

Proxy Advisory Report (Addendum) Adani Transmission Ltd.

ABOUT SES

Stakeholders Empowerment Services (SES) is a Corporate Governance research and advisory firm. SES assists investors to analyze governance practices including matters relating to sustainability, prevalent at listed entities and empower Investors to undertake meaningful engagement with Investee entities.

SES SERVICES

Proxy Advisory:

Advises investors on the matters that require shareholder approval at listed entities and identify Governance issues. [Read More](#)

ESG Scores:

Analyze sustainability initiatives of Companies based on various environmental, social and governance factors. [Read More](#)

Corporate Governance Score (CGS):

CGS model measures the Company's compliance and also evaluates the governance practices with respect to global benchmarks. [Read More](#)

Governance Research:

In-depth and robust analysis on various topic to identify governance issues relating to companies, transactions, sectors and even the broader markets. [Read More](#)

E-Ballot:

Online Vote Management System to cater to requirements of Institutional Investors. One stop solution for investors – from accessing proxy reports and voting advice to recording votes and generating customized MIS reports. [Read More](#)

SES AIMS:

Designed primarily for Institutional investors to carry out their stewardship activities in an efficient manner. [Read More](#)

BRSR: SES has developed an Online web-based platform where in the Company can fill all its BRSR related data and generate its BRSR Report seamlessly online. [Read More](#)
BRSR Guide on relevant sector: [Read more](#)

COMPANY INFORMATION

BSE CODE: 539254

NSE SYMBOL: ADANITRANS

ISIN: INE931S01010

Industry: Power -Transmission

Email: info@adani.com / jaladhi.shukla@adani.com

Phone: +91 79 2555 5555 / 2656 5555

Registered Office: Adani Corporate House, Shantigram, Near Vaishnav Devi Circle, S. G. Highway, Khodiyar, Ahmedabad, Gujarat, 382421

MEETING DETAILS

Meeting Type: AGM

Meeting Date: 27th July, 2022 at 11:00 AM

Venue: Video Conferencing (VC) facility or other audio-visual means (OAVM)

Notice Date: 5th May, 2022

Notice: [Click here](#) | [Corrigendum](#)

Annual Report: [FY 2021-22](#)

E-VOTING DETAILS

e-Voting Platform: [CDSL](#)

Cut-off Date: 20th July, 2022

Remote E-voting:

- **Start:** 23rd July, 2022
- **Ends:** 26th July, 2022

ADDENDUM RELEASE DATE: 21st JULY, 2022

RESEARCH ANALYST: SHAMBHAVI JHA

CONFLICT DISCLOSURE: SES - NO CONFLICT | ANALYST - NO CONFLICT

INTERACTION WITH THE COMPANY - NO INTERACTION



ADDENDUM

This Addendum is being issued based on the e-mail dated 19th July, 2022 sent by Adani Transmission Ltd ('the Company') w.r.t. Proxy Advisory Report ('[PA Report](#)') issued by SES in relation to the upcoming Annual General Meeting of the Company.

There is no change in SES view or SES recommendation.

BACKGROUND

SES, as per its policy, had e-mailed its PA Report to the Company on 18th July, 2022 in respect of upcoming AGM of the Company to be held on 27th July, 2022.

Post the release of the PA Report, SES received a call from the Company and as advised by SES the Company subsequently sent an email providing its view point, which is reproduced in **blue text** along with the SES Response (**in black**) and full mail is appended at the end.

It may be noted that the email of the Company (as per SES policy framed to comply with SEBI Circular dated 3rd August, 2020 [SEBI/HO/IMD/DF1/CIR/P/2020/147](#)) has already been forwarded to SES clients 'as it is', without any inputs from SES on 18th July, 2022. This Addendum provides appropriate responses of SES, wherever required.

SES COMMENTS ON COMPANY'S RESPONSE

Resolution No. 2: Re-appointment of Mr. Gautam S. Adani as a director liable to retire by rotation.

Mr. Gautam Adani is the Chairman and founder of the Adani Group. Under his leadership, the Group has emerged as a global integrated infrastructure player with interests across Resources, Logistics and Energy verticals. His journey has been marked by his ambitious and entrepreneurial vision, coupled with great vigour and hard work. This has not only enabled the Group to achieve numerous milestones with speed and scale, but has also resulted in the creation of a robust business model that is contributing towards building sound infrastructure in India.

The Board of the Company currently comprises of 7 (seven) Directors out of which 3 (three) Directors are Executive Directors and remaining 4 (four) are Independent Directors including two Independent Women Directors. The present strength of the Board reflects judicious mix of professionalism, competence and sound knowledge which enables the Board to provide effective leadership to the Company.

Mr. Gautam Adani is appointed as Director (Category – Executive) and Chairman of the Company since 17th June, 2015. In terms of the provisions of Section 203 of the Companies Act, 2013, the Company has appointed Mr. Anil Sardana, Managing Director & CEO, Mr. Rohit Soni, Chief Financial Officer and Mr. Jaladhi Shukla, Company Secretary as Key Managerial Personnel (KMPs). Mr. Gautam Adani is not appointed as KMP within the meaning of the Companies Act, 2013 and also not drawing any remuneration from the Company. In view of the same, it is clarified that Mr. Gautam S. Adani is not holding 3 (three) whole-time positions as mentioned in the report. Holding the position as Chairman (Category – Executive) is permissible as per regulatory requirements and there is no governance concern in the same.

