when required.



To achieve the objectives of internal control, IT-enabled platforms have been implemented.



All Mergers and Acquisitions (M&A) and significant contracts are subjected to due diligence and assessment of existing and potential risks related to human rights, environment and labour practices, through an independent third party

There were no reported cases of corruption during FY 2017-18. Suitable actions are initiated in the system whenever any corruption-related case is identified. During the reporting year, there were no significant fines and non-monetary sanctions related to non-compliance with applicable financial, environmental and social laws and regulations related to our businesses, including subsidiaries. For more details, refer to our Annual Report 2017-18, Statutory Statements, Section VII 'Penalties'.

Compliance and Internal Controls

As a responsible corporate, we have internal controls and are committed to compliance to applicable laws and regulations at national and local levels. Initiated as part of our business process transformation exercise, Management Audit & Assurance Services (MAAS) is a centralised function with direct administrative reporting to the Chairman of the Board. The role of MAAS includes internal audit and control and reporting to the Audit Committee of the Board. To achieve the objectives of internal control, IT-enabled platforms have been implemented for mapping compliance requirements and status, and ensuring time-to-time

As part of the implementation process of the management systems our compliance with environmental, health and safety and quality standards is audited regularly.

A legal compliance review of all operating locations and projects is done in a systematic manner. Our internal legal team consults top legal experts in all significant cases and assesses the risk and merit of each case. The legal head of the Company submits the disclosure on legal compliance to the Board-level committee. Environmental due diligence and assessment of risks are also done for the projects that we consider for acquisition. We are of the view that any other legal case filed under other laws of the land in which the Company has been made a respondent and which was sub judice during the reporting year does not pose any risk to our business.

Stakeholder Engagement

Encouraging Active Stakeholder Participation in Our Journey

We engage with stakeholders frequently through various media to understand them and use their inputs for decision-making in our business. Engaging with stakeholders and responding to their expectations and concerns helps us identify the critical business issues. We have identified stakeholder groups relevant to our business, based on the position they hold in the upstream and downstream processes as well as their partnerships in the internal and external environment. We did not specifically engage with stakeholders for preparation of this report. The table in the next page summarises the engagement method, key concerns, our response and frequency of engagement during the reporting period:



List of Identified Stakeholders and Engagement Details

Engagement Methods	Key Concerns	Our Response	Frequency of Engagement
Employees			
Direct interaction, feedback questionnaire, newsletter, magazines and emails, and employee engagement events	Work environment, health and safety, energy efficiency and talent management	Initiatives to improve work environment, safety management systems, energy-efficiency initiatives, and employee training and development	Regular
Contractual Workforce			
Open forum and interviews	Work environment, health and safety, training and skill development, and grievance handling	Initiatives to improve work environment, safety trainings and promotional events, and a grievance redressal mechanism	Regular
Local Communities			
Direct interaction with project beneficiaries and community-based organisations, and interviews with local community representatives	Water availability, local employment, school education, community healthcare facilities and vocational skill development	Infrastructure and sanitation-related projects; local hiring where possible; woman empowerment programmes; education programmes, including adoption of Government schools; computer literacy and teacher orientation; community health programmes; mobile healthcare units and livelihood generation programmes	Regular and need-based
Government/ Regulatory			
Direct interaction on a case-to-case basis, policy advocacy through industry bodies, response to information sought, routine filing of reports, and regulatory audits and inspections	Compliance, revenue and taxes, and community development	Compliance monitoring and management, payment of statutory levies, submission of reports and other related information, and CSR initiatives	Regular and need-based
Investor			
Investor meets, AGMs, meeting with bankers and other financial institutions, and periodic declaration of results	The Company's sustainability performance, growth opportunities and debt servicing	Prudent financial management system and reporting	Quarterly basis and need-based
Customer			
Direct communication with existing and new customers through various media and binding agreements, including PPAs, through power exchanges	Plant availability, transmission availability, forced outages and reconciliation of accounts and settlements, including 'change in law'	Power generation planning and scheduling, timely and proactive communication on reconciliation and settlements, responses to queries and proactive settlements	Regular and need-based
Media and NGO			
Telephonic interviews, in-person interviews and interaction with regulatory authorities	Local community development, health and safety, legal compliances, environment protection and ash management	Investment in education infrastructure; integration of management systems, including environmental, energy and OH&S; best available technology implementation; compliance with applicable regulations and initiatives for improvement in ash utilisation	Issue-based
Vendors (Suppliers and Contractors)			
On-boarding process, site visits to manufacturing facilities for compliance monitoring and regular one-on-one interactions for compliance monitoring	Timelines for payments	Payment cycle changed from two days in a week to daily and implementation of IT-enabled payment systems	Regular

Materiality Assessment

Prioritising Materiality

For us, material issues are those that are of high concern to the business and stakeholders and can impact our value drivers such as operational efficiency, Human Capital and our brand. We adopt a structured approach and methodology to identify and prioritise material issues.

Stage 1

Intended at reviewing and receiving inputs

1. Topics from GRI Standards
2. Material issues identified in peers' reports in the sector
3. Review of the value chain impact of our operations
4. Company policies and reports in the public domain

A comprehensive list of issues was developed as a result of this exercise.

Stage 2

Aimed at filtering and shortlisting issues to make them more relevant to our operations. This involved the following

1. A review of business risks identified through our risk management framework
2. Sustainability risks identified by the senior management

Based on inputs from the above-mentioned sources, a list of key material issues was shortlisted for APL.

This assessment led to the identification of specific issues in the short-, medium- and long-term strategic areas, as well as site-specific operational challenges. A brief description of topics identified for our business is provided as follows:

List of Material Issues and Related GRI Topics with Boundary Classification

Material and Topics	Impacted Capital	Topic Boundary	
		External	Internal
Compliance (Environment, Labour, Human Rights, Project Related etc.)		Government, Investors, Community, Vendors and Customers	Company, Subsidiaries, Employees and Contract Workforce
Grievance (Environment, Human Rights, Supply Chain, Contract Labour, Employee, Community etc.)		Community, Investors and Vendors	Employees and Contract Workforce
Fuel Management (Coal and Oil)			Company and Subsidiaries (excluding Solar)
Economic Performance (including PPA and Sales)		Shareholders and Investors	Company and Subsidiaries
Plant Efficiency [PLF, Availability, Station Heat Rate (SHR) and Aux Power]		Customers	Company and Subsidiaries
Land Availability		Community	Company and Subsidiaries
Supply Chain Management (Procurement Practices, Supply Chain Assessment - Environment, Labour, Human Rights and Society) including Contract Management – (O&M and projects)		Vendors	Company, Subsidiaries and Contract Workforce
Water Management		Community and Government (as an Owner and Supplier of Water)	Company and Subsidiaries (including Solar)
Emissions (Air and GHG)		Community	Company and Subsidiaries (excluding Solar)
Waste Management (Ash, Gypsum, Hazardous and Non-hazardous Waste)		Community and Vendors	Company and Subsidiaries (excluding Solar)
Biodiversity		Community	—
Emergency Preparedness and Disaster Management		Community and Government	Company and Subsidiaries
A. O & M Material – Input (Associated Chemicals, Limestone for FGD, Spares, Paints and Other Consumables)		Vendors	Company and Subsidiaries
B. Project Material – Plant Machinery and Construction Materials,		Vendors	Company and Subsidiaries
Occupational Health and Safety - Employee and Contract Workforce		Community	Employees and Contract Workforce
Community Engagement and Development (Indirect Economic Impact)		Community and Government	Company and Subsidiaries
Employment		Community	Company and Subsidiaries
Industrial Relations		—	Company, Subsidiaries and Contract Workforce
Human Rights - Forced Labour, Child Labour and Working Conditions		—	Company, Subsidiaries, Employees and Contract Workforce
Fair Treatment and Equal Opportunity		—	Company, Subsidiaries, Employees and Contract Workforce
Indigenous Rights		Indigenous Community	—
Anti-corruption		—	Company and Subsidiaries
Cultural Heritage		Community and Government	—
Security Practices		—	Company and Subsidiaries
Competent Manpower		—	Employees and Contract Workforce



Our Plants

Our manufacturing facilities are spread across India. With a large scale of operations, our asset portfolio is exposed to various issues that are material to our operations.

Mundra Plant



4,620 MW
Installed capacity

We introduced the first 660 MW power generating unit using supercritical technology at our Mundra plant. It is one of the fastest power projects developed and commissioned within 36 months by any power company in India.

Tiroda Plant



3,300 MW
Installed capacity

We have installed supercritical technology in all the units of our Tiroda plant, which has helped us increase efficiency in coal-based power generation. We have tied up with Maharashtra State distribution companies (DISCOMs) for power generation capacity through long-term PPAs.

Kawai Plant



1,320 MW
Installed capacity

The Kawai plant is one of the largest power plants at a single location in Rajasthan. It is a coal-based thermal power plant that operates on supercritical technology. It has a 1,500 m long airstrip that helps in immediate connectivity. We have tied up with Rajasthan State DISCOMs for power generation capacity through long-term PPAs.

Udupi Plant



1,200 MW
Installed capacity

The Udupi plant is the first independent power project to use 100% imported coal as fuel for power generation. Post our acquisition, we successfully turned the plant into a viable asset, supplying around 90% of the power generated to the state of Karnataka.

Bitta Plant

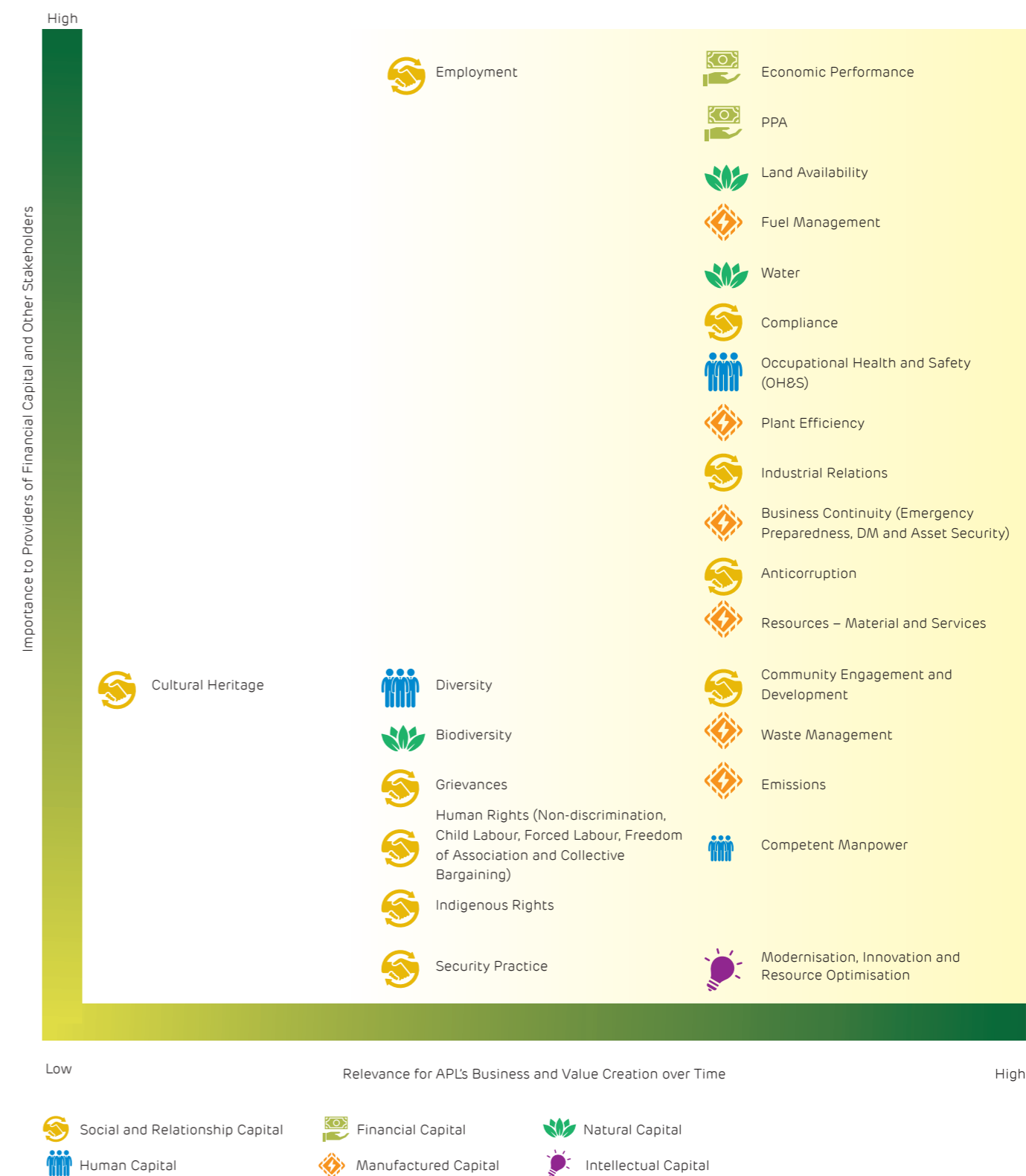


40 MW
Installed capacity

The Bitta plant is the first solar power plant set up under Adani Group. It uses solar PV technology and has an installed capacity of 40 MWp. The plant marked our entry into the renewable power sector.

Our internal topic boundary includes power plants of APL and its subsidiaries. The external topic boundary includes impacts in value chain, including upstream and downstream value chain partners, business partners, vendors, government agencies and local communities at our operations.

Material Issues and Impacted Capitals



Operating Context

Driving Our Operations through Influential Actions

As mentioned in our CEO's statement, we are working in a complex and dynamic external environment that influences our business. Our primary business is to generate power and supply the same to DISCOMs and bulk customers under PPAs, which contain conditions including normative availability to recover full fixed charges. During times of peak power demand, a few short-term open-access customers also come on board. This business

is regulated by the State Electricity Regulatory Commissions (SERCs) and the Central Electricity Regulatory Commission (CERC). Generation and supply of power is required to be done as per the guidelines of State Load Dispatch Centres (SLDCs) and Regional Load Dispatch Centres (RLDCs).

We believe that PPAs and other contract documents are not the absolute counter-guarantee; however, a win-win

situation for both the parties in any contract is required for a sustainable business. Hence, we always try to supply power to all customers beyond the normative availability under PPAs, thereby proving to be a reliable source of power. We are not involved in the retail distribution of power to individual customers. We have signed PPAs mainly with long-term and medium-term customers, as detailed hereunder.

