Annexure
to the Directors' Report

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

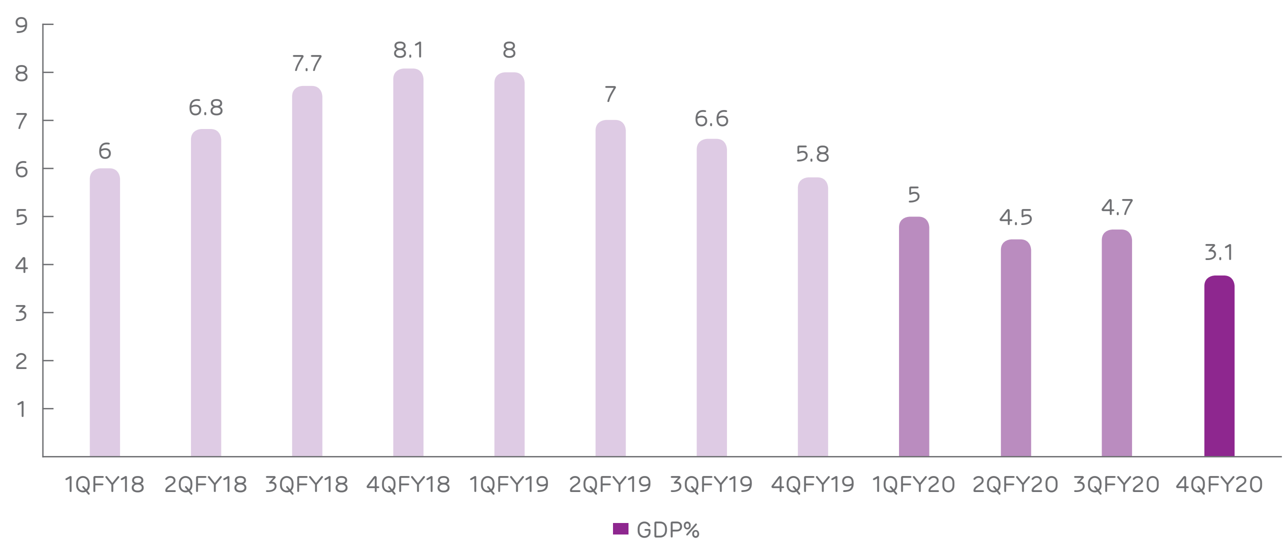
Indian Economic Overview

In terms of GDP, Indian economy is the 5th largest economy in the world. The economy faced multiple headwinds and grew by 4.2%[1] in FY 2019-20, registering a slower growth as compared to the previous year. The decline was primarily driven by a mix of both internal as well as external factors such as synchronised global slowdown, plummeting domestic automobile sales, flattening of core sector growth and declining investment in construction and infrastructure sector. Other factors such as credit crisis due to drying up of lending from non-banking financial institutions throughout CY 2019, deceleration in consumption and as well as a contraction in exports, with reduced demand for imports also contributed to the slow growth.

Despite the slowdown, the country has improved its ranking in World Bank's 'Doing Business' and stood at 63rd position in CY 2019 as compared to 142nd position in CY 2014. This improvement was backed by reforms introduced by the Government of India such as corporate tax rate cuts, ease in manufacturing policies to boost the Make in India campaign, infusion of ₹ 70,000 crore in public sector banks, etc. With these initiatives, the PMI for the month of January 2020 rose to 55.3, taking it to an eight-year high.

However, the recent outbreak of COVID-19, which led to a country wide lockdown to curtail the spread of the virus, has posed a altogether new challenge and has altered the outlook of the Indian economy. The economy is further expected to experience slowdown and is projected to grow by a modest 1.9% in FY 2020-21. Government of India and the RBI are nevertheless continuously working in tandem to revive the economy to address the demand side to revive the economy and all efforts are being made to enhance rural incomes. Fiscal as well as monetary measures have been introduced and are expected to decelerate this slowdown and will help the economy grow in at rebound within a short period of time. Looking ahead, the Indian economy is expected to touch 7.4%[2] growth rate by FY 2021-22.

Graph 1: Quarterly GDP Rate at Constant Prices (2011-12)



[Source: GoI]

[1] https://economictimes.indiatimes.com/news/economy/indicators/imf-projects-indias-growth-rate-at-1-9-in-2020-forecasts-global-recession-due-to-covid-19/articleshow/75142792.cms?from=mdr

[2] https://www.imf.org/en/Publications/WEO/Issues/2020/04/14/weo-april-2020

Industry Overview

Coal Business

At present, Coal is the most important and abundant fossil fuel in India and accounts for 54.2% of the country's energy need[3]. India is the second largest producer of Coal in the world[4]. The Production of Coal in India reached 729.08 Mn tonnes[5] in FY 2019-20 as compared to 728.72 Mn tonnes during the previous year. Driven by the rising population, expanding economy and a quest for improved quality of life, energy usage in India is expected to rise.

Further, the country is also the second largest importer of Coal and total import in FY 2019-20 (till December 2019) stood at 186.64 Mn tonnes. Of the total, import of thermal coal also grew by 12.6% reaching 200 Mn tonnes[6] in 2019, the highest since 2014. The government is however is investing in developing more domestic resources and aims to stop the import of thermal coal from FY 2023-24.[7] In an effort to boost the growth of the industry the government has allocated ₹ 700[8] crore in the interim budget 2020-21 under the head "Exploration of Coal and Lignite". The allocation is meant for preliminary drilling to assess coal availability to meet the sizeable increase in the demand for coal. The scheme is implemented by Central Mine Planning and Design Institute Limited (CMPDIL). Moreover, the Government allocated 5 new coal mines[9] in the country with a view to increase the production of coal in the country. This will boost the coal production in the country and reduce the dependence of industries on imported coal.

Airports

At present, India has 136 commercially-managed airports by Airports Authority of India (AAI) and 6 under Public-Private Partnerships (PPP) for Operation, Maintenance and Development of airports, making it the third largest domestic market for civil aviation in the world.[10] The number of operational airports is expected to increase to 190-200 by FY 2039-40. The airline operators in India have scaled up their aircraft seat capacity from an estimated 0.07 annual seats per capita in 2013 to 0.12 in 2018.

Passenger traffic in India stood at 293.99 Mn in FY 2019-20 (till January 2020). Of the total, domestic passenger traffic reached 235.44 Mn and International passenger reached 58.55 Mn.[11] Domestic freight traffic stood at 1.14 Mn tonnes, while international freight traffic was at 1.70 Mn tonnes in FY 2019-20 (till January 2020).

Domestic and international aircraft movements reached 1.82 Mn and 0.37 Mn in FY 2019-20 (till January 2020), respectively in the country. The fundamental drivers of air passenger demand – include rising population, demographic change and increasing disposable incomes. To cater to the rising air traffic, the Government of India has been working towards increasing the number of airports. 100 more airports, 16 private greenfield airports, and 15 AAI airports are to be made operational by FY 2023-24 (For details refer graph 1), to ease the strain on existing airport capacities. Six airports (Ahmedabad, Guwahati, Jaipur, Lucknow, Mangalore, and Thiruvananthapuram) have been taken up for development under PPP mode to bring in efficiency and resources. Five new greenfield airports [Durgapur (West Bengal), Shirdi (Maharashtra), Pakyong (Sikkim), and Kannur (Kerala) and Kalaburagi/ Gulbarga (Karnataka)] were successfully operationalised this year.

Automation continues to be on the rise to augment capacity utilisation at airports. Since the scheme for operationalising unserved airports (Udan) was taken up, a total of 43 airports have been operationalised, of which 4 were done in FY 2019-20. Additionally, to continue with the high growth trajectory, the Government has been providing a congenial environment so that the Indian carriers double their fleet from about 680 aircraft (number of aircrafts endorsed on Scheduled Airlines) at the close of November 2019 to over 1,200 by FY 2023-24. Easing leasing and financing from Indian shores in conformance with the provisions of the Cape Town Convention and Protocol on Aircraft Equipment, efficient use of air traffic rights, encouraging domestic and international passenger and goods transfers, and rationalising the tax regime would help to achieve.

