

MANAGEMENT DISCUSSION & ANALYSIS

INDUSTRY OVERVIEW

NBFCs are an integral part of the Indian economy as they play an important role in promoting inclusive growth by complementing the banking sector in providing last mile linkages to the underserved sections of the society.

Their ability to extend smaller ticket loans, ground level understanding of the customer's profile, faster Turnaround Time (TAT) and wider reach gives them the opportunity to invent and innovate their systems as per the evolving needs of borrowers, which makes them the perfect fit for serving the business requirements of the Micro, Small and Medium Enterprises (MSMEs). NBFCs have been at the forefront of introducing new products be it gold loans, loan for purchase of consumer durables or used commercial vehicle loans. With the deployment of technology and analytics, NBFCs have embarked on a new journey that has the potential to extend credit to the financially unorganised population and achieve the goal of financial inclusion in the country.

The role of the MSME segment has become very important today. Not only are they large employers but they will play a key role in meeting the Government of India's 'Atma Nirbhar' Agenda.

COMPANY OVERVIEW

Adani Capital Private Limited, a Non-Deposit taking Systemically Important NBFC, is a professionally managed Company focused on providing finance for the Farm Sector (Tractor, Agri Input and Implements), Commercial Vehicles (SCV, LCV, ICV and MHCV) and MSMEs (Business Loans and Supply Chain). The Company is driven by a highly experienced management team and is focused on building a respected "Customer First" franchise by providing economical and customized solutions for its entrepreneur borrowers. Adani Capital's mission is to contribute to India's growth story by providing accessible financing to retail, and rural audience, thereby unleashing its vast economic potential and spurring the country's growth to even greater heights. The Company believes this can be achieved by leveraging technology and providing technology enabled innovative and customized financial solutions which will not only ensure enhanced customer experience but will also drive Company' growth.

Our operations indicate a high level of comfort on the strong promoter, management, good governance practices, transparency in working, conservative



philosophy towards risk adjusted return and an experienced operating team provided comfort and confidence to the rating agency.

COVID 19 OUTBREAK AND OUR ACTIONS

Business:

The safety of our employees is of prime importance, hence we activated our Business Continuity Plan (BCP) on Mar 17th, well before the nationwide lockdown announced on Mar 25th. Our IT infrastructure ensured all business critical functions including Operations, Collections, Finance and Treasury continue to function seamlessly with employees working remotely. Regular employee interactions, meetings and file sharing is being facilitated digitally.

We suspended disbursing new loans since Mar 20th, but are supporting select clients that are part of our Supply Chain Finance business. The Company has commenced sourcing new business from first week of June 2020.

Moratorium Announcement

The Reserve Bank of India (RBI) vide circular no. RBI/2019-20/186 DOR No. BP.BC.47/21.04.048/2019-20 dated March 27, 2020 announced Covid 19 – Regulatory Package dealing with moratorium to mitigate the burden of debt servicing brought about by disruptions and to ensure the continuity of viable businesses. The Company formulated policy in line with RBI circular and granted moratorium relief to its customers.

However, the Company has not sought moratorium from any of its lenders. It has paid interest and principal repayments to lenders as per the schedule.

PRODUCTS /ACTIVITIES & BUISNESS MODEL

Farm Sector Finance

Adani Capital aims to focus on farmers and provide finance for Farm Equipment – Tractors, Implements (such as Rotavator, Reaper-binder, Harvesters and Seed Drill), Inputs (seeds, nutrients etc.) and Sprayers. Farm Equipments is sourced and financed by branch team.

India is transitioning from traditional labor-intensive farm production to more mechanized agriculture. The Government is pushing for farm mechanization and increasing the use of agricultural machinery to boost agricultural production and increasing domestic consumption in rural areas. Boosted by a series of policy incentives to support the agricultural machinery sector and subsidies for the



purchase of farm machinery, the agricultural tractor and machinery industry in India witnessed rapid development in the past few years.

Opportunity to finance a purchase of tractor (New and Used) and refinance on a pre-owned tractor is large and we are focused on having a larger share in Used/refinance tractor.

Commercial Vehicle ("CV") Finance

We have products to finance all range of commercial vehicle starting from SCV to MHCV. We are focused on loans for commercial vehicle with load carrying capacity up to 15 MT (SCV, LCV) providing last mile connectivity. The OEM market is expected to grow 12-14% CAGR over the medium term driven by Hub and Spoke logistics and cluster development with rise in e-commerce.

MSME Loans (Business Loans)

In India, there are over 30mn Micro, Small, and Medium Enterprises (MSME), which employ over 69mn people and account for 45% of industrial output and 40% of exports. Over 90% of MSMEs are unregistered and usually lack documented income proof, which makes it difficult to access adequate and timely financing. Established financial institutions have limited exposure to the sector due to a higher risk perception, high cost of acquisition and limited access of MSMEs to immovable collateral. In this under penetrated market opportunity, we are focused on the micro and small entrepreneurs with a maximum loan amount up to Rs. 40 lakh.

A typical MSME customer is a retail trader in any market across geographies. This has largest potential. We have been sourcing directly without involvement any channel partners and now are trying to add channel partners to increase the funnel.

Opportunity is very large for MSME finance and competition in Micro Enterprises currently is limited.

Supply Chain Finance for MSMEs

Our Business model relies on tie-up with manufacturers (Anchors) to finance their distributors, dealers and vendor eco- system for their working capital requirements. It is typically a short term loan (15-120days) for purchase of goods and services.

- i. Dealers/Distributors (Channel Finance)
- ii. Suppliers of Goods & Services (Vendor Finance)



We have been focused on selected industries like FMCG, Computer/Electronic goods, lights/electrical goods for last 3 years.

Our focus going forward is to on small retailers with less than Rs.15 lakh requirement.

Opportunity is very large for SCF in Micro Enterprises and competition in Micro Enterprises currently is limited.

PORTFOLIO

During the year, we disbursed more than Rs. 525 crores to about 20,000 customers. Our outstanding Loan book is Rs. 1,024. 53 crores as on 31st March 2020.

The overall portfolio grew 92% this year with the MSME portfolio growing 181% and Other Loans portfolio contracting 63% due to re-payments and no new disbursements in FY20.

Approximately 98% of our term loan portfolio is secured, with the unsecured portfolio accounting for 2%.

Over 92% of collections are through electronic channels and though some impact on cash collection is expected, we are trying to mitigate it by encouraging customers to make EMI payments at designated collection centers operated by our partners.

CREDIT UNDERWRITING

Loan applications are sourced by the Sales team and underwriting is carried out by an independent Credit team. The loan approval process is in various layers based on ticket size of the loan. Credit appraisal and various verifications including visits to the borrower's residence, business / office and property are carried out by the branch Credit Manager. Loan proposals are approved according to the sanctioning matrix which varies from the Branch Credit Manager to the Head – Credit & Risk. Sanctioning authority is assigned to credit users considering their role, loan amount and level of credit deviation. Before disbursement of the loan, collateral acceptance approval (for secured loans) is taken from in house legal and technical teams which make the entire underwriting process robust. There is a dedicated and independent Risk Containment Unit (RCU) to minimize fraud related to income documents, profile and collateral. Credit underwriting is based on risk based



pricing. The Credit function is automated which ensures faster and accurate paperless processing, resulting into better TAT for customers and better productivity for employees. The Company is strengthening its underwriting processes for robust performance of loan book considering the current situation.

FINANCIAL PERFORMANCE.

During the year under review, Adani capital earned the gross income of Rs. 129.01/- Crores as against Rs. 69.20 Crores in the previous year. The total expenditure during the year under review was Rs. 127.07 Crores as against Rs.66.51/- Crores in the previous year. The Net Profit/Loss after tax was Rs 1.22/- Crores as against Rs.3.31/- Crores in the previous year.

BUSINESS PRESENCE

Adani Capital operates in four states viz. Maharashtra, Gujarat, Karnataka, Rajasthan and Uttar Pradesh where it currently has 59 Branches.

BORROWINGS

The year under review was challenging for the financial sector in terms of leverage/liquidity. However, The Company has been able to establish relationships with various lenders and got sanctions of Rs. 602 crores. The liquidity position of the Company is very comfortable.

Company has also raised Rs. 98/- Crores through issue of Non-Convertible Debentures ("NCDs") on a private placement basis.

Adani Capital has not sought a moratorium from any of our lenders and are making interest and principal repayments as per the schedule.

CREDIT RATINGS

The Company has been assigned following rating:

Nature of borrowing	Rating / Outlook
	CRISIL
Short Term Bank Loans	CRISIL A1+
Long Term Bank Loans	CRISIL AA-/Stable
Commercial Paper	CRISIL A1+
Non - Convertible Debentures	CRISIL A1+

RISK MANAGEMENT FRAMEWORK



The Company has a robust mechanism in place to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

We follow the best practice for management of credit risk, market risk and operational risk and has put in place a comprehensive Risk Management Policy envisaging a robust risk management programme. The risk strategy laid down by the Company helps foster a disciplined culture of risk management and control. In conjunction with these practices, the Company intends to optimise its capital needs through growth, by achieving highest returns on capital employed while managing risks appropriately.

The Company continuously monitors loan portfolio. Portfolio level delinquency metrics are tracked at regular intervals with focus on detection of early warning signals of stress. These limits are periodically reviewed based on changes in the macro-economic environment, regulatory environment and industry dynamics. Existing credit exposure in the portfolio is continuously monitored and reviewed. Key sectors are analysed in detail to suggest strategies, considering both risks and opportunities. Corrective action, if required, is taken well in advance.

INTERNAL AUDIT AND CONTROL

Adani Capital has an adequate system of internal control in place which has been designed to provide a reasonable assurance with regard to maintaining proper accounting controls, monitoring of operations, protecting assets from unauthorized use or losses, compliance with regulations and for ensuring reliability of financial reporting.

We have a documented procedures covering all financial and operating functions. Adani Capital has robust internal audit program, where the Group level internal auditors conduct a risk-based audit with a view to not only test adherence to laid down policies and procedures but also to suggest improvements in processes and systems.

BUSINESS CONTINUITY PLAN

During lockdown period all our employees are able to work from Home and all employees had connected with centralized IT and database. We are able to execute "Business Continuity Plan" in tough times like lockdown with limited impact on business. Robustness of our IT system has been tested during this time and all stakeholders are benefitted from this. However, Incremental Disbursements are likely to be impacted during the lock-down period due to multiple factors including



closure of government offices, hampered mobility, inability to conduct verification checks / RCU checks.

HUMAN RESOURCE

Human Resource Development is considered important for effective implementation of business plans. Constant endeavors are being made to offer professional growth opportunities and recognitions, apart from imparting training to employees. During the reporting year, in-house training programmes were provided to employees, inter alia, in lending Operations, Documentation, KYC & ALM Policy, IT System & Security, and Accounts etc.

Management team has been strengthened with all senior leadership in place. Adani Capital total headcount stands at 786 employees. With the high level of commitment and loyalty by staff members and the parent group, Adani Capital is confident to face the challenges of all the adverse conditions while emerging out as a winner.

CAUTIONARY STATEMENT

Statements made in the Management Discussion & Analysis describing the Company's objectives, projections, estimates, expectations may be "Forward-looking statements" within the meaning of applicable laws & regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand supply and price conditions in the domestic & overseas markets in which the Company operates, changes in the government regulations, tax laws & other statutes and other incidental factors.



Board's Report

**To,
The Members
Adani Capital Pvt Limited**

Your Directors' are pleased to present the Annual Report of your Company along with the Audited Financial Statements for the year ended 31st March, 2020.

FINANCIAL RESULTS

Summary of Financial Results for the year ended 31st March, 2020 is as under:
(Amount in Rs. In Million)

Sr. No.	Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
1	Gross Income	1290.16	692.00
2	Profit Before Interest and Depreciation	543.20	158.17
3	Finance Charges	479.77	110.45
4	Gross Profit	63.43	47.72
5	Provision for Depreciation	43.97	20.81
6	Net Profit Before Tax	19.46	26.91
7	Provision for Taxation	7.21	(6.23)
8	Net Profit After Tax	12.25	33.14
9	Balance available for appropriation	12.25	33.14
10	Transfer to Statutory reserve created u/s 45-IC of RBI Act	2.45	12.33
11	Surplus carried to Balance Sheet	18.07	33.05

DIVIDEND

No Dividend was declared for the current financial year due to conservation of Profits to meet future business requirements of the Company.

REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS

During the year under review, your Company earned the gross income of Rs. 1290.16 mn as against Rs. 692 mn in the previous year. The total expenditure during the year under review was Rs. 1270.70 mn as against Rs.665.09 mn in the previous year. The Net Profit after tax was Rs 12.25 mn as against Rs.33.14 mn in the previous year.

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CAPITAL STRUCTURE

Authorised Share Capital

The Authorised share capital of the company for the year ended 31st March, 2020 is Rs. 200/- mn (Rupees Twenty Crores) divided into 20/- mn (Two Crores) Equity Shares of Re. 10/- each.

Paid-up Share Capital

The Paid share capital of the company for the year ended 31st March, 2020 is Rs. 173/- mn divided into 17.29mn Equity Shares of Re. 10/- each.

DISBURSEMENT

During the financial year 2019- 2020, the Company's outstanding loan book amount is Rs. 10,245.28 mn

CREDIT RATINGS

The Company's borrowings enjoy the following Credit Ratings:

Nature of borrowing	Rating / Outlook
	CRISIL
Short Term Bank Loans	CRISIL A1+
Long Term Bank Loans	CRISIL AA-/Stable
Commercial Paper	CRISIL A1+
Non - Convertible Debentures	CRISIL A1+

DEBENTURES

During the year under review, the Company has raised Rs. 980/- mn through Non-Convertible Debentures ("NCDs") on a private placement basis. As on March 31, 2020, the outstanding NCDs stood at Rs. 980/- mn.

Credit Rating assigned to the NCDs is mentioned above. During the financial year under review, interest on Non-Convertible Debentures issued on private placement

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basis was not due and there were no instances of interest amount not claimed by the investors or not paid by the Company.

Your Company being NBFC, is exempted from the requirement of creating Debenture Redemption Reserve (DRR) on privately placed debentures. Therefore, no DRR has been created for the Debentures issued by your Company on private placement basis.

Disclosure under Master Directions issued by RBI for Non-Convertible Debentures:

- The total number of non-convertible debentures which have not been claimed by the investors or not paid by the Company after the date on which the Non-Convertible Debentures became due for redemption: Rs. Nil
- The total amount in respect of such Debentures remaining unclaimed or unpaid beyond the date of such Debentures become due for redemption: Rs. Nil

DEBENTURE TRUSTEE

The details of the Debenture trustees of the Company are as under:

Vistra ITCL (India) Limited

The IL&FS Financial Center
Plot No. C-22, G Block, 7th Floor
Bandra Kurla Complex
Bandra (East), Mumbai 400051
Tel: +91 22 2659 3535
Fax : +91 22 2653 3297
Email: mumbai@vistra.com

LOANS FROM BANKS / FINANCIAL INSTITUTIONS

During the year under review, the Company has availed Term Loans facilities of Rs. 6020 mn from various banks / Financial Institutions. As on March 31, 2020, the outstanding loans stood at Rs.7295.46 mn.

PUBLIC DEPOSITS

During the year under review, the Company has not accepted any public deposits within the meaning of the Companies Act, 2013 and rules made there under as well



as not accepted any public deposit within the meaning of the RBI Direction, as the Company is registered as NBFC Company not accepting Public Deposits.

NON- PERFORMING ASSETS AND PROVISIONS FOR CONTINGENCY

Your company adhered to the guidelines issued by Reserve Bank of India (RBI), as amended from time to time. The Company has created provisions for contingencies on standard Assets in accordance with the RBI Directions.

The amount of Gross Non- Performing Assets (NPAs) as at March 31, 2020 Rs. 45.74 mn, which is equivalent to 0.45% of the loan portfolio of the Company, as against Rs 0.46 mn i.e.0.01% of the portfolio as at March 31, 2019. The Net NPA as at March 31, 2020 Rs. 27.08 mn i.e. 0.26% of the loan portfolio as against Rs. 0.04 mn i.e. 0.00% of the portfolio as at March 31, 2019. The total cumulative provisions towards loan and other assets as at March 31, 2020 is Rs. 148.96 mn as against Rs 93.01 mn in the previous year.

In order to prevent frauds in loan cases involving multiple lending from different banks / NBFCs, the Government of India has set up the Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI) under section 20 of the SARFAESI Act 2002 to have a central database of all mortgages created by lending institutions. The object of this registry is to compile and maintain data relating to all transactions secured by mortgages. Accordingly, your Company is duly registered with CERSAI.

RISK MANAGEMENT FRAMEWORK

The risk strategy laid down by your Company helps foster a disciplined culture of risk management and control. In conjunction with these practices, your Company intends to optimise its capital needs through growth, by achieving highest returns on capital employed while managing risks appropriately.

Your Company continuously monitors loan portfolio. Portfolio level delinquency metrics are tracked at regular intervals with focus on detection of early warning signals of stress. These limits are periodically reviewed based on changes in the macro-economic environment, regulatory environment and industry dynamics. Existing credit exposure in the portfolio is continuously monitored and reviewed. Key sectors are analysed in detail to suggest strategies, considering both risks and opportunities. Corrective action, if required, is taken well in advance.



PRUDENTIAL NORMS FOR NON BANKING FINANCIAL COMPANIES

Reserve Bank of India (RBI) regulates the NBFCs and issues guidelines on income recognition, asset classifications, provisioning, provisioning for bad and doubtful debts, capital adequacy, accounting and disclosure policies, fair practice code and asset liability management. The Company is in compliance with applicable regulatory norms and guidelines.

Your Company's Board has approved Know Your Customer & Anti Money Laundering Policy (KYC & AML Policy) and adheres to the said Policy.

Your Company has in place a Fair Practices Code (FPC), which includes guidelines on appropriate staff conduct when dealing with the customers and on the organisation's policies vis-à-vis client protection.

The Reserve Bank of India Act, empowers RBI to levy a penalty on NBFCs for contravention of the Act or any of its provisions. Your Company has complied with the said provisions and accordingly RBI has not levied any penalty on your Company during the year.

CAPITAL ADEQUACY RATIO (CAR)

As required under the RBI Directions, your Company is presently required to maintain a minimum capital adequacy of 15%.

The capital adequacy ratio as at 31st March, 2020 was 27.84%. Tier I and Tier II capital adequacy ratios as at 31st March, 2020 were at 26.73% and 1.11% respectively.

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SPECIAL RESERVE (STATUTORY RESERVE CREATED U/S 45-IC OF RBI ACT)

During the reporting financial year, your company has transferred the amount of Rs. 3.21 mn in Special Reserve, as per the requirement of the section 45-IC of RBI Act. The closing Balance of the said reserve as on 31st March, 2020 is Rs. 20.11 mn

HOLDING/SUBSIDIARY COMPANY

During the year under review, the Company has no Subsidiary Company. However, the Company is a Subsidiary of Adani Finserve Private Limited.

DIRECTORS OF THE COMPANY

As on 31st March, 2020, the composition of the Board of the company is follows: -

- Mr. Sagar Adani - Director
- Mr. R. M Malla - Independent Director
- Mr. Gaurav Gupta - Director

The Company has received necessary declaration from Independent Director under Section 149(7) of the Companies Act, 2013, that he meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013.

KEY MANAGERIAL PERSONNEL

Following officer is the Key Managerial Personnel of the Company as per the Requirement of the Section 203 of the Companies Act, 2013:

1. *Mr. Bhavik Shah - Company Secretary.

Mr. Saurabh Shah has resigned from the post of Company Secretary wef. 12th March, 2020 and Mr. Bhavik Shah appointed in his place.

FORMAL ANNUAL EVALUATION:

As your Company is neither a Listed Company nor a public company having a paid up capital of Rs. 25 crores or more, the statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual directors is not applicable.

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POLICY AGAINST SEXUAL HARASSMENT

Company has in place policy against the sexual harassment and the said policy seeks to protect women employees from sexual harassment at the place of work. The primary objective of the same is to safeguard the interest of female employees in the Company and also provides for punishment in case of false and malicious representations. The policy has been communicated to the employees.

During the year, no complaint has been received by the Sexual Harassment Committee.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Since the Company is a Non-Banking Finance Company, the disclosure regarding particulars of loans given, guarantees given and security provided in the ordinary course of business is exempted under the provisions of Section 186 (11) of the Act.

NUMBER OF BOARD MEETINGS

During the period under review Ten (13) Board Meetings were held on 19/04/2019, 11/05/2019, 11/06/2019, 04/09/2019, 21/09/2019, 20/11/2019, 17/12/2019, 21/12/2019, 27/01/2020, 01/02/2020, 19/02/2020, 12/03/2020 and 30/03/2020.

Mr. Gaurav Gupta have chaired the above mentioned Board meetings.

DIRECTORS' RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submit its responsibility Statement:—

- a) in the preparation of the annual accounts for the year ended 31st March, 2020, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company



- as at March 31, 2020 and of the profit and loss of the Company for the year ended on that date;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
 - d) the directors had prepared the annual accounts on a going concern basis;
 - e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively; and
 - f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

INTERNAL FINANCIAL CONTROLS

The Internal Financial Controls with reference to Financial Statements as designed and implemented by the Company are adequate. The Internal Financial Control procedure adopted by the Company are adequate for safeguarding its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information. During the year under review, the Internal Financial Controls were operating effectively and no material or serious observation has been received from the Auditors of the Company for inefficiency or inadequacy of such controls.

AUDITORS

In accordance with the provisions of the Section 139 of the Companies Act, 2013, the Company had appointed the Statutory Auditors, M/s. S. R. Batliboi & CO. LLP, Chartered Accountants for a period of five years at its first Annual General Meeting, subject to ratification of appointment by members in every subsequent Annual General Meeting of the Company.

However, the said requirement is dispensed with according to related provision of Companies Amendment Act, 2017 becoming effective and accordingly, the appointment of Auditors is not to be ratified by the members in the General Meeting.

In lines with the above stated, the shareholders are further informed that M/s. S. R. Batliboi & CO. LLP, Chartered Accountants will continue to be remain the Statutory

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Auditors of the Company till the 6th Annual General Meeting of the Company without further ratification.

AUDITORS REPORT

The Auditors Report to the Members on the Accounts of the Company for the financial year ended March 31, 2020 does not contain any qualification and is self-explanatory, hence does not call for any comment of Board.