Our PPAs

Procurer	Contract Capacity (in MW)	Location of Supply	Type
Gujarat Urja Vikas Nigam Limited (GUVNL)	2,000	Mundra	Long term
Haryana Power Purchase Centre (HPPC) – HVPNL	1,424	Mundra	Long term
Mundra Utilities Private Limited (MUPL)	40	Mundra	Long term
Railway Energy Management Company Limited (REMCL)	50	Mundra	Medium term
Tamil Nadu Generation & Distribution Company Limited (TANGEDCO)	200	Mundra	Medium term
Gujarat Urja Vikas Nigam Limited (GUVNL)	40	Bitta	Long term
Maharashtra State Electricity Distribution Company Limited (MSEDCL)	3,085	Tiroda	Long term
Rajasthan Discoms Power Procurement Centre (RDPPC)	1,200	Kawai	Long term
MUPL (Mundra)	10	Udupi	Long term
Power Corporation of Karnataka Limited (PCKL)	1,080	Udupi	Long term

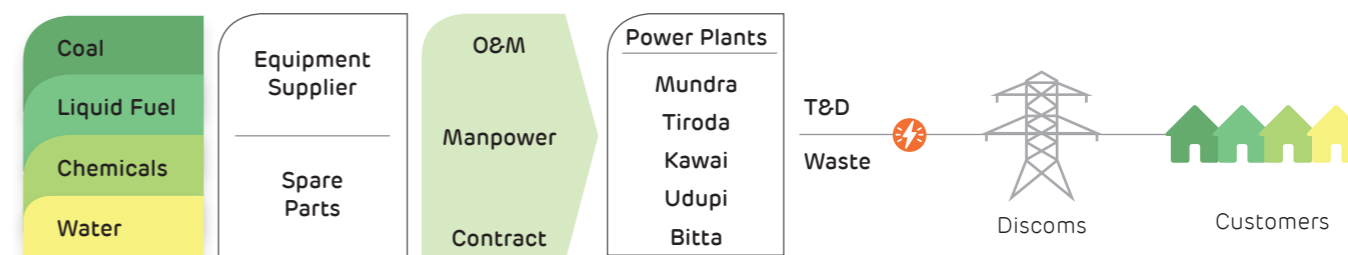
Value Chain Context

The key elements of our value chain are procurement of assets for new projects and O&M supplies, including coal and other fuels and chemicals, spare parts, manpower for O&M and projects, disposal of fly ash, power evacuation and others. We have identified the impact areas related to

our value chain activities, linked it back to our business partners and developed strong relationships with our value chain partners. Our coal trading business is only transactional in nature. Since our key business focus is power generation, we have focussed our disclosures related to material topics of power generation in this report.

We always try to supply power to all customers beyond the normative availability under PPAs, thereby proving to be a reliable source of power.

Our Value Chain is as follows:



As part of the business process transformation initiatives under DISHA and AGILE, we have formulated a structured supply chain management process. We have competitive advantage owing to our scale of business and forward and backward integration with Group businesses for coal logistics and transmission of power. This synergy helps us in quick turnaround of our projects and delivers the best value to all our stakeholders, including a common vendor base across Group companies. Having identical units at most of our operating

locations proves advantageous for us when it comes to spares and vendor management. Indigenisation of critical equipment and increasing our local (domestic) vendor base is a priority and this is measured and reviewed on a monthly basis.

Vendors are the co-authors of our success story. We believe in trust and long partnerships to endorse high quality and value of the asset being constructed. We have a process of onboarding for all the vendors through pre-qualification, which ensures

vendor credentials and capability to execute assignments; adherence to health, safety and environment norms and compliance with statutory requirements. We measure the performance of the vendors and provide regular and transparent feedback for their improvement and development.

We consider domestic vendors as local vendors. In FY 2017-18, we had a base of 4,958 vendors as against 3,302 vendors in FY 2016-17. Nearly 98.2% of these vendors were from the domestic market.



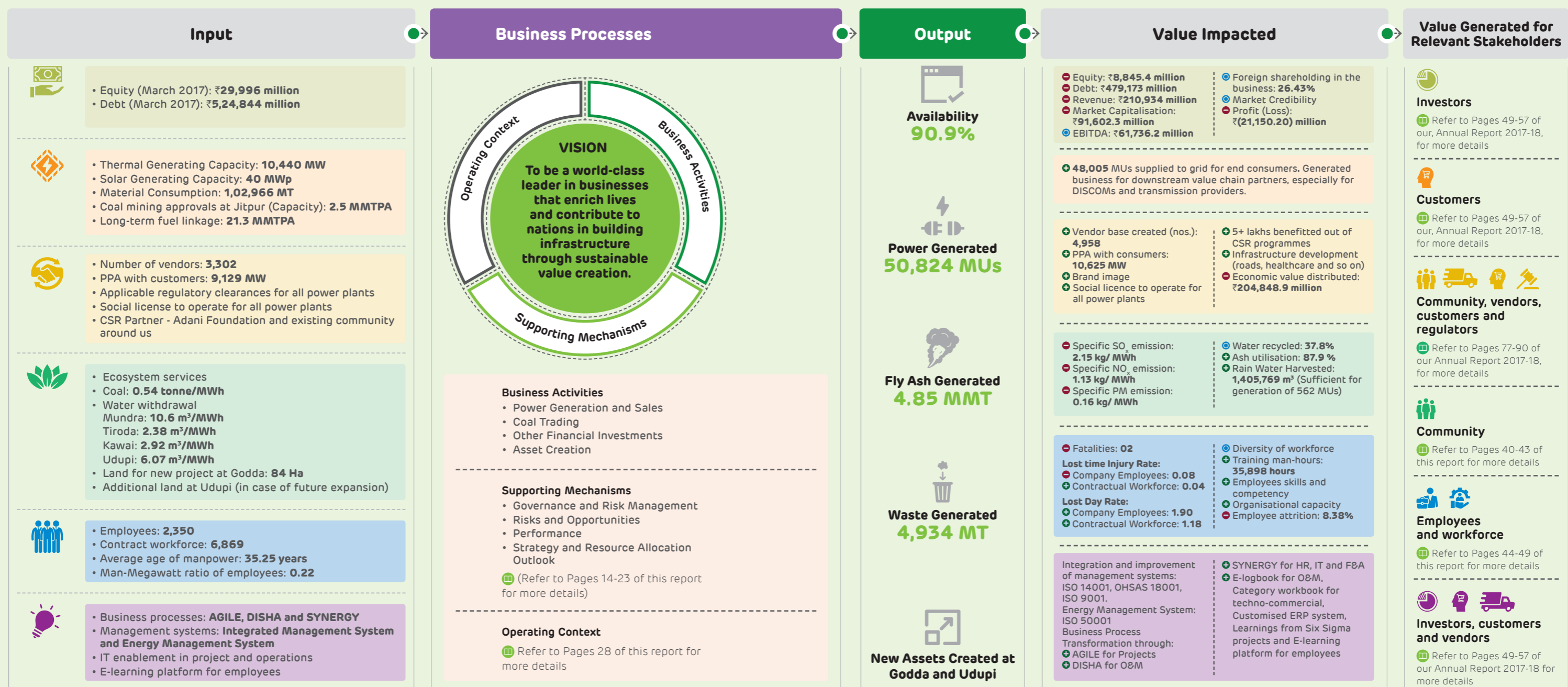
Our Business Model

Reinforcing Value Creation through a Viable Business Model

External Environment



+ Positive Trending - Negative Trending 0 Neutral





Financial Capital

Reaffirming our Financial Strategy through Efficient Capital Allocation

For the year FY 2017-18, consolidated total income stood at ₹21,0930 million as compared to ₹23,0340 million in FY 2016-17. Consolidated EBITDA for the year stood at ₹6,1740 million as compared to ₹6,3910 million in FY 2016-17. Consolidated net loss before tax and exceptional items for FY 2017-18 reduced to ₹(20,950) million from ₹2,183 million following the adoption of a loss minimisation strategy in the face of high prices of imported coal and under-recoveries under PPAs.

Business outlook and significant development

India's economic growth is powered by government initiatives and supported equally by the private sector, which commits large investments towards nation-building. We consider our growth to be a testament of nation-building as we operate several power generation assets that cater to the power deficit in India. Consequently, we consider economic sustainability as paramount to our operations. We are focussed on appropriate returns to shareholders and lenders with a strategy of growth and expansion, while ensuring sustainability for our business partners such as

vendors and suppliers. Our growth has been and continues to be inclusive of employee and community development to generate direct and indirect economic benefits.

We have prepared our financial statements in accordance with Indian Accounting Standards (Ind-AS). For FY 2017-18 and have developed an internal financial control framework as guidance and to ensure adequate controls and effectiveness within the Company. As a part of this, we have prepared and reviewed the Entity Level Control, Process Level Control and IT General Control within the Company. The internal and external auditors of

the Company have issued their reports to the management on internal control over financial reporting based on audits.

We have been supplying power to various state DISCOMs as well as to small and large industries. Power sales to these customers can be broadly classified into three categories: long-term contracts, medium-term contracts and short-term contracts.

We also supply power to Indian Energy Exchange (IEX) and other short-term customers from time to time. We have no direct residential customers.

Our growth has been and continues to be inclusive of employee and community development to generate direct and indirect economic benefits.

Table 01: Organisational Scale

Particulars	Unit	FY 2015-16	FY 2016-17	FY 2017-18
Market Capitalisation	₹Million	1,15,521	1,54,085	91,602
Total Revenue	₹Million	2,57,338	2,30,345	2,10,934
External Debt	₹Million	5,39,624	5,24,844	4,79,173
Total Equity	₹Million	74,679	29,996	8,845
Consolidated Net Profit	₹Million	5,818	(61,701)	(19,972)
Employees	Numbers	2,715	2,648	2,350
Contract Workforce	Numbers	7,164	7,069	6,869
Power Generation	Million Units	69,395	64,172	50,824

Table 02: Economic Performance

Particulars	FY 2015-16	FY 2016-17	FY 2017-18
Economic Value Generated	2,57,337	2,32,028	2,10,934
- Revenue from Operations	2,55,322	2,27,838	2,06,110
- Other Income	2,016	4,190	4,824
Economic Value Distributed	2,26,932	2,27,139	2,06,110
- Fuel Cost	1,47,263	1,46,236	1,25,484
- Purchase of Stock-in-Trade	1,895	2,157	3,093
- Other Expenses (including Community Investment)	14,554	15,712	17,084
- Employee Wages and Benefits	3,587	4,017	3,537
- Finance Costs	59,632	59,017	55,702
Economic Value Retained	30,405	4,889	1,264



₹2,10,934 million

Total revenue during the year

Volumes of electricity transacted in the short-term bilateral market and power exchanges have increased considerably in the past two years due to the commissioning of new merchant capacities of around 15,000 MW. Overall, in FY 2017-18, the spot power market remained vibrant with over 40 billion units traded in power exchange, 17% more than 34 billion units traded in the last financial year. We have strategically bound more than 85% of the net capacity under long-term PPAs. Envisaging short-term market trends, we have contracted around half of the available merchant capacity under medium-term PPAs of 3-5 years.

We are actively pursuing cross-border opportunities for either supply of power from India or the setup of generation projects in neighbouring countries. The first such project is envisaged in Godda, Jharkhand with a capacity of 1,600 MW to supply power to Bangladesh under a firm PPA. Going ahead, it is imperative for short-term markets to play a larger and more important role. Hence, as the short-term and power exchange market matures, we are keeping a close watch

on regulations and guidelines issued from time to time and are active in shaping this emerging market in India.

Demerger of Mundra plant

Our Mundra power plant is incurring operational losses currently due to increase in imported coal prices. Moreover, the existing PPA does not allow increased fuel prices to be accommodated as compensatory tariff increase. Hence, it was decided to demerge Mundra plant so that APL can focus on investment and power generation separately. During the reporting year, name of Adani Power (Karnataka) Limited was changed to Adani Power (Mundra) Limited. The assets and liabilities pertaining to Mundra plant of Adani Power Limited was demerged with APMuL.

Debt servicing strategy

During the year, we received tax benefits reported under government grants and is disclosed in Annual Report on Page 176 and we did not receive any financial assistance of revenue nature from the government.

New plans and upcoming projects

We are committed to reaching our goal of achieving a thermal power generation capacity of 20,000 MW to bridge the power deficit in India, in line with the revised Tariff Policy and the Government of India's vision of 24X7 power to all by 2022. Additionally, with consolidation taking place in the Indian Power sector, there exists an opportunity for capacity addition through the M&A route. This is in line with our vision to be a leader in infrastructure development for nation- building.

We plan to expand our thermal business by an additional capacity of 1,600 MW at Jharkhand and 1,600 MW at Udipi in the near future. We plan to finance our expansion plans through a healthy mix of debt and equity. For the debt portion, we expect to tie up a mix of Rupee Term Loans and External Commercial Borrowings (ECBs) as we have done for our existing plants.



Challenges of the Jitpur coal block

During the last year, we have completed the process of forest clearance within the mining block of Jitpur coal block. Though as per schedule, commercial production is to start by February 2019, we see challenges related to land acquisition in the mining area. We are actively working with stakeholders to resolve the issue and expedite the acquisition process.

Opportunity seeking

We continue to identify power deficit zones and have moved swiftly to cover these regions with our state-of-the-art plants. With these plants, we aim

to generate power and transmit it through high-voltage transmission infrastructure developed either by our, Adani Transmission Limited (our Group company), or by state transmission companies for delivering critical services that are important for both life and businesses. During the year, we started working on the following identified opportunities:

- 2x800 MW Godda TPP
- 2x800 MW UPCL expansion

We are also exploring inorganic growth opportunities through acquisition of stressed assets identified by the CEA.



85%

Net capacity tied-up under long-term PPAs



Manufactured Capital

Renewing and Expanding our Manufacturing Assets

With an aim to support India's growing infrastructure and economy, we have built a significantly large portfolio in thermal power generation. Our Mundra power plant is the world's 11th largest single-location thermal power plant with a capacity of 4,620 MW.

Besides scaling growth, we have been conscious of the environmental impact caused by coal-fired power generation. This has motivated us to bring 75% of our operations under supercritical thermal-generation technology.