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[3] https://coal.nic.in/content/coal-indian-energy-choice

[4] https://economictimes.indiatimes.com/small-biz/productline/power-generation/indias-annual-coal-power-output-falls-for-first-time-in-a-decade/articleshow/74187767.cms?from=mdr

[5] https://coal.nic.in/content/production-and-supplies

[6] https://www.business-standard.com/article/economy-policy/india-2019-thermal-coal-imports-rise-12-6-to-nearly-200-mn-tonnes-govt-120031100187_1.html

[7] https://www.coal.nic.in/sites/upload_files/coal/files/curentnotices/PIB-Coal-18022020.pdf

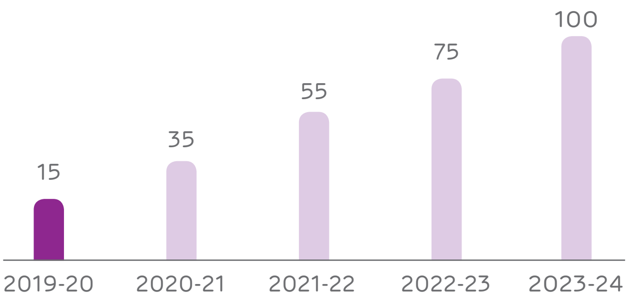
[8] Budget 2020-21

[9] https://www.coal.nic.in/sites/upload_files/coal/files/curentnotices/PIB-Coal-05122019.pdf

[10] Economic survey

[11] https://www.ibef.org/industry/indian-aviation.aspx

Graph 1: Additional Airport Capacity to be Developed (cumulative number of airports)



[Source: Ministry of Civil Aviation]

Infrastructure

India is expected to become the third largest construction market globally by 2022. From roadways, railways to airports and other smart-city initiatives, the last few years have witnessed a phenomenal change, leading to world-class facilities coming up across various parts in the country. Infrastructure Industry in India has been experiencing rapid growth in different sectors with the development of urbanisation and increasing involvement of foreign investments in this field. This growth is likely to continue on the back of rapidly developing services and manufacturing sector, increasing consumer demand (largely driven by increased spending by India's middle class) and the government's commitment to rejuvenate the agricultural sector and improve the economic conditions of India's rural population. Additionally, with infrastructure being one of the core areas for economic growth, the Government of India has introduced initiatives like National Infrastructure Pipeline. These initiatives are expected to help meet the $5-trillion economy target by FY 2024-25.

National Infrastructure Pipeline (NIP)

A National Infrastructure Pipeline of ₹ 111.3 lakh crore has also been launched on December 31, 2019. It is a first-of-its-kind, whole-of-government exercise to provide world-class infrastructure across the country, and improve the quality of life for all citizens, improve ease of living, and provide equitable access to infrastructure to all. It aims to improve project preparation, attract investments (both domestic and foreign) into infrastructure, and will be crucial for target of becoming a $5 trillion economy by FY 2024-25. The highest investments are proposed for the energy sector (24%), followed by roads (18%), urban development (17%) and railways (12%)[12].

Water

The use of water globally has increased by a factor of six over the past 100 years and continues to grow steadily at a rate of about 1% per year as a result of increasing population, economic development and shifting consumption patterns. Combined with a more erratic and uncertain supply, and climate change will only aggravate the situation of currently water-stressed regions, and generate water stress in regions where water resources are still abundant today. As per the United Nations World Water Development Report 2020 (WWDR), around 2.2 Bn people still do not have access to clean and readily available drinking water and that up to 4.2 Bn are without access to safe sanitation.

As compared to the global context, India is home to ~18% of the global population but has only 4%[13] of the global water resources. The country's per capita water availability is around 1,100 cubic meter (m3), well below the internationally recognised threshold of water stress of 1,700 m3 per person, and dangerously close to the threshold for water scarcity of 1,000 m3 per person. Population growth and economic development has put further pressure on water resources. Climate change is expected to increase variability and to bring more extreme weather events. The water demand in all sectors by 2050 is estimated to exceed its supply. While demand is growing, the quality of water supply is dwindling. Per capita water supply is declining on an annual basis and is likely to touch the benchmark of water-scarce supply in the coming years. Groundwater levels are also decreasing, although globally, India is the highest user of groundwater, especially in irrigation and domestic sectors. Its quality is also a cause of concern.

Although, the country has started to take critical steps to mitigate water stress, including setting up the Jal Shakti Ministry to prioritise all water issues—including supply, drinking water and sanitation—under one national government umbrella. Moreover, government has announced in the Budget through the allocations for the water and sanitation sectors, it aims to achieve the Sustainable Development Goal (SDG 6) of ensuring availability and sustainable management of water and sanitation for all. These are welcome steps given the critical condition of India's water sector, which is highly stressed. The Ministry of Jal Shakti has received an allocation of ₹ 30,478 crore in FY 2020-21, an increase of ₹ 4,600 crore (18%) over the revised estimates of FY 2019-20.

[12]https://www.financialexpress.com/economy/govt-task-force-lays-out-rs-111-lakh-crore-infra-investment-road-map/1943675/

[13]https://www.worldbank.org/en/news/feature/2019/12/09/solving-water-management-crisis-india

Schemes under Central budget FY 2020-21 at a glance

(₹ in crore)

Sl. No.	Items	Actual 2018-19	Revised Estimate (RE) 2019-20	Budget Estimate (BE) 2020-21
1	Jal Jeevan Mission (Access of water)	5484	10000	11500
2	Swachh Bharat Mission (SBM) (Rural and Urban)	14857	9638	12,294
3	PMKSY (Per drop more crop)	2918	2032	4000
4	PMKSY (Total)- Pradhan Mantri Krishi Sinchai Yojana	8143	7895	11126
5	Namame Gange	687	357	800
6	National Ricver Conservation	1620	1200	840
7	Atal Bhujal Yojana (Ground Water management)	0	0.01	200

[Source: Budget 2020]

Given the allocation of funds for water and sanitation sectors of ₹ 30,478 crore for 2020-21 (higher than the 2019-20 figure by about 18%), India's commitment to implementing the SDG 6 goal is evident.

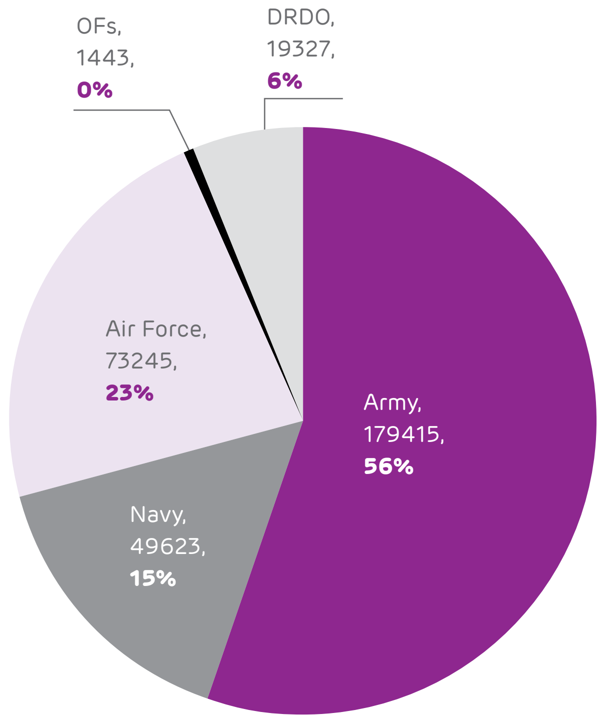
Defence Industry

India is currently the 5th largest economy and the 3rd largest spender[14] on defence in the world. The defence spending has been growing in recent years and is expected to continue its growth trajectory. The increase in spending also indicates the huge availability of opportunities for the domestic and global companies in the defence and aerospace sector. At present, about 70% of the defence requirements are met through imports. Imports account for a major portion of defence-related requirements and this offers a huge opportunity for foreign investors. However, In the coming years, the Government targets to step up local sourcing to reduce the defence budget by a significant number. Since independence, the goal of self-reliance has propelled India to nurture and expand its defence industrial base. This has led the country to set an ambitious target for the Defence industry to reach $26 Bn by 2025, which would also help the economy to realise the $5 trillion mark by 2024.[15]

₹ 323,053 crore

Allocated towards defence sector in the Interim Budget 2020-21 as compared to ₹ 301,866 crore in FY 2019-20

Share of Defence Services in Interim Defence Budget 2020-21



[Source: Manohar Parrikar Institute for Defence Studies and Analyses]

[14] http://www.indiandefensenews.in/2020/05/wasteful-us-and-china-chasing-india.html

[15] https://indiandefenceindustries.in/rm-26billion-defence-ind

Revenue and Capital Expenditure of Army, Navy and Air Force, 2020-21

	Army	Navy	Air Force
Revenue Expenditure (₹ in crore)	1,46,941	22,935	29,963
Capital Expenditure (₹ in crore)	32,474	26,688	43,282
Total (₹ in crore)	1,79,415	49,623	73,245
Revenue Expenditure as % of total	82	46	41
Capital Expenditure as % of total	18	54	59

[Source: Manohar Parrikar Institute for Defence Studies and Analyses]

Additionally, under the 'Make in India' initiative, the Defence sector has been identified as one of the most prominent sectors. The GoI has undertaken a slew of structural reforms to create increased synergy between the industry and the public sector to overcome the challenges of private investment in defence.