VIGIL MECHANISM/WHISTLE BLOWER POLICY:

Pursuant to Rule 7 of the Companies (Meetings of Board and its Powers) Rules 2014 read with Section 177(9) of the Act (as amended from time to time), the Company has framed Vigil Mechanism / Whistle Blower Policy ("Policy") to enable directors and employees to report genuine concerns or grievances, significant deviations from key management policies and reports any non-compliance and wrong practices, e.g., unethical behavior, fraud, violation of law, inappropriate behavior / conduct, etc.

The functioning of the Vigil Mechanism is reviewed by the Audit Committee / Board from time to time. None of the Directors or employees have been denied access to the Audit Committee of the Board.

The objective of this mechanism is to maintain a redressal system which can process all complaints concerning questionable accounting practices, internal controls, or fraudulent reporting of financial information.

The Policy framed by the Company is in compliance with the requirements of the Act and same is available on the website of the Company.

COMPLIANCE OF SECRETARIAL STANDARDS

The Company complies with all applicable Secretarial Standards issued by the Institute of Company Secretaries of India

CORPORATE SOCIAL RESPONSIBILITY:

The Company recognizes the responsibilities towards society and strongly intends to contribute towards development of knowledge based economy. Since, the average net profit of the company during the last three immediately preceding

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financial years was negative, the Company has not spent any amount on CSR activities during the year under review. In accordance with the requirements of the provisions of Section 135 of the Act, the Company has constituted a Corporate Social Responsibility Committee.

The Corporate Social Responsibility Committee consists of the following Members:

- Sagar Adani- Director
- Gaurav Gupta- Director
- R M Malla – independent Director

The Company has also formulated a Corporate Social Responsibility Policy which is available on the website of the Company Annual Report on activities as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended from time to time) has been appended as "**Annexure A**" to this Report.

Terms of reference of the CSR Committee: -

- a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act, 2013
- b) Recommend the amount of expenditure to be incurred on the activities referred to in clause (a)
- c) Monitor the Corporate Social Responsibility Policy of the company from time to time.
- d) Update the Board on the implementation of various programmes and initiatives.

AUDIT COMMITTEE

The Audit Committee consists of the following members:

- Gaurav Gupta- Director
- R M Malla – independent Director

Terms of reference of the Audit Committee: -

- (a) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- (b) review and monitor the auditor's independence and performance, and effectiveness of audit process;
- (c) examination of the financial statement and the auditors' report thereon;

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- (d) approval or any subsequent modification of transactions of the company with related parties;
- (e) scrutiny of inter-corporate loans and investments;
- (f) valuation of undertakings or assets of the company, wherever it is necessary;
- (g) evaluation of internal financial controls and risk management systems;
- (h) Any other function as may be mandated by the Board or stipulated by the Companies Act, 2013, RBI guidelines or any other regulatory authorities from time to time.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee consists of the following members;

- Sagar Adani- Director
- R M Malla – independent Director

Terms of reference of the Nomination and Remuneration Committee: -

- (a) Formulate criteria for determining qualifications, positive attributes and independence of an Individual who may be appointed as a Director or Key Managerial Personnel or in senior management level of the Company;
- (b) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;
- (c) Specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Committee or by an independent external agency and review its implementation and compliance;
- (d) Recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees. The policy shall be referred as Nomination and Remuneration policy.
- (e) To ensure 'fit and proper' status of proposed/ existing directors.
- (f) To formulate, implement and administer Employee Stock Option Scheme(s) of the Company and grant stock options to the eligible employees.
- (g) Any other function as may be mandated by the Board or stipulated by the Companies Act, 2013, RBI or any other regulatory authorities from time to time.



COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE

The company pursuant to the provisions of Section 178 of the Companies Act 2013 has formulated and adopted a Nomination & Remuneration Policy which is hosted in our website.

SECRETARIAL AUDIT REPORT:

Since the Company does not fall within the class of Companies as mentioned in section 204(1) of the Companies Act, 2013 read with the applicable rules made thereunder relating to Secretarial Audit Report, the Company has not appointed any Company Secretary in Practise as Secretarial Auditor and therefore the said Secretarial Audit Report is not annexed to this report. Accordingly, the comments of the Directors on qualifications, reservations or adverse remarks in the Secretarial Audit Report is not applicable.

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SECTION 143 (12) OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT

There were no frauds as reported by the Statutory Auditors under sub-section 12 of Section 143 of the Companies Act, 2013 along with Rules made there-under other than those which are reportable to the Central Government.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

All the related party transactions entered into during the financial year were in the ordinary course of business and on an arm's length pricing basis and none of the transactions with the related parties fall under the scope of Section 188(1) of the Companies Act, 2013. In line with the requirements of the Act, the Company has formulated the Related Party Transaction Policy which is also available on the Company's website.

The Directors draw attention of the Members to Note No. 46 to the Financial Statements which sets out related party disclosures.



During the year under review, there were no material contracts or arrangements or transactions entered into by the Company with related parties. Form AOC-2 is enclosed as **Annexure B** to this report.

PARTICULARS OF EMPLOYEES:

The details of individuals / employees whose remuneration falls within the purview of the provisions of Section 197 of the Companies Act, 2013, read with rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time is attached herewith as **Annexure C** to this Report.

ANNUAL RETURN

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished in '**Annexure D**' - and is attached to this report.

HUMAN RESOURCE DEVELOPMENT

Human Resource Development is considered important for effective implementation of business plans. Constant endeavours are being made to offer professional growth opportunities and recognitions, apart from imparting training to employees. During the reporting year, in-house training programmes were provided to employees, inter alia, in lending Operations, Documentation, KYC & ALM Policy, IT System & Security, and Accounts etc. Your Company total headcount stands at 786 employees.

MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate on the date of this report.



SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of your Company and its operations in future.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Since your Company is not a manufacturing Company, the information pertaining to Conservation of Energy and Technology Absorption as stipulated under Section 134(3)(m) of the Companies Act, 2013 read with applicable rules made thereunder is not applicable to the Company.

During the reporting year, there is no Foreign Exchange Inflows and Outflows.

ACKNOWLEDGEMENT

Your Directors wish to place on record their gratitude to the RBI, the Company's Customers, Bankers, Members, Vendors and others for the continued support and faith reposed in the Company. The Board also places on record its deep appreciation for the dedication and commitment of the employees at all levels. The Directors also would like to thank the Credit Rating Agencies for their co-operation.

For and on behalf of the Board




Mr. Gaurav Gupta
Director & Chairman
DIN- 01669109

Place:

Date:

ANNEXURE TO THE DIRECTORS' REPORT

Annual Report on Corporate Social Responsibility ("CSR")
[Pursuant to Companies (Corporate Social Responsibility Policy) Rules, 2014]

As required under Section 135(4) of the Companies Act, 2013 and Rule 9 of Companies (Accounts) Rules, 2014, the details with respect to CSR are as follows:

1) A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

The Company recognizes its responsibilities towards society and strongly intends to contribute towards development of knowledge based economy. Accordingly, the Company intends to carry out initiatives for supporting education. The Company's endeavor is to provide liberal arts education at low cost, providing education to children from different background etc. The CSR Policy has been formulated in accordance with the provisions of Section 135 of the Companies Act, 2013 and is available on the website of the Company

Since the average net profits of the Company made during the three immediately preceding financial years was in negative, Company has not spent any amount on CSR Activities during the Financial Year 2019-20.

2) Composition of CSR Committee:

The Composition of CSR Committee is disclosed in the Board's Report.

3) Average Net Profit of the Company for the last three financial years is Rs. (18,002,855)

4) Prescribed CSR expenditure (two per cent. of the amount as in item 3 above) – Nil

5) Details of CSR spent during the financial year.

a. Total amount to be spent for the financial year – Nil

b. Amount unspent – Nil

c. Manner in which the amount spent during the financial year is detailed below:



(Amount in Rs.)

Sr. No.	CSR Project or Activity Identified	Sector in which the Project is covered	Location of the project/program	Amount Outlay (budget) Project or programs wise	Amount spent on project or programs. Sub heads - (a) direct expenditure & (b) Overheads	Cumulative expenditure up to the reporting period	Amount Spent - Direct or through implementing Agency
-	-	-	-	-	-	-	-

For and on behalf of the Board



[Signature]
Mr. Gaurav Gupta
Director & Chairman
DIN- 01669109

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8 (2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis
2. Details of material* contracts or arrangement or transactions at arm's length basis

NOT APPLICABLE

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
1.	Adani Finserve Private Limited	Loan Facility	One Year	as per Memorandum of Understanding dated 01/04/2019	19-04-19	NIL
2.	Adani Electricity Mumbai Ltd	Loan Facility	One Year	as per Loan Agreement dated 18/10/2019	20-11-19	NIL
3.	Adani Ports and Special Economic Zone Ld	Engagement Letter	One Year	as per Engagement Letter dated 01/09/2019	21-09-2020	NIL

For and on behalf of the Board



(Signature)
Mr. Gaurav Gupta
Director & Chairman
DIN- 01669109

ANNEXURE A TO DIRECTORS' REPORT

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended 31st March, 2020
[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and other details:

CIN	:	U65990GJ2016PTC093692
Registration Date	:	12 th September, 2016
Name of the Company	:	Adani Capital Private Limited
Category / Sub-Category of the Company	:	Company limited by shares
Address of the Registered office and contact details	:	Adani House, 56, Shrimali Society, Navrangpura, Ahmedabad 380 009, Gujarat, India Phone No.: 022 6241 1200
Whether listed company	:	No
Name, Address and Contact details of Registrar and Transfer Agent, if any	:	N.A.

II. Principal business activities of the Company:

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

Name and description of main Products / Services	NIC Code of the Product/ service	% to total turnover of the company
Monetary intermediation	649	100%

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Registered Office: Adani House, 56, Shrimali Society, Navrangpura, Ahmedabad 380 009, Gujarat, India

III. Particulars of Holding, Subsidiary and Associate Companies:

Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
Adani Finserve Pvt. Ltd. Adani House, Nr Mithakhali Six Roads, Navrangpura, Ahmedabad 380 009	U65993GJ2016PTC086524	Holding Company	100%	2(46)
Adani Ventures LLP 801, Shikhar Complex, Srimali Soc., Navrangpura Ahmedabad Ahmedabad-380009	AAI-9429	Intermediate Holding entity	90%	2(46)
Adani Properties Pvt. Ltd. Shikhar, Near Adani House, Mithakhali Six Roads, Navrangpura, Ahmedabad- 380009	U45201GJ1995PTC026067	Ultimate Holding Company	90%	2(46)

IV. Share holding pattern (equity share capital breakup as percentage of total equity as on 31st March, 2020)

i) Category-wise Share Holding:

	Category of Shareholders	No. of Shares held at the at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
A.	Promoter									
1	Indian									
a)	Individuals/HUF	--	--	--	--	--	--	--	--	--
b)	Central Government	--	--	--	--	--	--	--	--	--
c)	State Government	--	--	--	--	--	--	--	--	--

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	Category of Shareholders	No of Shares held at the at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
d)	Bodies Corporate*	--	17299996	17299996	100%	--	17299996	17299996	100%	Nil
e)	Banks/FI	--	--	--	--	--	--	--	--	--
f)	Any Others	--	--	--	--	--	--	--	--	--
Sub Total(A)(1)		--	17299996	17299996	100%	--	17299996	17299996	100%	Nil
2	Foreign									
a)	NRIs-Individuals	--	--	--	--	--	--	--	--	--
b)	Other-Individuals	--	--	--	--	--	--	--	--	--
c)	Bodies Corporate	--	--	--	--	--	--	--	--	--
d)	Banks/FI	--	--	--	--	--	--	--	--	--
e)	Any Other	--	--	--	--	--	--	--	--	--
Sub Total(A)(2)		--	--	--	--	--	--	--	--	--
Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)		--	17299996	17299996	100%	--	17299996	17299996	100%	Nil
B.	Public shareholding									
1	Institutions									
a)	Mutual Funds/ UTI	--	--	--	--	--	--	--	--	--
b)	Banks/FI	--	--	--	--	--	--	--	--	--
c)	Central Govt.	--	--	--	--	--	--	--	--	--
d)	State Govt.	--	--	--	--	--	--	--	--	--
e)	Venture Capital Funds	--	--	--	--	--	--	--	--	--
f)	Insurance Companies	--	--	--	--	--	--	--	--	--
g)	FII	--	--	--	--	--	--	--	--	--
h)	Foreign Venture capital Funds	--	--	--	--	--	--	--	--	--
i)	Any Other	--	--	--	--	--	--	--	--	--

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	Category of Shareholders	No. of Shares held at the at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
	Sub-Total (B)(1)									
2	Non-institutions									
a)	Bodies Corporate	--	--	--	--	--	--	--	--	--
i	Indian	--	--	--	--	--	--	--	--	--
ii	Oversees	--	--	--	--	--	--	--	--	--
b)	Individuals	--	--	--	--	--	--	--	--	--
i	Individuals shareholders holding nominal share capital up to Rs 1 lakh	--	--	--	--	--	--	--	--	--
ii	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	--	--	--	--	--	--	--	--	--
c)	Other (specify)	--	--	--	--	--	--	--	--	--
	Sub-Total (B)(2)									
	Total Public Shareholding (B) = (B)(1) + (B)(2)	--	--	--	--	--	--	--	--	--
C.	Shares held by Custodians for GDRs & ADRs	--	--	--	--	--	--	--	--	--
	GRAND TOTAL (A)+(B)+(C)	--	17299996	17299996	100%	--	17299996	17299996	100%	Nil

* Shares held by Adani Finserve Pvt. Ltd.(AFPL) including one individual being nominee of AFPL



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ii) Shareholding of Promoter:

Sr No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the year
		No. of Shares	% of total shares of the company	% shares pledged/encumbered to total shares	No. of Shares	% of total shares of the company	% shares pledged/encumbered to total shares	
1	Adani Finserve Pvt. Ltd.*	17299996	100	Nil	17299996	100	Nil	Nil

* Shares held by Adani Finserve Pvt. Ltd.(AFPL) including one individual being nominee of AFPL

iii) Change in Promoters' Shareholding:

Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year	17299996	100	17299996	100
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer/ bonus/ sweat equity etc.):	NIL			
At the end of the year	--	--	17299996	100%

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDR and ADRs):

For each of the Top 10 Shareholder	Shareholding at the beginning of the year		Shareholding at the end of the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company

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At the beginning of the year	Nil
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	
At the end of the year	

v) Shareholding of Directors and Key Managerial Personnel:

For each of the Directors and KMP	Shareholding at the beginning of the year		Shareholding at the end of the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year	None of the Directors and Key Managerial Personnel hold any share in the Company.			
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
At the end of the year				

V. Indebtedness:

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(In Rs.)

Details	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2,241.49	56.17	-	2297.66
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	9.48	-	-	9.48

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Total (i+ii+iii)	2,250.97	56.17	*	2,307.14
Change in Indebtedness during the financial year				
• Addition	10,217.38	-	-	10,217.38
• Reduction	4,026.47	21.19	*	4,047.66
Net Change	6,190.91	(21.19)	*	6,169.72
Indebtedness at the end of the financial year				
i) Principal Amount	8,386.54	34.98	*	8,421.52
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	55.34	-	*	55.34
Total (i+ii+iii)	8,441.88	34.98	*	8,476.86

VI. Remuneration of Directors and Key Managerial Personnel:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

B.

SN	Particulars of Remuneration	MD/WTD/Manager	Total Amount
1	Gross salary	N.A.	N.A.
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	--	--
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--
2	Stock Option	--	--
3	Sweat Equity	--	--
4	Commission	--	--
	- as % of profit	--	--
	- others, specify	--	--
	Others, please specify	--	--
	Total	--	--
	Ceiling as per the Act	--	--

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C. Remuneration to other Directors:

SN	Particulars of Remuneration	Directors	Total Amount
1	Independent Directors		
	a) Fee for attending board, committee meetings		
	b) Commission		
	c) Others, please specify		
	Total (1)		
2	Other Non-Executive Directors		
	a) Fee for attending board, committee meetings		
	b) Commission		
	c) Others, please specify		
	Total (2)		
	Total = (1+2)		

C. Remuneration to key managerial personnel other than MD/Manager/WTD

SN	Particulars of Remuneration	Chief Financial Officer	Company Secretary (Bhavik Shah)	Total Amount
1	Gross salary	N.A.	10,16,124	N.A.
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	--	10,16,124	--
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--	--
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--	--
2	Stock Option	--	--	--
3	Sweat Equity	--	--	--
4	Commission			
	- as % of profit	--	--	--
5	Others, please specify	--	--	--
	Total	--	10,16,124	--

VII. Penalties / punishment/ compounding of offences:

Type	Section of the Companies Act	Brief Description	Details of penalty/ punishment/ compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give details)
A. Company					
Penalty	None				
Punishment					

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Compounding	
B. Directors	
Penalty	
Punishment	None
Compounding	
C. Other Officers in default	
Penalty	
Punishment	None
Compounding	



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ADANI CAPITAL PRIVATE LIMITED

(CIN : U65990GJ2016PTC093692)

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

REGISTERED OFFICE

ADANI HOUSE, 56, SHRIMALI SOCIETY,
NEAR MITHAKHALI SIX ROADS,
NAVRANGPURA, AHMEDABAD – 380 009

CORPORATE OFFICE

1004/5, 10TH FLOOR, C-WING, ONE BKC,
C-66, G-BLOCK, BANDRA KURLA COMPLEX,
BANDRA (EAST), MUMBAI – 400 051

INDEPENDENT AUDITOR'S REPORT

To the Members of Adani Capital Private Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Adani Capital Private Limited ("the Company"), which comprise the Balance sheet as at March 31, 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profits including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to Note 2 to the Statement, which describes the uncertainties arising from COVID 19 pandemic and impacting the Company's operations and financial results including its estimates related to realization and impairment of assets, which are dependent on future developments regarding the severity and duration of the pandemic.

Our opinion is not modified in respect of this matter.

Basis for Opinion

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

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the Director's report, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other

information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management and Those Charged with Governance for the Standalone Financial Statements for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

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

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

- ▶ Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal



financial controls with reference to financial statements in place and the operating effectiveness of such controls.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;



S.R. BATLIBOI & Co. LLP
Chartered Accountants

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2020;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position - Refer Note 37 to the Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005



per Jitendra H. Ranawat

Partner
Membership Number: 103380
UDIN: 20103380AAAABN5329
Place of Signature: Mumbai
Date: June 28, 2020

Annexure 1 referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: Adani Capital Private Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given by the management, there are no immovable properties, included in fixed assets of the Company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given by the management, considering the nature of the Company and that the Company is registered as a non-banking finance company to which provisions of Sections 185 and 186 of the Companies Act, 2013 are not applicable, and hence reporting under clause (iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- (vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. The provisions relating to duty of custom, duty of excise, value added tax and sales tax are not applicable to the Company.

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- (b) According to the information and explanations given to us, undisputed dues in respect of provident fund, employees' state insurance, income-tax, goods and service tax, cess and other statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable, are as follows:

Statement of Arrears of Statutory Dues Outstanding for More than Six Month

Name of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the amount relates	Due Date	Date of Payment	Remarks, if any
Gujarat Professional tax	Professional tax	66,680	Jul-2018-March 2020	Various dates	Not paid	Pertains to Himmatnagar branch wherein registration is pending

- (c) According to the information and explanations given to us, there are no dues of income tax, service tax, and cess which have not been deposited on account of any dispute.
- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution and banks, government or dues to debenture holders.
- (ix) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not raised any money by way of initial public offer or further public offer, hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act are not applicable to the Company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.
- (xii) In our opinion, the Company is not a nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given by the management, the Company has complied with provisions of section 42 of the Companies Act, 2013 in respect of the private placement of fully non-convertible debentures during the year. According to the information and explanations given by the management, we report that the amounts raised, have been used for the purposes for which the funds were raised.

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S.R. BATLIBOI & Co. LLP
Chartered Accountants

- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, we report that the Company is registered under section 45-IA of the Reserve Bank of India Act, 1934.