Our Present Manufacturing Assets

Plant	Installed Capacity (in MW)	Power Generated During the Year (in million units)	Power Sold During the Year (in million units)	PLF (in %)	Water Allocation (MCM)	Coal Availability
APMuL	4,620	21,908	19,926	54.13	Sea water	Units 1-6 via imported coal 6.405 MMTPA via Fuel Supply Agreement (FSA) from Mahanadi Coalfields Limited (MCL)
APML	3,300	17,596	16,605	60.87	70 MCM/Year from river Wainganga	4.91 MMTPA via FSA from SECL 5.85 MMTPA allocation under the SHAKTI scheme
APRL	1,320	5,067	4,083	43.82	35 MCM/Year from river Parvan	4.12 MMTPA allocation under the SHAKTI scheme
UPCL	1,200	6,181	5,809	58.80	Sea water	Imported coal from open market
Bitta Solar	40	72	72	-	-	-

Average Plant Load Factor (PLF) achieved during FY 2017-18 was 55%, as compared to 70% achieved in FY 2016-17. Units sold in FY 2017-18 were 48,005 MUs as compared to 60,194 MUs in FY 2016-17. This decline in PLF was primarily due to shortage of e-auction coal as well as delays in signing FSAs under SHAKTI coal auctions at Tiroda and Kawai, commercial shutdown in Mundra due to high imported coal prices, and forced outages in Udupi due to generator failures.

In FY 2017-18, we installed solar captive capacity of 1.6 MW for internal power consumption at two of our locations – Tiroda and Mundra.

Simulation: At Mundra, Tiroda and Kawai, we have power plant operation simulator centres. Here, our desk engineer and shift in-charge can simulate various processes that enhance desk operators' skill sets as well as optimise the operational practices. These simulator centres are a replica of real-time desk-operations where all the processes can be tuned to the expected results.

Drone-based Measurement: Drone-based technology has resolved the challenges of difficult approach monitoring. At our thermal power stations, we have initiated drone-based real-time monitoring of chimney painting. We are also using drone-based photogrammetry techniques for coal stock volume measurement to accelerate the measurement time and to enhance the accuracy level of measurements.

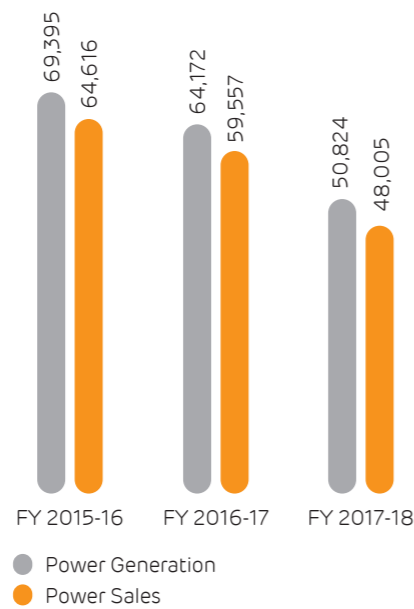
NABL Accredited labs: Laboratories at our all power plants, have been accredited by NABL for air and water quality monitoring.

Power Generation Efficiency and Sales

Right from the plant design stage, we engage various experts in providing inputs to enable us to choose the best possible technology and design with the least cost to operate during the plant life cycle. We have progressively taken up various efficiency improvement projects in operational plants and service key equipment to maintain and improve plant efficiency. For FY 2017-18, our consolidated O&M availability was 90.9%, which has improved from 90.80% during FY 2016-17. This was mainly attributable to Mundra and Kawai's availability improvement of 2.3% and 2.1%, respectively, as compared to the previous financial year. Except transmission losses of 2.94% for sale of power from Mundra to Haryana, which is metered at the Haryana periphery, during the year, there were no other transmission losses as these are accounted under respective transmission service providers.

Power Generation and Power Sales

(Million Units)



This will also help us optimise our emissions and impact on the local community. To reduce the time taken to deliver coal from ports to coastal plants, we have also implemented closed conveyor systems.

Resource Conservation Initiatives

We carried out a number of initiatives to conserve our key resources such as energy, water and coal. Some of the initiatives carried out during the year are:

- Community water pond desilting
- Rain water harvesting within our power plants, resulting in harvesting of 1,405,769 KL of water.
- Saving as a 1.51 million GJ as a result of various energy saving initiatives in all operational plants.

📖 Please refer to Page 30-31 for more details on the interlinked Natural Capital outcomes of our manufacturing process.

Our operations consumed a total of 464.62 million GJ of energy in FY 2017-18 compared to 587.37 million GJ in FY 2016-17 in the form of primary fuels such as coal, High-speed Diesel (HSD), HFO and LDO used in boilers, including the diesel used in plant and machinery. In the event of power outage or shutdown activities, we also need to import electricity at times.

Our total auxiliary power consumption for the year was 13.00 million GJ compared to 15.18 million GJ in FY 2016-17.

Fuel Management

Our power generating stations are currently predominantly dependent on imported and domestic coal as a source of primary fuel. Heavy Fuel Oil (HFO) and Light Diesel Oil (LDO) are used in limited quantities during the start-up of the power plants. Since these are conventional, non-renewable sources of energy, ensuring fuel security for our operations is material to us. To ensure fuel security, we rely on our Group company, Adani Enterprises Limited, for continuous availability of imported coal for our operations. Adani Enterprises Limited, which is one of the largest coal traders in India, owns mines in Indonesia and has linkages to import it from the US, Australia and Russia.

Through competitive bidding, the Jitpur coal block of 2.5 MMTPA has been allotted to APL, which will further secure domestic coal availability.

Our coal logistics involves the transportation of imported and domestic coal from mine to plant with a combination of rail- and sea-based routes. Since power plants are national assets of a long-term nature, we have taken a call to primarily use rail transport for our coal logistics for plants located in the interiors of India.

This report does not include energy consumption for activities in the upstream and downstream operations. However, specific GHG emissions from upstream coal transportation are being monitored. Our operations do not involve the use of any recycled input materials.

Table 03: Availability, PLF and Coal Intensity

Particulars	Availability (%)	PLF (%)	Coal Intensity (GJ/MWh)
Consolidated			
FY 2015-16	91.00	75.90	9.58
FY 2016-17	93.60	70.20	9.09
FY 2017-18	90.90	54.40	9.14
Mundra			
FY 2015-16	95.00	81.50	9.82
FY 2016-17	93.10	74.90	9.09
FY 2017-18	95.40	54.13	9.10
Tiroda			
FY 2015-16	93.00	69.50	9.37
FY 2016-17	96.30	61.00	9.23
FY 2017-18	94.40	60.87	9.20
Kawai			
FY 2014-15	90.00	75.10	9.01
FY 2016-17	95.70	71.80	8.78
FY 2017-18	97.60	43.82	9.15
Udupi			
FY 2015-16	86.00	72.10	9.86
FY 2016-17	89.20	74.90	9.16
FY 2017-18	76.00	58.80	9.17

Outage of power, in most cases, is governed by the directives received from the individual Load Dispatch Centres.

The main reasons for change in energy intensity compared with the last financial year include certain operational issues such as ageing of the turbine. Certain external factors such as reduced demand and shortage of quality coal have also contributed to this change.

from the individual Load Dispatch Centres. However, we undergo some planned and unplanned outages. During the reporting year, there were 105 outages, of which 89 were forced. We communicate these outages to our customers in a timely manner. The frequency and average duration of these outages are depicted in the table below:

Outage of power, in most cases, is governed by the directives received

Table 04: Power Outage frequency and Average Power outage Duration

System Average Values	FY 2015-16	FY 2016-17	FY 2017-18
Interruption frequency index for planned outage	0.37 outage/customer	1.08 outage/customer	0.34 outage/customer
Interruption frequency index (including forced outages)	1.22 outage/customer	2.45 outage/customer	2.23 outage/customer
Interruption duration index (excluding forced outages)	151 hours	451 hours	123 hours
Interruption duration index (including forced outages)	207 hours	701 hours	772 hours



90.9%
Operational availability



Social and Relationship Capital

Recreating Value for the Society and the Communities

Adani Power focuses its activities around four core areas: Education, Community Health, Sustainable Livelihood and Community Infrastructure Development.

We are working across five states, covering over 350 villages touching the lives of more than 5,00,000 people with a human centric approach to make the processes sustainable, transparent and replicable.

We are diligently continuing with our flagship programmes like Swachhagraha, SuPoshan and UDAAN in addition to our existing initiatives.

This section contains disclosures on our management approach for Social and Relationship Capital and aspects related to Policy Advocacy, Human Rights, Resettlement and Rehabilitation, and Community Engagement.

☐ Please refer to Page 22-23 of this report for more details on stakeholder engagement

Policy advocacy

We participate in creating valuable exchange through trade and industry associations, which help and guide the sector in influencing industry-level policies in a responsible manner.

Here's a list of our membership in various associations and industry bodies:

Table 05: Our Membership

Association/ Industry Body	Positions Held
Association of Power Producers (APP)	Member
Confederation of Indian Industry (CII)	Member
Federation of Indian Chamber of Commerce and Industry (FICCI)	Member and Co-Chairman of FICCI Power Committee
Independent Power Producers Association of India (IPPAI)	Member
Gujarat Chamber of Commerce and Industry (GCCCI)	Member
Ahmedabad Management Association (AMA)	Member
National Safety Council (NSC)	Member
Quality Circle Forum of India (QCFI)	Member
Gujarat Safety Council	Member

We view the membership of these bodies as strategic. Through these bodies, we have represented various issues of concern relating to power sales and despatch, environmental norms, coal supply and logistics before authorities and organisations such as the Ministry of Power, Ministry of Environment, Forests and Climate Change, Central Electricity Authority and Coal India Limited.

Social Compliance

We are proud of having good relations with community and the social licence to operate for all our power plants. In FY 2017-18, no cases were filed by any stakeholder against the Company for non-compliance with applicable regulations, including breach of privacy and intellectual property rights. Also, there was no case pertaining to infringement of human rights and anti-competitive behaviour.

All applicable environmental clearances have been obtained for new projects and we comply with all applicable environmental regulations. Our Mundra, Udupi and Godda power plants have been made parties in the lawsuits filed by some stakeholders in the National Green Tribunal (NGT) and other courts of law. We understand that these lawsuits do not have the potential and merit to impact the sustainability of our business. We are also working to understand and address the point of view of these stakeholders who have adopted the legal route by making us a respondent in law suits in different courts of law.

During the reporting year, there were no political donations or contributions. As a policy, any political donations, irrespective of the amount, need to receive approval from the Board of Directors in the Company.

We abide by the law of the land for all applicable statutory and regulatory requirements. Currently, there are no collective bargaining agreements with our workforce for the operating power plants, including our newly acquired operations. However, our engagement activities provide sufficient avenues to our employees as well as contract workforce to voice their opinions. This includes a minimum notice period of one month for operational changes in our projects and O&M.

Human Rights Protection





At APL, we have adopted the Group's Human Rights Policy. We take the necessary measures to protect the human rights of our people, recognising their need for respect and dignity. Our human rights principles are aligned

with the core conventions of the International Labour Organisation (ILO), including freedom of association and collective bargaining, health and safety of our workforce, eradication of child or forced labour and harassment or intimidation in the workplace. We are committed to fair employment practices and freedom of expression, supported by a strong value system in our Company.

Community Engagement

We identify the community as one of our key stakeholders and we work closely with them at all our business locations. Our community engagement starts with social need identification early in the stage of project planning and runs through the entire life cycle of the project. To begin with, our team has formal and informal interactions with the local communities to understand their needs well in advance of the commencement of the project work.

We also take help of external expert agencies for need identification in a formal way. The needs are then bucketed into core areas of education, health, livelihood and infrastructure development. Based on these needs, relevant social intervention programmes are designed and implemented. We also carry out social impact assessment at defined intervals and initiate changes in our CSR programmes based on the stakeholders' inputs and the outcome of the impact assessment. The key initiatives and respective amount spent are detailed below:

Adani Power CSR 2017-18	Amount Spent (₹ in lakhs)	Impacted SDG
Education	180.63	
Community Health	09.97	
Infrastructure Development	1,227.88	
Sustainable Livelihood	212.64	
Total	1,831.12	


We have a system to receive and address grievances of local communities at operating locations. Suggestions and demands by local communities shared informally are routed through the Gram Panchayat and discussed in the presence of the village development committee. Our CSR team provides support to the community if suggestions are related to the latter's advantage. We periodically conduct impact assessment studies of our CSR initiatives at all operating locations. Impact assessment of CSR activities is done on a rolling basis so that every individual location is covered once in five years.

Rehabilitation and Resettlement

We comply with all applicable regulations for Rehabilitation and Resettlement (R&R) in the respective states. There were no cases of

infringement of rights of indigenous community groups across our locations. We did not have any significant negative impact on local communities at any of our locations. There were no cases of physical or economic displacement of local people at our operations within the boundary of this report during FY 2017-18.

Recently, we started the land acquisition process for our Godda project in Jharkhand. The Social Impact Assessment study is being conducted and an R&R action plan will be implemented after its approval by the State Government. Disclosures related to this shall be made in the subsequent report.

 For more details on our CSR activities, please refer to Page 10-20 of our Annual Report 2017-18.



5+ Lakhs

Direct beneficiaries through our CSR activities





Human Capital

Realising the Aspirations of our Workforce

The world's first organisation is a 'parivaar' (family) and 'people' are the most vital part of it. In view of the exponential growth of 'Adani parivaar' with multi-dimensional and diversified businesses, it is essential to keep our people motivated. We believe that our human resources are a precious capital for our business and our growth manifested until now has been hugely enabled by them.

It is our endeavour to be an organisation which continues to be an attractive employer. We also understand the criticality of talent retention and attraction for achieving our Vision. Hence, we continue to

adopt the global best practices and continually take initiatives to improve our policies, employees' communication and engagement, talent management, training and development, employees' well-being and grievance management and health and safety. Our disclosures on management approach on these aspects are articulated in this section.

Human Resource Policies

Our HR policies cover a wide gamut of areas related to human resources management. There are 28 employee-centric policies made available for our people on our internal web portal.

Further, we also have HR policies of the Group, which are uniform across the business verticals. This uniformity gives us the flexibility to internally transfer the workforce and quickly meet the requirements from within the organisation. We have a structured process in place to take feedback from all employees. During the year, 22 policies were reviewed and modified based on the feedback received from the employees. Any change in policy is communicated to all employees through various communication channels. During the year, we specifically brought some changes to increase the benefits for junior and middle management cadres.