Major growth drivers[16]

- 100% FDI is allowed in defence industry; wherein 49% is allowed under automatic route and beyond 49% through Government route
- Exchange Rate Variation (ERV) protection has been made applicable for Indian private sector at par with Defence Public Sector Undertakings
- Ordnance Factory Board has categorised 275 items as Non-Core to be sourced from vendors
- With an aim to promote Design and Development by the vendors, revised and simplified Make-II procedure is issued, with preferential treatment to MSMEs for prototype development costing ₹ 3 crore
- Around 70% of the items are removed from purview of industrial licensing including but not limited to parts, components, subsystems, raw materials etc.
- Initial validity of industrial license has been increased from 3 years to 15 years, which is further extendable up to 3 years under IDR Act and lifetime validity under Arm's Act
- Comprehensive guidelines have been issued by the Defence Public Sector Undertaking's/Ordnance Factory Board, which include vendor development for Indigenisation and import substitution

Solar Panel Manufacturing

Indian power sector is undergoing a significant change that has redefined the industry outlook. Sustained economic growth continues to drive electricity demand in India. The Indian government's focus on attaining 'Power for All' has accelerated capacity addition in the country. As of March 2020, the National Electric Grid had an installed capacity of 370.10 GW[17]. India's power sector is one of the most diversified in the world. Sources of power generation range from conventional sources such as coal, lignite, natural gas, oil, hydro and nuclear power to viable non-conventional sources such as wind, solar, and agricultural and domestic waste. However, power production in India is still dominated by Coal.

As of March 2020, 54.2% of India's electricity has been generated from coal-based plants. Out of total electricity produced, solar power accounts 34.63 GW or around 9.36%[18] as of March 2020 which reflects a growth of 22.8% YoY from 28.18 GW generated in the same period last year. The capacity addition of renewable energy sources has grown at a CAGR of 22% in the 5-year period to February 2020. Within renewable energy, the capacity addition by solar power has grown the fastest – at a CAGR of 67% during this period. It accounted for 47% of the new capacity addition in FY 2019-20, surpassing the 30% of conventional power sources such as coal. Further, the dependency on Coal is expected to reduce in the future as the government of India has has set an ambitious target of 175 GW of renewable power by 2022 that includes - 100 GW of Solar power, 60 GW from Wind power, 10 GW from Biomass power, and 5 GW from Small Hydro power[19].

Additionally, India has solar modules manufacturing capacity of 7-8 gigawatts (GW). After the implementation of the safeguard duty, imports of solar cells and modules have fallen drastically. The sector imported solar modules and cells worth nearly $1.4 Bn during FY 2019-20 till November 2020, a decline from $2.15 Bn in FY 2018-19. The safeguard duty has had a positive impact for Indian manufacturers of solar equipment as their share in total project installation increased from 15% to 25% in 2019[20].

Major factors driving the solar market are the declining cost of the solar module and the government policies like

[16]https://defenceinvestorcell.gov.in/
[17]https://powermin.nic.in/en/content/power-sector-glance-all-india
[18]http://cea.nic.in/reports/monthly/installedcapacity/2020/installed_capacity-04.pdf
[19]https://www.equitymaster.com/research-it/sector-info/power/Power-Sector-Analysis-Report.asp
[20]https://www.financialexpress.com/industry/basic-customs-duty-on-solar-modules-being-planned-mnre-secy/1933526/

allowing 100% FDI under automatic route for renewable power generation and distribution projects which is expected to increase the participation from global players into the Indian market. Moreover, Solar energy is becoming inexpensive in comparison to other conventional energy sources due to innovations in the solar sector that has reduced the global average selling prices of solar PV. With the anticipated improvements in technology and increased supply of panels from China/Europe, the capital costs are expected to stabilise at lower levels. With government promoting the solar installation in rural area by providing subsidised solar panels and other incentives, the solar installation is ought to increase and is expected to drive the market.

Edible oil

India is one of the top three consumers of edible oils in the world[21]. To fulfil the domestic edible oil demand, the country however largely relies on imports which account for more than 70%[22] of the total domestic edible oil requirements. Of the total, palm oil is nearly entirely imported and constitutes ~40% of total edible oil consumption and ~60% of total edible oil imports in India.

Total Oilseeds production in the country during FY 2019-20 is estimated at 34.19 Mn tonnes[23] which is higher by 2.67 Mn tonnes than the production of 31.52 Mn tonnes during FY 2018-19. Further, the production of oilseeds during FY 2019-20 is higher by 4.54 Mn tonnes than the average oilseeds production. Despite being the 4th largest oilseed producing country in the world, the country is still an oil deficient economy[24]. There is a demand and supply mismatch of edible oil. Consumption of edible oil in India has increased from less than 6 kg per capita in 1992-93 to 19 kg[25] in recent years. The growth in consumption is predominantly driven by increasing income, urbanisation, changing food habits, and deeper penetration of processed foods. Domestic oilseed industry hasn't been able keep pace with the rising demand owing factors such as limited size of land, dearth of technological improvements in the field, vagaries of weather, etc.

Moreover, the availability of cheap palm oil from South Asian countries is also an important contributory factor. Presently, India imports close to 70% of its total edible oil requirements from various countries.

However, to increase domestic availability and reduce import dependency, a National Mission on Edible Oils (NMEO) is proposed for next five years (FY 2020-25). NMEO covering three Sub-Missions to increase production of oilseeds and edible oils from –

- Primary Sources (Annual Crops, Plantation Crops and Edible TBOs),
- Secondary Sources (Rice bran oil and Cotton seed oil) and
- Consumer Awareness for maintaining edible oil consumption constant at 19.00 kg per person per annum.

The proposed mission will aim to increase production from 30.88 to 47.80 Mn tonnes of oilseeds which will produce 7.00 to 11.00 Mn tonnes of edible oils from Primary Sources by FY 2024-25. Similarly, edible oils from secondary sources will be doubled from 3.50 to 7 Mn tonnes.

Data Centre

India has been making a move towards being an inclusive digital economy where more and more data is being generated across platforms such as Cloud and social media as well as accessed by more people using mobile technology. All this data needs to be stored, managed and disseminated to users via public and private cloud, making data centres a key pillar in digital transformation.

Data centre industry in India is projected to register threefold growth in revenue to $3.2 Bn by CY 2024 and is likely to propel the development of additional real estate space of 7.8 Mn sq. ft. for setting up data centre facilities.[26] This growth is primarily in data usage and storage driven by the country's e-commerce sector, use of smartphones and social media, government's focus on digital economy and rise in technology-driven start-ups, increasing data centre space.

