

**POWERGRID ANANTHPURAM KURNOOLTRANSMISSION LIMITED**  
*(Formerly known as Ananthpuram Kurnool Transmission Limited)*  
*Wholly Owned Subsidiary of Power Grid Corporation of India Limited*  
**(CIN: U40106DL2020GOI363683)**

**Annual Report (2024-25)**

# **POWERGRID ANANTHPURAM KURNOOL TRANSMISSION LIMITED**

*(Formerly known as Ananthpuram Kurnool Transmission Limited)*

*Wholly Owned Subsidiary of Power Grid Corporation of India Limited*

**CIN: U40106DL2020GOI363683**

**Regd. Office: B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110016**

**Tel. No.: 011-26560112, Email: companysecretary@powergrid.in**

## **DIRECTORS' REPORT**

To,

Dear Members,

It gives me immense pleasure to present on behalf of the Board of Directors, the 5<sup>th</sup> Annual Report of **POWERGRID Ananthpuram Kurnool Transmission Limited** on the working of the Company together with Audited Financial Statements and Auditors' Report for the financial year ended 31<sup>st</sup> March, 2025.

### **1. State of the Company's Affairs & Project implementation**

POWERGRID Ananthpuram Kurnool Transmission Limited was incorporated as wholly owned subsidiary of PFC Consulting Limited (PFCCL) on 13<sup>th</sup> May, 2020 and acquired by Power Grid Corporation of India Limited ("POWERGRID"/ "holding Company") on 27<sup>th</sup> September, 2023 under Tariff based competitive bidding to establish "Transmission Scheme for Solar Energy Zone in Ananthpuram (Ananthpuram) (2500 MW) and Kurnool (1000 MW), Andhra Pradesh" on Build, Own, Operate and Transfer (BOOT) basis. Pursuant to such acquisition your Company became wholly owned subsidiary of POWERGRID. The Company was granted transmission license by CERC on 29<sup>th</sup> Feb 2024 for TBCB project.

The scope of the transmission project includes:

- Establishment of 400/220 kV, 7x500 MVA pooling station at suitable border location between Ananthpuram & Kurnool Distt with 400kV (2x125 MVAR) bus reactor.
- Ananthpuram PS-Kurnool-III PS 400 kV (Quad moose) D/c Line
- Ananthpuram PS-Cuddapah-400kV (Quad moose) D/c Line
- 2 Nos 400 kV line bays at Kurnool-III PS for Ananthpuram PS-Kurnool-III PS 400 kV D/c line
- 2 Nos 400 kV line bays at Cuddapah PS for Ananthpuram PS-Cuddapah 400 kV D/c line
- 80 MVar, 420 KV switchable line reactor at Ananthpuram PS along with associated switching equipment

The Company was assigned the "Implementation of 3 nos. of 400kV line bays at Ananthpuram PS for the integration of RE generation projects" (the Project) to the Company under the Regulated Tariff Mechanism (RTM) mode by Central Transmission Utility of India Limited (CTUIL), through OM dated 22<sup>nd</sup> March, 2024. The Company was granted transmission license on 30<sup>th</sup> Sep 2024 for RTM project.

The project is under implementation.

POWERGRID, the holding company in order to enhance operational ease and cost effectiveness, has during the financial year 2024-25 approved amalgamation/ merger of your Company. The scheme of amalgamation/ merger in relation thereto is subject to approval of statutory/ regulatory/ Govt. bodies or institutions as may be applicable or required.