We aim to create and maintain an organisation where employees would like to continue to work for years. Total number of permanent employees during the year were 2,350 with an average age of 35.25 years. The total number of person-days worked by contract workforce was 2.43 million. During the year, 6.35 person-days of training per employee has been achieved.

Table 06: Employee Details Workforce Breakdown

Employee Category	Age Group			Gender	
	<30 Years	30-50 Years	>50 Years	Male	Female
Senior Management	0	37	60	97	0
Middle Management	4	346	55	404	1
Junior Management, including Trainees	447	654	15	1,113	3
Supervisory	309	408	11	720	8
Contractual (Full Time Appointee and Consultant)	0	2	2	4	0
Grand Total		2,350			2,350

The total number of person-days worked by contract workforce was 2.43 million. The total number of newly joined employees at APL was 17, out of which three left during the same year. Workforce attrition rate for all the sites in FY 2017-18 was 8.38% compared to 6.80% in FY 2016-17. No female employees were separated from the organisation during the reporting year and no female employees joined during the reporting year. As on 31st March, 2018, 3.15% employees are due for retirement in five years across all locations, while 8.51% employees are due for retirement in 10 years. There were 6,869 contract employees, including 98 females.

Learning and Development (L&D)

The L&D requirements of our employees are identified through a structured framework. For this purpose, as part of the performance management process, all employees engage in Training Need Identification (TNI), with assistance from their reporting managers. The identified training needs are classified into two categories, i.e. technical and behavioural. Technical trainings are imparted by internal and external resources organised by Adani Power Training and Research Institute (APTRI). APTRI also provides training to other external clients from Indian and foreign utilities for capacity building programmes in the infrastructure and energy sector. Behavioural trainings are organised by a dedicated team. All TNIs for behavioural areas are classified and aligned with 15 thematic areas and specific training programmes are developed for each thematic area.

The main objective of behavioural training interventions is to create a culture of learning in the organisation, which is anchored around the Group's Vision, Values and Culture. A Centre of Excellence (CoE) for L&D and Talent Management has been established at the corporate office to provide greater impetus to this function.

APL has set a yearly target of five person-days of training, including minimum 2.5 days of behavioural training. During the year, 6.35 person-days of training per employee has been achieved. Additionally, 1,443 employees have enrolled for online training programmes through eVidyalaya, which is an initiative by us

to provide and e-learning platform to the employees.

Employee Welfare

The welfare of our employees is of the highest priority in our organisation, extending to their families. This helps us improve the quality of life of our employees. Remuneration and benefits are routinely revised to retain and attract talent. Employee benefits include medical and healthcare support, interest-free loan, interest subsidy on housing loan and scholarship to the children of our employees for higher education. Medical benefits are also extended to the family and parents of the employees. Housing in the Company's township and transport are also provided to the employees at all remote locations.

We do not discriminate on the basis of gender, ethnicity and of religion and ensure fair treatment in compensation, recruitment, training, hiring and promotion. Eligible employees are offered parental leave. During the reporting year, no female employee has opted for parental leave; however, 149 male employees have done so. All employees have returned to work after availing the parental leave.

Employee Wellness

We encourage our employees to lead a healthy life. We offer a range of facilities designed to improve the quality of life of our employees. Apart from providing world-class facilities such as gymnasium and indoor and outdoor sports clubs at our operating locations, we have also initiated multiple programmes such as parenting sessions for employees and their spouses, and sessions for employees' children on career and character building.

As most of our power plants are in remote locations away from metropolitan cities, ensuring the availability of proper healthcare facilities at our plants is a priority for us. Each of our plants is equipped with an occupational health centre, ambulance facility with life-support systems,

qualified doctors and paramedical staff. We have tie-ups with reputed service providers for conducting pre-employment as well as periodic medical check-ups for our workforce. We have rolled out a mobile-based application called 'Emcare', which enables our employees to access their health records. Every year, we organise cricket tournaments across the locations. Additionally, we also organise various indoor and outdoor games such as table tennis, basketball, volley ball, badminton, chess, carrom, etc. These games create a platform for employees from different functions to participate and collaborate with each other. Such healthy competitions lead to recreation and building team spirit among employees across the Company.

Average Training Hours



Table 07: Category-wise Total Person-hours of Training for FY 2017-18

Employee Category	Behavioural Training		Technical Training	
	Male	Female	Male	Female
Senior Management	2,042	—	2,015	—
Middle Management	7,223	80	15,267	25
Junior Management, including Trainees	18,229	64	46,543	11.5
Supervisory	8,116	104	24,331	65
Contractual (FTA and Advisors)	30	—	—	—

We started a journey by launching the following initiatives in FY 2017-18, with a focus on growth, agility and sustainability:

Initiatives	Description
1. Performance Management System and Other Initiatives	Constant feedback on performance and career development helps our workforce perform with greater efficiency. During the reporting year, 99.48% employees were eligible for performance appraisal, out of which the appraisal process has been completed for 98% of our employees.
2. North Star Programme (Harvard Leadership)	The North Star Programme is designed in collaboration with Harvard Business School. Our aim is to build the competencies of our employees in the specific areas of business acumen, execution and people management. High Potential (Hi-Po) employees, critical position holders and N-1 position holders are invited for this programme. A total of 42 employees have completed the Programme and 42 have enrolled during the year.
3. Three-year Roadmap – HR Initiatives	This programme is to assess internal candidates for their potential to shoulder enhanced responsibilities and leadership roles wherever possible. This strategy ensures that we continue to have a strong talent pipeline across all levels.
4. New Human Resource Management System (HRMS) (Oracle Fusion)	Data management of all our employees is supported by an ERP solution. We are upgrading this IT-enabled platform for further integration of HR processes, starting from sourcing to exit. We are working towards a dedicated ERP for data management of all contract workmen, including statutory compliances.
5. Succession Planning Process	A succession planning exercise has been carried out for 44 positions at N-1 and N-2 levels. This exercise has been planned considering the fact that six employees from the senior leadership are going to retire in the short term. These successors shall undergo structured development programmes and the necessary job rotations and exposure towards their designated roles. High-performing and high-potential employees have been identified in the organisation through a structured process. In order to facilitate the transformation within the organisation, we have designed specific intervention processes under the signature programme 'Becoming Future Ready'. In this programme, identified employees undergo a semi-structured behavioural lab experience.
6. Governance Framework for HR Initiatives and Operational Review	Various committees are formed for decision making and shop floor management. These include the Canteen Committee, Quality Circles and the 5S Initiative. Our employee engagement methods include Grievance Redressal Mechanism, employee reach out programmes and regular one-to-one communication. We have an open-door policy and any employee can approach the leadership with their concerns. We have also implemented a grievance redressal portal named 'MyConcern', which serves as a platform for employees to voice any kind of concern or grievance. Our practices for human capital management eliminate discrimination in any form at the workplace. We have set up comprehensive disciplinary and grievance procedures that meet all requirements in terms of fairness or as required in the applicable legislation. We are committed to the labour rights principles provided in the core conventions of the ILO and IFC performance standards. These principles include freedom of association and collective bargaining, health and safety of the workforce, eradication of child or forced labour and harassment or intimidation in the workplace, among others.



Initiatives	Description
7. Respect and Dignity Initiatives	<p>Every year, we celebrate the long-service award ceremony. Employees who have completed over 10 years of service with the organisation are recognised and felicitated.</p> <p>We are sensitive towards human rights issues at our workplace. The security personnel engaged by the Company are regularly sensitised on the non-use of force and trained on human rights aspects in various situations.</p> <p>We are in the process of conducting a 360° survey among our employees to inculcate the values of respect and dignity among them.</p> <p>In order to engage our employees and their family members, we organise 'Saraswati Samman' on a yearly basis. This initiative aims at encouraging the academic performance of our employees' children and providing a platform to showcase their talent.</p>
8. Employees Communication and Feedback	<p>We have established multiple channels to engage with our employees across all levels. Organisation-wide mailers, newsletters and 'Vartaalap' – a town hall meeting of leaders with all employees are regular channels to engage. Through these channels, all employees are encouraged to raise their view points and directly interact with the leaders. Various online surveys are also conducted to take employees' feedback.</p> <p>We are also initiating HR clinic, where any employee can connect with HR personnel from any location to voice any concern. A quarterly newsletter has been launched to provide updates on recent developments, events and stories about our employees from across our operations.</p> <p>For our new joinees, we engage with them even before having them on board. A dedicated personnel from the recruitment team remains in touch with the prospective employees to guide them through the joining process. When an employee joins us, we have a 'Sahyogi' programme to engage with them for familiarisation and formal orientation. We have a mechanism in place to gather feedback after seven days, 30 days and 90 days.</p>
9. Takshashila programme	<p>For development of our senior leadership, we initiated the Takshashila programme where we have tied up with Indian School of Business (ISB), Hyderabad. Total eight persons have enrolled in this programme during the year to attend six days of classes per quarter at ISB.</p>

Occupational Health and Safety (OH&S)

Some activities of our business also involve health and safety hazards at the project and O&M stages. We therefore prioritise the health and safety of our employees. We have developed health and safety policies that are approved by our Chairman and we accord strict adherence to these policies. We have an established OH&S function at all sites that facilitates effective implementation of all policies and protocols. We have also implemented OHSAS 18001 as part of our integrated management system. Our communication for safety starts before new employees join the organisation and before the onboarding of any contract agency. To continuously improve our health and safety system, on-site training and regular awareness and refresher sessions are conducted for both permanent and contractual employees.

During the year, we reviewed our health and safety system as we felt the need to strengthen the safety processes and enhance them to world-class levels. To achieve our safety objective of 'Zero Harm', we have set forth on the safety cultural transformation journey, titled 'Project Chetna', in consultation with M/s DuPont, a pioneer organisation in the field of safety management. Phase-I of 'Project Chetna' comprised an 'as-is-analysis' and quick-win opportunity identifications through

DuPont dynamic assessment, which has been successfully completed during the year. Phase-II has been introduced with five modules – Safety Interaction, Incident Management, Contractor Safety Management, Process Safety Management and High Risk Activities.

Though our target was to achieve zero lost-time injuries and fatalities across our operating power plants, we are saddened by the loss of two of our contractual employees. These fatalities were the results of a road accident at the Mundra plant and an industrial accident at the Kawai plant. In line with our OH&S management system, a root-cause analysis was conducted, followed by corrective and preventive actions, including communication of the root cause to all businesses.

Safety Awards and Recognition

To motivate all employees and inculcate a culture of positive competition between our operating locations, we have institutionalised an internal safety reward and recognition scheme. We appreciate the safety stars and departments for their outstanding performance, which has contributed significantly in achieving operational excellence. Our inter-plant safety award is based on a structured framework of 15 lead and lag indicators. During the year our Tiroda plant was awarded safest plant of the year, which is an internal award instituted within Adani Power business.

Safety Training

(person-hour)

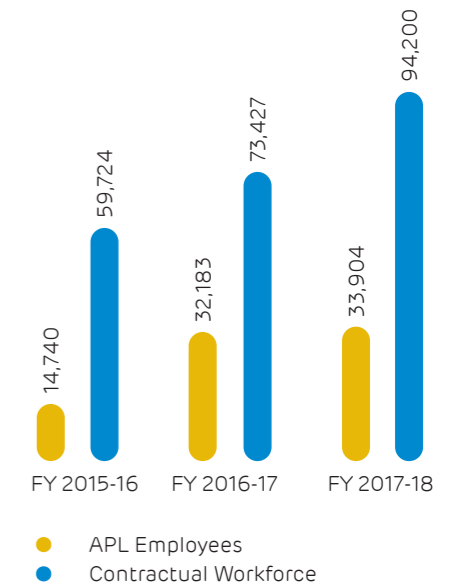


Table 08: Safety Data

	Contractual Workforce				Permanent Employees			
	2015/2016	2016/2017	2017/2018	Trend	2015/2016	2016/2017	2017/2018	Trend
Injuries	2.00	9.00	2.00		1.00	2.00	2.00	
Lost time injury rate	0.03	0.17	0.04	Neutral	0.04	0.07	0.08	Neutral
Lost days	354.00	2,254.00	115.00		12.00	127.00	49.00	
Lost day (Including Fatalities)	6,354.00	50,254.00	12,115.00	Neutral	12.00	127.00	49.00	Neutral
Lost day rate	3.57	21.99	1.18.00	+ve	0.44	4.54	1.90	Neutral
Lost day rate (Including Fatalities)	64.00	490.17	124.64.00	Neutral	0.44	4.54	1.90	
Million Hours worked	19.86	20.51	19.44.00		5.51	5.59	5.16	
Fatalities	1.00	8.00	2.00		0.00	0.00	0.00	



Intellectual Capital

Realigning our Business Processes

Our initiatives for business process transformation, experience and tacit knowledge of our employees who are stalwarts in the industry, our management systems, vendor database and other customised IT solutions and business excellence tools have been catalysing the growth at APL. These features constitute our Intellectual Capital, which powers the valuation of the Company. We continually focus to enhance our Intellectual Capital by collaborating with business partners for efficient products and services.

Business Process Transformation

We have initiated to standardise and transform our business processes in the areas of project, operation and other service functions under AGILE, DISHA and SYNERGY. We have invested a great amount of energy, time and Financial Capital towards these initiatives. External consulting organisations known for their expertise in the field of process standardisation

have been working with us to help in the development of various processes under these initiatives. The objective of these initiatives is to make our business processes more reliable and future-ready. The following table explains the objectives of these initiatives:

Initiatives	Description
AGILE – Projects	AGILE is a business process transformation initiative focused on power, ports and mining business projects. The objective of AGILE Business Process Testing (BPT) is to establish and standardise the best-in-class IT-enabled processes across business verticals. The programme is focused on sustainable asset building with speed at optimum cost, establishing processes and systems to manage projects and integrating a sustainable approach across functions.
DISHA – O&M	DISHA is a business process transformation initiative focused on power business operations. Its objective is to establish world-class sustainable practices in O&M, fuel management, strategic planning and revenue management; Management Information System (MIS) and HR processes through operating model redesign; and process definition and implementation, including IT enablement.
SYNERGY – HR/ IT and Finance and Accounting (F&A)	Through SYNERGY, the HR team's aim is to build sustainable and scalable HR processes that will effectively address the needs of Adani Group Vision. Its objective is to deliver world-class process quality while becoming significantly more efficient in the utilisation of personnel by leveraging automation. It also aims to create a process-centric culture while retaining entrepreneurial energy and agility.