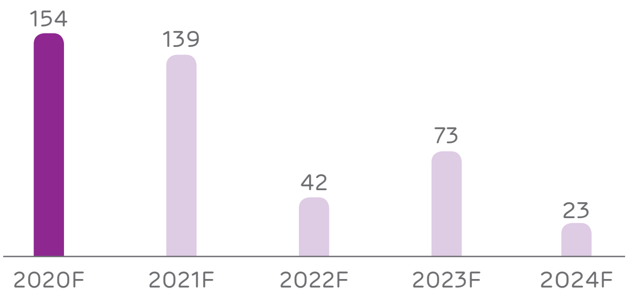
With the advent of internet and mobile phones, India's data centre industry continues to provide data storage, computing and other value-added services. To meet the rising demand arising from data localisation and rising data usage, India's data centre industry capacity is projected to increase from 350 MW (design IT power load) in FY 2018-19 to 781 MW in the next five years, an increase of 431 MW. Mumbai and Chennai will account for 76% share of these new capacity additions, other key metros such as Delhi-NCR, Pune and Hyderabad are expected to follow. Other factors such as the issue of right to privacy and

[21]http://www.careratings.com/upload/NewsFiles/SplAnalysis/Edible%20oils%20update%20Dec%202019.pdf
[22]https://www.equitybulls.com/admin/news2006/news_det.asp?id=260911
[23]https://pib.gov.in/newsite/PrintRelease.aspx?relid=199401
[24]https://www.sundayguardianlive.com/news/oilseed-economy-needs-favourable-policies
[25]https://pib.gov.in/PressReleseDetail.aspx?PRID=1602417
[26]'India's Data Centre Industry - Poised at the Tipping Point' by JLL

data protection is being widely discussed leading to data protection laws. The data localisation laws are expected to be the tipping point for growth of Indian Data Centre industry. Additionally, with the outbreak of COVID-19, companies across the globe have started operating remotely, which is also likely to increase the need for data centre. The country is witnessing an increasing interest for data centre facilities from enterprises and investors, both domestic and international. Businesses around the world continue to work on data consolidation, storage and cloud adoption.

Data centre capacity addition

MW (IT power load)



[Source: 'India's Data Centre Industry - Poised at the Tipping Point' by JLL]

The following factors are expected to contribute to the growth of the data center market in India:

- Migration to cloud-based business operations
- Government to grow the digital economy through supporting data center development
- Big data and IoT to increase data center investment
- Increased adoption of converged and hyper-converged infrastructure platforms

Company Overview

About Us

Adani Enterprises Ltd. (the company or AEL) is one of the fastest growing diversified conglomerates providing a range of products and services together with its subsidiaries. The Company is engaged in resources mining & services, resources logistics, solar module manufacturing and edible oil & FMCG food businesses in India and internationally. Besides this, the Company is an incubator focusing on establishing new businesses in infrastructure and energy sector. It has done this consistently since 1994, when it was first established and listed. Post which, APSEZ, Adani Power, Adani Transmissions and such businesses were demerged from Adani Enterprises and independently listed on the stock exchanges. In the last two years, consistent with the same model we have demerged Adani Green Energy Limited and Adani Gas Limited from Adani Enterprises which were respectively listed in June 2018 and November 2018.

Financial performance

The Company's continued focus on infrastructure and energy verticals is expected to continue to drive its performance and the company remain committed to maintaining high operating standards. The Company has registered improved financial performance on the back of its strong operational performance across key businesses.

Key Highlights of the Company's consolidated performance for the year are as under.

- Consolidated Income from Operations increased 8% to ₹ 44,086 crore vs ₹ 40,951 crore in FY 2018-19.
- Consolidated EBIDTA stood at ₹ 2,968 crore vs ₹ 2,541 crore in FY 2018-19.

The Company has demonstrated strong performance across Integrated Resources Management, Mining & Services, Solar Manufacturing and Agro vertical in spite of rising exchange rates and competition.

Operational Performance

The Company remains committed to play an enhanced role in Nation Building. As an incubator, it focuses on establishing new businesses in infrastructure in the energy sector. The Company has achieved this consistently since 1994 when it was listed. Post which, various businesses were demerged from the Company and/or independently listed on the Indian stock exchanges.

During the year under review, the performance of the Company is encouraging. The Company has been leading across all the fronts and maintained better than industry performance. We remain focused on executing our strategy and increasing momentum of our businesses across the key sectors for long term, sustainable growth.

Key highlights of the Company's consolidated operational performance for the year is as under –

- Mining Services coal production increased by 3% to 15.51 MMT vs 15.00 MMT in FY 2018-19 on starting of coal production from GPIII mine, with PEKB operating at its peak capacity
- Integrated Resources Management (IRM) volume increased by 17% to 78.76 MMT against 67.45 MMT in FY 2018-19
- Solar Manufacturing volume increased by 55% to 990 MW vs 637 MW in FY 2018-19.

Key business segments

Integrated Resources Management (IRM)

Adani Group has evolved as a diversified conglomerate based in India having global presence with primary interests in energy sector while the Company continues to operate as the flagship company of the group. Group was primarily involved in resources logistics business and gradually it has backward integrated its operations in domestic and overseas resources mining through the Company along with forward integration in ports, logistics, power generation and transmission through various other group companies.

Adani "door to door – resources delivery model comprises taking the responsibility and accountability of sourcing the resources from suppliers, managing sea-borne logistics, providing intermediate holding facility at discharge ports and inland transportation to finally delivering resources at the doorstep of customers. This unique approach has allowed the business to create a base of over 600 satisfied customers across various industries such as Power, Cement, Steel and Iron amongst others

The Company has maintained the status of being the largest Trader and Importer of Thermal Coal (Non Coking Steam Coal) in India during the financial year 2019-20 and maintained its market share. However, the business saw a decline in the volume pertaining to the supplies made to various States or Central owned Electricity Boards. This segment continues to struggle amidst increased domestic production from CIL and it's subsidiaries and power generation scenario in the country. The company however is also expanding its presence in South Asia, ASEAN, & Pacific regions.

During the current financial year i.e. FY 2019-20, there were some improvement in the demand from various States or Central owned Electricity Boards. Some of the Central and State owned Electricity Boards have come up with the tenders for the procurement of imported coal for their respective plants. Furthermore, the Company is expanding its efforts in capturing higher market share in steel, cement and other sector by venturing into the retail segment to cater specific local market in different geographies. In addition, the company has started to provide logistic solutions for coastal movement of domestic coal under the ambit of SAGARMALA.

The Company with its established business relations with coal suppliers has evolved as India's largest coal off taker in Indonesia, South Africa & USA for non-coking coal catering to the requirement of both private and PSU clients in India. The Company has consolidated its position in coal trading business during the last decade and has developed strong business relationships with miners for procurement of imported coal. The Company continues to look at opportunities to develop business relations with the new miners, which will lead to timely and cost effective delivery of resources.

The company imports coal through all the major ports of India, which saves the logistic cost and ensures timely delivery to its customers.

Natural Resources Business

AEL Natural Resources business is one of the fastest growing business and we are leaders in our operating segments. Our current operations are focussed on the contractual mining business i.e. Mine Developer & Operator (MDO). Now our Natural Resource business is actively focussing and targeting diversification opportunities to own the mines across range of minerals such as Iron Ore, Chromite, Diamond and several other key minerals.

Mining Development and Operation (Coal & Minerals)

In India, as part of the public private partnership model, Government / Public sector companies including State Gencos (State Electricity Boards), and state mineral corporations which are allotted Coal & Mineral Blocks, appoint a Mine Developer and Operator ("MDO") to undertake all activities relating to the development and operations of a Coal & Mineral Block allotted and deliver the coal/mineral under agreed contractual terms. Many of the Government / Public sector companies who were allotted coal & mineral blocks have published tenders for selection of MDO and are at various stages of bid processes and subsequent award of tender. The Company has participated widely in such tenders to secure long term MDO contracts in the last financial year. In FY 2019-20, AEL has successfully entered into long term MDO contracts for Gidhmuri Paturia coal block of Chhattisgarh State Power Generation Company Ltd. (CSPGCL) and Kurmitar Iron Ore Mine of Odisha Mining Corporation Limited (OMC). There are several other MDO tenders which are in advance stages where AEL intends to participate and secure in FY 2020-21 and onwards.

Commercial Mining - Resources

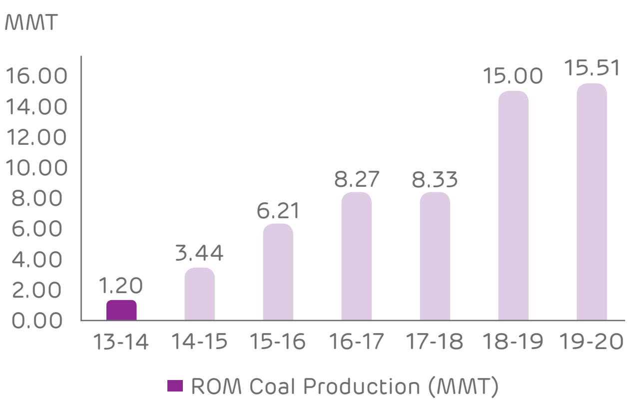
Government of India has passed a bill in Mar'20 for opening up of commercial coal mining for private sector and removing restriction on end use of coal. Discussion paper was also published by MoC reflecting guidelines and seeking insight from all the stakeholders. Now, Ministry of Coal (MoC) is expected to undertake auction of identified coal blocks in phased manner. AEL intends to evaluate and participate in the commercial coal auction leveraging its mining and integrated resources management capabilities.