## 2. **Financial Performance**

(Rs. in lakhs)

| Particulars                            | 2024-25         | 2023-24       |
|----------------------------------------|-----------------|---------------|
| Revenue from Operations                | -               | -             |
| Other Income                           | -               | -             |
| <b>Total Income</b>                    | <b>-</b>        | <b>-</b>      |
| <b>Total Expenses</b>                  | <b>219.31</b>   | <b>0.73</b>   |
| <b>Profit / (Loss) before Tax</b>      | <b>(219.31)</b> | <b>(0.73)</b> |
| <b>Profit / (Loss) for the period</b>  | <b>(164.11)</b> | <b>(0.55)</b> |
| <b>Earnings Per Equity Share (Rs.)</b> | <b>(32.10)</b>  | <b>(5.50)</b> |

## 3. **Share Capital**

During the financial year 2024-25 the capital structure of the company changed as mentioned hereunder:

(Rs. in lakhs)

| Particulars              | As on 01 <sup>st</sup> April, 2024 | As on 31 <sup>st</sup> March, 2025 |
|--------------------------|------------------------------------|------------------------------------|
| Authorized Share Capital | 1.00                               | 24973.80                           |
| Paid-up Share Capital    | 1.00                               | 4,574.87                           |

After the end of the financial year 2024-25, the Paid-up share capital of the Company was increased to Rs. 11682.08 lakhs.

## 4. **Dividend and Reserves**

Your Company's Project is under implementation and there is no operational income/profit. Therefore, your Company has not declared/recommended dividend or transferred any amount to reserves for the financial year ended 31<sup>st</sup> March, 2025.

## 5. **Deposits**

Your Company has not accepted any deposit as per Chapter V of Companies Act, 2013, during the financial year ended 31<sup>st</sup> March, 2025.

**6. Particulars of Loans, Guarantees or Investments made under section 186 of the Companies Act, 2013**

Your Company has not given any loans, provided any guarantee or security or made any investment to any other entity as per Section 186 of Companies Act, 2013, during the financial year ended 31<sup>st</sup> March, 2025.

**7. Particulars of contracts or arrangements with related parties**

Particulars of contracts or arrangements with related parties referred to Section 188 of the Companies Act, 2013, in the prescribed form AOC-2, are given at **Annexure - I** to the Directors' Report.

**8. Material Changes & Commitments**

There have been no material changes & commitments affecting the financial position of your Company, which have occurred between the end of the financial year and date of this report.

**9. Subsidiaries, Joint Ventures and Associate Companies**

Your Company does not have any subsidiaries, joint ventures and associate companies.

**10. Directors' Responsibility Statement**

As required under Section 134(3)I & 134(5) of the Companies Act, 2013, your Directors confirm that:

- a. in the preparation of the Annual Accounts, 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 at the end of the financial year and of the loss of the Company for that period;
- c. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the 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; and
- e. 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.

### **11. Conservation of Energy, Technology absorption, Foreign Exchange Earning and Out Go**

There was no Conservation of Energy, Technology absorption and Foreign Exchange Earnings and out go under section 134(3) of the Companies Act, 2013 in the Company during the financial year 2024-25.

### **12. Annual Return**

The Annual Return in Form MGT-7 as required under Section 92(3) of the Companies Act, 2013 can be accessed in the Subsidiaries section under the Investors Tab on the POWERGRID's website i.e. [www.powergrid.in](http://www.powergrid.in).

### **13. Board of Directors and Key Managerial Personnel**

As on 31<sup>st</sup> March, 2025, the Board comprised of four (4) Directors viz., Dr. Subir Sen, Shri Andhavarapu Jagannath Rao, Shri Naga Raju Arza and Shri Venkata Subrahmanayam Vallurie.

There were some changes in the Board of Directors of the Company during the financial year 2024-25. Shri Akhilesh Pathak and Shri Naga Raju Arza were appointed as Additional Director of the Company w.e.f. 13<sup>th</sup> November, 2024 and 19<sup>th</sup> December, 2024 respectively.

Shri Rajesh Srivastava and Shri Akhilesh Pathak ceased to be Director of the Company w.e.f. 30<sup>th</sup> June, 2024 and 18<sup>th</sup> December, 2024 respectively.