In our journey towards our vision, we are moving towards the standardisation of business processes to make them reliable and future ready. Our group has embarked on a journey of Business Process Transformation (BPT). Under the aegis of TEZZ, we have brought all our BPT under one common platform at the Group level. The objective of this platform is to facilitate information exchange and dynamic feedback, as we move from milestone to milestone in our journey of transformation.

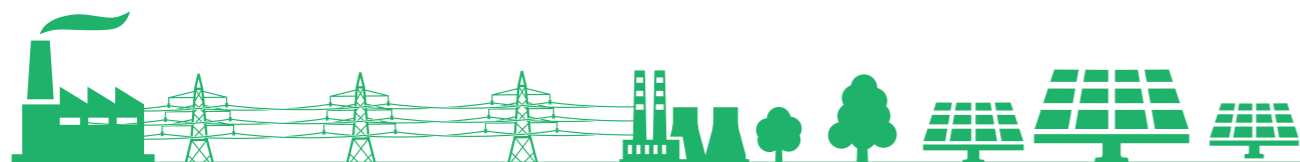


Other Intellectual Assets

Assets	Description
Management Systems	All our operating plants have an IMS covering the requirements of ISO 9001, ISO 14001, OHSAS 18001 and ISO 50001. During the year, we transitioned to the 2015 version of ISO 9001 and ISO 14001. We are in the process of transitioning from OHSAS 18001 to ISO 45001. We have further improved our internal capabilities across all operating plants by developing a team of certified Lead Auditors for the IMS to enhance system effectiveness.
Business Excellence and Workplace Management	<p>We have developed a strategy for continual excellence across all our businesses. For this purpose, we rely on a blend of proven management methods and tools, with suitable customisation as per our requirements.</p> <p>We have received a joint recognition from the Japanese Union of Scientists and Engineers (JUSE) and Quality Circle Forum of India (QCFI), under the highest category, for all our operating locations during the last year. We have further strengthened our internal capabilities for workplace management by training identified employees to become certified lead assessors of 5S. We now have a team of 31 certified lead assessors of 5S. Every year couple of teams from each operating plant have been participating in the National Convention on 5S and other rewards and recognitions. The teams have been receiving accolades at various forums.</p> <p>Six Sigma projects initiated at our Mundra, Tiroda and Kawai plants are another significant accomplishment for business excellence. A team of 27 employees has also undergone training and has been certified as Green Belt for Six Sigma. Another batch of employees are working on the Six Sigma projects and we expect a strong team of about 100 employees possessing the Six Sigma greenbelt within FY 2018-19.</p> <p>During the year, we carried out 11 Six Sigma projects, which resulted in a cumulative cost saving of ₹160 million. Under AGILE and DISHA, there have been two major process-improvement initiatives.</p>

Assets	Description
Vendor Database	Adani Power, being part of the Adani Group, is benefitted with huge Vendor database available across various business verticals of Adani Group. This database benefits us for volume consolidation and hence better negotiation with vendors. Further, performance feedback of vendors across group helps in finalising better vendors for our job.
Knowledge Sharing	We understand the importance of knowledge sharing among all employees across departments. We have therefore set up a system in place for imparting knowledge gained through external trainings. TC talk conducted by our Techno-commercial team is one such initiative wherein senior leader are invited to share tacit knowledge with team members.
Category Workbook for Techno-commercial	We have also made system to institutionalise the knowledge available with each individual subject matter expert by preparation of 'Category Workbook'. Critical procurement items & services have been divided in various categories and detailed Category work is created by its subject matter expert which gives all required information about the category like its technical aspects, past purchase data, supply market analysis, risk mitigation plans, etc.
E-logbook at Operating Power Plants	<p>APL along with its business partner Crave Infotech has developed a web based e-log system to reduce paper work and manual logbook entries.</p> <p>The E-logbook system is helping us in optimising the work efficiency and better management visibility of all the tasks being carried out in the plant. This e-logbook application is important to make the information more accessible using simple portal based tools and retrieving functionalities. The system provides shift-wise reports such as shift defects, shift activities, major follow-up, manning details, equipment not available and other critical parameters.</p>
Customised ERP System	We have customised the ERP system for our operations. The system is used for collecting data on material purchase and consumption, plant operations, employees and workforce, and waste generation and disposal.





Natural Capital

Restoring the Environment to its Resourceful Glory

Coal and water are the primary resources for thermal power generation. During the reporting year, our hinterland plants have achieved specific water consumption close to 2.5 m³/MWh. We used 1.41 m³ of harvested rainwater and reduced withdrawal of surface water to that extent. We could achieve 87.9% fly ash utilisation with 100% utilisation at our Mundra, Kawai and Udupi plants. The intensity of the GHG emission has been 0.83 tCO₂/MWh. We recognise the relationship between ecosystem services and our business sustainability, thereby trying to minimise any negative impact on biodiversity and ecosystem services.

Power generation from fossil fuels is, by nature, a resource and emission-intensive activity. Coal and water are the primary resources for thermal power generation. The major impact that our operations have on the environment include stack emissions and waste generation. Major emissions through stacks are of Particular Matter (PM) Oxides of Sulphur (SO_x) and Oxides of Nitrogen (NO_x). Besides, CO₂ is also emitted due to the use of fossil fuels. In activities where coal is used as the primary fuel, the solid waste generated is majorly fly ash.

In addition to our legal compliance requirements, we believe in obtaining a social license to operate. Decisions regarding large investments in new businesses can have an irreversible impact on the environment and can erode Natural Capital. We therefore take a precautionary approach through due diligence and a risk identification process. We have identified the key environmental aspects impacted by our operations and value chain in our IMSs, which address the following areas.

Water Conservation and Management

Water is mainly used to generate superheated steam to drive turbines. As a strategy, our coastal plants are designed to use seawater and our plants located hinterland are designed to use water from surface water sources. While our coastal locations do not face stress for seawater drawl, water drawl for hinterland plants is identified as a risk, which can occur during summer. Hence, water management is a material aspect of our operations. For ash handling and dust suppression, we do not use water from natural sources as the system is designed to meet these requirements through recycled and reused water.

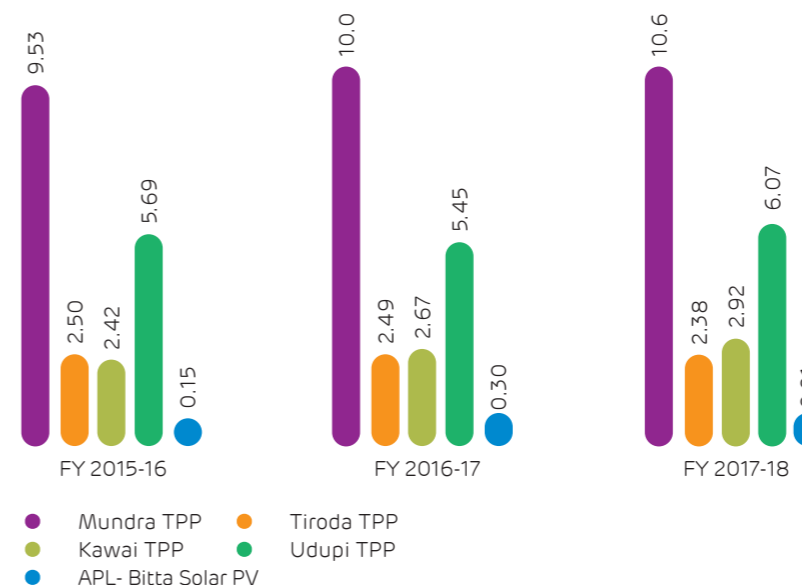
For our hinterland power plants, a source sustainability study of surface water has been conducted based on primary data and secondary historical data of the past 25-30 years published by the Indian Metrological Department. We are working on watershed

management at Tiroda. De-silting and cleaning of community water ponds has been one of the interventions to improve groundwater recharge. For business continuity without eroding Natural Capital, water storage capacity has been developed to cater to 53 days of operations' requirement for the Tiroda plant and 23 days for the Kawai plant so that pressure on surface water can be reduced during lean season.

During the reporting year, our hinterland plants have achieved specific water consumption close to 2.5 m³/MWh against the statutory limit of 3.5 m³/MWh. There is no statutory limit for seawater consumption. However, we have set an internal target of 10 m³/MWh for seawater-based power plants with seawater FGD and 6 m³/MWh for seawater-based plants with limewater FGD. Our Mundra and Udupi power plants have achieved water consumption close to these internal targets.

Specific Water Consumption

(m³/MWh)



1.41 MCM

Rain water harvested

We have implemented rainwater harvesting in our hinterland plants to reduce the withdrawal of surface water. At Mundra, rooftop rainwater harvesting is used for recharging groundwater to mitigate the seawater ingress. At Kawai and Udupi, we created rainwater harvesting facilities and utilised 638,717 m³ of harvested rainwater at Kawai and 767,051 m³ at Udupi, which was used for plant operation.

The total waste water generated and treated waste water discharged at our power plants was 212 million KL

and 206 million KL, respectively, in the financial year. Our cooling towers at Mundra and Udupi are seawater-based and the discharged water is primarily a blowdown of the cooling towers.

We maintain the temperature differential well within the prescribed limit of 5°C before the water is discharged from our premises. We have set up effluent and sewage treatment plants, a coal runoff treatment plant and a secondary Reverse Osmosis (RO) plant.

In addition to the core processes, water is required for dust suppression in coal handling and for purging out the bottom ash generated in our boilers. We ensure that our requirement for all these secondary processes are met by recycled or reusable water from our water treatment plants or from the blowdown of the cooling towers. During the reporting year, 37.8% of water was recycled or reused. In our operations, we do not use any water for coal cleaning.



Material Consumption

During the year, we consumed the following key materials for our O&M activities. We have taken special care to optimise material use. The following table presents details of our material consumption:

Table 09: Material Consumption (in MT)

Material	FY 2015-16	FY 2016-17	FY 2017-18
Coal consumed	3,65,09,464	3,39,59,200	2,73,87,237
Chemicals used	9,422	9,551	9106
Lubricating oils (in KL)	329	201	153
Grease	33.9	27.3	24.9
LDO/HSD consumed	3,362	3,055	3,358
HFO consumed	3,732	1,832	1238
Diesel (consumed in equipment and vehicles)	2,711	2,275	1,774

Waste Management

Power plant operations generate non-hazardous as well as hazardous waste. The utilisation and disposal of these wastes are governed by strict regulations. Ash is a major non-hazardous waste and a material aspect for us considering the quantity and challenges for utilisation in certain geographical areas, such as at our Tiroda plant.

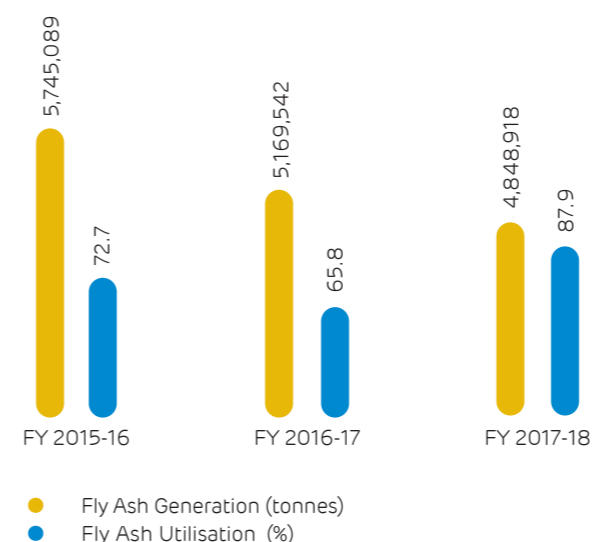
The hazardous wastes generated are used oil, spent resins and empty oil containers. These wastes are disposed through authorised agencies as per the Hazardous Waste Handling and Management Rules. There was no significant spill during the reporting year. We do not use any Polychlorinated Biphenyls (PCBs) and there was no generation of PCB waste. We do not engage in import or export of any hazardous waste or materials under the Basel Convention. There is no radioactive waste generated and disposed from our power plants.

Fly Ash Management

Fly ash is a solid waste arising from the process of coal-based power generation. Moist conditions are maintained in the ash pond surface to prevent fugitive emissions. In Tiroda, we have installed a High Concentration Slurry Disposal (HCSD) system for ash disposal, where the ash gets solidified immediately.

There has been a lot of focus by the Central Government on ash utilisation from power plants. Though utilisation of fly ash is a challenge for the entire power sector considering the total quantity of ash generated, at APL, we could achieve total utilisation of 87.9% during the year. This includes 100% utilisation at our Mundra, Kawai and Udupi plants. We consider fly ash to be a useful resource. We have therefore developed infrastructure to handle and enable us to sell fly ash. This has helped us increase our ash utilisation supply to specialised agencies for use in cement manufacturing. In FY 2017-18, our fly ash utilisation improved over the last year, as shown in the graph below:

Fly Ash Generation and Utilisation



Ash utilisation is a major challenge at Tiroda due to its geographical location as all the cement plants are at a distance of more than 250 km. We have taken various initiatives, including the following, to ensure sustainable utilisation of fly ash at all operating locations, with a special focus on our Tiroda power plant:

- Development of a Fly Ash Utilisation Promotion and Research Park.
- Facility for loading fly ash in specialised railway wagons at the Tiroda power plant.
- Training and encouraging entrepreneurs to set up fly ash brick manufacturing and cenosphere collection businesses in the vicinity of our power plants. Local interested entrepreneurs have been trained during the past two years and 50 entrepreneurs have already established fly ash brick manufacturing plants.
- Installation of fly ash brick plants within our premises with a capacity of 12,000 bricks and 1,000 tiles per day for inhouse consumption. These fly ash bricks and tiles are used at all construction sites and township areas. During FY 2017-18, a total of 0.845 million fly ash bricks and 0.052 million tiles were manufactured.
- Used pond ash in bund raising in the ash dyke and made the pond ash available free of cost for roads, buildings and infrastructure development in nearby areas.
- Engagement of the Advanced Materials and Processes Research Institute (AMPRI), Bhopal, which is a unit of the Council of Scientific and Industrial Research (CSIR), Government of India, for research on fly ash utilisation for soil conditioning.
- As we need good-quality compost and manure for the green belt and landscaping at all operating power plants, we have initiated the composting of organic waste, generated at all operating locations, in blending with fly ash.

FGD implementation for all our operating units has been scheduled from March 2021 to June 2022 progressively.