Commercial Mining - Mineral

Following the enactment of MMDR Amendment Act 2015, all the Mining Leases (ML) are being auctioned by various state governments for all major minerals. AEL is actively evaluating these opportunities and participating in the auctions. In FY 2019-20, AEL participated in more than 10 such auctions for ML of various minerals such as iron ore, chromite, diamond etc. In FY 2019-20 AEL could not secure ML for any mineral and we will continue to evaluate and participate in the auctions to secure MLs for major minerals.

A brief of existing operations is provided below:

Domestic Coal Production (MMT)



[Source: 'India's Data Centre Industry - Poised at the Tipping Point' by JLL]

- **Parsa East and Kente Basan Coal Block**

  Rajasthan Rajya Vidyut Utpadan Nigam Limited ("RRVUNL") has been allocated the Parsa East and Kente Basan Coal Blocks (PEKB) in Chhattisgarh. RRVUNL has entered into a Coal Mining and Delivery Agreement with Parsa Kente Collieries Limited (PKCL) [a Joint Venture Company of RRVUNL and Adani Enterprises Limited] appointing PKCL as Sole Mining Contractor. PKCL as Mine Developer and Operator of PEKB is undertaking development, mining, beneficiation of coal, arranging transportation and delivery of washed coal to end use power projects of RRVUNL. The project commenced Mining Operations and dispatches of coal to Thermal Power stations of RRVUNL in March 2013. For Financial Year 2019-20, Raw coal Production was 15 MMT, Washed coal Production was 11.70 MMT and Washed coal dispatch to Thermal Power Plants of RRVUNL was 11.23 MMT.

- **Kente Extension Coal Block**

  RRVUNL has been allocated the Kente Extension Coal Block at Chhattisgarh. RRVUNL has entered into a Coal Mining and Delivery Agreement with Rajasthan Collieries Limited (RCL) [a Joint Venture Company of RRVUNL and Adani Enterprises Limited] appointing RCL as Sole Mining Contractor. RCL as Mine Developer & Operator of Kente Extn Coal Block will be undertaking development of the Coal Block, mining, beneficiation of coal and arranging for transportation and delivery of coal to end use power projects of RRVUNL. The Coal Block is under development stage.

- **Parsa Coal Block**

  RRVUNL has been allocated the Parsa Coal Block at Chhattisgarh. RRVUNL has entered into a Coal Mining and Delivery Agreement with Rajasthan Collieries Limited (RCL) [a Joint Venture Company of RRVUNL and Adani Enterprises Limited] appointing RCL as Sole Mining Contractor. RCL as Mine Developer & Operator of Parsa coal block will be undertaking development of the Coal Block, mining, beneficiation of coal and arranging for transportation and delivery of coal to end use power projects of RRVUNL. The Coal Block is under development stage.

- **Gare Pelma Sector-III Coal Block**

  Chhattisgarh State Power Generation Company Ltd. (CSPGCL) has been allocated the Gare Pelma Sector -III Coal Block at Chhattisgarh for captive use in their Thermal Power Plant in the State of Chhattisgarh. CSPGCL has appointed Gare Pelma III Collieries Limited (GPIIICL), a 100% subsidiary of Adani Enterprises Limited, as Mine Developer and Operator (MDO) for Development, Operation, Mining and delivery of coal to end use power project of CSPGCL. CSPGCL has entered into a Coal Mine Services Agreement with GPIIICL on 16th November 2017. GPIIICL as Mine Development & Operator of Gare Pelma Sector III Coal Block is undertaking development of the Coal Block, mining and arranging for transportation and delivery of coal to end use power projects of CSPGCL. The Mine Opening Permission of the Coal Block was obtained on 26th March 2019 and overburden removal commenced on 28th March 2019.

  Coal Production commenced on 6th December 2019 and coal produced in FY 2019-20 is 0.511 MMT. Coal Dispatch commenced on 16th March 2020 and total coal dispatched in FY 2019-20 is 0.015 MMT.

- **Talabira II & III Coal Block**

  NLC India Limited (NLCIL) has been allocated the Talabira II & III Coal Block at Odisha for captive use in their Thermal Power Plant. NLCIL has appointed Talabira (Odisha) Mining Private Limited (TOMPL), a subsidiary of Adani Enterprises Limited, as Mine Developer and Operator (MDO) for Development, Operation, Mining and delivery of coal to NLCIL. NLCIL has entered into a Coal Mining Agreement with TOMPL on 23rd March 2018. TOMPL as Mine Development & Operator of Talabira II & III Coal Block is undertaking development of the Coal Block, mining, loading, transportation and delivery of coal to delivery points.

The Mine Opening Permission of the Coal Block was obtained on 29th March 2019.

During FY 2019-20, TOMPL has commenced overburden removal and quantity removed till 31st March 2020 is 0.734 MBCM.

- **Suliyari Coal Block**

  Andhra Pradesh Mineral Development Corporation Limited (APMDC) has been allocated the Suliyari Coal Block at Madhya Pradesh for commercial mining of coal. APMDC has appointed Adani Enterprises Limited (AEL) as Mine Developer and Operator (MDO) for Development, Operation, Mining and delivery of coal to APMDC. APMDC has entered into a Coal Mining Agreement with AEL on 8th March 2018. The Coal Block is under development stage. AEL as Mine Development & Operator of Suliyari Coal Block will be undertaking development of the Coal Block, thereafter, mining, loading, transportation and delivery of coal to delivery points.

- **Bailadila Deposit – 13 Iron Ore Mine**

  NCL (NMDC-CMDC Limited) is the Mining Lease holder of Bailadila Deposit -13 Iron Ore Mine in the state of Chhattisgarh. NCL has appointed Adani Enterprises Limited (AEL), as Mine Developer and Operator (MDO) for Development, Operation, Mining and delivery of iron ore to NCL. NCL has entered into an Iron Ore Mining Services Agreement with AEL on 6th December, 2018. AEL has awarded sub-contract to Bailadila Iron Ore Mining Private Limited (BIOMPL), a 100% Subsidiary Company of Adani Enterprises Limited (AEL), for development of the Iron Ore Block, mining, loading, transportation and delivery of iron ore to delivery point. The Iron Ore mine is under development stage.

- **Gare Palma Sector I Coal Block**

  Gujarat State Electricity Corporation Limited (GSECL) has been allocated the Gare Pelma Sector-I Coal Block at Chhattisgarh for captive use in their Thermal Power Plants in the State of Gujarat. GSECL has issued conditional Letter of Acceptance (LoA) to Consortium of Adani Enterprises Limited (AEL, 74%) and Sainik Mining and Allied Services Limited (SMASL, 26%) on 15th December, 2018 for Development, Operation, Mining and delivery of coal to end use power projects of GSECL. Coal Mine Services Agreement between the AEL-SMASL Consortium and GSECL is yet to be signed.

- **Gare Palma Sector II Coal Block**

  Maharashtra State Power Generation Co. Ltd. (MAHAGENCO) has been allocated the Gare Pelma Sector-II Coal Block at Chhattisgarh for captive use in their Thermal Power Plants in the State of Maharashtra. MAHAGENCO has issued Final Letter of Acceptance (LoA) to Adani Enterprises Limited (AEL) on 5th November, 2019 for Development, Operation, Mining and Loading into wagon for delivery to end use power projects of MAHAGENCO.

  AEL has formed SPV named "Gare Palma II Collieries Private Limited". Coal Mine Services Agreement between Gare Palma II Collieries Private Limited and MAHAGENCO is yet to be signed.