Subsequently, after the end of financial year 2024-25, Shri Doman Yadav was appointed as an Additional Director w.e.f. 01<sup>st</sup> July, 2025. Shri Naga Raju Arza ceased to be Additional Director of the Company w.e.f. 30<sup>th</sup> June, 2025, Dr. Subir Sen ceased to be Director & Chairman of the Company w.e.f. 31<sup>st</sup> May, 2025 and Shri Rakesh Kumar was appointed as an Additional Director & Chairman of the Company w.e.f. 08<sup>th</sup> July, 2025.

The Board places on record its appreciation for the valuable contribution, guidance and support provided by Shri Rajesh Srivastava, Shri Akhilesh Pathak, Shri Naga Raju Arza and Dr. Subir Sen, during his tenure as Directors of the Company.

Shri Venkata Subrahmanayam Vallurie shall retire by rotation at the ensuing Annual General Meeting of your Company and being eligible, has offered himself for re-appointment.

Shri Doman Yadav and Shri Rakesh Kumar, who were appointed as Additional Directors, hold office up to the ensuing Annual General Meeting. The Company has received notices under Section 160 of the Companies Act, 2013 from a Member of the Company for the appointment of Shri Doman Yadav and Shri Rakesh Kumar, as Directors liable to retire by rotation in the ensuing Annual General Meeting.

None of the Directors is disqualified from being appointed/re-appointed as Director.

#### **14. Number of Board meetings held during the year**

During the Financial Year 2024-25, Ten (10) meetings of Board of Directors were held on 03<sup>rd</sup> May, 2024, 23<sup>rd</sup> July, 2024, 26<sup>th</sup> July, 2024, 12<sup>th</sup> August, 2024, 27<sup>th</sup> September, 2024, 18<sup>th</sup> October, 2024, 05<sup>th</sup> November, 2024, 21<sup>st</sup> January, 2025, 05<sup>th</sup> March, 2025, 28<sup>th</sup> March, 2025. The detail of number of meetings attended by each Director during the financial year are as under:

| <b>Name of Directors</b>                                                                                                    | <b>Designation</b>       | <b>No. of Board Meetings entitled to attend during Financial Year 2024-25.</b> | <b>No. of Board Meetings attended during Financial Year 2024-25.</b> |
|-----------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------------------------------------------------------------|----------------------------------------------------------------------|
| Dr. Subir Sen<br>(ceased w.e.f. 31 <sup>st</sup> May, 2025)                                                                 | Chairman<br>(Part- Time) | 10                                                                             | 10                                                                   |
| Shri Rajesh Srivastava<br>(ceased w.e.f. 30 <sup>th</sup> June, 2024)                                                       | Director                 | 01                                                                             | 01                                                                   |
| Shri Andhavarapu Jagannath Rao                                                                                              | Director                 | 10                                                                             | 09                                                                   |
| Shri Venkata Subrahmanayam Vallurie                                                                                         | Director                 | 10                                                                             | 05                                                                   |
| Shri Akhilesh Pathak<br>(appointed w.e.f 13 <sup>th</sup> November, 2024 and ceased w.e.f. 18 <sup>th</sup> December, 2024) | Additional Director      | 00                                                                             | 00                                                                   |
| Shri Naga Raju Arza<br>(appointed w.e.f 19 <sup>th</sup> December, 2024 and ceased w.e.f. 30 <sup>th</sup> June, 2025)      | Additional Director      | 03                                                                             | 01                                                                   |

#### **15. Committees of the Board**

##### **Audit Committee and Nomination & Remuneration Committee**

Being the wholly owned subsidiary of POWERGRID, your Company is not required to constitute an Audit Committee and Nomination & Remuneration Committee in terms of notifications dated 5<sup>th</sup> July, 2017 and 13<sup>th</sup> July, 2017 issued by the Ministry of Corporate Affairs (MCA).

### Corporate Social Responsibility Committee

The provisions of Section 135 of the Companies Act, 2013 read with Rule 5 the Companies (Corporate Social Responsibility Policy) Rules, 2014 were not applicable to the Company during the financial year 2024-25.