Emissions Management

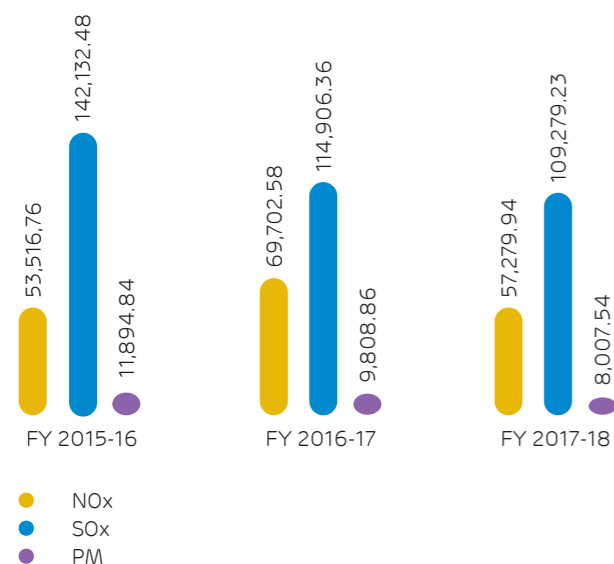
In December 2015, the MoEF&CC has notified the limits for specific water consumption and stack emissions from thermal power plants for SO_x, NO_x, PM and mercury emissions. For our existing operational units, we are already in compliance with the new emission standards for mercury and PM. To achieve compliance with the new standards for SO₂ emissions, we are aligned with the phasing plan prepared by the CEA. As almost all power plants in India have to upgrade their pollution control devices for control of SO₂ to match the new standards, a schedule, known as 'phasing plan', has been prepared by the CEA for installation of FGD systems in every plant. Accordingly, FGD implementation for all our operating units has been scheduled from March 2021 to June 2022 progressively.

We are in consultation with technology providers and industry forums in India to identify a suitable approach to continuously achieve NO_x emissions within 300mg/Nm³ from existing operational units.

The total emissions of PM, NO_x and SO_x in the reporting year were 8007.54 MT, 57,279.94 MT and 109279.23 MT, respectively. The emissions are monitored on a real-time basis through a Continuous Emissions Monitoring System (CEMS), which also includes mercury emissions. These results are directly linked with the Central Pollution Control Board servers. In addition to this, we regularly conduct off-line monitoring of our stacks. Ambient air quality monitoring is also done through an online Ambient Air Quality Monitoring System (AAQMS).

Emissions

(tonne)



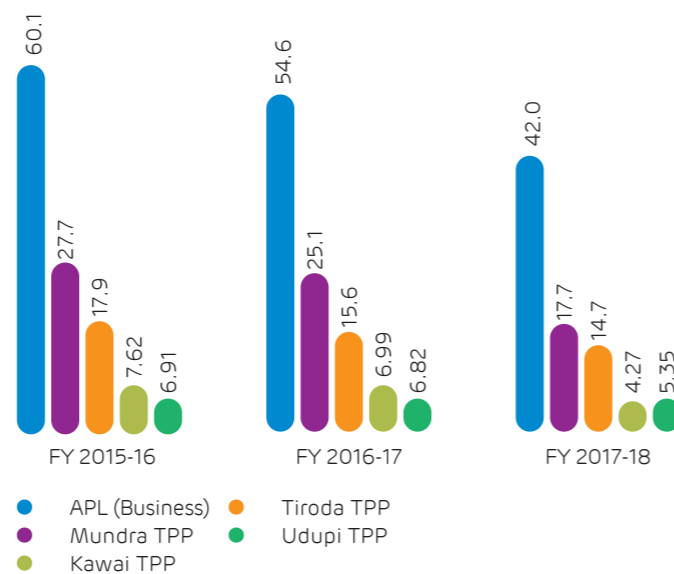
Emissions Intensity

(kg/MWh)



GHG Emissions

(Million tCO₂e)



Biodiversity Conservation

Biodiversity has been defined as 'the variability among living organisms from all sources and the ecological complexes of which they are a part, and includes diversity within species or between species and of ecosystems'.

We recognise the relationship between our business and the ecosystems of the forests, grasslands and mangroves. Positive impacts on biodiversity around our operations are also material to us.

The Convention on Biological Diversity (CBD), known informally as the Biodiversity Convention, is a multi-lateral treaty. India enacted the Biological Diversity Act, 2002 that aims to provide a mechanism for equitable sharing of benefits arising out of the use of traditional biological resources and knowledge.

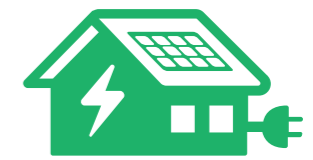
We firmly believe that biodiversity and its related ecosystems, such as forests, grasslands, mangroves and urban areas, provide different services to the society. These services are collectively known as 'ecosystem services'. We recognise the relationship between ecosystem services and our business sustainability, thereby trying to minimise any negative impact on biodiversity and ecosystem services. We have taken efforts to positively impact the environment and biodiversity around our operations. We undertook large-scale plantations in and around our power plants and office locations. Our focus is on the selection of local and diverse species for such plantations.

In Mundra, mangrove plantation has been done in the coastal areas. Environmental impact assessment has been carried out for prior approval of projects, including the assessment of the impact of our activities on flora and fauna. Site-specific wildlife conservation plans are prepared based on scientific studies, wherever applicable, for environmental clearance and forest land diversions. Endangered flora and fauna within a 10 km radius of our project locations are studied in order to ensure that areas of biodiversity significance, protected regions or any red list species based on the reports of the International Union for Conservation of Nature (IUCN) are not affected by our operations.

All our operating locations are outside the buffer areas and eco-sensitive zones notified around biodiversity hotspots, including wildlife sanctuaries, national parks and world heritage sites, declared under applicable regulations or international treaties ratified by India. Ecology and biodiversity value and presence of forest areas within a 10 km radius of plant locations are mapped as part of the Environmental Impact Assessment (EIA) studies at the stage of environmental clearances for the new projects. These studies are conducted through expert agencies accredited by the National Accreditation Board for Education and Training (NABET). Going beyond legal requirements, we are sensitive to biodiversity hotspots within 25 km radius of our operations and we recognise the presence of notified wildlife sanctuaries within this extended radius. Nagzira, New Nagzira and Koka Wildlife Sanctuaries fall within 25 km of our Tiroda plant.

In addition to the EIA, a separate study for the prediction of impacts on the Nagzira Wildlife Sanctuary due to PM, gaseous and thermal emissions from the Tiroda power plant was conducted through an expert external agency in 2011. Besides, site-specific wildlife conservation plans have also been prepared and implemented at the plant. We provided LPG gas connections and one year's supply of gas cylinders to three villages adjacent to the Nagzira Wildlife Sanctuary to reduce the collection and usage of firewood from the sanctuary areas. For our Tiroda power plant, 163.84 Ha of forest land has been diverted, out of which 15.25 Ha land is used for railway siding. For diversion of this forest land, an equal area of non-forest land has been handed over to the forest department as compensatory afforestation land in Ratnagiri district of Maharashtra. This serves as an offset habitat for biodiversity affected due to forest land diversion.

We have received environmental clearance for expansion of our Udupi plant. There is no national park, sanctuary, elephant or tiger reserve, or wildlife corridor existing or proposed within 10 km radius of the project site. Site-specific wildlife study of 10 km radius around the proposed expansion project has been conducted by the project proponent through a NABET-accredited Wildlife Expert.



42.0

Million tCO₂e GHG emissions

The Shergarh Wildlife Sanctuary is about 20 km from Kawai. The Mundra-Mohindragarh and Mundra-Dehgam transmission lines, which are part of our downstream value chain, cross the Wild Ass Sanctuary in Kutch and Patan districts. As areas of the Rann of Kutch attract migratory birds, our Group companies have installed bird deflectors at these sections of transmission lines. At Mundra, we have noticed the presence of two near-threatened species as per the IUCN list – the Black-necked Stork and Snake Bird (Darter) – which we monitor regularly. We are sensitive to the biodiversity of these areas and keep ourselves updated about any legal development or compliance requirements related to biodiversity hotspots.

Besides our actions to support biodiversity and ecosystem services, it is our focus area to conduct due diligence before selecting a site and go beyond the compliance of regulations regarding biodiversity.

Our approach is to improve the habitat for species found in the vicinity of our plants based on the scientific studies that we conduct through external experts.

We have also conducted a marine impact assessment study through the National Institute of Oceanography (NIO) to scientifically locate the intake and outfall points. Screens and gate filters have been provided at the seawater intake to prevent marine life from entering the system. Cooling towers and a 11 km long seawater outfall channel have been designed to achieve differential temperature of

less than 5°C between the intake and outfall points. We regularly monitor the marine biodiversity around the outfall area, including zooplankton and phytoplankton.

Climate Change Mitigation and Adaptation Strategy

Fossil fuels are viewed as one of the largest contributors to climate change and increase in GHG and other air emissions such as SOx and NOx. We were the first in India to commission supercritical boilers, which save about 2% of fuel per unit of power generated and help in subsequent reduction in GHGs per unit. In the future, we are considering utilising ultra-supercritical units for upcoming TPPs to further reduce specific GHG emission. Till date, we have commissioned 7,920 MW (12 units of 660 MW each) of power plants based on supercritical technology.

To adapt to the increase in water temperatures due to climate change in the future, all our thermal power plants are equipped with induced draft cooling towers with a re-circulation system. This will help in maintaining the desired temperature difference across the condenser and maintain plant efficiency over time. To combat any increase in air temperature, all our power plants that are located in tropical climatic zones are designed to perform under extreme temperatures.

Changes in the precipitation rates may affect water availability in our hinterland power plants at Tiroda and Kawai. To mitigate the risk of reduced water availability, we have implemented suitable water conservation and recycling practices, including rainwater harvesting and increasing the green belt cover.

Extreme weather events such as strong and frequent storms can adversely affect the supply of fuel and damage generation and grid infrastructure. To combat these aspects, we have

designed and built all power plants and infrastructure to withstand cyclones of up to 198 kmph. At the same time, sufficient fuel stock is built at the plants to overcome any short-term fuel supply stress. Various scenarios of emergency owing to extreme weather events have been envisaged and appropriate emergency preparedness plans have been charted out.

With respect to the rising sea levels and cyclonic surges due to global warming, the finished floor level of the Mundra power plant has been raised to 10 m above the Chart Datum (CD), the lowest astronomical tides and mean low water, whereas the highest high tide recorded is 5.4 m above the CD. The intake water channel is designed at -6 m from the CD to ensure water availability even at the lowest of the low tides. Similarly, at the Udupi power plant, the seawater intake is -4.5 m from the CD. The finished floor level is at 28.5 m above the Mean Sea Level (MSL). During due diligence, our team reviewed the risks related to the increase in sea levels and concluded that the plant will not be impacted on this account. For hinterland power plants, based on the findings of source sustainability studies, the financial impact has been calculated considering the loss of power generation in the case of non-availability of water in any year due to very less rainfall. To address this risk, we have created enough water storage capacity at our Tiroda and Kawai power plants.



7,920 MW
Based on supercritical technology

Managing our Carbon Footprint

We regularly calculate and monitor emissions generated from our power-generation process. We do not use any biogenic fuels and therefore, there are no biogenic emissions. During the financial year, our power plants emitted 42.0 million tCO₂e GHG (direct emissions) compared to 54.8 million tCO₂e GHG (direct emissions) in FY 2016-17. The intensity of the GHG emission has been 0.83 tCO₂/MWh in the reporting year. This has improved over the last year and GHG emissions from upstream coal transportation have been recorded at 0.10 tCO₂/MWh.

We also monitor emissions from our support processes such as company-owned vehicles and equipment, fugitive emissions from circuit breakers [Sulphur Hexafluoride (SF₆)] and CO₂-based fire extinguishers, and GHG emissions due to the import of electricity during shutdowns. In the financial year, we did not purchase any electricity for PPAs, except Bitta. We have made conscious efforts to optimise our logistic networks, including sourcing material based on minimum landing costs, thereby reducing transportation distances and developing local vendors to encourage local procurement.

R&R and Change in Land Use

For expansion of UPCL, 295 Ha of land have been proposed for acquisition. This land proposed is within the industrial area notified by the Government of Karnataka. For our Godda project, as per Environment Clearance, 508 Ha of land have been proposed for acquisition through the Government of Jharkhand. With the mutual consent of the land owners and within the inbuilt framework of R&R, we aim to optimise land utilisation.

Conversion Factor

Sl. No.	Parameter	Conversion Factors
1.	Energy	1 Gcal = 4.1868GJ 1 KWh = 0.0036 GJ
2.	GHG Emissions	Purchased electricity from the grid 1 MWh = 0.96 tCO ₂ e, (Ref. CO ₂ baseline data, V-11, CEA) Global Warming Potentials (tCO ₂ e) CO ₂ = 1 CH ₄ = 21 N ₂ O = 310 SF ₆ = 23,900 (Ref.: DEFRA, UK) Emissions Due to Air Travel: Domestic (<463 km) = 0.00017147 tCO ₂ e per person-km Short Haul (>=463 km and <1108 km) = 0.000097 tCO ₂ e per person-km Long Haul (>1,108 km) = 0.00011319 tCO ₂ e Emissions Due to Logistics of Input Material and Waste: Road Transport = 0.000204 tCO ₂ e per tonne-km Rail Transport = 0.00011517 tCO ₂ e per tonne-km Sea Transport = 0.0000332 tCO ₂ e per tonne-km
3.	Water	1 KL = 1 m ³
4.	Fuels	Furnace Oil 1 KL = 0.95 MT GCV = 10,500 Kcal/Kg Diesel 1 KL = 0.85 MT GCV = 10,500 Kcal/Kg LDO 1 KL = 0.86 MT GCV = 10,500 Kcal/Kg
5.	Health and Safety	1 Fatality = 6,000 person-days lost

Independent Assurance Statement

Scope and Approach

DNV GL represented by DNV GL Business Assurance India Private Limited ("DNV GL") was engaged by Adani Power Limited ("APL", Corporate Identity Number L40100GJ1996PLC030533) to undertake an independent assurance of the Company's Value Creation Report 2017-18 ("the Report") in its electronic (Portable Document Format (PDF)) format. The Report is prepared based on the International <IR> Framework ("<IR>") of the International Integrated Reporting Council ("IIRC") that is, the Guiding Principles and Content Elements. The Report uses disclosures selected from the Global Reporting Initiative's (GRI's) Sustainability Reporting Standards (GRI Standards), and also references other initiatives including the ten principles of United Nations Global Compact (UNGC), International Finance Corporation (IFC) Performance Standards and the United Nations' Sustainable Development Goals (SDGs) to bring out the various Content Elements of <IR>. The intended user of this assurance statement is the management of the Company. Our assurance engagement was planned and carried out in May 2018 – November 2018 for the financial year ending 31st March 2018.