- **Gidhmuri Paturia Coal Block**

  Chhattisgarh State Power Generation Company Ltd. (CSPGCL) has been allocated the Gidhmuri Paturia Coal Block at Chhattisgarh for captive use in their Thermal Power Plants in the State of Chattisgarh. CSPGCL has appointed Gidhmuri Paturia Collieries Private Limited (GPCPL), a SPV of Adani Enterprises Limited (AEL, 74%) and Sainik Mining and Allied Service Limited (SMASL, 26%) as Mine Developer and Operator (MDO) for Development, Operation, Mining and delivery of coal to CSPGCL. CSPGCL has entered into a Coal Mining Agreement with GPCPL on 2nd May 2019. GPCPL as Mine Development & Operator (MDO) of Gidhmuri Paturia Coal Block will be undertaking development of the Coal Block, mining and arranging for transportation and delivery of coal. The Coal Block is under development stage.

- **Kurmitar Iron Ore Mine**

  Odisha Mining Corporation Limited (OMCL) is the Mining Lease holder of Kurmitar Iron Ore Mine in Sundargarh District, in the state of Odisha. Kurmitar Iron Ore Mining Private Limited (KIOMPL), a 100% Subsidiary Company of Adani Enterprises Limited (AEL), has been appointed by OMCL as the Mine Developer and Operator (MDO) for Development, Operation, Mining, transportation and delivery of iron ore to delivery point. OMCL has entered into an Iron Ore Mining Agreement with AEL and KIOMPL on 31st October, 2019. The Iron Ore mine is under development stage.

Resources Mining in Indonesia

PT Adani Global, Indonesia a wholly-owned step down subsidiary of the Company, has been awarded coal mining concession in PT Lamindo Inter Multikon (stepdown subsidiary in Bunyu Island, Indonesia).

The Bunyu Mines has Joint Ore Reserves Committee (JORC) compliant resource of 269 Mn Metric Tonnes (MMT) for both the mines (i.e. combined). Production from the mine during the year 2019-20 has been at 1.05 Mn Metric Tonnes (MMT).

Resources Mining and related Infrastructure in Australia

Our wholly owned step down subsidiaries in Australia have 100% interest in the Carmichael mine in the Galilee Basin in Queensland, Australia.

During the year ended 31st March, 2020, the Group has been working on the development of the coal mining tenements situated in the Galilee Basin in Queensland (Australia).

Road, Metro and Rail

Adani Enterprises Limited (AEL) is focused on incubating successful businesses to address the Country's growing appetite for Infrastructure. With reference to our vision of Nation building, we remain committed to build Infrastructure to boost India's socio-economic growth. To contribute towards Nation Building and infrastructure development, company wants to tap the opportunity in the Road, Metro & Rail sector by developing National Highways, Expressways, Tunnels, Metro-Rail, Rail, etc. Adani group is confident of positioning itself as dominant player in the Road, Metro and Rail sector.

- The company will focus on projects across pan-India initiated by National Highways Authority of India (NHAI) under Bharatmala Pariyojana, etc. and Ministry of Road Transport and Highways (MORTH), Ministry of Railways, Metro Corporation of the respective States and any other projects under the purview of the Central or State Authorities and Agencies.

- As a developer, the Company will primarily target PPP projects structured in Build-Operate-Transfer (BOT), Toll-Operate-Transfer (TOT) & Hybrid-Annuity Mode (HAM) models.

- The company will also focus on select EPC projects which can offer scale and complexity in terms of the nature of work and technology requirement and which requires the developer to leverage its project execution capabilities to create a differentiated value in the industry.

- Having multiple infrastructure businesses established across different states in India, we would like to leverage our local presence and expertise in project management to build synergies for our Road, Metro & Rail Infrastructure development.

- In addition, the Company would be focusing on in-organic growth through Mergers and Acquisition, where we will look out for good assets which offer clear visibility of cash flows and are available at attractive valuations.

- The Company and its subsidiary Adani Road Transport Ltd. have already bagged Five Hybrid Annuity Road Projects from NHAI which are under various stages of development/execution.

- AEL would continue to evaluate and bid for attractive opportunities in transport sector which generates value for the stakeholders, The Group would use its immense expertise and experience of setting up complex and mammoth infrastructure projects in record time and to world class quality standards and also successfully operating them.

Water

Water touches every aspect of development and it links with nearly every Sustainable Development Goal. It drives economic growth, supports healthy ecosystems, and is essential and fundamental for life itself. Indian Economy is undergoing rapid Urbanisation & Industrial Growth. Water being the key resource, getting high attention from Government, Policy makers, Media, and increasingly so from the markets given the rising concern on future availability. A report by NITI Aayog draws attention to the fact that 48% of India's population is under high water stress.

Realising the above, Jal Shakti Ministry has been taking various initiatives and focusing on programmes such as 'National Mission for Clean Ganga (NMCG)' & 'National River Conservation' for pollution abatement of Ganga & Other Rivers, 'Pradhan Mantri Krishi Sinchayee Yojana (PMKSY)' for extending coverage of irrigation with improved efficiency of micro-irrigation, 'Jal Jeevan Mission (JJM)' for providing piped water connection to 14.6 crore rural household by 2024, 'Jal Shakti Abhiyaan' to stimulate rainwater harvesting and water conservation, 'National River Linking' projects to connect 37 rivers across the nation to ensure adequate water though out the year in all regions etc.

Adani Group, too, foreseeing the massive need for water infrastructure capacity augmentation in the country.

The Group has taken the first step by bagging the prestigious Waste Water Treatment project at Prayagraj City under the National Mission for Clean Ganga Framework which comprises Construction Three (3) new Sewage Treatment Plants (STP) of cumulative 72 MLD capacity and Rehabilitation of Six (6) existing STPs of cumulative 254 MLD capacity with 15 years O&M. For execution of Project, Special Purpose Vehicle (SPV) named Prayagraj Water Pvt. Ltd. (PWPL) was formed and the Concession Agreement was executed in Jan'19 among PWPL, UP Jal Nigam & National Mission for Clean Ganga. Construction work of new STPs and Rehabilitation work of existing STPs are in Progress.

The Group proposes to build upon this in the coming year by exploring more such opportunities. In addition to this, the Group will also focus on opportunities in the areas of Irrigation Infrastructure Development, Large Water Supply & Water Distribution Projects, Desalination Projects wherein sea water/brackish water shall be taken up to produce portable water for consumption of general public/ industrial purpose.

Defence

In continuation of its vision of nation building, your Company had ventured into Defence & Aerospace in 2017 with a commitment towards transforming India into a destination for world class defence and aerospace manufacturing, aligned to the Make in India initiative; thus helping India become self-reliant in its defence and security needs. The Indian Armed Forces are expected to spend approx. 10 Lac crore in upgrading and modernising the capital equipment in the next 15-20 years. The Government's focus on self-reliance and the commitment towards Make in India presents a big opportunity for India to realise its true potential in design, development and manufacturing of state-of-the-art defence equipment within the country.

During the year, your Company further ramped up its efforts in building a vibrant defence ecosystem which caters not just for India but also for the Export markets. The Company's Joint Venture with Elbit Systems (Israel) exported the first shipset of the Hermes 900 fuselage to Israel with Zero defects, Zero rework and Zero safety incidents. The successful delivery is a testimony to your Company's excellence in industrialisation, engineering and quality systems and the ability to deliver products with zero-concessions.

With the confidence of the customers reinforced by the excellence demonstrated in its first delivery, the Joint Venture has received two additional orders for Thor and Skylark drones. The order for Thor Mini-Drones is the largest order that shall be executed by any Indian Company. The Company also has signed a Memorandum of Understanding with Elbit Systems for setting up a world-class research and development centre in India.

Small Arms is one of the most fundamental requirement for the armed forces and other security personnel. Committing to create complete self-reliance in this area, your Company through its subsidiary Adani Land Defence Systems and Technologies Limited has agreed to acquire a majority stake in a Joint Venture of Israel Weapon Industries Limited. The Joint Venture shall address the requirement of Small Arms and Weapons for 1.2 Mn Army Personnel and a similar number for paramilitary and state police personnel through indigenously manufactured Arms. The Joint Venture shall also start bringing critical capabilities like barrel manufacturing into the Country in the coming year.

India is the fastest growing aviation market in the world with the number of aircraft expected to quadruple in the next 20 years. Consequently the Aircraft Services Market shall also witness explosive growth in the coming years. As per estimates, the size of the aircraft services market is estimated at US$145 Bn till 2037. Adani and Airbus have come together with a vision of offering customers a one-stop shop for all aircraft related services across India and South Asia. The two Companies shall work on multiple opportunities like aircraft maintenance, overhaul and repair, component services, training, digital solutions, airport services across India and South Asia.