SES Comment: SES in its Report has not raised any concern on the merits and capability of Mr. Gautam S. Adani. SES also acknowledges his role as the Chairman and Founder of the Adani Group.

However, SES would like to reiterate that Mr. Gautam S. Adani holds 3 full time positions, in the Group. As per SES, this is non-compliance of Section 203 of the Companies Act, 2013. As a result, regardless of the fact that no governance concern was identified with respect to his profile or performance, Mr. Adani's re-appointment is still in contravention with the law.

Furthermore, SES is of the opinion that to fulfil one's responsibilities as a director with diligence, an individual should not hold more than one full-time position.

Shareholders may take note of the Company's response along with SES Comments thereon, and take an informed decision.



COMPANY'S E-MAIL DATED 19TH JULY, 2022

Dear SES Team,

Thanks for the below email.

Pls find below the response to observation for Item No. 2 of the AGM notice –

With reference to your “Against” recommendation for Resolution No. 2 Re-appointment of Mr. Gautam S. Adani as a director liable to retire by rotation., we would like to clarify as under –

Mr. Gautam Adani is the Chairman and founder of the Adani Group. Under his leadership, the Group has emerged as a global integrated infrastructure player with interests across Resources, Logistics and Energy verticals. His journey has been marked by his ambitious and entrepreneurial vision, coupled with great vigour and hard work. This has not only enabled the Group to achieve numerous milestones with speed and scale, but has also resulted in the creation of a robust business model that is contributing towards building sound infrastructure in India.

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You kindly requested to recommend “For” voting for the abovesaid resolution. Thanking you,

Best regards,



Disclaimer**Sources**

Only publicly available data has been used while making the report. Our data sources include Notice of Shareholders' Meeting, BSE, NSE, SEBI, Capitaline, MCA, Moneycontrol, Businessweek, Reuters, Annual Reports, IPO Documents and Company Website.

Analyst Certification

The Analyst(s) involved in development of this Report certify that no part of the Research Analyst's compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed by the Research Analyst(s) in this Report. The concerned Research Analyst(s) and Director(s) do not have any pecuniary relationship with the Reported Company, except that they may be holding minuscule shares in the Company which does not impact their independence in respect of this Report.

SES may be a shareholder in the Company holding equity shares as disclosed on its [website](#). The objective of SES' investment is solely to obtain Shareholders' communications from the Company as a shareholder.

CAUTIONARY STATEMENT

The recommendations made by SES are based on publicly available information and conform to SES's stated Proxy-Advisory Guidelines. SES opinion is based on SES's interpretation of law and governance benchmarks, which may differ from opinion/ benchmarks of other analysts or practitioners. Further, SES analysis is recommendatory in nature and reflects how SES would have voted if it was a shareholder. Therefore, SES expects that the clients will evaluate the effect of their vote on their investments independently and diligently and will vote accordingly. Subscribers may also carry out an impact analysis of their votes and keep the same as an addendum for their records. In our opinion, Institutional investors are positioned significantly differently from other shareholders due to their ability to engage the board and the management to bring out desired result. As a firm, it is our endeavour to improve the level of corporate governance while not causing any disruption in company's proceedings and therefore we respect the independence of investors to choose alternate methods to achieve similar results.

Disclaimer

While SES has made every effort, and has exercised due skill, care and diligence in compiling this report based on publicly available information, it neither guarantees its accuracy, completeness or usefulness, nor assumes any liability whatsoever for any consequence from its use. This report does not have any approval, express or implied, from any authority, nor is it required to have such approval. The users are strongly advised to exercise due diligence while using this report.

This report in no manner constitutes an offer, solicitation or advice to buy or sell securities, nor solicits votes or proxies on behalf of any party. SES, which is a not-for-profit Initiative or its staff, has no financial interest in the companies covered in this report except what is disclosed on its website. The report is released in India and SES has ensured that it is in accordance with Indian laws. Person resident outside India shall ensure that laws in their country are not violated while using this report; SES shall not be responsible for any such violation.

All disputes shall be subject to jurisdiction of High Court of Bombay, Mumbai.

Concern terminology

NC – Compliance Concern: The Company has not met statutory compliance requirements

FC – Fairness Concern: The Company has proposed steps which may lead to undue advantage to a particular class of shareholders and can have adverse impact on non-controlling shareholders including minority shareholders

GC – Governance Concern: SES questions the governance practices of the Company. The Company may have complied with the statutory requirements in letter. However, SES finds governance issues as per its standards.

TC - Disclosures & Transparency Concern: The Company has not made adequate disclosures necessary for shareholders to make an informed decision. The Company has intentionally or unintentionally kept the shareholders in dark.

Company Information

Stakeholders Empowerment Services

SEBI Reg. No. INH000000016

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Contact Information**Stakeholders****Empowerment Services**

109, Shyam Baba House,
Upper Govind Nagar,
Malad East,
Mumbai – 400097
Tel +91 22 4022 0322

research@sesgovernance.cominfo@sesgovernance.comwww.sesgovernance.com