We performed our work using AccountAbility's AA1000 Assurance Standard 2008 (AA1000 AS) and DNV GL's assurance methodology VeriSustain™¹, which is based on our professional experience, international assurance best practices including International Standard on Assurance Engagements 3000 (ISAE 3000) Revised* and the GRI's Sustainability Reporting Guidelines.

We planned and performed our work to obtain the evidence we considered necessary to provide a basis for our assurance opinion for providing a Type 2 Moderate Level of assurance based on AA1000 AS. In doing so, we evaluated the qualitative and quantitative disclosures presented in the Report using the <IR> principles, together with APL's protocols for how the data is measured, recorded and reported. The performance data in the agreed scope of work included the qualitative and quantitative information on non-financial performance disclosed in the Report prepared by APL based on GRI Standards for the identified material topics covering economic, environmental and social performance for the activities undertaken by the Company over the reporting period 1st April 2017 to 31st March 2018.

The reporting topic boundaries of non-financial performance is based on the internal and external materiality assessment predominantly covering APL's operations in India as set out in the Report in the section "About the Report".

We understand that the reported data on economic performance, including CSR expenses incurred by the business and contribution to Adani Foundation towards CSR expenses, are based on disclosures and data from APL's Annual Report 2017-18, which is subjected to a separate independent statutory audit process, and is not included in our scope of work.

Responsibilities of the Management of APL and of the Assurance Providers

The Management team of the Company have the sole responsibility for the preparation of the Report and are responsible for all information disclosed in the Report as well as the processes for collecting, analysing and reporting the information presented in the printed Report, including the references to the Company's website. APL is responsible for ensuring the maintenance and integrity of reported and referenced non-financial disclosures in its website. In performing our assurance work, our responsibility is to the management of APL; however, our statement represents our independent opinion and is intended to inform the outcome of our assurance to the stakeholders of APL.

DNV GL provides a range of other services to APL, none of which constitute a conflict of interest with this assurance work. DNV GL was not involved in the preparation of any statements or data included in the Report except for this Assurance Statement and Management report.

DNV GL's assurance engagements are based on the assumption that the data and information provided by the client to us as part of our review have been provided in good faith and free from any misstatements. DNV GL expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Assurance Statement.

Basis of our Opinion

A multi-disciplinary team of sustainability and assurance specialists performed work at APL's Corporate Office at Ahmedabad, Gujarat and visited operational sites at Tiroda in Maharashtra and Udipi in Karnataka. We adopted a risk based approach, i.e. we concentrated our verification efforts on the issues of high material relevance to Company's power generation and trading business, and its key stakeholders. We undertook the following activities:

- Reviewed the Company's approach to addressing the requirements of <IR> Framework including stakeholder engagement and its materiality determination process;

¹ The VeriSustain protocol is available on request from www.dnvgl.com

* Assurance Engagements other than Audits or Reviews of Historical Financial Information.

- Verified the value creation disclosures related to the six capitals and claims made in the Report, and assessed the robustness of the data management system, data accuracy, information flow and controls for the reported disclosures;
- Examined and reviewed documents, data and other information made available by the Company related to disclosures;
- Conducted in-person interviews with top and senior management team of Company and other representatives, including data owners and decision-makers from different divisions and functions of the Company to validate the disclosures;
- Performed sample-based reviews of the mechanisms for implementing the Company's sustainability related policies, as described in the Report;
- Performed sample-based checks of the processes for generating, gathering and managing the quantitative data and qualitative information included in the Report based on the selected GRI Standards.

During the assurance process, we did not come across limitations to the scope of the agreed assurance engagement.

Opinion and Observations

On the basis of the verification undertaken, nothing has come to our attention that causes us to believe that the Report does not properly describe APL's adherence to the criteria of reporting (Guiding Principles and Content Elements) related to the <IR> framework, representation of the material topics, business model, disclosures on value creation through six capitals, related strategies and management approach and chosen topic-specific disclosures from the GRI Standards for identified material topics. Without affecting our assurance opinion, we also provide the following observations.

AA1000 Accountability Principles Standard (2008)

Inclusivity

The participation of stakeholders in developing and achieving an accountable and strategic response to Sustainability
The Report has disclosed the process of stakeholder engagement with key stakeholder groups such as employees including contractual workforce, local communities, government/regulatory investors, customers, media and non-governmental organisations, and vendors (suppliers and contractors). The process enabled APL in identifying key stakeholder groups to engage with during the year, determine outcomes in the form of stakeholder concerns, understand the needs and aspirations of key stakeholders, identify critical business issues, and prioritise engagement strategies on a short, medium and long term basis. Further, APL has used the stakeholder engagement outcomes as inputs for shaping the business strategies, decision making and responding to significant stakeholder concerns. Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Inclusivity.

Materiality

The process of determining the issues that is most relevant to an organization and its stakeholders
The Report articulates the process of identification and prioritisation of material issues emerging from materiality analysis based on <IR> principles and as required by AA1000 APS. The materiality determination process is based on inputs from key stakeholders including global and peer sector reports, Company and Group policies, value chain impacts of operations, business risks, and inputs from the senior management at APL i.e. issues of high concern to the business and stakeholders and those which can impact APL's value drivers such as operational efficiency, human capital and the APL brand. In our opinion, APL has not missed out identification of any known material topics. Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Materiality.

Responsiveness

The extent to which an organisation responds to stakeholder issues
The Company has established formal and informal process to respond to stakeholder concerns and feedback, and these processes have been established both at Operation and Maintenance, and Project levels at APL. We consider that the Report has fairly disclosed the strategies and management approach related to identified key sustainability topics and challenges considering the overall sustainability context of the power generation business and related activities defined within the Report. Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Responsiveness.

Specific Evaluation of the Information on Sustainability Performance

We consider the methodology and process for gathering information developed by APL for its non-financial performance reporting to be appropriate, and the qualitative and quantitative data included in the Report was found to be identifiable and traceable; the personnel responsible could demonstrate the origin and interpretation of the data and its reliability. We observed that the Report presents a faithful description of the reported non-financial disclosures for the reporting period.



Reliability

The accuracy and comparability of information presented in the report, as well as the quality of underlying data management systems

The Report has disclosed APL's non-financial performance through selected GRI Topic Specific Standards for the identified qualitative and quantitative disclosures and these are captured in data formats generated by APL's Enterprise Resource Planning system. The majority of data and information verified at the Corporate Office and sampled operational sites were found to be accurate. Some of the data inaccuracies identified during the verification process were found to be attributable to transcription, interpretation and aggregation errors and the errors were communicated and subsequently corrections made in the reported data and information. Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Reliability.

Additional principles as per DNV GL VeriSustain

Completeness

How much of all the information that has been identified as material to the organisation and its stakeholders is reported

The Report has fairly brought out the disclosure requirements of <IR> including the value creation through six capitals, business model, strategy, management approach, monitoring systems and sustainability performances indicators considering the scope and boundary of its reporting i.e., its power generation business by its five subsidiaries in India. The Report brings out Scope 1 and Scope 2 emissions from electricity generation and Scope 3 emissions of upstream coal transport and its coal trading business. APL is establishing systems to capture other key material topics related to coal trading for disclosure in its subsequent reports. Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Completeness.

Neutrality

The extent to which a report provides a balanced account of an organization's performance, delivered in a neutral tone

The Report has disclosed non-financial issues, challenges and performance in a fairly neutral tone, in terms of content and presentation, and had also considered the sustainability context and external environment in bringing out its value creation perspective on six capitals during the reporting period. Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Neutrality.

For and on behalf of DNV GL AS

Bengaluru, India
28th December 2018

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Mapping with GRI Standards and Other Frameworks

GRI Standard 2016	Brief Description	Section of the report	Page No. of report	Mapping with SDG	Section of SDG	Mapping with IFC Performance Standards	Mapping with UN Global Compact Principles
102-1	Name of the organisation		2	-	-	-	-
102-2	Description of organisation activities	Our Business	2	-	-	-	-
102-3	Location of HQ	Our Business	2	-	-	-	-
102-4	Location of operations and number of countries of operation	Our Business	3	-	-	-	-
102-5	Ownership and legal form	Refer AR page number 31	2	-	-	-	-
102-6	Geographical location of service	Our Business and Operating Context	3	-	-	-	-
	Beneficiary and customers		28	-	-	-	-
102-7	Scale of organisation	Financial Capital	33	-	-	-	-
102-8	Information on employees and other workers	Human Capital	45	8	Employment	-	-
102-9	Supply Chain	Operating context	28-29	-	-	-	-
102-10	Significant changes to the organisation and Supply Chain	Demerger of APL to APMuL Change in BOD and ownership as in Annual Report	29, 34	-	-	-	-
102-11	Precautionary Principle or approach	To be incorporated	-	-	-	-	-
102-12	External initiatives	Social and Relationship	42,43	-	-	-	-
102-13	Membership of associations	Social and Relationship	41	-	-	-	-
102-14	Statement from senior decision-maker	Vision and strategy	41	-	-	-	-
102-15	Key impacts, risks and opportunities	Governance and Risk Management	16-17	-	-	-	-
102-16	Values, principles, standards, and norms of behaviour	About Adani Group	(ii)	16	Ethical and Lawful Behaviour	-	-
102-17	Mechanism for advice and concerns about ethics	Governance and Risk Management	18	16	Ethical and Lawful Behaviour	-	-
102-18	Governance structure	Governance and Risk Management	12-13	-	-	-	-
102-19	Process for delegating authority for economic, environmental and social topics	Refer AR page number 57, 67	21	-	-	-	-
102-20	Consulting stakeholders on economic, environmental and social topics	Governance and Risk Management	17	-	-	-	-
102-21	Consulting stakeholders on economic, environmental and social topics	Stakeholder Engagement	22	16	Inclusive decision making	-	-
102-22	Composition of the highest governance body and its committees	Governance and Risk Management	13	5,16	5 - Women in leadership 16 - Inclusive decision making	-	-
102-23	Chair of the highest governance body	Governance and Risk Management	14	-	-	-	-
102-24	Nominating and selecting the highest governance body	Governance and Risk Management	14	5,16	5 - Women in leadership 16 - Inclusive decision making	-	-
102-25	Conflicts of interest	Governance and Risk Management	18	16	Effective, accountable and transparent governance	-	-
102-26	Role of highest governance body in setting purpose, values and strategy	Governance and Risk Management	14	-	-	-	-
102-27	Collective knowledge of highest governance body	Governance and Risk Management	14	4	Education for sustainable development	-	-
102-28	Evaluating the highest governance body's performance	Refer AR page number 58	-	-	-	-	-
102-29	Identifying and managing economic, environmental and social impacts	Governance and Risk Management	16	16	Inclusive decision making	-	-
102-30	Effectiveness of risk management processes	Risk Management	16	-	-	-	-

GRI Standard 2016	Brief Description	Section of the report	Page No. of report	Mapping with SDG	Section of SDG	Mapping with IFC Performance Standards	Mapping with UN Global Compact Principles
102-31	Review of economic, environmental and social topics	Governance	14-15	-	-	-	-
102-32	Highest governance body's role in sustainability reporting	Our approach to reporting	9	-	-	-	-
102-33	Communicating critical concerns	Governance and Risk Management	15	-	-	-	-
102-34	Nature and total number of critical concerns	Governance and Risk Management	15	-	-	-	-
102-35	Remuneration policies	Refer AR page number 64	46	-	-	-	-
102-36	Process for determining remuneration	Refer AR page number 63	12-13	-	-	-	-
102-38	Annual total compensation ratio	Refer AR page number 147	-	-	-	-	-
102-39	Percentage increase in annual total compensation ratio	Refer AR page number 204	-	-	-	-	-
102-40	List of stakeholder groups	Social and Relationship Capital	23	-	-	-	-
102-41	Collective bargaining agreements		41	8	Freedom of association and collective bargaining	-	Principle 3
102-42	Identifying and selecting stakeholders	Social and Relationship Capital	23	-	-	-	-
102-43	Approach to stakeholder engagement	Social and Relationship Capital	23	-	-	-	-
102-44	Key topics and concerns raised	Governance	15	-	-	-	-
102-45	Entities included in the consolidated financial statements	Refer AR page number 175	2	-	-	-	-
102-46	Defining report content and topic boundaries	About the report	25	-	-	-	-
102-47	List of material topics	Governance	27	-	-	-	-
102-48	Restatements of information	None	8-9	-	-	-	-
102-49	Changes in reporting	Our Approach to Reporting	Cover page	-	-	-	-
102-50	Reporting period	About the Report	-	-	-	-	-
102-51	Date of most recent report	Our approach to reporting	-	-	-	-	-
102-52	Reporting cycle	Our approach to reporting	8	-	-	-	-
102-53	Contact point for questions regarding the report	CSO Statement	-	-	-	-	-
102-54	Claims of reporting in accordance with the GRI Standards	Not Applicable	-	-	-	-	-
102-55	GRI Content Index	GRI Content Index	65-68	-	-	-	-
102-56	External Assurance	External Assurance	62-64	-	-	-	-
103-1	The management approach and its components	Governance, Executive Messages	4-11	-	-	PS-1 to PS-8	-
103-2	The management approach and its components	Governance, Executive Messages	4-11	1, 5, 8, 16	1, 5, 8 - Economic inclusion; 16 - Grievance mechanism	PS-1 to PS-8	-
103-3	Evaluation of the management approach	Governance, Executive Messages	-	-	-	PS-1 to PS-8	-
201-1	Direct economic value generated and distributed	Financial Capital	2, 5, 7, 8, 9, 33	2, 5, 7, 8, 9	2, 5, 7, 9 - Infrastructure investments 8-Economic performance	-	-
203-1	Infrastructure investments and services supported	Financial Statements	2, 5, 7, 8, 9, 11	2, 5, 7, 9, 11	2, 5, 7, 9, 11 - Infrastructure investment	PS-1 to PS-8	-