In its quest for building indigenous design and development capabilities within the country, the Company partnered with Delhi Technological University to indigenously design, develop the unique swarm drone solutions for the India Armed Forces making India only the fifth country in the world to have indigenous capabilities in swarm development. These swarms intended to be deployed by the Armed Forces in search and rescue missions are capable of operating in GPS denied environments, can detect human life signs and can carry a payload of 3kgs for a distance of 90km. The Company intends to commercialise and explore further applications of this technology going ahead.

Airports

Adani Group Foray into Airports

In line with its vision to be the globally admired leader in the integrated infrastructure businesses, Adani Group has made its maiden venture into the airports sector by bidding for Operation, Management & Development of six airports viz. Ahmedabad, Lucknow, Mangaluru, Jaipur, Guwahati & Thiruvananthapuram. Adani Enterprises Limited (AEL) has been declared as the highest bidder for all the six airports and have got the Letter of Award (LoA) for three airports viz. Ahmedabad, Lucknow & Mangaluru from Airports Authority of India (AAI). Subsequently, the Concession Agreement (CA) for these three airports have been entered on 14th February 2020. As per the CA, AEL has the concession to operate, manage & develop the airports for a period of 50 (fifty) years commencing from the date of Commercial Operations (COD).

Adani Group's Vision for Airport Vertical

Adani Group's focus is to create the world class infrastructure and provide the world class services to the Passengers. The Group's focus is not only to provide the best in class passenger experience to all the passengers travelling from its airports but also to provide an unique experience to the non-passenger customers, given the location of the airports at the city centre.

The glimpse of the transformation journey is specified into following processes:

1) Developing the world class infrastructure at the airport, both at airside and landside, to enhance the passenger experience.

2) Building the regional experience architecture in and around all the airports.

3) Creating the entertainment destinations (e.g. Aerotropolis, Airport village, Hotels, Malls etc.).

4) Increase the domestic airline connectivity to the new and underserved destinations.

5) Increase the international flights to long haul western and ASEAN destinations

Solar Manufacturing

The Company has set up a vertically integrated Solar Photovoltaic Manufacturing facility of 1.2 GW Capacity along with Research and Development (R&D) facilities within an Electronic Manufacturing Cluster (EMC) facility in Mundra Special Economic Zone (SEZ). The state-of-the art large-scale integrated manufacturing plant to produce Silicon Ingots/wafers, Silicon Solar Cells, Modules and support manufacturing facilities that includes EVA, Back-sheet,.

At 1.2 GW of production, this plant is the largest vertically integrated producer of Solar Cells and Modules in India and well supported by manufacturing units of critical components designed to achieve maximum efficiency in the Indian market. On account of the process engineering and innovations, our plant is capable to produce modules of upto 1.5 GW. This Solar PV manufacturing facility within EMC facility is the first to be located in an SEZ under the M-SIPs scheme under which the investment by MSPVL has been approved and a major portion of the said capex subsidy received during the FY 2019-20.

The state-of-the-art manufacturing facility with multilevel infrastructure is being optimised for scaling up to 3.5 GW of modules and cells under a single roof. The unit is located in one of the world's largest Special Economic Zone at Mundra, Gujarat and hence plays host to the entire solar manufacturing ecosystem from Polysilicon to modules, including ancillaries and supporting utilities. MSPVL is facilitating the thrust of GoI's "Make in India" concept through its various measures of 12GW CPSU scheme, KUSUM scheme etc. to achieve its target of 100 GW by 2022.

The cutting-edge technology, with machines and equipment sourced from the best in class producers, aim to help in cost leadership, scale of operations and reliability standards as per global benchmarks.

4900+ man years

Total experience of the team engaged in solar manufacturing business.

12+ PHDs

Working on product development and research in the segment

1054 MW modules

Production volume during FY 2019-20.

₹ 301 crore

EBITDA as on 31st March, 2020

970 MW

Size of order book as on 1st May, 2020

Agro

Adani Wilmar Ltd

The Company entered the edible oil refining business through a 50:50 joint venture company, Adani Wilmar Limited (AWL) with Singapore's Wilmar group. Since its inception in the year 2000, "Fortune" has been a brand dear to millions of households in the country. The brand is geared up to meet the new challenges in the future not just as a No.1 Oil Brand but as a No.1 Foods Brand. AWL takes pride in being one of India's fastest growing food FMCG companies. With a 19.3% market share and growth of 10.6% in Refined Oil Consumer Pack (ROCP) category (Source: Nielsen Retail Monthly Index February 2020 report), "Fortune" continued to be the undisputed leader among edible oil brands in India with largest variety of oils under a single brand name.

Today, after almost 2 decades, the brand Fortune is transforming its visual identity with the launch of a new logo that reflects modernity and its fast-evolving product offerings. The company is confident that with this renewed zeal and enthusiasm, more households will be reached in the country and especially the younger families who believe in modern outlook of the society. The company is also completely prepared for this transformation in its journey from oil to food and has already started taking huge strides with the launch of several new products. Understanding the changing lifestyle of its consumers, the company went a step ahead and made a simple food into a superfood by adding healthy grains to the usual khichdi and introduced "Fortune Superfood Khichdi" in three tasty regional flavors. In order to cater to the regional preferences, AWL also launched variants in its existing Basmati Rice category. like Sona Masuri Regular, Sona Masuri Supreme, Wada Kollam, Banskanthi Rice, Govinda Bhog, Miniket and Gujarat Jeerasar to choose from. Similarly, as a logical extension to the successful launch of "Fortune Chakki Fresh Atta", the company introduced products like Maida, Sooji and Rawa to further strengthen its food portfolio. Moving out of the kitchen and into the personal and skin care category, AWL launched its first product – Alife Soap in four variants namely Lime, Lily, Rose & Sandalwood.

AWL has spent heavily during the year on advertising and promotion last year and come up with new commercials featuring its brand ambassador Akshay Kumar. The company also went a step ahead and chose Indian Railways as a medium for branding. It hired 10 locomotive engines which will be used for superfast trains and travel on routes across the country.

Being one of the socially responsible companies in the country, under the Extended Producer's Responsibility, AWL has successfully implemented Plastic Waste Management system. It has ensured that the amount of plastic sent by the company in the market through product packaging, is collected back and sent to the recyclers in the country by the government authorised agencies to whom the company appointed last year.

In order to spread awareness about the hazards of plastic, AWL organised a Plogging event – 'Reuse or Refuse Plastic' in which all its employees located at Head Office participated in great strength and made the event successful. Nearly, 400 employees participated in this event on 7th December, 2019. The drive went on for 21 days and around 700 kg plastic was collected cumulatively from the 3 km area around its office.

Project SuPoshan, our fight against malnutrition and anemia is actively moving further and has added new sites Vidisha in Madhya Pradesh & Katupally in Tamil Nadu. The project has also implemented village extensions in Raigrah and Godda in Chhattisgarh. Today, the project has 634 Sanginis onboard who reaches out to almost 3.5 lakh households.

AWL has been recognised as great place to work by the Great Place to Work Institute. It has also been conferred with the Dainik Jagran CSR Awards, Globoil Megastar of the year award and manufacturing excellence achievement using Six Sigma. AWL has also been awarded the Globoil Award for highest exporter of castor seed extractions and highest exporter of rapeseed extraction.

Adani Agri Fresh Limited

Adani Agri Fresh Limited (AAFL), a wholly owned subsidiary of the company has pioneered the establishment of integrated storage, handling and transportation infrastructure for Apple in Himachal Pradesh. It has set up modern Controlled Atmosphere storage facilities at three locations, Rewali, Sainj, and Rohru in Shimla District. The Company has also set up a marketing network in major towns across India to cater to the needs of wholesale, retail and organised retail chain stores. The Company which is marketing Indian fruits under the brand name FARM-PIK, has expanded its footprint in the branded fruit segment. The Company also imports Apple, Pear, Kiwi, Orange, Grapes etc. from various countries for sale in India.

The production of apple during the financial year 2019-20 was better than the previous year though there were many production areas impacted by the hailstorm in Himachal Pradesh. There was rainfall during last part of September which affected the quality of the fruit towards the fag of the season. Hence, the availability of good quality apples for CA storage got reduced towards the end. This resulted in the company procuring less than its target. The company also took decision to hedge its risk by not procuring fruits having quality issues.