### **16. Declaration by Independent Directors**

Ministry of Corporate Affairs (MCA) vide notification dated 5<sup>th</sup> July, 2017 had amended the Rule 4 of Companies (Appointment and Qualification of Directors) Rules, 2014 as per which, the unlisted public companies in the nature of wholly owned subsidiaries are not required to appoint Independent Directors on their Board. Accordingly, your Company, being a Wholly Owned Subsidiary of POWERGRID is not required to appoint Independent Directors on their Board.

### **17. Performance Evaluation**

Your Company, being wholly-owned Subsidiary of POWERGRID, is a Government Company. The Ministry of Corporate Affairs (MCA) vide Notification dated 5<sup>th</sup> June, 2015 has exempted Government Companies from the provisions of Section 178(2) of the Companies Act, 2013, which provides for manner of evaluation of performance of Board, its Committees and individual Directors. Further, the requirement of mentioning a statement on the manner of formal evaluation of annual performance in Board's Report as per Section 134(3)(p) of the Companies Act, 2013 is also not applicable for Government Companies, where the directors are evaluated by the Ministry or Department of the Central Government, which is administratively in charge of the Company, as per its own evaluation methodology.

The Senior official(s) of POWERGRID are nominated as Directors in your Company. POWERGRID, being a Government Company, the performance of Directors so nominated by it in your Company, is being evaluated by POWERGRID under a well laid down procedure of the Department of Public Enterprises ("DPE").

### **18. Statutory Auditors**

Pursuant to section 139(5) of the Companies Act, 2013 and Rule 4(2) of the Companies (Audit and Auditors) Rules, 2014, M/s Ganta & Associates, Chartered Accountants, Hyderabad were appointed by Comptroller and Auditor General ("C&AG") of India as Statutory Auditors of the Company for the financial year 2024-25.

### **19. Statutory Auditors' Report**

M/s Ganta & Associates, Statutory Auditors for the financial year 2024-25 have given an unqualified report. The report is self-explanatory and does not require any further comments by the Board.

**20. Comments of Comptroller and Auditor General of India**

Comptroller and Auditor General of India vide letter dated 20<sup>th</sup> May 2025, placed at **Annexure-II** to this report, has informed that they have decided not to conduct the Supplementary Audit of financial statements for the financial year ended 31<sup>st</sup> March, 2025 under section 143(6)(a) of the Companies Act, 2013.

**21. Details in respect of frauds reported by auditors other than those which are reportable to the Central Government**

During the financial year 2024-25, the Auditors of your Company have not reported any frauds to the Board of Directors under Section 143(12) of the Companies Act, 2013, including rules made thereunder.

**22. Secretarial Audit Report**

The requirement of obtaining a Secretarial Audit Report from the Practicing Company Secretary under Section 204 of the Companies Act, 2013 was not applicable to your Company for the financial year ended 31<sup>st</sup> March, 2025.

**23. Maintenance of Cost Records**

Maintenance of cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, was not applicable to the Company during the financial year 2024-25.

**24. Development & Implementation of Risk Management Policy**

Your Company being a wholly owned subsidiary of POWERGRID is covered under the Risk Management Framework of POWERGRID, the holding Company.

**25. Particulars of Employees**

As per Notification No. G.S.R. 463(E) dated 5<sup>th</sup> June, 2015 issued by the Ministry of Corporate Affairs (MCA), the provisions of Section 197 of the Companies Act, 2013 and corresponding rules of Chapter XIII shall not apply to a Government Company. As your Company is a Government Company, the information has not been included as a part of Directors' report.

**26. Compliance with Secretarial Standards**

Your Company has followed the requirements under the applicable Secretarial Standards, i.e. Secretarial Standard-1 on 'Meetings of the Board of Directors' and Secretarial Standard-2 on 'General Meetings' of the Institute of Company Secretaries of India Limited, read with applicable circulars and notifications issued by the Ministry of Corporate Affairs from time to time.