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005



per Jitendra H. Ranawat

Partner

Membership Number: 103380

UDIN: 20103380AAAABN5329

Place of Signature: Mumbai

Date: June 28, 2020

ANNEXURE 2 to the Independent's Report of even date on the Financial Statements of Adani Capital Private Limited

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

To the Members of Adani Capital Private Limited

We have audited the internal financial controls over financial reporting of Adani Capital Private Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

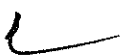
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the



transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, maintained adequate internal financial controls over financial reporting as of March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India, and except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting were operating effectively as of March 31, 2020

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005



per **Jitendra H. Ranawat**
Partner
Membership Number: 103380
UDIN: 20103380AAAABN5329
Place of Signature: Mumbai
Date: June 28, 2020

ADANI CAPITAL PRIVATE LIMITED

Balance Sheet as at March 31, 2020


(All amounts in Rs. in Millions unless otherwise stated)

Particulars	Note No	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
ASSETS				
(1) Financial assets				
(a) Cash and cash equivalents	7	992.86	108.63	33.08
(b) Receivables				
(i) Trade receivables	8	3.09	1.06	0.04
(ii) Other receivables		-	-	-
(c) Loans	9	10,096.32	4,661.89	1,878.18
(d) Investments	10	450.48	589.79	540.21
(e) Other financial assets	13	51.96	26.37	2.25
		11,594.71	5,387.74	2,453.76
(2) Non-financial assets				
(a) Current tax assets (Net)		58.50	44.75	7.62
(b) Deferred tax assets (Net)	15	46.56	47.02	36.76
(c) Property, plant and equipment	11	222.46	175.02	53.83
(d) Capital work-in-progress		-	0.28	5.12
(e) Intangible assets under development		8.88	36.39	90.42
(f) Other intangible assets	12	107.17	78.34	0.01
(g) Other non-financial assets	14	23.07	10.28	14.90
		466.64	392.08	208.66
Total assets		12,061.35	5,779.82	2,662.42
LIABILITIES AND EQUITY				
LIABILITIES				
(1) Financial liabilities				
(a) Payables				
(i) Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises	16	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	16	48.44	33.97	23.71
(ii) Other payables				
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	16	7.73	2.96	0.00
(b) Debt securities	17	984.52	-	-
(c) Borrowings (other than debt securities)	18	7,492.34	2,307.14	72.77
(d) Other financial liabilities	19	178.69	114.03	49.93
		8,711.72	2,458.10	146.41
(2) Non-financial liabilities				
(a) Current tax liabilities (Net)		-	-	-
(b) Provisions	20	22.17	16.47	5.22
(c) Deferred tax liabilities (Net)	15	-	-	-
(d) Other non-financial liabilities	21	24.81	20.67	8.51
		46.98	37.14	13.73
EQUITY				
(a) Equity share capital	22	173.00	173.00	148.00
(b) Other equity	23	3,129.65	3,111.58	2,354.28
		3,302.65	3,284.58	2,502.28
Total liabilities and equity		12,061.35	5,779.82	2,662.42

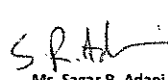
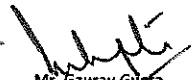
The accompanying notes form an integral part of the standalone financial statements

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As per our report of even date
For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number:
301003E/E300005

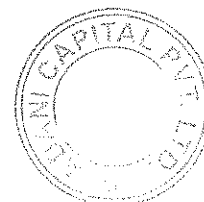

per Jitendra H. Ranawat
Partner
Membership No: 103380

For and on behalf of the Board of Directors of
Adani Capital Private Limited
CIN: U65990GJ2016PTC093692

 
Mr. Sagar R. Adani Mr. Gaurav Gupta
Director Director
DIN: 07626229 DIN: 01669109

Place: Mumbai
Date: 28 June 2020


Mr. Bhavik Shah
Company Secretary
Membership No: A56979



ADANI CAPITAL PRIVATE LIMITED

Statement of Profit and Loss for the year ended March 31, 2020
(All amounts in Rs. in Millions unless otherwise stated)

Particulars	Note No	Year ended March 31, 2020	Year ended March 31, 2019
Revenue From operations			
(i) Interest income	24	1,243.11	597.03
(ii) Fees and commission income	25	37.50	80.00
(iii) Net gain on fair value changes	26	7.72	14.95
(I) Total revenue from operations		1,288.33	691.98
(II) Other income	27	1.83	0.02
(III) Total income (I + II)		1,290.16	692.00
Expenses			
(i) Finance costs	28	479.77	110.45
(ii) Impairment on financial instruments	29	43.02	56.26
(iii) Employee benefits expenses	30	543.98	363.84
(iv) Depreciation, amortization and impairment	31	43.97	20.81
(v) Others expenses	32	159.96	113.73
(IV) Total expenses		1,270.70	665.09
(V) Profit before tax (III - IV)		19.46	26.91
(VI) Tax Expense:			
(1) Current Tax		9.00	4.00
(2) Deferred Tax		(1.79)	(10.23)
(VII) Profit for the period (V-VI)		12.25	33.14
(VIII) Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurements of the defined benefit plans		8.07	(0.13)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(2.25)	0.04
Other comprehensive income / (loss) (A + B)		5.82	(0.09)
(IX) Total comprehensive income for the period (VII + VIII)		18.07	33.05
(X) Earnings per equity share	36		
Basic (Rs.)		0.71	2.07
Diluted (Rs.)		0.71	2.07

The accompanying notes form an integral part of the standalone financial statements

1 - 56

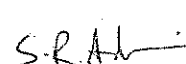
As per our report of even date
For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number:
301003/E300005

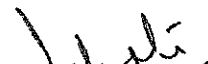


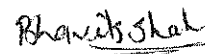
per Jitendra H. Ranawat
Partner
Membership No: 103380

Place: Mumbai
Date: 28 June 2020

For and on behalf of the Board of Directors of
Adani Capital Private Limited
CIN: U65990GJ2016PTC093692


Mr. Sagar R. Adani
Director
DIN: 07626229


Mr. Gaurav Gupta
Director
DIN: 01669109


Mr. Bhavik Shah
Company Secretary
Membership No: A56979



ADANI CAPITAL PRIVATE LIMITED

Statement of Cash flows for the year ended March 31, 2020

(All amounts in Rs. in Millions unless otherwise stated)

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
A. Cash flow operating activities		
Net Profit / (Loss) before tax	19.46	26.91
Adjustments for:		
Depreciation, amortization and impairment	43.97	20.81
Impairment of Financial Instrument	43.02	56.26
Interest on lease liability	12.01	6.39
Net gain/(loss) on financial instrument at fair value through profit and loss (FVTPL)	(7.72)	(14.95)
(Profit)/Loss on sale of property, plant and equipment	-	(0.02)
Interest income	(1,243.11)	(597.03)
Finance Cost	467.76	104.06
Cash inflow from interest	1,071.00	583.66
Cash outflow from finance cost	(422.25)	(105.14)
Cash generated from / (used in) operations before working capital changes	(15.86)	80.95
Adjustments for changes in Working Capital :		
Decrease / (Increase) in Trade Receivable	(2.10)	(1.04)
Decrease / (Increase) in Loans	(5,314.70)	(2,818.41)
Decrease / (Increase) in Other financial assets	(30.20)	(24.56)
Decrease / (Increase) in Other non-financial assets	(40.80)	4.62
(Decrease) / Increase in Trade Payables	13.77	4.49
(Decrease) / Increase in Other Financial Liability	21.00	(4.09)
(Decrease) / Increase in Provision	13.77	11.12
(Decrease) / Increase in Other non-financial liabilities	4.15	12.16
	(5,350.97)	(2,734.76)
Refund / (Payment) of Taxes (Net)	(22.75)	(41.14)
Net cash generated from / (used in) operating activities (A)	(5,373.72)	(2,775.90)
B. Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets	(62.14)	(142.98)
Proceeds from sale of property, plant and equipment and intangible assets	-	0.15
Increase/(decrease) in capital work-in-progress and intangible assets under development	27.83	58.86
Purchase of investment measured at amortised cost	(19,177.53)	(16,010.80)
Proceeds from sale of investment measured at amortised cost	19,337.51	15,974.50
Net cash generated from / (used in) investing activities (B)	125.67	(120.27)
C. Cash flow from financing activities		
Proceeds from Issue of Equity Shares (Including securities premium)	-	750.00
Share issue expenses	-	(0.75)
Payment of principal portion of lease liabilities	(9.98)	(4.54)
Payment of interest on lease liabilities	(12.01)	(6.39)
Amount received from debt securities	980.00	-
Amount received from borrowing other than debt securities	9,237.38	4,597.53
Repayment of borrowing other than debt securities	(4,063.11)	(2,364.13)
Net cash generated from / (used in) financing activities (C)	6,132.28	2,971.72
Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C)	884.23	75.55
Add: Cash and Cash Equivalents at the beginning of Year	108.63	33.08
Cash and Cash Equivalents at the end of the Year	992.86	108.63

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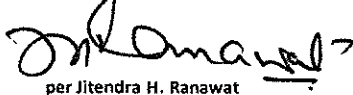
ADANI CAPITAL PRIVATE LIMITED

Statement of Cash flows for the year ended March 31, 2020
(All amounts in Rs. in Millions unless otherwise stated)

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Components of Cash and Cash Equivalents		
Balances with banks	42.68	108.63
Fixed deposit with bank (Less than 3 months)	950.18	-
	992.86	108.63

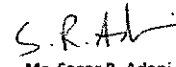
The above Statement of cash flow has been prepared under the indirect method set out in Ind AS 7 - Statement of Cash Flow.

As per our report of even date
For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number:
301003E/E300005

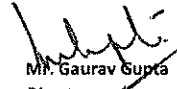


per Jitendra H. Ranawat
Partner
Membership No: 103380

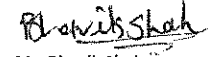
For and on behalf of the Board of Directors of
Adani Capital Private Limited
CIN: U65990GJ2016PTC093692



Mr. Sagar R. Adani
Director
DIN: 07626229



Mr. Gaurav Gupta
Director
DIN: 01669109



Mr. Bhavik Shah
Company Secretary
Membership No: A56979

Place: Mumbai
Date: 28 June 2020



ADANI CAPITAL PRIVATE LIMITED

Statement of Changes in Equity for the year ended March 31, 2020

(All amounts in Rs. in Millions unless otherwise stated)

A. Equity Share Capital

Particulars	As at March 31, 2020	As at March 31, 2019
Issued, subscribed and paid up (Equity share of Rs. 10 each, fully paid-up)		
Balance as at the beginning of the year	173.00	148.00
Add: Issued during the year	-	25.00
Balance as at the end of the year	173.00	173.00

B. Other equity

Particulars	Reserves and Surplus			Total
	Securities premium	Special Reserve	Retained earnings	
Balance at April 1, 2018	2,404.51	4.57	(54.80)	2,354.28
Profit for the year	-	-	33.14	33.14
Other comprehensive income for the year	-	-	(0.09)	(0.09)
Total comprehensive income for the year (net of tax)	-	-	33.05	33.05
Transfer / utilisations				
Transferred to special reserve from retained earnings	-	12.33	(12.33)	-
Issue of equity shares	725.00	-	-	725.00
Amounts utilised towards share issue expenses	(0.75)	-	-	(0.75)
Balance at March 31, 2019	3,128.76	16.90	(34.08)	3,111.58
Profit for the year	-	-	12.25	12.25
Remeasurement benefit of defined benefit plans	-	-	5.82	5.82
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year (net of tax)	-	-	18.07	18.07
Transfer / utilisations				
Transferred to special reserve from retained earnings	-	2.45	(2.45)	-
Balance at March 31, 2020	3,128.76	19.35	(18.46)	3,129.65

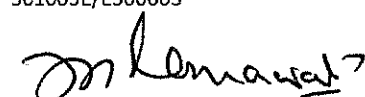
As per our report of even date

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number:

301003E/E300005



per Jitendra H. Ranawat

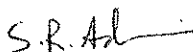
Partner

Membership No: 103380

For and on behalf of the Board of Directors of

Adani Capital Private Limited

CIN: U65990GJ2016PTC093692



Mr. Sagar R. Adani

Director

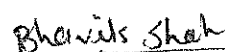
DIN: 07626229



Mr. Gaurav Gupta

Director

DIN: 01669109



Mr. Bhavik Shah

Company Secretary

Membership No: A56979

Place: Mumbai

Date: 28 June 2020



ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2020

Significant Accounting Policies:

1. Corporate Information:

Adani Capital Private Limited (the 'Company') was incorporated in India on September 12, 2016 under the provisions of the Companies Act, 2013 ('the Act').

The Company is engaged in the business of providing loans.

The Company holds a Certificate of Registration (CoR) as Non-Banking Financial Institution, without accepting public deposits, registered with the Reserve Bank of India ("RBI") under section 45-IA of the Reserve Bank of India Act, 1934. The Company received its certificate of registration as a non-banking finance Company on January 6, 2017.

The Company is a wholly owned subsidiary of Adani Finserve Private Limited.

The Registered office of the company is Adani House, 56, Shrimali Society, Navrangpura, Ahmedabad, Gujarat - 380009.

The financial statements of the Company for the year ended 31 March 2020 were authorised for issue in accordance with the resolution of the Board of Directors on 28 June 2020.

2. Basis of Preparation:

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

For all periods up to and including the year ended 31 March 2019, the company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP). These financial statements for the year ended 31 March 2020 are the first, the company has prepared in accordance with Ind AS. Refer to Note 51 – First Time Adoption for information on how the company adopted Ind AS.

The financial statements have been prepared on a historical cost basis, except for certain financial instruments such as, other financial instruments held for trading, which have been measured at fair value. The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest Millions, except when otherwise indicated.

The preparation of financial statements requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosed amount of contingent liabilities. Areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the Company are discussed in Note 6 - Significant accounting judgements, estimates and assumptions.

The Covid-19 pandemic has resulted in a significant decrease in the economic activities across the country, on account of lockdown that started on 24 March 2020. The lockdown also affected the Companies business operations in the last week of March 2020. Further, in accordance with the regulatory package announced by the Reserve Bank of India (RBI) on March 27, 2020 and April 17, 2020 the Company has granted a moratorium of 3 months and extended the same for a further period of 3 months in accordance with the announcement by the RBI on May 22, 2020 for the

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ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2020

payment of all instalments falling due between March 1, 2020 and August 31, 2020 to all eligible borrowers that have opted to avail the same. In respect of accounts overdue but standard as at February 28, 2020 where moratorium benefit has been granted, the staging for the accounts is based on staging existing as at that date. As per the assessment done by the Company, this staging standstill has not been on its own considered to be triggering any substantial increase in credit risk. Based on the assessment of the Company, in the absence of other credit risk indicators, the granting of the moratorium does not itself result in accounts becoming past due and triggering Stage 2 and Stage 3 classification criteria.

Estimates and associated assumptions applied in preparing these financial statements especially for determining the impairment allowance for the company's financial assets (loans) are based on historical experience and other emerging / forward looking factors on account of the pandemic. The Company has used early indicators of moratorium and delayed payment metrics observed along with an estimation of potential stress on probability of default and exposure at default due to Covid -19 situation in developing the estimates and assumptions to assess the impairment loss allowance on loans. Accordingly, the Company has recognised an additional impairment on loans of Rs 21.10 million. Given the dynamic nature of the pandemic situation these estimates are subject to uncertainty and may be affected by the severity and duration of the pandemic. In the event the impacts are more severe or prolonged than anticipated this will have a corresponding impact on the carrying value of financial assets. The financial position and performance of the Company. However, the impact assessment of COVID 19 is a continuing process given its nature and duration. The Company will continue to monitor for any material changes to future economic conditions.

3. Presentation of financial statements

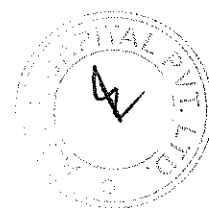
The financial statements of the company are presented as per Division III of the Schedule III to the Companies Act 2013. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note 45 – Maturity Analysis of assets and liabilities.

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all the following circumstances:

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the Company and/or its counterparties

4. Statement of Compliance:

These standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 and the other relevant provisions of the Act.



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ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2020

5. Significant accounting policies:

5.1 Revenue from operations:

5.1.1 Interest income:

Interest income is recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets other than credit-impaired assets and financial assets classified as measured at FVTPL.

The EIR in case of a financial asset is computed

- As the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.
- By considering all the contractual terms of the financial instrument in estimating the cash flows
- Including all fees received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

Interest income on credit impaired assets is recognised by applying the effective interest rate to the net amortised cost (net of provision) of the financial asset.

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ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2020

5.1.2 Dividend income:

Dividend income is recognized

- a. When the right to receive the payment is established,
- b. it is probable that the economic benefits associated with the dividend will flow to the entity and
- c. the amount of the dividend can be measured reliably

5.1.3 Fees and Commission income:

Fees and commissions are recognised when the Company satisfies the performance obligation, at fair value of the consideration received or receivable based on a five-step model as set out below, unless included in the effective interest calculation:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation

5.2 Financial instruments:

5.2.1 Date of Recognition:

Financial assets and liabilities, with the exception of loans and borrowings are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace. Loans are recognised when funds are transferred to the customers' account. The Company recognises borrowings when funds are available for utilisation to the Company.



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ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2020

5.2.2 Initial measurement of financial instruments:

Financial assets and financial liability are initially measured at fair value. Transaction cost that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities recorded at fair value through profit & loss (FVTPL)), are added to or subtracted from the fair value of financial assets or financial liabilities, as appropriate, on initial recognition. Transaction cost directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

5.2.3 Day 1 profit or loss:

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Company recognises the difference between the transaction price and fair value in net gain on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

5.2.4 Classification & measurement categories of financial assets and liabilities:

The Company classifies all its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

Financial assets at amortised cost (AC)

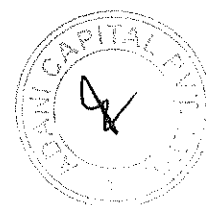
A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold assets for collecting contractual cash flows and contractual terms of the financial asset give rise on specified dates to cash flows that are solely for the payments of principal and interest on the principal amount outstanding. The changes in carrying value of financial assets is recognised in profit and loss account.

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

A financial asset is measured at FVTOCI if it is held within business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial assets that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding. The changes in fair value of financial assets is recognised in Other Comprehensive Income.

Interest income and foreign exchange gains and losses are recognized in profit or loss in the same manner as for financial assets measured at amortised cost.

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ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2020

Financial Assets at fair value through profit & loss (FVTPL)

A financial asset which is not classified in any of above categories are measured at FVTPL. The Company measures all financial assets classified as FVTPL at fair value at each reporting date. The changes in fair value of financial assets is recognised in Profit and loss account.

5.3 Financial assets and liabilities:

5.3.1 Amortised cost and effective interest method:

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For the financial instrument other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash flows (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance. If the financial asset become credit impaired, interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount. If the financial assets cures and is no longer credit-impaired, the Company reverts the calculation of interest income on a gross basis.


5.3.2 Financial assets held for trading:

The Company classifies financial assets as held for trading when they have been purchased or issued primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit taking. Held-for-trading assets are recorded and measured in the balance sheet at fair value. Changes in fair value are recognised in net gain on fair value changes.

5.3.3 Investment in Equity instruments:

The Company subsequently measures all equity investments at FVTPL, unless the Company's management has elected to classify irrevocably some of its strategic equity investments to be measured at FVOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

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ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2020

5.3.4 Financial Liabilities:

All the financial liabilities are measured at amortised cost except loan commitments, financial guarantees.

5.3.5 Debt securities and other borrowed funds:

The company measures debt issued and other borrowed funds at amortised cost at each reporting date. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the EIR.

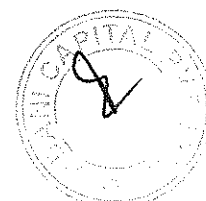
Here debt securities and other borrowed funds also include non – convertible debenture.

5.3.6 Financial assets and financial liabilities at FVTPL:

Financial assets and financial liabilities in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under Ind AS 109. Management only designates an instrument at FVTPL upon initial recognition when one of the following criteria are met. Such designation is determined on an instrument-by-instrument basis:

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis, or
- The liabilities are part of a group of financial liabilities, which are managed, and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, or
- The liabilities containing one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative(s) is prohibited

Financial assets and financial liabilities at FVTPL are recorded in the balance sheet at fair value. Changes in fair value are recorded in profit and loss with the exception of movements in fair value of liabilities designated at FVTPL due to changes in the Company's own credit risk. Such changes in fair value are recorded in the Own credit reserve through OCI and do not get recycled to the profit or loss. Interest earned or incurred on instruments designated at FVTPL is accrued in interest income or finance cost, respectively, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using contractual interest rate.



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ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2020

5.3.7 Loan commitments:

Undrawn loan commitments are commitments under which, over the duration of the commitment, the Company is required to provide a loan with pre-specified terms to the customer. Currently Company has not recognised any ECL in respect of undrawn commitment

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

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

5.4 Reclassification of financial assets and financial liabilities:

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. The company didn't reclassify any of its financial assets or liabilities in current period and previous period.

5.5 Derecognition of financial assets and liabilities:

5.5.1 Derecognition of financial asset:

A financial asset (or, where applicable a part of a financial asset or a part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Company has transferred the financial asset if and only if; either

- The Company has transferred the rights to receive cash flows from the financial asset or
- It retains the contractual rights to receive the cash flows of the financial asset but assumed a contractual obligation to pay the cash flows in full without material delay to third party under 'pass through' arrangement.

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a Financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following conditions are met:

- The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.

Bhaskar

ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2020

- The Company cannot sell or pledge the original asset other than as security to the eventual recipients.

The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- The Company has transferred substantially all the risks and rewards of the asset, or
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

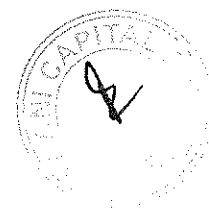
The Company also derecognises a financial asset, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new financial asset, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised financial assets are classified as Stage 1 for ECL measurement purposes, unless the new financial asset is deemed to be POCI.

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

5.5.2 Derecognition of financial liabilities:

A Financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid, including modified contractual cash flow recognised as new financial liability, is recognised statement of profit and loss.

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ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2020

5.6 Impairment of financial assets:

Overview of ECL principles

The Company records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, together with loan commitments, in this section all referred to as 'Financial Instruments'. Equity instruments are not subject to impairment under Ind AS 109.

ECL is a probability-weighted estimate of credit losses. A credit loss is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive discounted at the original effective interest rate. Because ECL consider the amount and timing of payments, a credit loss arises even if the entity expects to be paid in full but later than when contractually due.

Simplified Approach

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance. However, if receivables contain a significant financing component, the Company chooses as its accounting policy to measure the loss allowance by applying general approach to measure ECL.

General Approach

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is the portion of Lifetime ECL that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date."

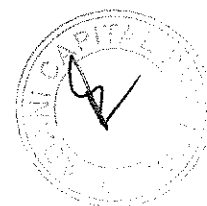
Both Lifetime ECLs and 12-month ECLs are calculated on a collective basis, depending on the nature of the underlying portfolio of financial instruments. The Company has grouped its loans into corporate loans, business loans given to MSMEs (MSME), home loans, commercial vehicle loans and supply chain finance.

During the year 2019-20 ACPL has acquired the Loan Portfolio from Essel Finance Business Loans Limited.

The loans acquired have been further segmented into the following pools / portfolios:

- a) Business Loans given to MSMEs (MSME) – Comprise of Secured and Unsecured Loans given.
- b) Loans to Financial Institution Funding (MFI/ NBFC) and
- c) Other Loans – These are primarily unsecured in nature.

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ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2020

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Company does the assessment of significant increase in credit risk at a borrower level.

Based on the above, the Company categorises its loans into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1

All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The company classifies all standard advances and advances upto 30 days default under this category. For these assets, 12-month ECL (resulting from default events possible within 12 months from reporting date) are recognized.

Stage 2

All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage. 30 Days Past Due is considered as significant increase in credit risk. For these assets lifetime ECL are recognized.

Stage 3

All exposures assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified in this stage. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired.


Credit-impaired financial assets

"At each reporting date, the company assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or past due event;
- The restructuring of a loan or advance by the company on terms that the company would not consider otherwise;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- The disappearance of an active market for a security because of financial difficulties."

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ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2020

The calculation of ECL

"The mechanics of the ECL calculations are outlined below and the key elements are, as follow

Probability of Default

The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognized and is still in the portfolio. The concept of PD is further explained in Note 50.1 – Risk Management – Credit Risk.

Exposure at Default

The Exposure at Default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments. The concept of EAD is further explained in Note 50.1 – Risk Management – Credit Risk.