On the other hand, apple production in Washington State and European countries was less than the previous year. The ban on importing apples from China is further extended to the current year as well. The duty on apples from USA had also increased to 70% as against 50% in previous years. The CA storage capacity has increased manifold in Shimla, Kashmir, Punjab and Delhi NCR region. Though there was solace due to reduced imports from other countries, but the competition from the domestic CA operators became intense. We could able to procure apples at reduced rate in comparison to the previous year by ₹10/kg but the realisation was lower than the previous year due to higher supplies of CA/ CS stocks from Kashmir region in early part of selling period. The impact of COVID-19 in the month of March 2020 was severe and affected thee company's target and profitability.

During FY 2018-19, the Company bought 19314 MT of Indian apple valued ₹ 79 crore and Imported 3159 MT of various fruits, valued at ₹ 35 crore. The Company sold 17076 MT of domestic apples and 3159 MT of imported fruits total valued at ₹ 178 crore.

Details of Significant Changes in the Key Financial Ratios & Return on Net Worth

Pursuant to amendment made in Schedule V to the Listing Regulations, details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in Key Financial Ratios and any changes in Return on Net Worth of the Company (on standalone basis) including explanations therefor are given below:

Particulars	FY ended 31st March, 2020	FY ended 31st March, 2019	Changes between Current FY & Previous FY	Explanation
Debtors Turnover	3.59	3.92	(8.39%)	Not Applicable
Inventory Turnover	7.39	7.90	(6.39%)	Not Applicable
Interest Coverage Ratio	3.03	2.29	32.55%	The Company has been able to reduce its Finance Cost signficantly during the year and thereby impacting the ratio positively. This was done primarily using proceeds from sale of subsidiaries in Agri Logistics and Power business at the end of last FY.
Current Ratio	1.02	1.00	1.54%	Not Applicable
Debt Equity Ratio	0.80	0.88	(9.21%)	Not Applicable
Operating Profit Margin	4.60%	6.10%	(24.56%)	The decline is on account of increase in operating expenses of IRM and Mining Services businesses in line with volumes.
Net Profit Margin	4.31%	3.14%	37.53%	Ratio shows significant improvement during the year mainly on account of booking of exceptional gain of ₹315 crore pursuant to favourable order in Mining Services division of the company.
Return on Net worth	18.58%	15.00%	23.90%	Not Applicable

Risk Mitigation

The Company is exposed to business risks which may be internal as well as external. The Company has a comprehensive risk management system in place, which is tailored to the specific requirements of its diversified businesses, is deployed, taking into account various factors, such as the size and nature of the inherent risks and the regulatory environment of the individual business segment or operating company. The risk management system enables it to recognise and analyze risks early and to take the appropriate action. The senior management of the Company regularly reviews the risk management processes of the Company for effective risk management.

The Company is subject to risks arising from interest rate fluctuations. The Company maintains its accounts and reports its financial results in rupees. As such, the Company is exposed to risks relating to exchange rate fluctuations. The Corporate Risk Management Cell works with the businesses to establish and monitor the specific profiles including strategic, financial and operational risks.

We believe that our multi-location operations also allow us to leverage the competitive advantages of each location to enhance our competitiveness and reduce geographic and political risks in our businesses.

Services Transformation

The objective of the Services Transformation programme is to strengthen the delivery capabilities and governance effectiveness across all corporate services, to enable Services to support Group and Business growth and sustainability agenda. This underlines the need for Services to continually evolve and transform themselves, to be able to deliver on ever growing expectations.

The programme includes capacity building for services, greater empowerment and accountability at Sites and with expertise leverage across group as guiding principles.

Key services have focused on operating models, keeping the service peculiarities, industry practices and delivery expectations, besides the overarching principles.

As a follow-up, services have strengthened organisation structure, KRAs of key roles, operational processes and delegation of authority. Besides, the governance framework for Services has been also strengthened to sharpen focus on agreed priorities and monitoring progress.

Integral part of the service transformation programme is competency development in each of the service. Accordingly Services are in the process of refining the competency frameworks and designing competency development programmes based on baselines created through assessments. Group is engaged with Academic institutes of repute to design and deliver programmes to employees working at different competency levels.

Towards leveraging the power of networked organisation, several collaboration platforms have been created including Service Function Councils and All-Service Councils. These councils would provide platforms for deliberating common evolution agenda, debate specific solutions, and explore options of expertise and resource sharing across boundaries.

Service Transformation Program is a multi-year mission, wherein the foundational elements for next stage of evolution have been put in place, while the design and roll-out various across services and shall be tracked to effective execution in coming years.

Internal Control

The Company has put in place strong internal control systems and best in class processes commensurate with its size and scale of operations.

There is a well-established multidisciplinary Management Audit & Assurance Services (MA&AS) that consists of professionally qualified accountants, engineers and SAP experienced executives who carry out extensive audit throughout the year, across all functional areas and submit reports to Management and Audit Committee about the compliance with internal controls and efficiency and effectiveness of operations and key processes risks.

Some Key Features of the Company's internal controls system are:

- Adequate documentation of Policies & Guidelines.
- Preparation & monitoring of Annual Budgets through monthly review for all operating & service functions.
- MA&AS department prepares Risk Based Internal Audit scope with the frequency of audit being decided by risk ratings of areas / functions. Risk based scope is discussed amongst MA&AS team, functional heads / process owners / CEO & CFO. The audit plan is formally reviewed and approved by Audit Committee of the Board.
- The entire internal audit processes are web enabled and managed on-line by Audit Management System.
- The Company has a strong compliance management system which runs on an online monitoring system.
- The Company has a well-defined delegation of power with authority limits for approving revenue & capex expenditure which is reviewed and suitably amended on an annual basis
- The Company uses Enterprise Resource Planning (ERP) System (SAP) to record data for accounting, consolidation and management information purposes and connects to different locations for efficient exchange of information.
- Apart from having all policies, procedures and internal audit mechanism in place, Company periodically engages outside experts to carry out an independent review of the effectiveness of various business processes and invite suggestions for process improvements
- Internal Audit is carried out in accordance with auditing standards to review design effectiveness of internal control system & procedures to manage risks, operation of monitoring control, compliance with relevant policies & procedure and recommend improvement in processes and procedure.

The Audit Committee of the Board of Directors regularly reviews execution of Audit Plan, the adequacy & effectiveness of internal audit systems, and monitors implementation of internal audit recommendations including those relating to strengthening of company's risk management policies & systems.

Human Resource Strategy

As an organisation, the Company strongly believes that Human Resources are the principal drivers of change. They push the levers that take futuristic businesses to the next level of excellence and achievement. The Company focuses on providing individual development and growth in a professional work culture that enables innovation, ensures high performance and remains empowering. Our lot of focus has been given to HR Transformation activities to revamp the HR organisation structure and processes. The new human resource management systems and processes are designed to enhance organisational effectiveness and employee alignment. The result is that the Company is able to work towards creating leadership in all the businesses that it operates. During the year, several initiatives, such as performance management systems, Learning & Development system, and Talent Management system were put in place to efficient & effective organisation. A lot of focus is being given to enhance people capability through e-learning management system. The broad categories of learning & development include Behavioural, Functional / Domain and Business related.

Many other programmes for employee rejuvenation and creating stronger inter-personnel relations, team building as well as aimed at further strengthening the bonding across all divisions and locations of the company were organised in the year. These programmes help employees significantly in leading a balanced work life in the organisation. The HR function is committed to improve all its processes based on the results and feedback and ensure that its manpower will remain its greatest asset.

Cautionary Notice

Certain statements in the Management Discussion and Analysis section concerning future prospects may be forward-looking statements which involve a number of underlying identified / non identified risks and uncertainties that could cause actual results to differ materially. In addition to the foregoing changes in the macro-environment, global pandemic like COVID-19 may pose an unforeseen, unprecedented, unascertainable and constantly evolving risk(s), inter-alia, to the Company and the environment in which it operates. The results of these assumptions made, relying on available internal and external information, are the basis for determining certain facts and figures stated in the report. Since the factors underlying these assumptions are subject to change over time, the estimates on which they are based, are also subject to change accordingly. These forward-looking statements represent only the Company's current intentions, beliefs or expectations, and any forward-looking statement speaks only as of the date on which it was made. The Company assumes no obligation to revise or update any forward-looking statements, whether as a result of new information, future events, or otherwise.

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