GRI Standard 2016	Brief Description	Section of the report	Page No. of report	Mapping with SDG	Section of SDG	Mapping with IFC Performance Standards	Mapping with UN Global Compact Principles
203-2	Significant indirect economic impacts	Financial Statements	1, 2, 3, 8, 10, 17	1, 2, 3, 8, 10, 17	1 - Availability of products and services for those on low incomes, Economic development in areas of high poverty 2, 8 - Changing the productivity of organisations, sectors, or the whole economy 3 - Access to medicines 8 - Indirect impact on job creation, jobs supported in supply chain 10 - Economic development in areas of high poverty, 10, 17 - FDI	PS-1 to PS-8	-
204-1	Proportion of spending on local suppliers	Value Chain Context	29	12	Procurement practices	PS-3	-
205-1	Operations assessed for risks related to corruption	Statements, Governance	16	16	Anti-corruption	PS-2	Principle 10
301-1	Materials used by weight or volume	Natural Capital	56	8, 12	Materials efficiency	PS-3	-
302-1	Energy consumption within the organisation	Manufactured Capital, Statements	38	7, 8, 12, 13	7, 8, 12, 13 - Energy efficiency 7 - Renewable energy 12 - Transport	PS-3	-
302-2	Energy consumption outside of the organisation	Natural Capital	-	7, 8, 12, 13	7, 8, 12, 13 - Energy efficiency, 7 - Renewable energy 12 - Transport	PS-3	-
302-3	Energy intensity	Statements, Manufactured Capital	39	7, 8, 12	7, 8, 12 - Energy efficiency,	PS-3	-
302-4	Reduction of energy consumption	Statements, Manufactured Capital	38	7, 8, 12, 13	7, 8, 12, 13 - Energy efficiency		Principle 8
303-1	Water withdrawal by source	Statements, Manufactured Capital	55	6	Sustainable water withdrawals	PS-3	Principle 8
303-2	Water sources significantly affected by withdrawal of water	Natural Capital	55	6	Sustainable water withdrawals	PS-3	Principle 8
303-3	Water recycled and reused	Natural Capital	56	6, 8, 12	6, 8, 12 - Water efficiency 6 - Water recycling and reuse	PS-3	Principle 8
304-1; 304-2; 304-3	304-1: Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas 304-2: Significant impacts of activities, products, and services on biodiversity 304-3: Habitats protected or restored	Natural Capital	59	6, 14, 15	6 - Water related ecosystems and biodiversity 14 - Marine biodiversity 15 - Mountain ecosystems, natural habitat degradation, terrestrial and inland fresh water ecosystems	PS-5 to PS-8	Principle 7-9
305-1; 305-2; 305-3	305-1: Direct (Scope 1) GHG emissions 305-2: Energy indirect (Scope 2) GHG emissions 305-3: Other indirect (Scope 3) GHG emissions	Statements	60	3, 12, 13, 14, 15	3, 12 - Air quality 12 - Transport 13 - GHG emissions 14 - Ocean acidification 15 - Forest degradation	PS-3, PS-4	-
305-4	GHG emissions intensity	Statements	58	13, 14, 15	13 - GHG emissions 14 - Ocean acidification 15 - Forest degradation	PS-3, PS-4	-
305-5	Reduction of GHG emissions	Natural Capital	60	13, 14, 15	13 - GHG emissions 14 - Ocean acidification 15 - Forest degradation	PS-3, PS-4	-

GRI Standard 2016	Brief Description	Section of the report	Page No. of report	Mapping with SDG	Section of SDG	Mapping with IFC Performance Standards	Mapping with UN Global Compact Principles
305-6	Emissions of ozone-depleting substances (ODS)	Natural Capital	60	3, 12, 13	3, 12 - Air quality 13 - GHG emissions	PS-3, PS-4	-
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions.	Natural Capital	58	3, 12, 13, 14, 15	3, 12 - Air quality 13 - GHG emissions 14 - Ocean acidification 15 - Forest degradation	PS-3, PS-4	-
306-1	Water discharge by quality and destination	Natural Capital	56	3, 6, 12	3, 6, 12 - Water quality 6 - Water related ecosystems and biodiversity 14 - Water discharge to oceans	PS-3	-
306-2	Waste by type and disposal method	Natural Capital	57	3, 6, 12	3 - Spills; 6, 12 - Waste, 6 - Water related ecosystems and biodiversity	PS-3, PS-4	-
306-5	Water bodies affected by water discharges and/or runoff	Natural Capital	55	6, 15	6 - Water related ecosystems and biodiversity 15 - Natural habitat degradation, terrestrial and inland fresh water ecosystems	PS-3	-
307	Environmental Compliance	Governance, Executive Messages, Natural Capital	58	12, 13, 14, 15	12, 13, 14, 15- Environmental investments	PS-1 to PS-8	Principle 7-9
308-1; 308-2	New suppliers that were hired after considering environmental criteria	Value Chain Context	21	-	-	PS-3	-
401-1	New employee hires and employee turnover	Human Capital, Statements	49	5, 8	5 - Gender equality 8 - Employment	PS-2	-
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Financial Capital, Statements	33	8	Earnings, wages and benefits	PS-2	-
401-3	Parental leave	Human Capital, Statements	46	5, 8	5, 8- Parental leave	PS-2	-
402-1	Minimum notice periods regarding operational changes	Statements	41	8	8 - Labour-management relations	PS-2, PS-4	-
403-1	Workers representation in formal joint management-worker health and safety committees	Human Capital, Statements	49	8	8 - Occupational health and safety	PS-2	-
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Financial Capital, Statements	49	3, 8	3, 8 - Occupational health and safety	PS-2	-
403-3	Workers with high incidence or high risk of diseases related to their occupation	Statements	49	3, 8	3, 8 - Occupational health and safety	PS-2	-
404-1	Average hours of training per year per employee	Key Highlights	47	4, 5, 8	4, 8 - Employee training and education 5 - Gender equality	PS-1	-
404-2;	Programmes for upgrading employee skills and transition assistance programs	Human Capital	46	8	Employee training and education	PS-1	-
404-3	Percentage of employees receiving regular performance and career development reviews	Key Highlights	46	5	5 - Gender equality 8 - Employee training and education	PS-1	-
405-1	Diversity of governance bodies and employees	Governance	12	5, 8	5 - Gender equality, Women in leadership 8 - Diversity and equal opportunity	-	-
406-1	Incidents of discrimination and corrective actions taken	Human Capital, Social and Relationship Capital	46	5, 8, 16	5, 8, 16 - Non-discrimination	PS-2	Principle 6

GRI Standard 2016	Brief Description	Section of the report	Page No. of report	Mapping with SDG	Section of SDG	Mapping with IFC Performance Standards	Mapping with UN Global Compact Principles
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Human Capital, Social and Relationship Capital	47	8	8 - Freedom of association and collective bargaining	PS-2	Principle 3
408-1	Operations and suppliers at significant risk for incidents of child labour	Value Chain Context	25	8, 16	8, 16 - Abolition of child labour	PS-2, PS-3	Principle 5
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Value Chain Context	25	8	Elimination of forced or compulsory labour	PS-2, PS-3	Principle 4
411-1	Incidents of violations involving rights of indigenous peoples	Natural Capital	43	2	Indigenous rights	PS-5 to PS-8	-
412-1	Operations that have been subject to human right reviews or impact assessments	Human Capital	48	-	-	PS-2	Principle 1
412-2	Operations with local community engagement, impact assessments and development programmes	Key Highlights	48	-	-	PS-1	-
413-1	Operations with local community engagement, impact assessments and development programmes	Social and Relationship Capital	42-43	-	-	PS-1 to PS-8	-
413-2	Operations with significant actual and potential negative impacts on local communities	Social and Relationship Capital	42-43	1, 2	1, 2 Access to land	PS-1 to PS-8	-
415-1	Political contributions	Governance	41	16	Anti corruption	-	Principle 10
419-1	Non-compliance with laws and regulations in the social and economic area	Governance, Executive Messages	4-21	16	16 - Compliance with laws and regulations	PS-1 to PS-8	-
Other Indicators							
EU-16	Policies and requirements regarding health and safety of employees and employees of contractors and subcontractors	Human Capital	46, 49	8	Occupational health and safety	PS-2, PS-4	-
EU-17	Days worked by contractor and subcontractor employees involved in construction, operation & maintenance activities	Human Capital	49	8	Occupational health and safety	PS-2, PS-4	-
EU-21	Contingency planning measures, disaster/emergency management plan and training programs, and recovery/restoration plans	Natural Capital	25	1, 11	1, 11 - Disaster/emergency planning and response	PS-1 to PS-4	-

Abbreviation

AAQMS	Ambient Air Quality Monitoring System
AF	Adani Foundation
AGM	Annual General Meeting
AMA	Ahmedabad Management Association
AMPRI	Advanced Materials and Processes Research Institute
APL	Adani Power Limited
APJL	Adani Power Jharkhand Limited
APML	Adani Power Maharashtra Limited
APMuL	Adani Power Mundra Limited
APP	Association of Power Producers
APRL	Adani Power Rajasthan Limited
APTRI	Adani Power Training and Research Institute
ASC	Apex Sustainability Committee
BPT	Business Process Transformation
BRR	Business Responsibility Report
CBD	Convention on Biological Diversity
CD	Chart Datum
CEA	Central Electricity Authority
CEO	Chief Executive Officer
CEMS	Continuous Emissions Monitoring System
CERC	Central Electricity Regulatory Commission
CFO	Chief Financial Officer
CII	Confederation of Indian Industry
CoE	Centre of Excellence
CRO	Chief Risk Officer
CSO	Chief Sustainability Officer
CSIR	Council of Scientific and Industrial Research
CSR	Corporate Social Responsibility
DDUGJY	Deen Dayal Upadhyaya Gram Jyoti
DISCOM	Distribution Company (India)
DOA	Delegation of Authority
DM	Disaster Management
ECB	External Commercial Borrowings
EIA	Environmental Impact Assessment
EPC	Engineering, Procurement and Construction
ERP	Enterprise Resource Planning
FICCI	Federation of Indian Chamber of Commerce and Industry
FTA	Fixed Term Appointee
FGD	Flue Gas Desulphurisation
FSA	Fuel Supply Agreements
FY	Financial Year
F&A	Finance & Account
GCCI	Gujarat Chamber of Commerce and Industry
GHG	Greenhouse Gas
GJ	Giga Joules
GRI	Global Reporting Initiative
GSC	Gujarat Safety Council
GST	Goods and Services Tax
GUVNL	Gujarat Urja Vikas Nigam Limited
HBA	Harga Batubara Acua
HCSD	High Concentration Slurry Disposal
HFO	Heavy Fuel Oil
Hi-Po	High Potential
HOD	Head of Department
HPC	High Powered Committee
HR	Human Resources
HRMS	Human Resource Management System
HSD	High Speed Diesel
HSE	Health, Safety and Environment
HSEQ	Health, Safety, Environment and Quality
HPCC	Haryana Power Purchase Centre
ICC	Internal Complaints Committee

IEX	Indian Energy Exchange
IFC	International Finance Corporation
IFE	Institute of Fire Engineers
ILO	International Labour Organisation
IMS	Integrated Management System
Ind-AS	Indian Accounting Standards
IPPAI	Independent Power Producers Association of India
IR	Integrated Reporting
ISO	International Standards Organisation
IT	Information Technology
IUCN	International Union for Conservation of Nature
JMC	Junior Management Cadre
JUSE	Japanese Union of Scientists
KL	Kilo Litres
KRA	Key Result Area
LDO	Light Diesel Oil
LPG	Liquefied Petroleum Gas
LTI	Lost Time Injury
L&D	Learning and Development
MAAS	Management Audit & Accounting System
M&A	Mergers and Acquisitions
MCL	Mahanadi Coalfield Limited
MCM	Million Cubic Metre
MDA	Management Discussion and Analysis
MERC	Maharashtra Electricity Regulatory Commission
MHCU	Mobile Healthcare Units
MIS	Management Information Systems
MMC	Middle Management Cadre
MMT	Million Metric Tonnes
MMTPA	Million Metric Tonnes Per Annum
MoEF&CC	Ministry of Environment, Forest and Climate Change
MoU	Memorandum of Understanding
MSEDCL	Maharashtra State Electricity Distribution Company Limited
MSL	Mean Sea Level
MT	Metric Tonnes
MTPA	Metric Tonnes Per Annum
MU	Million Units
MUPL	Mundra Utilities Pvt. Ltd.
MW	Mega Watt
MWh	Mega Watt Hour
NABET	National Accreditation on Board for Education and Training
NABL	National Accreditation Board for Testing and Calibration Laboratories
NGO	Non-Governmental Organisations
NGT	National Green Tribunal
NIO	National Institute of Oceanography
NOx	Oxides of Nitrogen
NSC	National Safety Council
O & M	Operation and Maintenance
ODS	Ozone-depleting Substances
OH&S	Occupational Health and Safety
PCB	Polychlorinated Biphenyls
PCKL	Power Corporation of Karnataka Limited
PLF	Plant Load Factor
PMS	Performance Management System
PPA	Power Purchase Agreement
PV	Photo Voltaic
QCFI	Quality Circle Forum of India
R&R	Resettlement and Rehabilitation
RDPPC	Rajasthan Discoms Power Procurement Centre
REMCL	Railway Energy Management Company Limited
RENEW	Reaffirming trust with Efficient actions to Nurture and Evolve a Wholesome tomorrow
RERC	Rajasthan Electricity Regulatory Commission

RLDC	Regional Load Despatch Centre
RO	Reverse Osmosis
S&CSR	Sustainability and Corporate Social Responsibility
SDG	Sustainable Development Goals
SEBI	Securities and Exchange Board of India
SECL	South Eastern Coalfields Ltd.
SERC	State Electricity Regulatory Corporation
SF6	Sulphur Hexafluoride
SHAKTI	Scheme for Harnessing and Allocating Koyala (Coal) Transparently in India
SHR	Station Heat Rate
SLDC	State Load Despatch Centre
SMC	Senior Management Cadre
SOP	Standard Operating Procedure
SOx	Oxides of Sulphur
PM	Particulate Matter
SRC	Sustainability Reporting Committee
TC	Techno Commercial
TANGEDCO	Tamil Nadu Generation & Distribution Company Limited
TNI	Training Need Identification
TPP	Thermal Power Plant
T&D	Transmission & Distribution
UDAY	Ujjwal DISCOM Assurance Yojana
UNGC	United Nations Global Compact
UPCL	Udupi Power Corporation Limited
US	United States
VRM	Vendor Relationship Management

adani

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