Loss given Default

The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. The concept of LGD is further explained in Note 50.1 – Risk Management – Credit Risk

Significant increase in credit risk

ECL is measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. In assessing whether the credit risk of an asset has significantly increased the Company considered rebuttable presumption that credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due.

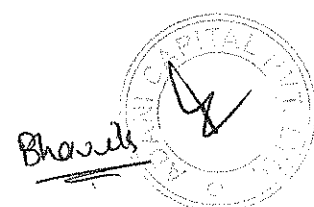
Trade receivables and contract assets

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables.

Forward looking information

While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Company analyses if there is any relationship between key economic trends like GDP, unemployment rates, benchmark rates set by the Reserve Bank of India, inflation etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships,

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ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2020

temporary overlays, if any, are embedded in the methodology to reflect such macro-economic trends reasonably.

5.7 Collateral valuation:

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, vehicles, real estate, etc. Collateral, unless repossessed, is not recorded on the Company's balance sheet. However, the fair value of collateral affects the calculation of ECLs. The collateral are assessed at time of inception and are being reassessed as and when required.

5.8 Collateral repossessed:

In its normal course of business, the Company does not physically repossess properties or other assets in its retail portfolio, but engages external agents to recover funds, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, assets under legal repossession processes are not recorded on the balance sheet.

5.9 Write-offs:

The Company reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the statement of profit and loss.

5.10 Determination of fair value:


The Company measures financial instruments, such as, xxxxxx at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either,

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable

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ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2020

inputs. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1 financial instruments

Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments

Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Group will classify the instruments as Level 3.

Level 3 financial instruments

Those that include one or more unobservable input that is significant to the measurement as whole.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

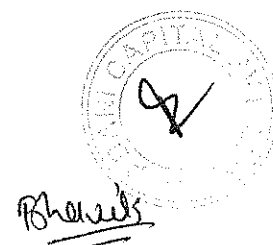
The Company periodically reviews its valuation techniques including the adopted methodologies and model calibrations. Therefore, the Company applies various techniques to estimate the credit risk associated with its financial instruments measured at fair value, which include a portfolio-based approach that estimates the expected net exposure per counterparty over the full lifetime of the individual assets, in order to reflect the credit risk of the individual counterparties for non-collateralised financial instruments.

The Company evaluates the levelling at each reporting period on an instrument-by-instrument basis and reclassifies instruments when necessary based on the facts at the end of the reporting period.

5.11 Leases:

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

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ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2020

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities representing obligations to make lease payments and right-of-use assets representing the right to use the underlying assets.

5.11.1 Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

The right-of-use assets are also subject to impairment. (Refer to the accounting policies on Impairment of non-financial assets.)

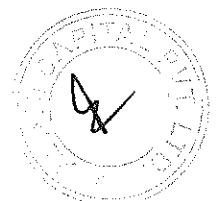
5.11.2 Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are included in Other Financial Liabilities (Refer Note 19).



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ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2020

5.11.3 Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

5.12 Earnings per share:

Basic earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding for the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by weighted average number of equity shares considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all potential equity shares.

5.13 Foreign currency transaction:

The Financial Statements are presented in Indian Rupees which is also functional currency of the Company. Transactions in currencies other than Indian Rupees (i.e. foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

5.14 Retirement and other employee benefits:


5.14.1 Provident fund:

The Company contributes to a recognised provident fund which is a defined contribution scheme. The contributions are accounted for on an accrual basis and recognised in the statement of profit and loss.

5.14.2 Gratuity:

The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present

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ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2020

value, and the fair value of any plan assets, if any, is deducted. The present value of the obligation under such benefit plan is determined based on independent actuarial valuation using the Projected Unit Credit Method.

Re-measurement, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

Remeasurement are not reclassified to profit or loss in subsequent periods.

5.14.3 Compensated absences:

The eligible employees of the Company are permitted to carry forward certain number of their annual leave entitlement to subsequent years, subject to a ceiling. The Company recognises the charge in the statement of profit and loss and corresponding liability on such non-vesting accumulated leave entitlement based on a valuation by an independent actuary. The cost of providing annual leave benefits is determined using the projected unit credit method.

5.15 Property, plant and equipment:

All items of property, plant and equipment are measured at cost less accumulated depreciation and impairment loss if any. The cost comprises the purchase price and incidental expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.

Changes in the expected useful life are accounted for by changing the amortization period or methodology, as appropriate, and treated as changes in accounting estimates.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are recognized in profit or loss during the reporting period, as and when they are incurred.

Depreciation is calculated using the straight-line method to write down the cost of property and equipment to their residual values over their estimated useful lives which is in line with the estimated useful life as specified in Schedule II of the Companies Act, 2013

As per the requirement of Schedule II of the Companies Act, 2013, the Company has evaluated the useful lives of the respective fixed assets which are as per the provisions of Part C of the Schedule II for calculating the depreciation. The estimated useful lives of the fixed assets are as follows:



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ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2020

Nature of assets	Estimated useful lives
Office equipment	5 years
Computer Systems	3 years
Electrical Installation	6 years
Furniture & fixtures	10 years
Office Premises	60 years

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The carrying amount of those components which have been separately recognised as assets is derecognised at the time of replacement thereof. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

5.16 Intangible assets:

An intangible asset is recognised only when its cost can be measured reliably, and it is probable that the expected future economic benefits that are attributable to it will flow to the company.

Intangible assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortization and impairment, if any.


The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortization period or methodology, as appropriate, which are then treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is presented as a separate line item in the statement of profit and loss.

Intangibles such as software are amortised over a period of 3 years based on its estimated useful life.

Gains or losses from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

For transition to Ind AS, the Company has elected to continue with the carrying value of all its intangible assets recognised as of 1 April 2018 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

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Notes to the Financial Statements for the year ended March 31, 2020

5.17 Impairment of non-financial assets:

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired based on internal/external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of cash generating unit which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed, and the impairment is reversed subject to a maximum carrying value of the asset before impairment.

5.18 Provisions and other contingent liabilities:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized. However, when the realization of income is virtually certain, then the related asset is not a contingent asset and is recognized.

5.19 Income tax expenses:

5.19.1 Current tax:

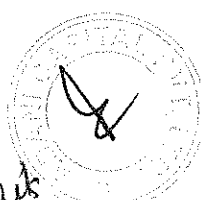
Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 in respect of taxable income for the year and any adjustment to the tax payable or receivable in respect of previous years.

5.19.2 Deferred tax:

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit and loss.



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Notes to the Financial Statements for the year ended March 31, 2020

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit and loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

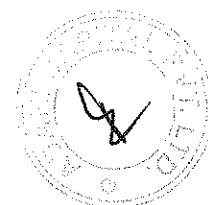
Deferred tax relating to items recognised outside profit and loss is recognised outside profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same tax authority.

5.19.3 Minimum Alternate Tax (MAT):

In accordance with the provision of Section of 115JAA of the Income-Tax Act, 1961, the Company is allowed to avail credit equal to the excess of MAT over normal income tax for the assessment years for which MAT is paid. MAT credit so determined can be carried forward for set-off for ten succeeding assessment years from the year in which such credit becomes allowable. MAT credit can be set off only in the year in which the Company to pay tax as per the normal provisions of the Income Tax Act, 1961 and such tax is in excess of MAT for that year. Accordingly, MAT credit entitlement is recognised as deferred tax only to the extent there is convincing evidence that the Company will pay normal tax during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay the normal income tax during the specified period.

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Notes to the Financial Statements for the year ended March 31, 2020

5.20 Goods and services tax paid on acquisition of assets or on incurring expenses:

Goods and services tax /value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax/value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

5.21 Cash and cash equivalents:

Cash and cash equivalents comprise the net amount of short-term, highly liquid investments that are readily convertible to known amounts of cash (short-term deposits with an original maturity of three months or less) and are subject to an insignificant risk of change in value, cheques on hand and balances with banks. They are held for the purposes of meeting short-term cash commitments (rather than for investment or other purposes).

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short- term deposits, as defined above.

6. Significant accounting judgements, estimates and assumptions:

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

6.1 Critical judgements in applying accounting polices:

6.1.1 Business model assessment:

Classification and measurement of financial assets depends on the results of the solely payments of principal and interest (SPPI) and the business model test. The Company determines the business model at a level that reflects how Company's financial assets are managed together to achieve a particular business objective. This assessment includes

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ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2020

judgment reflecting all relevant evidence including how the performance of the assets is evaluated and their performance is measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the quantum, the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

6.2 Key source of estimation uncertainty:

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

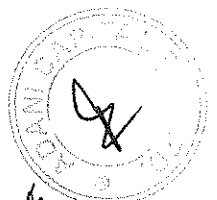
6.2.1 Fair value of financial instruments:

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

6.2.2 Effective Interest Rate (EIR) Method:

The Company's EIR methodology, as explained in Note 5.1, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given/ taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle including prepayments and penalty interest and charges.

This estimation, by nature requires an element of judgement regarding the expected behaviour and life cycle of the instrument, as well expected changes to India's base rate and other fee income/expenses that are integral part of the instrument.



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Notes to the Financial Statements for the year ended March 31, 2020

6.2.3 Impairment of Financial assets:

The measurement of impairment losses across all categories of financial assets requires judgment, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

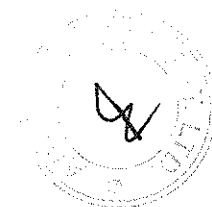
The Company's ECL calculations are outputs of models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- PD calculation includes historical data, assumptions and expectations of future conditions.
- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life-time expected credit loss and the qualitative assessment.
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EAD and LGD
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models
- The impact of COVID -19 on the global economy and how government, business and consumer is uncertain This uncertainty is reflected in the Company's assessment of impairment allowance on its loans which are subject to a number of management judgement and estimated. While methodologies and assumption applied remains unchanged. Company has separately incorporated estimates, assumption and judgements specific to the impact of COVID -19 pandemic.

In terms of the requirements as per RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020 on Implementation of Indian Accounting standard , Non-Banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowance under Ind AS 109 and Income Recognition , Asset Classification and Provisioning (IRACP) norms (including provision on standard assets). The impairment allowance under Ind AS 109 made by the company exceeds the total provision required under IRACP (including standard asset provisioning), as at 31 March 2020 and accordingly, no amount is required to be transferred to impairment reserve.

It is Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

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ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2020

6.2.4 Impairment of Non-Financial assets:

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the company estimates the asset's recoverable amount. An asset's recoverable amount is higher of an asset's fair value less cost of disposal and its value in use. Where the carrying amount exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

6.2.5 Provision and contingent liabilities:

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings in the ordinary course of its business.

When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgment is required to conclude on these estimates.

6.2.6 Provisions for Income Taxes:

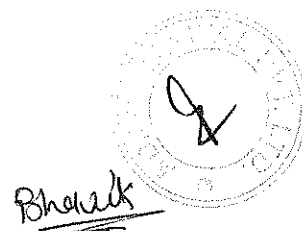
Significant judgements are involved in determining the provision for income taxes including judgement on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectation of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

6.2.7 Leases - Estimating the Incremental Borrowing rate:

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs when available and is required to make certain entity-specific estimates.

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ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2020

(All amounts in Rs. in Millions unless otherwise stated)

7 Cash and cash equivalents

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Cash on hand	-	-	-
Balances with banks	42.68	108.63	33.08
Fixed deposit with bank (Maturity Less than 3 months)	950.18	-	-
Total	992.86	108.63	33.08

8 Receivables

a. Trade Receivables

As at March 31, 2020

Particulars	Exposure	Loss Allowance	Net Amount
Considered Good - Secured	-	-	-
Considered Good - Unsecured	3.18	(0.09)	3.09
Total	3.18	(0.09)	3.09

As at March 31, 2019

Particulars	Exposure	Loss Allowance	Net Amount
Considered Good - Secured	-	-	-
Considered Good - Unsecured	1.09	(0.03)	1.06
Total	1.09	(0.03)	1.06

As at April 1, 2018

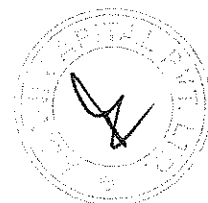
Particulars	Exposure	Loss Allowance*	Net Amount
Considered Good - Secured	-	-	-
Considered Good - Unsecured	0.05	(0.01)	0.04
Total	0.05	(0.01)	0.04

b. Reconciliation of impairment allowance on trade receivables:

Particular	For the year ended March 31, 2020	For the year ended March 31, 2019
Impairment allowance as per simplified approach		
Opening Balance	0.03	0.01
Add/(less): On Assets originated or acquired (net)	0.06	0.02
Closing Balance	0.09	0.03

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

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ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2020

(All amounts in Rs. in Millions unless otherwise stated)

c. Trade receivable days past dues

As at March 31, 2020	0-30	31-60	61-90	91-360	More than 360	Total
Estimated total gross carrying amount at default	1.71	1.14	-	0.14	0.20	3.18
ECL - Simplified approach	(0.05)	(0.03)	-	(0.00)	(0.01)	(0.09)
Net carrying amount	1.66	1.11	-	0.14	0.19	3.09

As at March 31, 2019	0-30	31-60	61-90	91-360	More than 360	Total
Estimated total gross carrying amount at default	0.42	0.23	-	0.44	-	1.09
ECL - Simplified approach	(0.01)	(0.01)	-	(0.01)	-	(0.03)
Net carrying amount	0.41	0.22	-	0.43	-	1.06

As at April 1, 2018	0-30	31-60	61-90	91-360	More than 360	Total
Estimated total gross carrying amount at default	0.05	-	-	-	-	0.05
ECL - Simplified approach	(0.01)	-	-	-	-	(0.01)
Net carrying amount	0.04	-	-	-	-	0.04

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ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2020


(All amounts in Rs. in Millions unless otherwise stated)

9 Loans

Particulars	As at	As at	As at
	March 31, 2020	March 31, 2019	April 01, 2018
	Amortised cost	Amortised cost	Amortised cost
(A) Loans	10,245.28	4,754.90	1,916.62
Total - Gross (A)	10,245.28	4,754.90	1,916.62
Less: Impairment loss allowance	(148.96)	(93.01)	(38.44)
Total - Net of impairment loss allowance (A)	10,096.32	4,661.89	1,878.18
(B) (i) Secured by tangible assets	8,249.72	3,308.99	1,811.59
(ii) Unsecured	1,995.56	1,445.91	105.03
Total - Gross (B)	10,245.28	4,754.90	1,916.62
Less: Impairment loss allowance	(148.96)	(93.01)	(38.44)
Total - Net of impairment loss allowance (B)	10,096.32	4,661.89	1,878.18
(C) Loans in India			
(i) Public sectors	-	-	-
(ii) Others	10,245.28	4,754.90	1,916.62
Total - Gross (C)	10,245.28	4,754.90	1,916.62
Less: Impairment loss allowance	(148.96)	(93.01)	(38.44)
Total - Net of impairment loss allowance (C)	10,096.32	4,661.89	1,878.18

Note: Term loans from banks are secured by way of exclusive first charge and hypothecation of loan receivables

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ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2020
(All amounts in ₹. in Millions unless otherwise stated)

9.1. Loans

a. Credit Quality of Assets
The table below shows the credit quality and the maximum exposure to credit risk based on the Company's year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in Note 50.1 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 50.1.1.6

Internal rating grade	31-Mar-20			31-Mar-19			01-Apr-18			
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Performing	9,190.67	-	-	-	9,190.67	4,214.50	-	-	-	4,214.50
High grade	390.03	-	-	-	390.03	54.12	-	-	-	54.12
Standard grade	-	503.18	-	-	503.18	483.82	-	-	-	483.82
Sub-standard grade	-	115.57	-	-	115.57	2.00	-	-	-	2.00
Past due but not impaired	-	-	-	-	-	-	-	-	-	-
Non-performing	-	-	45.83	-	45.83	-	-	0.46	-	0.46
Individually impaired	-	618.75	45.83	-	10,245.28	4,268.62	485.82	0.46	-	4,754.90
Total	9,580.70	618.75	45.83	-	10,245.28	4,268.62	485.82	0.46	-	4,754.90

b. Reconciliation of changes in gross carrying amount and corresponding ECL allowance for loans and advances to corporate, retail customers & factoring :-
The following disclosure provide stage wise reconciliation of the Company's gross carrying amount and ECL allowances for loans and advances to corporate, retail and factoring customer. The transfer of financial assets represents the impact of stage transfer upon the gross carrying amount and associated allowance for ECL. The net re-measurement of ECL arising from stage transfer represent increase or decrease due to these transfers.

Particulars	FY 2019-20			FY 2018-19						
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount opening balance	4,268.62	485.82	0.46	-	4,754.90	1,916.62	-	-	-	1,916.62
New assets originated or purchased	7,893.61	250.75	18.03	-	8,152.38	3,697.85	4.86	0.46	-	3,702.97
Assets derecognised or repaid (excluding write offs)	(3,551.33)	(147.03)	-	-	(2,698.36)	(851.28)	(0.05)	(0.03)	-	(851.34)
Transfers to Stage 2	(25.35)	23.35	-	-	-	(461.01)	481.01	-	-	-
Transfers to Stage 3	(25.79)	(1.33)	27.11	-	-	-	-	-	-	-
Other Adjustment	30.84	5.19	0.23	-	36.36	(13.36)	(0.00)	0.01	-	(13.35)
Gross carrying amount closing balance	9,580.70	618.75	45.83	-	10,245.28	4,268.62	485.82	0.46	-	4,754.90

c. Reconciliation of ECL allowance is given below:

Particulars	FY 2019-20			FY 2018-19						
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance - opening balance	73.87	18.72	0.42	-	93.01	38.44	-	-	-	38.44
New assets originated or purchased	107.70	6.20	6.55	-	120.45	58.41	0.32	0.40	-	59.13
Assets derecognised or repaid (excluding write offs)	(27.24)	(4.78)	0.04	-	(31.98)	(15.70)	-	-	-	(15.70)
Transfers to Stage 2	(0.65)	0.65	-	-	-	(10.80)	10.80	-	-	-
Transfers to Stage 3	(0.62)	(0.08)	0.70	-	-	-	-	-	-	-
Impact on year end ECL of exposures transferred between stages during the year	-	0.71	15.63	-	16.34	-	6.71	-	-	6.71
Changes to models and inputs used for ECL calculations	(47.47)	3.29	(4.68)	-	(48.86)	3.52	0.89	0.02	-	4.43
ECL allowance - closing balance	105.89	24.71	18.68	-	149.28	72.87	18.22	0.42	-	93.01

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ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2020
(All amounts in Rs. in Millions unless otherwise stated)

10 Investments

Particulars	As at		As at		As at	
	March 31, 2020	March 31, 2019	March 31, 2019	April 01, 2018	March 31, 2019	April 01, 2018
At fair value through profit & loss - Mutual funds	450.48	-	-	-	-	-
At amortised cost - PTC	-	602.77	602.77	551.52	551.52	551.52
Total - Gross (A)	450.48	602.77	602.77	551.52	551.52	551.52
(i) Investments outside India	450.48	-	602.77	551.52	551.52	551.52
(ii) Investments in India	-	-	-	-	-	-
Total - Gross (B)	450.48	602.77	602.77	551.52	551.52	551.52
Less: Allowance for impairment loss (C)	-	(12.98)	-	(11.31)	-	-
Total - Net E = (A - C)	450.48	589.79	589.79	540.21	540.21	540.21

10.1 Credit Quality of asset

The table below shows the credit quality and the maximum exposure to credit risk per based on the Company's year and stage classification for investments measured at amortised cost. The amounts presented are gross of impairment allowances.

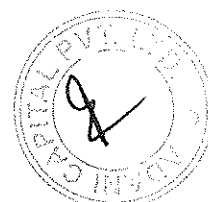
Internal Grade Rating	As at March 31, 2020			As at March 31, 2019			As at April 01, 2018		
	Stage 1 Individual	Stage 2 Individual	Stage 3	Stage 1 Individual	Stage 2 Individual	Stage 3	Stage 1 Individual	Stage 2 Individual	Stage 3
	Total	Total	Total	Total	Total	Total	Total	Total	Total
Performing High Grade	-	-	-	-	-	-	-	-	-
Total	602.77	602.77	602.77	602.77	602.77	602.77	551.52	551.52	551.52

10.2 An analysis of changes in gross carrying amount and the corresponding ECLs is as follows:

Particulars	2019-20			2018-19		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Gross Carrying amount - opening balance	602.77	-	-	551.52	-	-
Interest accrued but not due	-	-	-	51.25	-	-
Assets matured	(602.77)	-	-	(602.77)	-	-
Closing balance	-	-	-	602.77	-	-
Total	602.77	602.77	602.77	602.77	602.77	602.77
Total	602.77	602.77	602.77	602.77	602.77	602.77

Particulars	2019-20			2018-19		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Opening balance in ECL	12.98	-	-	11.31	-	-
Incremental Provision	-	-	-	1.67	-	-
Assets matured	(12.98)	-	-	(12.98)	-	-
Closing balance	-	-	-	12.98	-	-
Total	12.98	12.98	12.98	12.98	12.98	12.98

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ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2020
(All amounts in Rs. in Millions unless otherwise stated)

11 Property, plant and equipment

Particulars	Office Premises	Furniture and fixtures	Office equipment	Electrical Installations	ROU asset	Computer & Printer	Total
Deemed Cost*							
As at April 01, 2018	1.34	2.45	1.45	2.69	40.67	5.23	53.83
Additions	7.74	9.13	7.39	17.92	77.97	18.36	138.51
Disposals	-	-	-	-	-	(0.14)	(0.14)
As at March 31, 2019	9.08	11.58	8.84	20.61	118.64	23.45	192.20
Additions	0.72	2.13	4.24	6.35	59.73	8.43	81.60
Disposals	-	-	-	-	(1.83)	-	(1.83)
As at March 31, 2020	9.80	13.71	13.08	26.96	176.54	31.88	271.97
Depreciation and Impairment:							
Opening balance*	-	-	-	-	-	-	-
Depreciation for the year	0.60	0.71	1.08	1.09	9.33	4.38	17.19
Disposals	-	-	-	-	-	(0.01)	(0.01)
As at March 31, 2019	0.60	0.71	1.08	1.09	9.33	4.37	17.18
Depreciation for the year	1.21	1.34	2.42	2.52	17.28	7.91	32.68
Disposals	-	-	-	-	(0.35)	-	(0.35)
As at March 31, 2020	1.81	2.05	3.50	3.61	26.26	12.28	49.51
Net book value							
As at April 1, 2018	1.34	2.45	1.45	2.69	40.67	5.23	53.83
As at March 31, 2019	8.48	10.87	7.76	19.52	109.31	19.08	175.02
As at March 31, 2020	7.99	11.66	9.58	23.35	150.28	19.60	222.46

* The company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognised as of 1 April 2018 (Transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.



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ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2020

(All amounts in Rs. in Millions unless otherwise stated)

12 Other intangible assets

Particulars	Software	Total
Deemed Cost*		
As at April 01, 2018	0.01	0.01
Additions	81.95	81.95
Disposals	-	-
As at March 31, 2019	81.96	81.96
Additions during the year	40.12	40.12
Disposals	-	-
As at March 31, 2020	122.08	122.08
Amortization and Impairment:		
Opening balance*	-	-
Amortisation for the year	3.62	3.62
Disposals	-	-
As at March 31, 2019	3.62	3.62
Amortisation for the year	11.29	11.29
Disposals	-	-
As at March 31, 2020	14.91	14.91
Net book value		
As at April 1, 2018	0.01	0.01
As at March 31, 2019	78.34	78.34
As at March 31, 2020	107.17	107.17

* The company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognised as of 1 April 2018 (Transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

13 Other financial assets

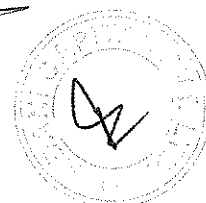
Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Security Deposits	9.41	5.13	2.25
Other receivables from related parties	41.53	18.51	-
Others	1.02	2.73	-
Total	51.96	26.37	2.25

14 Other non-financial assets

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Prepaid expenses	18.04	6.49	5.53
GST input credit	1.47	3.79	8.01
Others	3.56	-	1.36
Total	23.07	10.28	14.90

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ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2020

(All amounts in Rs. in Millions unless otherwise stated)

15 Deferred tax

The major components of deferred tax (liabilities) arising on account of timing differences are as follows:

As at March 31, 2020

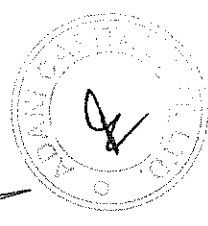
Particulars	Net balance as at April 01, 2019	Recognised in profit or loss	Recognised in OCI	Net balance as at March 31, 2020
Deferred tax assets				
Impairment loss on financial assets	29.50	2.91	-	32.40
EIR impact on financial instruments	6.45	2.03	-	8.48
Impact of Leases	0.56	2.37	-	2.93
Retirement benefit plans	4.58	3.83	(2.25)	6.17
Carried forward losses	9.35	(9.35)	-	-
Unused tax credits	4.00	1.40	-	5.40
(A)	54.44	3.19	(2.25)	55.38
Deferred tax liabilities				
Difference between written down value of fixed assets as per the books of accounts and income tax	4.48	1.17	-	5.65
EIR impact on borrowings	2.94	0.10	-	3.04
Net fair value gain on investment designated through FVTPL	-	0.13	-	0.13
(B)	7.42	1.40	-	8.82
Deferred tax assets (net) (A-B)	47.02	1.79	(2.25)	46.56

As at March 31, 2019

Particulars	Net balance as at April 01, 2018	Recognised in profit or loss	Recognised in OCI	Net balance as at March 31, 2019
Deferred tax assets				
Impairment loss on financial assets	13.84	15.65	-	29.50
EIR impact on financial instruments	7.79	(1.34)	-	6.45
Impact of Leases	(0.05)	0.62	-	0.56
Retirement benefit plans	1.45	3.09	0.04	4.58
Carried forward losses	14.03	(4.68)	-	9.35
Unused tax credits	-	4.00	-	4.00
(A)	37.06	17.34	0.04	54.44
Deferred tax liabilities				
Difference between written down value of fixed assets as per the books of accounts and income tax	0.30	4.18	-	4.48
EIR impact on borrowings	-	2.94	-	2.94
Net fair value gain on investment designated through FVTPL	-	-	-	-
(B)	0.30	7.12	-	7.42
Deferred tax assets (net) (A-B)	36.76	10.22	0.04	47.02

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ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2020

(All amounts in Rs. in Millions unless otherwise stated)

16 Trade Payable

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises*	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	48.44	33.97	23.71
	48.44	33.97	23.71
Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises			
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	7.73	2.96	0.00
	7.73	2.96	0.00
Total	56.17	36.93	23.71

* Based on and to the extent of information received by the Company from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors, the relevant particulars as at the year-end are furnished below:

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Principal amount due to suppliers under MSMED Act, as at the year end (since paid)*	-	-	-
Interest accrued and due to suppliers under MSMED Act, on the above amount as at the year end	-	-	-
Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-	-
Interest paid to suppliers under MSMED Act (other than section 16)	-	-	-
Interest paid to suppliers under MSMED Act (section 16)	-	-	-
Interest due and payable to suppliers under MSMED Act, for payments already made	-	-	-
Interest accrued and remaining unpaid at the year end to suppliers under MSMED Act	-	-	-

17 Debt securities

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
	Amortised cost	Amortised cost	Amortised cost
Redeemable non-convertible debentures - Secured			
Privately placed	984.52	-	-
Total	984.52	-	-
Debt Securities in India	984.52	-	-
Debt Securities outside India	-	-	-
Total	984.52	-	-

a. Maturity profile and rate of interest of debt securities are set out below:

As at March 31, 2020

Particulars	Rate of interest	Maturity	Amount
Privately placed non-convertible debentures - Tranche 1	9.75%	Repayable in single instalment on 31 December 2020	480.00
Privately placed non-convertible debentures - Tranche 2	9.75%	Repayable in single instalment on 26 February 2021	500.00
			980.00

Add: Interest accrued and effective interest rate amortisation

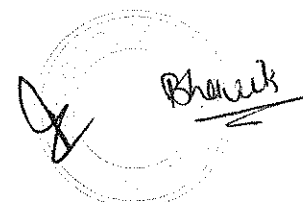
4.52

984.52

b. Nature of Security :

Redeemable non-convertible debentures which have been privately placed are secured by way of first pari passu hypothecation charge to the extent of 1.2x times over the loan assets / book debts of the company

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ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2020
(All amounts in Rs. in Millions unless otherwise stated)

18 Borrowings (other than debt securities)

Particulars	As at	As at	As at
	March 31, 2020	March 31, 2019	April 01, 2018
	Amortised cost	Amortised cost	Amortised cost
Secured			
Term loans			
- from banks	6,002.15	2,250.97	-
- from financial institutions	1,304.80	-	-
Unsecured			
Term loans			
- from financial institutions	34.98	56.17	72.77
Loans repayable on demand			
- from related parties	150.41	-	-
Total	7,492.34	2,307.14	72.77
Borrowings in India	7,492.34	2,307.14	72.77
Borrowings outside India	-	-	-
Total	7,492.34	2,307.14	72.77

a. Maturity profile and rate of interest of borrowings from banks and other parties are set out below:

As at March 31, 2020

Particulars	Rate of interest	Maturity			
		Upto 12 months	12 -36 months	36 - 48 months	Total
Term Loans from banks - Secured	9.10% to 11.50%	2,459.51	3,393.42	142.86	5,995.79
Term Loans from financial institutions - Secured	11.25% to 11.50%	485.35	814.32	-	1,299.67
Term Loans from other parties - Unsecured	9.00%	27.60	7.39	-	34.98
Loans repayable on Demand from related parties - Unsecured	8.00%	150.00	-	-	150.00
					7,480.44
					Add: Interest accrued and effective interest rate amortisation 11.90
					7,492.34

As at March 31, 2019

Particulars	Rate of interest	Maturity			
		Upto 12 months	12 -36 months	36 - 48 months	Total
Term Loans from banks - Secured	10.25% to 10.60%	900.00	1,225.00	125.00	2,250.00
Term Loans from other parties - Unsecured	9.00%	32.59	23.58	-	56.17
					2,306.17
					Add: Interest accrued and effective interest rate amortisation 0.97
					2,307.14

As at April 01, 2018

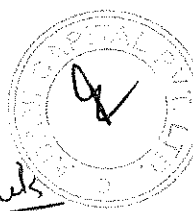
Particulars	Rate of interest	Maturity			
		Upto 12 months	12 -36 months	36 - 48 months	Total
Term Loans from other parties - Unsecured	9.00%	25.76	47.01	-	72.77
					72.77
					Add: Interest accrued and effective interest rate amortisation -
					72.77

b. Nature of Security :

Term loans from banks are secured by way of exclusive first charge and hypothecation of loan receivables

c. The borrowings have not been guaranteed by directors or others. Also the Company has not defaulted in repayment of borrowings and interest.

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ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2020

(All amounts in Rs. in Millions unless otherwise stated)

19 Other financial liabilities

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Lease Liability	153.85	108.40	38.95
Employee benefits payable	1.22	1.86	0.84
Other Payable to Related parties	-	-	5.69
Other Payables	23.62	3.77	4.45
Total	178.69	114.03	49.93

20 Provisions

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Provision for employee benefits			
Gratuity (Refer Note 34)	7.62	7.14	1.74
Compensated Absences (Refer Note 34)	14.55	9.33	3.48
Total	22.17	16.47	5.22

21 Other non-financial liabilities

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Statutory dues payable	15.49	13.70	7.86
Revenue received in advance	9.32	6.97	0.65
Total	24.81	20.67	8.51

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ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2020
(All amounts in Rs. in Millions unless otherwise stated)

22 Equity share capital

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 01, 2018	
	Number	Amount	Number	Amount	Number	Amount
Authorised Capital						
Equity shares of Rs. 10 each	2,00,00,000	200.00	2,00,00,000	200.00	2,00,00,000	200.00
	2,00,00,000	200.00	2,00,00,000	200.00	2,00,00,000	200.00
Issued, subscribed and fully paid up						
Equity Shares of Rs. 10 each fully paid up	1,72,99,996	173.00	1,72,99,996	173.00	1,47,99,997	148.00
	1,72,99,996	173.00	1,72,99,996	173.00	1,47,99,997	148.00

A. Reconciliation of number of shares

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 01, 2018	
	Number	Amount	Number	Amount	Number	Amount
Outstanding at the beginning of the year	1,72,99,996	173.00	1,47,99,997	148.00	81,66,666	81.67
Shares issued during the year	-	-	24,99,999	25.00	66,33,331	66.33
Outstanding at the end of the year	1,72,99,996	173.00	1,72,99,996	173.00	1,47,99,997	148.00

Notes:

A. Issue of equity shares

Financial year 2019

During the year the company has issued 24,99,999 fully paid-up equity shares of Rs. 10 per share at a premium of Rs. 290 per share for aggregate consideration of Rs. 25.00 Million to its holding company Adani Finserve Limited

Financial year 2018

During the year the company has issued 66,33,331 fully paid-up equity shares of Rs. 10 per share at a premium of Rs. 290 per share for aggregate consideration of Rs. 66.33 Million to its holding company Adani Finserve Limited

B. Terms/rights attached to equity shares

The company has only one class of equity shares having par value of Rs. 10 per share fully paid up. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend if and when proposed by the Board of Directors will be subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of Interim dividend.

In the event of liquidation of the company, the equity shareholders will be entitled to receive remaining assets of the company, after distribution of all preferential amounts, if any, in proportion to the number of equity shares held by the shareholders.

C. Shares held by the holding company

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 01, 2018	
	No. of shares held	% Holding	No. of shares held	% Holding	No. of shares held	% Holding
Holding Company						
Adani Finserve Private Limited	1,72,99,995	99.99%	1,72,99,995	99.99%	1,47,99,996	99.99%
	1,72,99,995	99.99%	1,72,99,995	99.99%	1,47,99,996	99.99%

D. Details of shareholder(s) holding more than 5% of equity shares in the company :

Name of shareholder	As at March 31, 2020		As at March 31, 2019		As at April 01, 2018	
	No. of shares held	% Holding	No. of shares held	% Holding	No. of shares held	% Holding
<u>Equity shares of Rs.10 each fully paid up</u>						
Holding Company						
Adani Finserve Private Limited	1,72,99,995	99.99%	1,72,99,995	99.99%	1,47,99,996	99.99%
Total	1,72,99,995	99.99%	1,72,99,995	99.99%	1,47,99,996	99.99%

As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.



ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2020

(All amounts in Rs. in Millions unless otherwise stated)

23 Other equity

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Securities premium reserve	3,128.76	3,128.76	2,404.51
Special Reserve under section 45-IC of the Reserve Bank of India Act, 1934	19.35	16.90	4.57
Retained earnings	(18.46)	(34.08)	(54.80)
Total	3,129.65	3,111.58	2,354.28

A. Nature and purpose of reserve

a. Securities premium reserve

The securities premium reserve is used to record the premium received on issue of shares. The reserve can be utilised only for limited purpose such as issuance of bonus shares in accordance with provision of the Companies Act, 2013.

b. Statutory reserve

Reserve created under 45-IC(1) in The Reserve Bank of India Act, 1934 a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

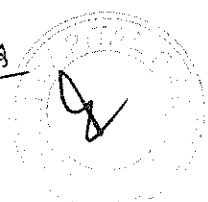
c. Retained earnings

Retained earnings represents surplus / accumulated earnings of the Company and are available for distribution to shareholders.

B. Movement in Other equity

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
I. Securities premium reserve			
Opening balance	3,128.76	2,404.51	483.33
Add : Premium received on issue of securities	-	725.00	1,923.67
Less: Share issue expenses	-	(0.75)	(2.49)
Total	3,128.76	3,128.76	2,404.51
II. Special Reserve under section 45-IC of the Reserve Bank of India Act, 1934			
Opening balance	16.90	4.57	-
Add : Additions during the year	2.45	12.33	4.57
Total	19.35	16.90	4.57
III. Impairment Reserve			
Opening balance	-	-	-
Add : Additions during the year	-	-	-
Total	-	-	-
IV. Retained earnings			
Opening balance	(34.08)	(54.80)	(73.10)
Add : Profit for the year	12.25	33.14	22.87
Add : Other comprehensive income	5.82	(0.09)	-
Amount available for appropriation	(16.01)	(21.75)	(50.23)
Less: Appropriations			
Transfer to Special Reserve u/s 45-IC of the Reserve Bank of India Act, 1934	(2.45)	(12.33)	(4.57)
Total	(18.46)	(34.08)	(54.80)

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ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2020

(All amounts in Rs. in Millions unless otherwise stated)

24 Interest income

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
	On financial assets measured at amortised cost	On financial assets measured at amortised cost
Interest on loans	1,083.65	489.32
Interest income from investments	112.86	100.00
Interest on fixed deposits	0.63	-
Other Interest Income	45.97	7.71
Total	1,243.11	597.03

25 Fees and commission income

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Advisory Fees	37.50	80.00
Total	37.50	80.00

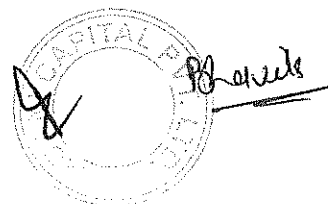
26 Net gain/ (loss) on fair value changes

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Net gain/ (loss) on financial instruments at fair value through profit or loss		
-On trading portfolio		
-Investments	7.72	14.95
Total	7.72	14.95
Fair value changes		
-Realised	7.24	14.95
-Unrealised	0.48	-
	7.72	14.95

27 Other income

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Miscellaneous Income	1.83	0.02
Total	1.83	0.02

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 ADANI CAPITAL PRIVATE LIMITED

ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2020
(All amounts in Rs. in Millions unless otherwise stated)

28 Finance costs

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
	On financial liabilities measured at amortised cost	On financial liabilities measured at amortised cost
Interest on borrowings	454.04	103.73
Interest on Debentures	13.38	-
Interest on lease liability	12.01	6.39
Other Finance Cost	0.34	0.33
Total	479.77	110.45

29 Impairment on financial instruments

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
On Financial instruments measured at amortised cost		
(i) Loans	55.95	54.57
(ii) Investments	(12.98)	1.67
(iii) Others	0.05	0.02
Total	43.02	56.26

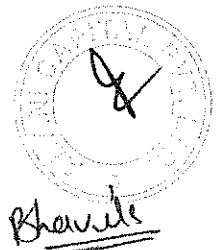
30 Employee benefits expenses

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries and wages	495.57	331.12
Contribution to provident and other funds	30.27	18.36
Staff welfare expenses	2.51	3.10
Gratuity expenses (Refer Note 34)	8.55	5.27
Leave encashment	7.08	5.99
Total	543.98	363.84

31 Depreciation, Amortisation and Impairments

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation on Property, Plant and Equipments	32.68	17.19
Amortisation on intangible assets	11.29	3.62
	43.97	20.81

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ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2020

(All amounts in Rs. in Millions unless otherwise stated)

32 Other expenses

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Rent	18.19	13.73
Communication expenses	14.78	6.73
Travelling and conveyance	28.04	17.47
Miscellaneous expenses	3.12	0.68
Membership & Subscription	0.24	0.04
Security Expenses	2.27	1.41
Branch Setup Expenses	0.74	0.51
Credit Information Costs	1.63	3.51
Electricity charges	5.65	4.20
IT Software License Costs	31.07	17.22
Insurance expenses	5.38	4.58
Legal and professional fees	51.01	23.71
Loss on sale of repossessed assets	4.14	-
Office Expenses	2.88	2.61
Office Maintenance Expenses	7.21	5.85
Sitting Fees	-	1.45
Printing and stationery	9.48	4.91
Payment to auditors (Refer Note 32.1)	1.78	1.22
Rates and taxes	3.71	10.82
Recruitment Expenses	2.13	5.68
Repairs and maintenance	0.37	0.28
Marketing Expenses	1.75	3.07
Recovery of shared cost from fellow subsidiary (Refer Note 32.2)	(35.61)	(15.95)
Total	159.96	113.73

32.1 Payment to the auditors:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
As Auditor		
Statutory audit of Company	1.74	1.20
Other Fees	-	-
Towards reimbursement of expenses	0.04	0.02
Total	1.78	1.22

32.2 Recovery of shared cost from fellow subsidiary:

Adani Capital Private Limited (ACPL) incurs expenditure like group mediclaim, insurance, rent, electricity charges etc. which is for the common benefit of itself and its fellow subsidiaries including Adani Housing Finance Private Limited (AHFPL). This cost so expended is recovered by ACPL based on the actual expenditure incurred, the number of employees and the time spent by employees of fellow subsidiaries etc.

33 Corporate Social responsibility

During the year, the provisions of Section 135 of the Companies Act, 2013 ('The Act') with respect to Corporate Social Responsibility were not applicable to the Company as the Company did not meet any of the three criteria mentioned in the Act.





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ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2020
(All amounts in Rs. in Millions unless otherwise stated)

34 Employee Benefits

a. Defined contribution plan - provident funds

In accordance with Employees' Provident Fund and Miscellaneous Provisions Act, 1952, employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which, both the employee and the Company contribute monthly at a determined rate. These contributions are made to a recognized provident fund administered by Regional Provident Fund Commissioner. The employees contribute 12% of their basic salary and the Company contributes an equal amount.

The Company recognised Rs. 30.27 Million (PY: Rs 18.36 Million) for year ended March 31, 2020, for provident fund and other contributions in the Statement of profit and loss.

b. Defined Benefit Plan - Gratuity

In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity, a non-contributory defined benefit arrangement providing lump-sum gratuity benefits expressed in terms of final monthly salary and year of service, covering all employees. The plan provides a lump sum payment to vested employees at retirement or termination of employment in accordance with the rules laid down in the Payment of Gratuity Act, 1972.

The most recent actuarial valuation pertaining to present value of the defined benefit obligation (DBO) for gratuity were carried out as at March 31, 2020. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

Particulars	As at	As at	As at
	March 31, 2020	March 31, 2019	April 1, 2018
Present value of obligation (A)	7.62	7.14	1.74
Fair Value of plan assets (B)	-	-	-
Present value of obligation (A- B)	7.62	7.14	1.74
Net deficit / (assets) are analysed as: Liabilities - (Refer note 20)	7.62	7.14	1.74

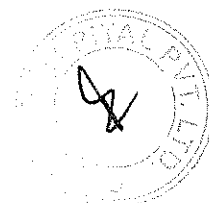
Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

Particulars	Defined Benefit Obligation		Fair Value of plan assets		Net defined benefit (asset) liability	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Opening balance	7.14	1.74	-	-	7.14	1.74
Current service cost	8.01	5.14	-	-	8.01	5.14
Interest cost (income)	0.54	0.13	-	-	0.54	0.13
	15.69	7.01	-	-	15.69	7.01
Other comprehensive income						
Remeasurement loss (gain):						
Actuarial loss (gain) arising from:						
Change in demographic assumptions	(8.79)	-	-	-	(8.79)	-
Experience variance	(1.55)	(0.10)	-	-	(1.55)	(0.10)
Change in Financial assumptions	2.27	0.23	-	-	2.27	0.23
	(8.07)	0.13	-	-	(8.07)	0.13
Closing balance	7.62	7.14	-	-	7.62	7.14
Represented by						
Net defined liability					7.62	7.14
					7.62	7.14

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ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2020

(All amounts in Rs. in Millions unless otherwise stated)

Components of defined benefit plan cost:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Recognised in statement of profit or loss		
Current service cost	8.01	5.14
Interest cost/ (income) (net)	0.54	0.13
Total	8.55	5.27
Recognised in other comprehensive income		
Other comprehensive income		
Actuarial loss (gain) arising from:		
Change in demographic assumptions	(8.79)	-
Experience variance	(1.55)	(0.10)
Change in Financial assumptions	2.27	0.23
Total	(8.07)	0.13

Actuarial assumptions:

The following were the principal actuarial assumptions at the reporting date:

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Discount rate	6.70%	7.60%	7.80%
Salary growth rate	8.00%	8.00%	8.00%
Withdrawal/attrition rate (based on categories)	25.10%	1.00%	1.00%
Mortality rate	100% of IALM 2012-14	100% of IALM 2006-08	100% of IALM 2006-08
Expected weighted average remaining working lives of employees	26.59 years	25.99 years	25.21 years

Notes:

a) The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yields / rates available on applicable bonds as on the current valuation date.

b) The salary growth rate indicated above is the Company's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, seniority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.

c) Attrition rate indicated above represents the Company's best estimate of employee turnover in future (other than on account of retirement, death or disablement) determined considering various factors such as nature of business, retention policy, industry factors, past experience, etc.

Sensitivity analysis:

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.


Particulars	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Salary Growth Rate (+/- 1%) (% change compared to base due to sensitivity)	8.06 5.80%	7.20 -5.50%	8.41 17.90%	6.07 -15.00%	2.01 15.70%	1.50 -13.40%
Discount Rate (+/- 1%) (% change compared to base due to sensitivity)	7.20 -5.50%	8.07 6.00%	6.07 -14.90%	8.43 18.10%	1.50 -13.30%	2.01 15.80%
Attrition Rate (+/- 50% of attrition rates) (% change compared to base due to sensitivity)	5.11 -32.90%	11.13 46.20%	7.02 -1.70%	7.26 1.70%	1.70 -1.80%	1.77 1.80%
Mortality Rate (-/+ 10% of mortality rates) (% change compared to base due to sensitivity)	7.62 0.00%	7.62 0.00%	7.14 0.00%	7.14 0.00%	1.74 0.00%	1.74 0.00%

The Sensitivity is performed on the DBO at the respective valuation date by modifying one parameter whilst retaining other parameters constant. There is no change in the method of valuation for the prior period.

Description of asset liability matching (ALM) policy

The Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).

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ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2020

(All amounts in Rs. in Millions unless otherwise stated)

Description of funding arrangements and funding policy that affect future contributions

The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

Expected future contributions

The Company's best estimate of Contribution during the next year	-
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Maturity profile of Defined Benefit Obligation

Expected cash flows over the next (valued on undiscounted basis):	As at March 31, 2020	As at March 31, 2019
1 years	0.03	0.02
2 to 5 years	5.21	0.28
6 to 10 years	4.47	1.38
More than 10 Years	1.90	27.58

Experience adjustments

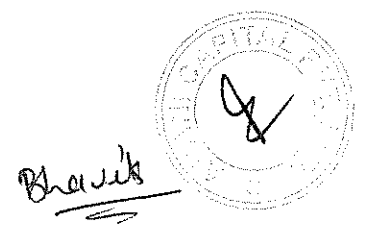
Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Defined Benefit Obligations	7.62	7.14	1.74
Fair value of plan assets	-	-	-
Asset/(liability) recognized in the balance sheet	7.62	7.14	1.74
Experience adjustment on plan liabilities	(1.55)	(0.10)	-

c. Compensated absences:

The Company provides for accumulated compensated absences as at the balance sheet date using projected unit credit method based on actuarial valuation.

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Present value of unfunded obligation	14.55	9.33	3.48
Expenses recognised in the Statement of Profit and Loss	5.22	5.85	2.42
Assumption			
Discount Rate	6.70%	7.60%	7.80%
Salary growth rate	8.00%	8.00%	8.00%
Withdrawal/attrition rate (based on categories)	25.10%	1.00%	1.00%

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ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2020
(All amounts in Rs. in Millions unless otherwise stated)

35 Tax expense

(a) Amounts recognised in profit and loss

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Current tax expense		
Current year	9.00	4.00
Deferred tax expense		
Origination and reversal of temporary differences	(1.79)	(10.23)
Tax expense for the year	7.21	(6.23)

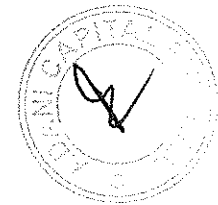
(b) Amounts recognised in other comprehensive income

Particulars	Year ended March 31, 2020			Year ended March 31, 2019		
	Before tax	Tax (expense)	Net of tax	Before tax	Tax (expense)	Net of tax
Items that will not be reclassified to profit or loss						
(a) Remeasurements of defined benefit liability (asset)	8.07	(2.25)	5.82	(0.13)	0.04	(0.09)
	8.07	(2.25)	5.82	(0.13)	0.04	(0.09)

(c) Reconciliation of effective tax rate

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Profit before tax as per Statement of profit and loss	19.46	26.91
Applicable income tax rate (%)	27.82%	27.82%
Tax expense calculated at applicable income tax rate	5.41	7.49
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Permanent differences	-	(13.56)
Utilisation of unabsorbed depreciation	-	(0.14)
Unused tax credits	1.40	-
Other adjustments	0.40	(0.02)
Income tax expense recognised in profit and loss	7.21	(6.23)

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ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2020

(All amounts in Rs. in Millions unless otherwise stated)

36 Earnings per share

Basic EPS is calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year adjusted for assumed conversion of all dilutive potential equity shares.

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Net Profit attributable to Equity holders of the Company - A	12.25	33.14
Weighted average number of Shares		
a) Number of equity shares outstanding at the beginning of the year	17.30	14.80
b) Number of equity shares issued during the year	-	2.50
Total number of equity shares outstanding at the end of the year	17.30	17.30
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares) - B	17.30	16.00
Basic and diluted earnings per share (in rupees) (A/B)	0.71	2.07

The basic and diluted earnings per share are the same as there are no dilutive/ potential equity shares issued or outstanding as at the year end.

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ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2020

(All amounts in Rs. in Millions unless otherwise stated)

37 Contingent liabilities and commitments

In the ordinary course of business, the Company faces claims and assertions by various parties. The Company assesses such claims and assertions and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

The Company believes that the outcome of these proceedings will not have a materially adverse effect on the Company's financial position and results of operations.

a. Contingent Liability

There are no contingent liabilities as at 31 March 2020 as well as at 31 March 2019.

b. Commitments

Particular	As at March 31, 2020	As at March 31, 2019
Commitment in respect of:		
Capital expenditure	7.08	19.38
Loans sanctioned but not disbursed	750.74	430.90

38 For the loans pertaining to Farm Equipment and Commercial Vehicle business amounting to Rs. 713.14 Million (PY - Rs. 601.90 Million) as at March 31, 2020, the Management is in the process of collection of Registration Certificate Book (RC Book) from the customers.

39 In case of Vehicle Loans for Farm Equipment business amounting to Rs. 64.54 Million (PY - Rs. 42.20 Million) as at March 31, 2020, first default loss guarantee is provided by equipment manufacturer to the extent of 50%.

40 In respect of secured loans for MSME business amounting to Rs. 27.74 Million (PY - Rs. 4.45 Million) disbursed in the month of March 2020, the Company is in the process of perfecting the security.

41 Receivable / Payable balance in foreign currency – Rs. Nil (PY – Rs. Nil). Unhedged receivable / payable balances - Rs. Nil (PY – Rs. Nil).

42 Segment information


The Company operates in a single reportable segment i.e. lending, since the nature of the loans are exposed to similar risk and return profiles hence they are collectively operating under a single segment. The Company operates in a single geographical segment i.e. domestic. Hence, there are no separate reportable segments, as required by the Ind AS 108 on 'Segment Reporting'.

43 Events after reporting date

There have been no events after the reporting date that require disclosure in these financial statements.

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ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2020
(All amounts in Rs. in Millions unless otherwise stated)

44 Changes in liabilities arising from financing activities

Particulars	As at April 1, 2019	Cash Flows (net)	Changes in Fair Value	Others (net)	As at March 31, 2020
Debt securities	-	980.00	-	4.52	984.52
Borrowing other than debt securities	2,307.14	5,174.28	-	10.93	7,492.35
	2,307.14	6,154.28	-	15.45	8,476.87

Particulars	As at April 1, 2018	Cash Flows (net)	Changes in Fair Value	Others (net)	As at March 31, 2019
Debt securities	-	-	-	-	-
Borrowing other than debt securities	72.77	2,233.40	-	0.97	2,307.14
	72.77	2,233.40	-	0.97	2,307.14

* Others column includes the effect of accrued but not paid interest on borrowings, amortisation of processing fees, etc.

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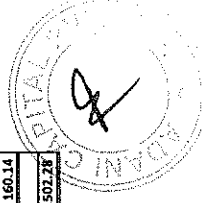
ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2020
(All amounts in Rs. in Millions unless otherwise stated)

45 Maturity Analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. With regard to loans and advances to customers, the company uses the same basis of expected repayment behaviour as used for estimating the EIR.

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 01, 2018	
	Within 12 months	After 12 months	Within 12 months	After 12 months	Within 12 months	After 12 months
ASSETS						
Financial assets						
Cash and cash equivalents	992.86	-	992.86	-	108.63	-
Receivables						
(i) Trade receivables	3.09	-	1.06	-	1.06	-
(ii) Other receivables	-	5,724.04	2,365.34	2,296.55	-	1,608.19
Loans	4,372.28	-	450.48	-	589.79	-
Investments	42.55	9.41	21.23	5.14	26.37	2.25
Other Financial assets	5,861.26	5,733.45	11,594.71	3,086.05	5,387.74	2,150.65
Sub total						
Non-financial assets						
Current Tax assets (Net)	-	58.50	-	44.75	44.75	7.62
Deferred Tax assets (Net)	-	46.56	-	47.02	47.02	36.76
Property, plant and equipment	-	222.46	222.46	175.02	175.02	53.83
Capital work-in-progress	-	-	0.28	-	0.28	-
Intangible assets under development	-	8.88	36.39	-	36.39	-
Other intangible assets	-	107.17	107.17	78.34	78.34	90.42
Other non-financial assets	23.07	-	23.07	10.28	10.28	0.01
Sub total	23.07	443.57	466.64	345.13	392.08	14.90
Total assets	5,884.93	6,177.02	12,061.35	2,866.82	5,779.62	2,268.87
LIABILITIES AND EQUITY						
LIABILITIES						
Financial liabilities						
Payables						
(i) Trade payables	-	-	-	0.00	0.00	-
(ii) total outstanding dues of creditors of micro enterprises and small enterprises	48.44	-	48.44	33.97	33.97	-
(iii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	23.71
(iv) Other payables	-	-	-	-	-	-
(v) total outstanding dues of creditors of micro enterprises and small enterprises	7.73	-	7.73	2.96	2.96	-
(vi) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	0.00
Debt securities	984.52	-	984.52	-	-	-
Borrowings (Other than Debt Securities)	3,154.36	4,337.98	7,492.34	1,336.16	2,307.14	47.18
Other Financial liabilities	35.38	143.31	178.69	101.87	114.83	38.47
Sub total	4,230.43	4,481.29	8,711.72	1,438.03	2,458.10	85.65
Non-Financial liabilities						
Provisions	5.90	16.27	22.17	1.55	16.47	5.22
Other non-financial liabilities	24.81	-	24.81	20.67	20.67	8.51
Sub total	30.71	16.27	46.98	22.22	37.14	13.73
Total liabilities	4,261.14	4,497.56	8,758.70	1,460.25	2,495.24	99.37
Net Assets / (Liabilities) (A - B)	1,623.79	1,679.47	3,302.65	2,080.71	3,284.38	2,150.00
						2,502.28



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ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2020

(All amounts in Rs. in Millions unless otherwise stated)

46 Related Party Disclosure

a. Name of related party and nature of relationship:

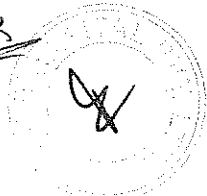
Name of Related Parties by whom control is exercised	
Holding company	Adani Finserve Private Limited
Fellow subsidiary company	Adani Housing Finance Private Limited
Directly / indirectly controls the holding company	Adani Properties Private Limited
Subsidiary of ultimate holding company	Adani Infrastructure Management Services Limited
Enterprise under common control	Adani Electricity Mumbai Limited Adani Port and SEZ Limited
Key management personnel	Mr. Sagar R. Adani (Director) Mr. Gaurav Gupta (Director) Mr. Bhavik Shah (Company Secretary - w.e.f 12th March 2020)
Relative of key management personnel	Mrs. Anjali Gupta

b. Transaction with related parties:

Particulars	As at March 31, 2020	As at March 31, 2019
Capital account transactions		
Issuance of equity share capital :		
Adani Finserve Private Limited	-	750.00
Current account transactions		
Inter-corporate deposits received:		
Adani Finserve Private Limited	1,104.00	1,734.00
Adani Electricity Mumbai Limited	900.00	-
Inter-corporate deposits repaid:		
Adani Finserve Private Limited	954.00	1,734.00
Adani Electricity Mumbai Limited	900.00	-
Interest on inter-corporate deposits paid:		
Adani Finserve Private Limited	12.50	43.59
Adani Electricity Mumbai Limited	20.68	-
Reimbursement of expenses:		
Adani Housing Finance Private Limited	41.53	20.54
Advisory fees received:		
Adani Infrastructure Management Services Limited	-	94.40
Adani Port and SEZ Limited	44.25	-
Rent paid:		
Mr. Gaurav Gupta	3.86	3.38
Mrs. Anjali Gupta	3.86	3.38
Remuneration:		
Mr. Bhavik Shah (w.e.f 12th March 2020)	0.08	-

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ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2020

(All amounts in Rs. in Millions unless otherwise stated)

c. Transactions outstanding at year end

Particulars	As at March 31, 2020	As at March 31, 2019
Interest payable on deposits:		
Adani Finserve Private Limited	0.46	-
Amount Receivable:		
Adani Housing Finance Private Limited	41.53	18.51
Amount Payable:		
Adani Finserve Private Limited	150.00	-

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ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2020

(All amounts in Rs. in Millions unless otherwise stated)

47 Leases

Company as a Lessee

The Company has entered into lease contracts for premises at various locations. Leases of premises generally have lease terms between 5 to 9 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets.

The Company also has certain leases of premises which are cancellable in nature and leases for printers with lease term of 12 months or less for which the Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions.

a. Carrying amounts of lease liabilities (included under 'Other Financial Liabilities') and the movements during the period:

Particulars	As at March 31, 2020	As at March 31, 2019
As at 1st April	108.40	38.95
Additions	57.07	73.99
Disposals	(1.64)	-
Accretion of interest	12.01	6.39
Payments	(22.00)	(10.93)
As at 31st March	153.84	108.40

b. Maturity analysis of lease liabilities is as under:

Particulars	Within 12 months	After 12 months	Total
As at March 31, 2020	17.18	136.67	153.85
As at March 31, 2019	7.87	100.53	108.40
As at April 01, 2018	3.37	35.58	38.95

c. Amounts recognised in statement of profit or loss:

Particulars	As at March 31, 2020	As at March 31, 2019
Depreciation expense of right-of-use assets	17.28	9.33
Interest expense on lease liabilities	12.01	6.39
Expense relating to short-term leases and low value items	18.19	13.73
Total amount recognised in profit or loss	47.48	29.45

d. Cash flows and additions to assets / liabilities:

The Company had total cash outflows for leases of Rs. 40.19 Million for the year ended March 31, 2020 (PY - Rs. 24.66 Million). The Company also had non-cash additions to right-of-use assets of Rs. 59.73 Million for the year ended March 31, 2020 (PY - Rs. 77.97 Million) and lease liabilities of Rs. 57.07 Million for the year ended March 31, 2020 (PY - Rs. 73.99 Million).

e. Future Commitments:

Particulars	As at March 31, 2020
Future undiscounted lease payments for which the leases have not yet commenced	Nil

f. Extension / Termination Options:

Some of the leases contain extension and termination options. Such options are taken into account in the determination of the lease term only if extension or non-termination can be assumed with reasonable certainty. On this basis, there were no such amounts included in the measurement of lease liabilities as at March 31, 2020.

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ADANI CAPITAL PRIVATE LIMITED

ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2020

(All amounts in Rs. in Millions unless otherwise stated)

48 Capital Management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements from its regulators i.e. Reserve Bank of India (RBI) and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. The capital management policy is under constant review by the Board.

Regulatory Capital

The below regulatory capital is computed in accordance with Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 1, 2016 issued by Reserve Bank of India.

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Capital Funds			
Net owned funds (Tier I capital)	3,140.04	3,122.81	2,375.09
Tier II capital	130.30	75.02	32.72
Total capital funds	3,270.34	3,197.83	2,407.81
Total risk weighted assets/ exposures	11,747.18	6,001.60	2,617.66
% of capital funds to risk weighted assets exposures:			
Tier I capital	26.73%	52.03%	90.73%
Tier II capital	1.11%	1.25%	1.25%
Total capital Funds	27.84%	53.28%	91.98%

Regulatory capital consists of Tier I capital, which comprises share capital, share premium, retained earnings including current year's profit less accrued dividends. Certain adjustments are made to Ind AS – based results and reserves, as prescribed by the Reserve Bank of India. The other component of regulatory capital is Tier II Capital, which includes subordinated debt.

The Company is meeting the capital adequacy requirements of Reserve Bank of India (RBI).

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ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2020

(All amounts in Rs. in Millions unless otherwise stated)

49 Fair Value Measurement

A. Valuation Principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques. Refer Note 5.10 - Determination of Fair Value(Accounting policy Note) for more details on fair value hierarchy.

B. Valuation governance framework

The Company's fair value methodology and the governance over its models includes a number of controls and other procedures to ensure appropriate safeguards are in place to ensure its quality and adequacy. All new product initiatives (including their valuation methodologies) are subject to approvals by various functions of the Company including the risk and finance functions.

Where fair values are determined by reference to externally quoted prices or observable pricing inputs to models, independent price determination or validation is used. For inactive markets, Company sources alternative market information, with greater weight given to information that is considered to be more relevant and reliable.

The responsibility of ongoing measurement resides with the business and product line divisions. However finance department is also responsible for establishing procedures governing valuation and ensuring fair values are in compliance with accounting standards.

C. The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy

As at March 31, 2020

Particulars	Level 1	Level 2	Level 3	Total
Assets measured at fair value on recurring basis				
Investments				
Units of Mutual Funds	450.48	-	-	450.48
	450.48	-	-	450.48

As at March 31, 2019

Particulars	Level 1	Level 2	Level 3	Total
Assets measured at fair value on recurring basis				
Investments				
Units of Mutual Funds	-	-	-	-
	-	-	-	-

As at April 1, 2018

Particulars	Level 1	Level 2	Level 3	Total
Assets measured at fair value on recurring basis				
Investments				
Units of Mutual Funds	-	-	-	-
	-	-	-	-

D. Valuation Methodologies of Financial Instruments measured at fair value

Units of Mutual Funds

Units held in mutual funds are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions, if any. Such instruments are classified as Level 1.

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ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2020
(All amounts in Rs. in Millions unless otherwise stated)

49 Fair Value Measurement (contd...)

E. Fair value of financial instrument not measured at fair value

The table below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and non-financial liabilities

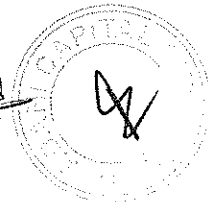
As at March 31, 2020

Particular	Carrying Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial Assets					
Cash and cash equivalents	992.86	992.86	-	-	992.86
Trade Receivables	3.09	-	-	3.09	3.09
Loans	10,096.32	-	-	10,278.85	10,278.85
Other financial assets	51.96	-	-	51.96	51.96
Total Financial Assets	11,144.23	992.86	-	10,333.90	11,326.76
Financial Liabilities					
Trade Payables	56.17	-	-	56.17	56.17
Debt Securities	984.52	-	-	984.52	984.52
Borrowings	7,492.34	-	-	7,492.34	7,492.34
Other Financial Liabilities	178.69	-	-	178.69	178.69
Total Financial liabilities	8,711.72	-	-	8,711.72	8,711.72

As at March 31, 2019

Particular	Carrying Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial Assets					
Cash and cash equivalents	108.63	108.63	-	-	108.63
Trade Receivable	1.06	-	-	1.06	1.06
Loans	4,661.89	-	-	4,806.75	4,806.75
Investments	589.79	-	-	589.79	589.79
Other financial assets	26.37	-	-	26.37	26.37
Total Financial Assets	5,387.73	108.63	-	5,423.97	5,532.60
Financial Liabilities					
Trade Payables	36.94	-	-	36.94	36.94
Borrowings	2,307.14	-	-	2,307.14	2,307.14
Other Financial Liabilities	114.03	-	-	114.03	114.03
Total Financial liabilities	2,458.11	-	-	2,458.11	2,458.11

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ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2020

*(All amounts in Rs. in Millions unless otherwise stated)*As at April 1, 2018

Particular	Carrying Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial Assets					
Cash and cash equivalents	33.08	33.08	-	-	33.08
Trade Receivable	0.04	-	-	0.04	0.04
Loans	1,878.18	-	-	1,885.80	1,885.80
Investments	540.21	-	-	540.21	540.21
Other financial assets	2.25	-	-	2.25	2.25
Total Financial Assets	2,453.76	33.08	-	2,428.30	2,461.38
Financial Liabilities					
Trade Payables	23.71	-	-	23.71	23.71
Borrowings	72.77	-	-	72.77	72.77
Other Financial Liabilities	49.93	-	-	49.93	49.93
Total Financial liabilities	146.41	-	-	146.41	146.41

F. Valuation Methodologies of Financial Instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only.

Short Term Financial Assets and Liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts are a reasonable approximation of their fair value. Such instruments include, trade receivables and trade payables and the amounts have been classified as Level 2 on the basis that no adjustments have been made to the balances in the balance sheet.

Financial assets at amortised cost

The fair values of financial assets measured at amortised cost are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk.

Except for the above, carrying values of other financial assets / liabilities represents reasonable estimates of fair value.

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ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2020

(All amounts in Rs. in Millions unless otherwise stated)

50 Risk Management

Introduction and risk profile

Risk is an inherent part of Company's business activities. When the Company extends a corporate or retail loan, buys or sells securities in market, or offers other products or services, the Company takes on some degree of risk. The Company's overall objective is to manage its businesses, and the associated risks, in a manner that balances serving the interests of its customers and investors and protects the safety and soundness of the Company.

The Company believes that effective risk management requires:

- 1) Acceptance of responsibility, including identification and escalation of risk issues, by all individuals within the Company ;
- 2) Ownership of risk identification, assessment, data and management within each of the lines of business and Corporate ; and
- 3) Firmwide structures for risk governance
- 4) Robust underwriting policy
- 5) Portfolio Monitoring process
- 6) Fraud detection and prevention process

The Company strives for continual improvement through efforts to enhance controls, ongoing employee training and development and other measures.

Risk Management Structure

We have a well-defined risk management policy framework for risk identification, assessment and control to effectively manage risks associated with the various business activities. The risk function is monitored primarily by independent risk management team.

Our risk management policy ensures that the margin requirements are conservative to be able to withstand market volatility and scenarios of sharply declining prices. As a result, we follow conservative lending norms.

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board, has empowered the Risk Management team, which has an independent Head who is responsible for developing and monitoring the Company's risk management policies. On a periodic basis the Head of Risk appraises the Board on the overall risks, recommends change in the processes and policies and takes stock of the overall portfolio quality and key risk indicators.

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

Risk mitigation and risk culture

The Company's business processes ensure complete independence of functions and a segregation of responsibilities. Credit appraisal & credit control processes, centralised operations unit, independent audit unit for checking compliance with the prescribed policies and approving loans at transaction level as well as our risk management processes and policies allow layers of multiple checks and verifications. Our key business processes are regularly monitored by the head of our business or operations. Our loan approval and administration procedures, collection and enforcement procedures are designed to minimise delinquencies and maximise recoveries.

At all levels of the Company's operations, specifically tailored risk reports are prepared and distributed in order to ensure that all business divisions have access to extensive, necessary and up-to-date information.

It is the Company's policy that a monthly briefing is given to the Board of Directors and all other relevant members of the Company in the utilisation of market limits, proprietary investments and liquidity, plus any other risk developments.

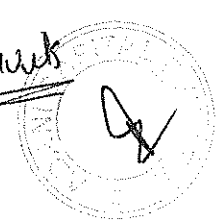
It is the Company's policy to ensure that a robust risk awareness is embedded in its organisational risk culture. Employees are expected to take ownership and be accountable for the risks the Company is exposed to. The Company's continuous training and development emphasises that employees are made aware of the Company's risk appetite and they are supported in their roles and responsibilities to monitor and keep their exposure to risk within the Company's risk appetite limits. Compliance breaches and internal audit findings are important elements of employees' annual ratings and remuneration reviews.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry or geographical location.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

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ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2020
(All amounts in Rs. in Millions unless otherwise stated)

50.1 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparties to financial instrument fails to discharge their contractual obligations and arises principally from Company's Loans and advances to customer, Trade Receivables and Investment. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical and industry concentrations, and by monitoring exposures in relation to such limits. The company has adopted a policy of dealing with credit worthy counter parties and obtain sufficient collateral, where appropriate as a means of mitigating the risk of financial loss from default.

Credit risk is monitored by the credit risk department of the Company's independent Risk Controlling Unit. It is their responsibility to review and manage credit risk, including environmental and social risk for all types of counterparties. Credit risk consists of line credit risk managers who are responsible for their business lines and manage specific portfolios and experts who support both the line credit risk manager, as well as the business with tools like credit risk systems, policies, models and reporting.

The Company has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties.

The Credit quality review process aims to allow the Company to assess the potential loss as result of the risk to which it is exposed and take corrective action.

The Company's internal rating graded on days past due (DPD) basis.:-

Internal Rating Grade	Internal Rating Description	Staging
Performing	0 DPD	Stage 1
High grade	1 to 30 DPD	Stage 1
Standard grade	31 to 60 DPD	Stage 2
Sub-Standard grade	61 to less than 90 DPD	Stage 2
Past due but not impaired	90 and 90+ DPD	Stage 3
Non-performing		

50.1.1: Impairment assessment

The references below show where the Company's impairment assessment and measurement approach is set out in this report. It should be read in conjunction with the summary of significant accounting

- (a) The Company's definition and assessment of default and cure (Note 50.1.1.1).
- (b) How the Company defines, calculates and monitors the probability of default, exposure at default and loss given default (Notes 50.1.1.2 to 50.1.1.4)
- (c) When the Company considers there has been a significant increase in credit risk of an exposure (Note 50.1.1.5)
- (d) The Company's policy of segmenting financial assets where ECL is assessed on a collective basis (Note 50.1.1.6)
- (e) The details of the ECL calculations for Stage 1, Stage 2 and Stage 3 assets (Note 9.1)

50.1.1.1: Definition of default and cure

The company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments. As a part of a qualitative assessment of whether a customer is in default, the company also considers a variety of instances that may indicate unlikelihood to pay. When such events occur, the company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate. Such events include exposure to sector which is facing some challenging time in terms of demand and supply mismatch, funding issue that may indicate unlikelihood to pay etc.

50.1.1.2 PD estimation process

Probability of default (PD) is an estimate of the likelihood of default over a given time horizon. In the absence of sufficient history of default the company has primarily sourced the PDs from external default reports published by various rating agencies.



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ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2020
(All amounts in Rs. in Millions unless otherwise stated)

50.1.1.3 Exposure at default

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation.

50.1.1.4 Loss given default

The LGD represents expected losses on the EAD given the event of default, taking into account among other attributes the mitigating effect of collateral value at the time it is expected to be realised and the time value of money. The LGD is computed in the following manner:

- a) In case of Commercial vehicle and Farm Equipments portfolio the LGD percentage is determined based on the recovery experience from closed cases.
- b) In case of loans to MSME Sector and term loans to Corporate customers the LGD percentage is determined based on the estimated value of recovery from the sale of collateral after considering reasonable haircuts as determined appropriate by the management where latest fair value of collateral is not available with the management and
- c) In case of other portfolios proxy LGD percentage as prescribed by the regulatory authority (FIRB Approach) is considered.

50.1.1.5 Significant increase in credit risk

When determining whether the credit risk has increased significantly since initial recognition, the Company considers both quantitative and qualitative information and analysis based on the Company's historical experience, including forward-looking information. The Company considers reasonable and supportable information that is relevant and available without undue cost and effort. The company considers an exposure to have significantly increased in credit risk when the borrower crosses 30 DPD but is within 90 DPD.

50.1.1.6 Grouping financial assets measured on a collective basis

The Company assesses whether the credit risk on an exposure has increased significantly on an individual or collective basis. For the purposes of a collective evaluation of impairment, loans are grouped on the basis of shared credit risk characteristics, taking into account instrument type, credit risk ratings, date of initial recognition, remaining term to maturity, industry, geographical location of the borrower and other relevant factors.

The Company combines these exposure into smaller homogeneous portfolios, based on a combination of internal and external characteristics of the loans, the company has determined the following pools for the purpose of computing ECL:

- a) Commercial Vehicle
- b) Farm Equipments
- c) MSME
- d) Home loans
- e) Supply Chain Finance
- f) Corporate Loans

50.1.1.7 Forward looking Adjustment

A measure of ECL is an unbiased probability weighted amount that is determined by evaluating a range of possible outcomes and using a reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. In the current year the management has incorporated the impact of forward looking estimate through management overlay. The impact of COVID -19 on the global economy and how government, business and consumer respond is uncertain, the methodology and assumption applied to compute the ECL remains unchanged however the management has separately incorporated certain judgements and assumptions specifically to incorporate the impact of COVID-19 pandemic.

50.1.2 Analysis of risk concentration

Concentration arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligation to be similarly affected by change in economic, political or other condition. Concentration indicate the relative sensitivity of the Company's performance to development affecting particular industry or geographical location

The following table shows the risk concentration by industry for the components of the balance sheet. Additional disclosures for credit quality and the maximum exposure for credit risk per categories based on the Company's internal rating grade and year-end stage classification are further disclosed in Note 9 and Note 10.



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ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2020

(All amounts in Rs. in Millions unless otherwise stated)

Industry Analysis

31-Mar-20	Financial Services	Real Estate Loans	Lifestyle / Garments	Retail Loans	Total
Financial assets					
Cash and cash equivalent and other bank balances	992.86	-	-	-	992.86
Trade and other receivables	3.09	-	-	-	3.09
Loans	-	564.04	-	9,532.28	10,096.32
Investments	450.48	-	-	-	450.48
Other Financial Assets	51.96	-	-	-	51.96
Total	1,498.39	564.04	-	9,532.28	11,594.71

31-Mar-19	Financial Services	Real Estate Loans	Lifestyle / Garments	Retail Loans	Total
Financial assets					
Cash and cash equivalent and other bank balances	108.63	-	-	-	108.63
Trade and other receivables	1.06	-	-	-	1.06
Loans	-	805.24	-	3,856.65	4,661.89
Investments	-	-	589.79	-	589.79
Other Financial Assets	26.37	-	-	-	26.37
Total	136.06	805.24	589.79	3,856.65	5,387.74

01-Apr-18	Financial Services	Real Estate Loans	Lifestyle / Garments	Retail Loans	Total
Financial assets					
Cash and cash equivalent and other bank balances	33.08	-	-	-	33.08
Trade and other receivables	0.04	-	-	-	0.04
Loans	-	1,700.61	-	177.57	1,878.18
Investments	-	-	540.21	-	540.21
Other Financial Assets	2.25	-	-	-	2.25
Total	35.37	1,700.61	540.21	177.57	2,453.76

50.1.3 Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral.

The main types of collateral obtained are, as follows:

- a) For corporate lending (land, buildings, residential properties and development rights of an under construction property)
- b) For retail lending, mortgage property mainly residential property, vehicle, farm equipment

In its normal course of business, the Company does not physically repossess properties or other assets in its retail portfolio, but engages external agents to recover funds, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, the residential properties under legal repossession processes are not recorded on the balance sheet and not treated as non-current assets held for sale.

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ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2020
(All amounts in Rs. in Millions unless otherwise stated)

The tables on the following pages show the maximum exposure to credit risk by class of financial asset along with details on collateral held against exposure.

	Maximum exposure to credit risk			Principal type of collateral
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	
Financial assets				
Cash and cash equivalents	992.86	108.63	33.08	
Receivables				
(i) Trade receivables	3.09	1.06	0.04	
(ii) Other receivables				
Loans	8,249.72	3,308.99	1,811.59	land, buildings, residential properties and development rights of an under construction property, mortgage property mainly residential property, vehicle, farm equipment.
Investments	450.48	589.79	540.21	
Other financial assets	51.96	26.37	2.25	

Collateral and other credit enhancements

The below tables provide an analysis of the current fair values of collateral held and credit enhancements for stage 3 assets.

31-03-2020*	Maximum exposure to credit risk			Fair Value of Collateral
	Carrying amount before ECL	Associated ECL	Carrying amount	
Loans				
Retail Loans	38.08	13.74	24.34	47.60

*In March 2018 there is no credit impaired asset & in March 2019 credit impaired asset in stage 3 are unsecured.

Narrative description of Collateral

Collateral primarily include vehicles purchased by retail loan customers and machinery & property in case of MSME customers.

Quantitative Information of Collateral

The Company monitors its exposure to loan portfolio using the Loan To Value (LTV) ratio, which is calculated as the ratio of the gross amount of the loan to the value of the collateral. The value of the collateral for retail loans is derived by writing down the asset cost at origination by 20% p.a.



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ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2020

(All amounts in Rs. in Millions unless otherwise stated)

50.2 Liquidity Risk

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances.

To limit this risk, management has arranged for diversified funding sources and has adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity on regular basis. The Company has developed internal control processes and contingency plans for managing liquidity risk. This incorporates an assessment of expected cash flows and the availability of cash, cash equivalents and high grade collateral which could be used to secure additional funding if required.

The Company maintains a portfolio of highly marketable and diverse assets that are assumed to be easily liquidated in the event of an unforeseen interruption in cash flow. The Company also has committed lines of credit that it can access to meet liquidity needs. In accordance with the Company's policy, the liquidity position is assessed under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Company.

Advances to borrowings ratio

Particulars	As at March 31, 2020	As at March 31, 2019
Year-end	119.10%	202.06%

Borrowings from banks and financial institutions and issue of debentures are considered as important sources of funds to finance lending to customers. They are monitored using the advances to borrowings ratio, which compares loans and advances to customers as a percentage of secured and unsecured borrowings.

Analysis of financial assets and liabilities by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at:

As at March 31, 2020

Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 Years	Total
Financial assets						
Cash and cash equivalents	992.68	0.18	-	-	-	992.86
Trade Receivables	-	3.18	-	-	-	3.18
Loans	0	2,995.94	2,368.16	6,081.57	1,218.26	12,663.93
Investments	-	450.00	-	-	-	450.00
Other Financial assets	-	41.54	-	8.06	8.33	57.93
Total undiscounted financial assets	992.68	3,490.84	2,368.16	6,089.63	1,226.59	14,167.90
Financial liabilities						
Trade Payables	1.00	38.51	16.67	-	-	56.18
Debt securities	-	23.76	1,052.23	-	-	1,075.99
Borrowings (Other than Debt Securities)	-	776.10	3,038.15	4,789.58	-	8,603.83
Other Financial liabilities	-	17.12	-	6.63	-	23.75
Total undiscounted financial liabilities	1.00	855.49	4,107.05	4,796.21	-	9,759.75
Total net financial assets / (liabilities)	991.68	2,635.35	(1,738.89)	1,293.42	1,226.59	4,408.15

As at March 31, 2019

Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 Years	Total
Financial assets						
Cash and cash equivalents	108.63	-	-	-	-	108.63
Trade Receivables	-	1.09	-	-	-	1.09
Loans	1.00	1,962.43	741.69	2,708.88	73.69	5,487.69
Investments	-	-	602.77	-	-	602.77
Other Financial assets	-	18.55	-	2.46	7.75	28.76
Total undiscounted financial assets	109.63	1,982.07	1,344.46	2,711.34	81.44	6,228.94
Financial liabilities						
Trade Payables	1.00	24.74	11.20	-	-	36.94
Debt securities	-	-	-	-	-	-
Borrowings (Other than Debt Securities)	10,000.00	77.93	1,119.86	1,489.37	-	12,687.16
Other Financial liabilities	(20,000.00)	2.77	-	-	-	(19,997.23)
Total undiscounted financial liabilities	(9,999.00)	105.44	1,131.06	1,489.37	-	(7,273.13)
Total net financial assets / (liabilities)	10,108.63	1,876.63	213.40	1,221.97	81.44	13,502.07

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ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2020

(All amounts in Rs. in Millions unless otherwise stated)

As at April 01, 2018

Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 Years	Total
Financial assets						
Cash and cash equivalents	33.08	-	-	-	-	33.08
Trade Receivables	-	0.05	-	-	-	0.05
Loans	-	161.43	140.40	1,665.53	5.73	1,973.09
Investments	-	-	-	551.52	-	551.52
Other Financial assets	-	-	-	1.59	2.60	4.19
Total undiscounted financial assets	33.08	161.48	140.40	2,218.64	8.33	2,561.93
Financial liabilities						
Trade Payables	-	23.01	-	0.70	-	23.71
Debt securities	-	-	-	-	-	-
Borrowings (Other than Debt Securities)	-	7.71	23.14	49.97	-	80.82
Other Financial liabilities	-	6.84	0.02	-	-	6.86
Total undiscounted financial liabilities	-	37.56	23.16	50.67	-	111.39
Total net financial assets / (liabilities)	33.08	123.92	117.24	2,167.97	8.33	2,450.54

Contractual expiry of commitments

The table below shows the contractual expiry by maturity of the Company's commitments.

As at March 31, 2020

Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 Years	Total
Estimated amount of contracts capital account	-	7.08	-	-	-	7.08
	-	7.08	-	-	-	7.08

As at March 31, 2019

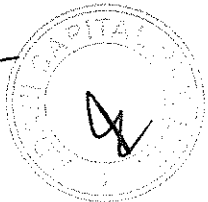
Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 Years	Total
Estimated amount of contracts capital account	-	19.38	-	-	-	19.38
	-	19.38	-	-	-	19.38

As at April 01, 2018

Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 Years	Total
Estimated amount of contracts capital account	-	13.45	-	-	-	13.45
	-	13.45	-	-	-	13.45

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ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2020
(All amounts in Rs. in Millions unless otherwise stated)

50.3 Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, equity prices and index movements. The company classifies exposures to market risk into either trading or non-trading portfolios and manages each of those portfolios separately. All the positions are managed and monitored using sensitivity analyses.

Total market risk exposure

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 01, 2018		Primary risk sensitivity
	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk	
Financial assets							
Cash and cash equivalents	992.86	-	992.86	108.63	33.08	33.08	Interest rate risk
Trade Receivables	3.09	-	3.09	1.06	0.04	0.04	Interest rate risk
Loans	10,096.32	-	10,096.32	4,661.89	1,878.18	1,878.18	Interest rate risk / Price Risk
Investments	450.48	450.48	-	589.79	540.21	540.21	Interest rate risk
Other Financial assets	51.96	-	51.96	26.37	2.25	2.25	Interest rate risk
Total financial assets	11,594.71	450.48	11,144.23	5,387.74	2,453.76	2,453.76	
Financial liabilities							
Trade Payables	56.17	-	56.17	36.93	23.71	23.71	Interest rate risk
Debt securities	984.52	-	984.52	-	-	-	Interest rate risk
Borrowings (Other than Debt Securities)	7,492.34	-	7,492.34	2,307.14	72.77	72.77	Interest rate risk
Other Financial liabilities	178.69	-	178.69	114.03	49.93	49.93	Interest rate risk
Total financial liabilities	8,711.72	-	8,711.72	2,458.10	146.41	146.41	

a. Interest Rate Risk

The company uses a mix of cash and borrowings to manage the liquidity & fund requirements of its day-to-day operations. Further, certain interest bearing liabilities carry variable interest rates.

For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year.


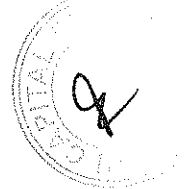
The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Interest rate sensitivity

Particulars	Currency	Sensitivity of Profit	
		Increase in basis points	Decrease in basis points
As at March 31, 2020	INR	100	(43.60)
As at March 31, 2019	INR	100	(20.29)

b. Price Risk

The Company's exposure to price risk arises from investments in Mutual funds classified in the balance sheet at fair value through profit & loss. Price risk is the risk that fair value or future cashflows of a financial instrument will fluctuate because of changes in the level of individual investment in prices of financial instruments. Currently the Company's exposure to price risk is not material.



ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2020

(All amounts in Rs. in Millions unless otherwise stated)

51 First time adoption

These financial statements, for the year ended March 31, 2020, are the first annual financial statements the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2019, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2020, together with the comparative period data as at and for the year ended March 31, 2019, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2018, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2018 and the financial statements as at and for the year ended March 31, 2019.

Mandatory exceptions and optional exemptions availed

Set out below are the applicable Ind AS 101 mandatory exceptions and optional exemptions applied in the transition from previous GAAP to Ind AS, which were considered to be material or significant by the Company.

Mandatory Exceptions

The Company has adopted all relevant mandatory exceptions set out in Ind AS 101 which are as below:

a. Estimates

Ind AS 101 prescribes that an entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. The Company's Ind AS estimates as at the transition date are consistent with the estimates as at the same date made in conformity with previous GAAP.

b. De-recognition of financial assets and liabilities

As set out in Ind AS 101, the Company has applied the derecognition requirements of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

c. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

d. Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101. The Company has assessed impairment of financial assets in conformity with Ind AS 109.

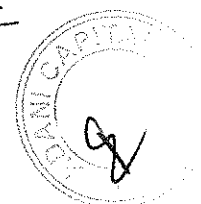
Optional exemptions availed

a. Deemed cost for property, plant and equipment and intangible assets

The Company has elected to continue with the carrying value of all of its plant and equipment, investment property, and intangible assets recognised as of April 1, 2018 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

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ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2020

(All amounts in Rs. in Millions unless otherwise stated)

The reconciliations of equity and total Comprehensive income in accordance with Previous GAAP to Ind AS are explained below.

Reconciliation of Equity as at:

Particulars	As at March 31, 2019	As at April 1, 2018
Equity as reported under Previous GAAP	3,348.51	2,536.85
Expected credit loss on loans	(79.29)	(32.22)
Expected credit loss on investments	(12.98)	(11.31)
Expected credit loss on trade receivables	(0.03)	(0.00)
Effective interest rate on financial assets	(23.19)	(28.00)
Effective interest rate on financial liabilities	10.55	-
Impact on adoption of Ind AS 116 - Leases	(2.01)	0.19
Tax effect on above adjustment	43.02	36.77
Total effect of transition to Ind AS	(63.93)	(34.57)
Equity as per Ind AS	3,284.58	2,502.28

Reconciliation of total comprehensive income for the year ended March 31, 2019

Particulars	For the year ended March 31, 2019
Net profit after tax as reported under Ind GAAP	61.65
Ind AS adjustment increasing / (decreasing) net profit as reported under Indian GAAP:	
Expected credit loss on loans	(47.08)
Expected credit loss on investments	(1.67)
Expected credit loss on trade receivables	(0.03)
Effective interest rate on financial assets	4.82
Effective interest rate on financial liabilities	10.55
Impact on adoption of Ind AS 116 - Leases	(2.22)
Share issue Expenses	0.75
Tax effect on above adjustment	6.28
Total effect of transition to Ind AS	(28.60)
Total Comprehensive Income as per Ind AS	33.05

Reference notes for reconciliation of Equity and Profit & loss:

a. Remeasurements of defined benefit obligations

Both under Indian GAAP and Ind AS, the company recognises costs related to its post employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses are charged to profit & loss. Under Ind AS, remeasurements i.e. actuarial gains and losses, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of Statement of Profit and Loss. Under the previous GAAP, these remeasurements were forming part of the Statement of Profit and Loss for the year. There is no impact on the total equity as on the date of transition.



ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2020

(All amounts in Rs. in Millions unless otherwise stated)

b. Expected Credit Loss (Loans and Trade Receivables)

Under previous GAAP, loan losses and provisions were computed basis RBI guidelines and Management estimations. Under Ind AS, the same is required to be computed as per the impairment principles laid out in Ind AS 109 – 'Financial Instruments' which prescribes the expected credit loss model (ECL model) for the same. Accordingly, the difference between loan losses and provisions as computed under previous GAAP and as computed under Ind AS is adjusted in retained earnings (net of related deferred taxes) as at the date of transition and subsequently in the Statement of Profit and Loss for the year ended 31 March 2019.

Under Indian GAAP the Company generally creates provision for impairment on Trade receivables based on incurred losses, under Ind AS, impairment allowance has been determined based on the principles laid down in Ind AS 109 on Expected credit loss model (ECL) .

Under Indian GAAP, provision for NPA and standard asset were presented under provisions. However, under Ind AS, financial assets are measured at amortised cost thus they are presented net of provision for expected credit losses. Consequently, the Company has reclassified the Indian GAAP provisions for standard assets / NPA's amounting to Rs. 6.23 Million and Rs. 13.72 Million as on 1 April 2018 and 31 March 2019 respectively.

c. Lease

Under Indian GAAP, a lease is classified as a finance lease or an operating lease. Operating lease payments are recognised as an operating expense in the statement of profit or loss on a straight-line basis over the lease term. Under Ind AS, (as explained in Note 5.11), a lessee applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets and recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. At the date of transition to Ind AS, the Company applied the transitional provision and measured lease liabilities at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of inception of lease. Right-of-use assets were measured at the amount equal to the lease liabilities adjusted by the amount of any prepaid or accrued lease payments. As a result, the Company recognised Rs. 38.95 Million as at 31 March 2018 on account of lease liabilities included under 'Other Financial Liabilities' and Rs. 40.67 Million as at 31 March 2018 on account of right-of-use assets. The difference between lease liabilities and right-of-use assets has been recognised in retained earnings. Additionally, depreciation increased by Rs. 9.33 Million and finance costs increased by Rs. 6.39 Million for the year ended 31 March 2019.

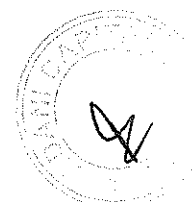
d. Effective Interest Rate (EIR) adjustment of transaction costs/incomes integral to the sourcing of loans/borrowings.

Under previous GAAP, all the transaction costs/incomes integral to sourcing of loans/borrowings were recognised upfront on an accrual basis. Under Ind AS, these transaction costs/incomes related to sourcing of loans/borrowings are amortised using the effective interest rate (EIR) and the unamortised portion is adjusted in retained earnings as at the date of transition and subsequently in the Statement of Profit and Loss for the year ended 31 March 2019.

e. Deferred Tax

Indian GAAP requires deferred tax accounting using the statement of profit and loss approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

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ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2020

(All amounts in Rs. in Millions unless otherwise stated)

52 RBI Disclosures

The following additional information is disclosed in the terms of Master Direction - Non-Banking Financial Company - Systematically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 as amended.

52.1 Capital to Risk Asset Ratio (CRAR)

Particulars	As at March 31, 2020	As at March 31, 2019
CRAR (%)	27.84%	53.28%
CRAR - Tier I Capital (%)	26.73%	52.03%
CRAR - Tier II Capital (%)	1.11%	1.25%
Amount of subordinated debt raised as Tier - II Capital	-	-
Amount raised by issue of perpetual debt Instruments	-	-

52.2 Investments

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Value of Investments		
(I) Gross value of investments		
(a) In India	450.48	602.77
(a) Outside India	-	-
(II) Provisions for Depreciation		
(a) In India	-	(12.98)
(a) Outside India	-	-
(III) Net value of investments		
(a) In India	450.48	589.79
(a) Outside India	-	-
(b) Movements of provisions held towards impairment on investments		
(I) Opening balance	(12.98)	(11.31)
(II) Add : Provisions made during the year	-	(1.67)
(III) Less : Write-off/ Written- back of excess provisions during the year	12.98	-
(IV) Closing balance	-	(12.98)

52.3 Derivatives

a. Forward Rate Agreement (FRA) / Interest Rate Swap (IRS)

Particulars	As at March 31, 2020	As at March 31, 2019
(I) The notional principal of swap agreements	-	-
(II) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-
(III) Collateral required by the NBFC upon entering into swaps	-	-
(IV) Concentration of credit risk arising from the swaps.	-	-
(V) The fair value of the swap book	-	-

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ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2020

(All amounts in Rs. in Millions unless otherwise stated)

b. Exchange Traded Interest Rate (IR) Derivative

Particulars	As at March 31, 2020	As at March 31, 2019
(I) Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument wise)	-	-
(II) Notional principal amount of exchange traded IR derivatives outstanding (Instrument-wise)	-	-
(III) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	-	-
(IV) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	-	-

c. Disclosures on Risk exposure in derivative.

i Qualitative Disclosures Not Applicable

ii Quantitative Disclosures

Particulars	As at March 31, 2020	As at March 31, 2019
(I) Derivatives (Notional Principal Amount)	-	-
(II) Marked to Market Positions (1)	-	-
(a) Assets	-	-
(b) Liability	-	-
(III) Credit exposure	-	-
(IV) Unhedged exposure	-	-

52.4 Securitisation

Particulars	As at March 31, 2020	As at March 31, 2019
(I) No of SPVs sponsored by the NBFC for securitisation transactions	-	-
(II) Total amount if securitised assets as per books of the SPVs sponsored	-	-
(III) Total amount of exposure retained by the NBFC towards the MRR as on date of balance sheet	-	-
(a) Off-balance sheet exposure towards credit enhancements	-	-
(b) On balance sheet exposures towards credit enhancements	-	-
(IV) Amount of exposures to securitisation transactions other than MRR	-	-
(a) Off-balance sheet exposure towards credit enhancements	-	-
(i) Exposure to own securitisations	-	-
(ii) Exposure to third party securitisations	-	-
(b) On balance sheet exposures towards credit enhancements	-	-
(i) Exposure to own securitisations	-	-
(ii) Exposure to third party securitisations	-	-

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ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2020

(All amounts in Rs. in Millions unless otherwise stated)

52.5 Details of financial assets sold to securitisation / reconstruction company for asset reconstruction.

Particulars	As at March 31, 2020	As at March 31, 2019
(I) No. of accounts	-	-
(II) Aggregate value (net of provisions) of accounts sold to SC / RC	-	-
(III) Aggregate consideration	-	-
(IV) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(V) Aggregate gain/loss over net book value	-	-

52.6 Details of Assignment Transactions undertaken by NBFCs

Particulars	As at March 31, 2020	As at March 31, 2019
No. of accounts	-	-
Aggregate value (net of provision) of accounts assigned	-	-
Aggregate consideration	-	-
Additional consideration realized in respect of accounts transferred in earlier years	-	-
Aggregate gain/loss over net book value	-	-

52.7 Details of credit impaired assets purchased / sold

(i) Details of credit impaired assets purchased:

Particulars	As at March 31, 2020	As at March 31, 2019
(I) No. of accounts purchased during the year	-	-
(II) Aggregate outstanding	-	-
(III) Of these, number of accounts restructured during the year	-	-
(IV) Aggregate outstanding	-	-

(ii) Details of credit impaired assets sold:

Particulars	As at March 31, 2020	As at March 31, 2019
(I) No. of accounts sold	-	-
(II) Aggregate outstanding	-	-
(III) Aggregate consideration received	-	-

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ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2020

(All amounts in Rs. in Millions unless otherwise stated)

52.8 Exposure to Real estate sector


Particulars	As at March 31, 2020	As at March 31, 2019
Category		
a) Direct exposure		
(i) Residential mortgage:		
Lending fully secured by mortgage on residential property that is or will be occupied by the borrower or that is rented;	15.06	15.27
(ii) Commercial real estate:		
Lending secured by mortgages on commercial real estates (office building, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or ware house space, hotels, land acquisitions, development and construction, etc.) Exposure would also include non-fund based (NFB) limits;	564.04	805.24
(iii) Investment in mortgage backed securities (MBS) and other securitised exposures:		
(a) Residential	-	-
(b) Commercial real estate	-	-

52.9 Exposure to Capital Market

Particulars	As at March 31, 2020	As at March 31, 2019
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt; *	-	-
(ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds;	-	-
(iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-

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ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2020

(All amounts in Rs. in Millions unless otherwise stated)

(iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
(vii) bridge loans to companies against expected equity flows / issues;	-	-
(viii) All exposures to Venture Capital Funds (both registered and unregistered)	-	-
Total Exposure to Capital Market	-	-

* The Company has not made any investment in equity oriented mutual funds as at the year end

52.10 Financing of Parent Company Product

Particulars	As at March 31, 2020	As at March 31, 2019
Details of financing of parent company products if any	-	-

52.11 Details of (SGL) / Group Borrower Limit (GBL) exceeded by the Company

The Prescribed exposure limit of credit and investment concentration of single party and single group of parties has not exceeded during the year 2019-20 and 2018-19

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ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2020

(All amounts in Rs. in Millions unless otherwise stated)

52.12 Unsecured Advances

Particulars	As at March 31, 2020	As at March 31, 2019
Amount of unsecured advances given against rights, licenses, authorizations etc.	-	-

52.13 Registration from Other Financial Sector Regulators

Particulars	As at March 31, 2020	As at March 31, 2019
Registration from other financial regulator, if any		
1. Insurance Regulatory and Development Authority of India	IRDA	IRDA
- Registration Number	CA0628	CA0628
- Registration Date	December 31, 2018	December 31, 2018
- Registration Validity	December 30, 2021	December 30, 2021

52.14 Penalty

Particulars	As at March 31, 2020	As at March 31, 2019
Penalty if any levied by Regulator	-	-
Total	-	-

52.15 Credit Rating

Particulars	As at March 31, 2020	As at March 31, 2019
Nature of borrowing	Rating / Outlook	Rating / Outlook
	CRISIL	CRISIL
Short Term Bank Loans	CRISIL A1+	CRISIL A1+
Long Term Bank Loans	CRISIL AA-/Stable	CRISIL AA-/Stable
Commercial Paper	CRISIL A1+	CRISIL A1+
Non - Convertible Debentures	CRISIL A1+	-

52.16 Provisions

Particulars	As at March 31, 2020	As at March 31, 2019
1. Provisions for depreciation on investment	-	12.98
2. Provisions made towards income tax	-	-
3. Provisions towards NPAs*	18.66	0.42
3. Provisions for standard assets#	130.30	92.59
4. Other provision and contingencies		
Gratuity	7.62	7.14
Compensated absence	14.55	9.33
Provision for expenses	14.81	21.80

* Represents impairment loss allowance on stage 3 loans.

Represents impairment loss allowance on stage 1 and stage 2 loans.

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ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2020

(All amounts in Rs. in Millions unless otherwise stated)

52.17 Special Reserve under section 45-IC of the Reserve Bank of India Act, 1934

Statutory Reserve

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year		
a) Statutory reserve as per Section 45-IC of the Reserve Bank of India Act, 1934	16.90	4.57
b) Amount of special reserve u/s 36(1) (viii) of Income Tax Act, 1961 taken in to account for the purpose of statutory reserve under Section 45-IC of the Reserve Bank of India Act, 1934	-	-
Addition / appropriation / withdrawals during the year		
Add:		
a) Amount transferred as per Section 45-IC of the Reserve Bank of India Act, 1934	2.45	12.33
b) Amount of special reserve u/s 36(1) (viii) of Income Tax Act, 1961 taken in to account for the purpose of statutory reserve under Section 45-IC of the Reserve Bank of India Act, 1934	-	-
Less:		
a) Amount appropriate as per Section 45-IC of the Reserve Bank of India Act, 1934	-	-
b) Amount of withdrawn from special reserve u/s 36(1) (viii) of Income Tax Act, 1961 taken in to account for the purpose of statutory reserve under Section 45-IC of the Reserve Bank of India Act, 1934	-	-
Balance at the end of the year		
a) Statutory reserve as per Section 45-IC of the Reserve Bank of India Act, 1934	19.35	16.90
b) Amount of special reserve u/s 36(1) (viii) of Income Tax Act, 1961 taken in to account for the purpose of statutory reserve under Section 45-IC of the Reserve Bank of India Act, 1934	-	-
Total	19.35	16.90

52.18 Concentration of Public Deposits (for Public Deposit taking / holding NBFCs)

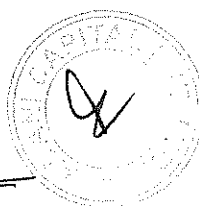
Particulars	As at March 31, 2020	As at March 31, 2019
Total Deposits of twenty largest depositors	-	-
Percentage of Deposits of twenty largest depositors to total deposits of the NBFC	-	-

52.19 Concentration of Loans

Particulars	As at March 31, 2020	As at March 31, 2019
Total Loans to twenty largest borrowers	1,885.30	2,279.71
Percentage of Loans to twenty largest borrowers to total advances of the NBFC	18.40%	47.94%

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ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2020

(All amounts in Rs. in Millions unless otherwise stated)

52.20 Concentration of All Exposure (including off - balance sheet exposures)

Particulars	As at March 31, 2020	As at March 31, 2019
Total Exposure to twenty largest borrowers / customers	1,995.13	2,354.96
Percentage of exposure to twenty largest borrowers / customers to total exposure of the NBFC on borrowers / customers.	18.14%	45.41%

52.21 Concentration of credit impaired loans

Particulars	As at March 31, 2020	As at March 31, 2019
Total Exposure to top ten credit impaired accounts	15.66	0.46

52.22 Sector Wise Credit-Impaired Assets under Ind AS


Particulars	As at March 31, 2020	As at March 31, 2019
1. Agriculture & allied activities	30.39	-
2. MSME	5.68	0.28
3. Corporate Borrowers	0.42	-
4. Services	-	-
2. Unsecured Personal Loans	0.46	0.18
3. Auto Loans	-	-
4. Other Personal Loans	8.88	-

52.23 Movement of Credit-Impaired Loans under Ind AS

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Net impaired loss allowance to Net loans (%)	0.27%	0.00%
(II) Movement of Credit impaired loans under Ind-AS (Gross)		
(a) Opening Balance	0.46	-
(b) Additions during the year	45.37	0.46
(c) Closing balance	45.83	0.46
(III) Movement of Net Impaired loss		
(a) Opening Balance	0.04	-
(b) Additions during the year	27.12	0.04
(c) Closing balance	27.16	0.04
(III) Movement of impairment loss allowance on credit impaired loans		
(a) Opening Balance	0.42	-
(b) Additions during the year	18.24	0.42
(c) Closing balance	18.66	0.42

*Note: Standstill DPD as on 1st March 2020 is considered for the purpose of above calculation

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ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2020

(All amounts in Rs. in Millions unless otherwise stated)

52.24 Overseas Assets

Particulars	As at March 31, 2020	As at March 31, 2019
Overseas assets	-	-

52.25 Off Balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

Particulars	As at March 31, 2020	As at March 31, 2019
Domestic	-	-
Overseas	-	-

52.26 Customer Complaints

Particulars	As at March 31, 2020	As at March 31, 2019
(a) No. of complaints pending at the beginning of the year	-	-
(b) No. of complaints received during the year	50	-
(c) No. of complaints redressed during the year	49	-
(d) No. of complaints pending at the end of the year	1	-

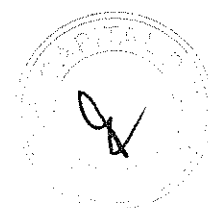
52.27 Adverse remarks

Particulars	As at March 31, 2020	As at March 31, 2019
Adverse remarks if any given by Regulator	-	-

52.28 Expenditure in foreign currency

Particulars	As at March 31, 2020	As at March 31, 2019
Foreign currency Transaction	-	-
Receivable and Payable outstanding in foreign currency	-	-

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ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2020
(All amounts in Rs. in Millions unless otherwise stated)

53 Disclosure pursuant to Reserve Bank of India notification DOR (NBFC).CC.PD.No.109 /22.10.106/2019-20 dated 13 March 2020 pertaining to Asset Classification as per RBI Norms

As at 31 March 2020

Asset Classification as per RBI Norms	Asset Classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provision required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
Performing Assets						
Standard	Stage 1	9,580.70	105.59	9,475.11	38.30	67.29
	Stage 2	618.75	24.71	594.04	24.40	0.31
Subtotal for Performing Assets		10,199.45	130.30	10,069.15	62.70	67.60
Non-Performing Assets (NPA)						
Substandard	Stage 3	45.36	18.20	27.16	8.46	9.74
Doubtful - up to 1 year	Stage 3	0.47	0.46	0.01	0.46	0.00
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		45.83	18.66	27.17	8.92	9.74
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal for other items		-	-	-	-	-
Total	Stage 1	9,580.70	105.59	9,475.11	38.30	67.29
	Stage 2	618.75	24.71	594.04	24.40	0.31
	Stage 3	45.83	18.66	27.17	8.92	9.74
	Total	10,245.28	148.96	10,096.32	71.62	77.34

As at 31 March 2019

Asset Classification as per RBI Norms	Asset Classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provision required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
Performing Assets						
Standard	Stage 1	4,268.62	73.87	4,194.75	10.70	63.17
	Stage 2	485.82	18.72	467.10	1.21	17.51
Subtotal for Performing Assets		4,754.44	92.59	4,661.85	11.91	80.68
Non-Performing Assets (NPA)						
Substandard	Stage 3	0.46	0.42	0.04	0.30	0.12
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		0.46	0.42	0.04	0.30	0.12
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal for other items		-	-	-	-	-
Total	Stage 1	4,268.62	73.87	4,194.75	10.70	63.17
	Stage 2	485.82	18.72	467.10	1.21	17.51
	Stage 3	0.46	0.42	0.04	0.30	0.12
	Total	4,754.90	93.01	4,661.89	12.21	80.80

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ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2020
(All amounts in Rs. in Millions unless otherwise stated)

54 Asset liability management

Maturity pattern of certain items of asset and liabilities - As at March 31, 2020

Pattern	1day to 7days	8days to 14days	14days to 30-31 days	Over 1 month to 2 months	Over 2 months upto 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 3 years	Over 3 to 5 years	Over 5 years	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowings from banks	93.35	-	71.06	87.03	208.36	436.93	2,572.49	3,375.34	142.10	-	6,986.66
Other Borrowings	26.69	-	4.94	25.96	68.51	125.18	267.96	820.54	-	-	1,339.78
Market Borrowings (ICD)	-	-	-	-	-	-	150.41	-	-	-	150.41
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
Assets											
Advances	792.10	159.22	379.90	705.15	687.87	540.73	1,169.88	3,389.53	1,391.96	1,028.94	10,245.28
Investments	-	-	450.48	-	-	-	-	-	-	-	450.48
Foreign Currency Asset	-	-	-	-	-	-	-	-	-	-	-

Maturity pattern of certain items of asset and liabilities - As at March 31, 2019

Pattern	1day to 7days	8days to 14days	14days to 30-31 days	Over 1 month to 2 months	Over 2 months upto 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 3 years	Over 3 to 5 years	Over 5 years	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowings from banks	9.44	-	-	-	-	74.72	821.88	1,220.37	124.56	-	2,250.97
Other Borrowings	1.06	-	-	3.78	3.04	8.05	16.66	23.58	-	-	56.17
Market Borrowings (ICD)	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
Assets											
Advances	307.91	153.99	357.17	509.06	300.21	225.46	558.11	1,875.75	397.36	69.88	4,754.90
Investments	-	-	-	-	-	-	602.77	-	-	-	602.77
Foreign Currency Asset	-	-	-	-	-	-	-	-	-	-	-



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ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2020

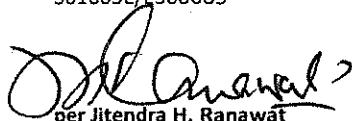
(All amounts in Rs. in Millions unless otherwise stated)

55 Standards issued but not yet effective

There are neither new standards nor amendments to existing standards which are effective for the annual period beginning from 01 April 2020.

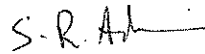
56 Previous year's information have been regrouped/reclassified wherever necessary to correspond with current period's classification/disclosure.

As per our report of even date
For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number:
301003E/E300005



per Jitendra H. Ranawat
Partner
Membership No: 103380

For and on behalf of the Board of Directors of
Adani Capital Private Limited
CIN: U65990GJ2016PTC093692



Mr. Sagar R. Adani
Director
DIN: 07626229



Mr. Gaurav Gupta
Director
DIN: 01669109

Place: Mumbai
Date: 28 June 2020



Mr. Bhavik Shah
Company Secretary
Membership No: A56979



ADANI CAPITAL PRIVATE LIMITED

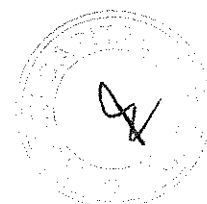
SCHEDULES TO THE BALANCE SHEET AS AT MARCH 31, 2020

Annexure I

(As required in terms of Paragraph 19 of Master Direction - Non-Banking Financial Company – Systemically Important and Non-Deposit taking Company (Reserve Bank) Directions, 2016)

Particulars	Amount Outstanding	(Rs. in Lakhs)
		Amount Overdue
Liabilities side		
(1) Loans and advances availed by the non banking financial company inclusive of interest accrued thereon but not paid:		
(a) Debentures : Secured	9,845	-
Unsecured	-	-
(other than falling within the meaning of public deposits)		
(b) Deferred Credits	-	-
(c) Term Loans	73,419	-
(d) Inter-corporate loans and borrowings	1,504	-
(e) Commercial Paper	-	-
(f) Other Loans (specify nature)	-	-
Assets side		
	Amount Outstanding	
(2) Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :		
(a) Secured	82,497	
(b) Unsecured	19,956	
(3) Break up of Leased Assets and stock on hire and other assets counting towards Asset Finance activities		
(i) Lease assets including lease rentals under sundry debtors :		
(a) Financial lease	-	
(b) Operating lease	-	
(ii) Stock on hire including hire charges under sundry debtors:		
(a) Assets on hire	-	
(b) Repossessed Assets	-	
(iii) other loans counting towards Asset Finance activities		
(a) Loans where assets have been repossessed	-	
(b) Loans other than (a) above	-	
(4) Break-up of investments :		
Current Investments		
1. Quoted :		
(i) Shares : (a) Equity	-	
(b) Preference	-	
(ii) Debentures and Bonds	-	
(iii) Units of mutual funds	-	
(iv) Government Securities	-	
(v) Others (please specify)	-	

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2. Unquoted :

(i) Shares : (a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	4,505
(iv) Government Securities	-
(v) Others - Pass through certificates	-

Particulars	Amount Outstanding
Long Term investments :	
1. Quoted :	
(i) Shares : (a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (please specify)	-
2. Unquoted :	
(i) Shares : (a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others - Pass through certificates	-

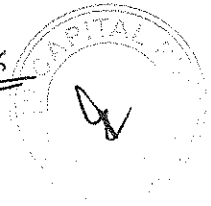
(5) Borrower group-wise classification of assets financed as in (2) and (3) above
Please see Note 2 below:

Category	Amount net of provisions		Total
	Secured	Unsecured	
1. Related Parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	82,497	19,956	1,02,453
Total	82,497	19,956	1,02,453

(6) Investor group-wise classification of all investments
(current and long term) in shares and securities
(both quoted and unquoted):
Please see note 3 below:

Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties		
(a) Subsidiaries	-	-
(b) Companies in the same group	-	-
(c) Other related parties	-	-
2. Other than related parties	4,505	4,500
Total	4,505	4,500

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(7) Other information	Amount
Particulars	
(i) Gross Non-Performing Assets	
(a) Related parties	
(b) Other than related parties	458
(ii) Net Non-Performing Assets	
(a) Related parties	
(b) Other than related parties	272
(iii) Assets acquired in satisfaction of debt	

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