## **27. Prevention of Sexual Harassment at workplace**

POWERGRID (holding Company) has Internal Committee (IC) in place to redress the complaints of sexual harassment. There was no incidence of sexual harassment during the financial year 2024-25, as per details mentioned hereunder:

1. number of complaints of sexual harassment received in the year: NIL
2. number of complaints disposed off during the year: NIL
3. number of cases pending for more than ninety days: NIL

## **28. Details of Significant & Material Orders passed by the regulators, courts, tribunals impacting the going concern status and company's operation in future**

No significant / material orders have been passed by any authority during the Financial Year impacting the going concern status and Company's operation in future.

## **29. Internal Financial Control Systems and their adequacy**

Your Company has, in all material respects, an adequate Internal Financial Controls System Over Financial Reporting and such Internal Financial Controls Over Financial Reporting were operating effectively during the financial year 2024-25.

## **30. Insolvency and Bankruptcy Code, 2016**

During the financial year 2024-25, no application has been made under the Insolvency and Bankruptcy Code, 2016 ("IBC"); hence the requirement to disclose the details of application made or any proceeding pending under the IBC during the year along with their status as at the end of the financial year is not applicable.

## **31. Compliance of Maternity Benefit Act, 1961**

Benefits under the Maternity Benefit Act, 1961 are extended to employees, if any, posted / deputed by POWERGRID (holding Company) in its wholly owned subsidiaries including your Company. POWERGRID has duly complied with the provisions of the Maternity Benefit Act, 1961.

## **32. Right to Information**

In compliance with Right to Information Act, 2005 ("RTI Act"), an appropriate mechanism is in place for promoting transparency and accountability, wherein POWERGRID (holding Company) has nominated Central Public Information Officer & Appellate Authority for your Company to provide required information under the provisions of the RTI Act.

## **33. Acknowledgement**

The Board of Directors place on record their gratitude for the support of Ministry of Power,

the Central Electricity Regulatory Commission, the Central Electricity Authority, Central Transmission Utility of India Limited, Grid Controller of India Limited, the Department of Public Enterprises, Power Grid Corporation of India Limited, the Comptroller & Auditor General of India, the Auditors and various other authorities.

For and on behalf of  
**POWERGRID Ananthpuram Kurnool Transmission Limited**

**Sd/-**  
**(Shri Rakesh Kumar)**  
**Chairman**  
**DIN: 10337596**

**Date:** 29/09/2025  
**Place:** Gurugram

**POWERGRID ANANTHPURAM KURNOOL TRANSMISSION LIMITED****FORM No. AOC -2**

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

Form for Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

| <b>1.</b> | <b>Details of contracts or arrangements or transactions not at arm's length basis</b>                                                                                                                                                                                                  |                       |
|-----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
|           | Number of contracts or arrangements or transactions not at arm's length basis                                                                                                                                                                                                          | -                     |
| (a)       | Corporate identity number (CIN) or foreign company registration number (FCRN) or Limited Liability Partnership number (LLPIN) or Foreign Limited Liability Partnership number (FLLPIN) or Permanent Account Number (PAN)/Passport for individuals or any other registration number     | -                     |
| (b)       | Name (s) of the related party                                                                                                                                                                                                                                                          | -                     |
| (c)       | Nature of relationship                                                                                                                                                                                                                                                                 |                       |
| (d)       | Nature of contracts/arrangements/transaction                                                                                                                                                                                                                                           | -                     |
| (e)       | Duration of the contracts/arrangements/transaction                                                                                                                                                                                                                                     | -                     |
| (f)       | Salient terms of the contracts or arrangements or transactions including actual / expected contractual amount                                                                                                                                                                          | -                     |
| (g)       | Justification for entering into such contracts or arrangements or transactions                                                                                                                                                                                                         | -                     |
| (h)       | Date of approval by the Board                                                                                                                                                                                                                                                          | -                     |
| (i)       | Amount paid as advances, if any                                                                                                                                                                                                                                                        | -                     |
| (j)       | Date on which the resolution was passed in general meeting as required under first proviso to section 188                                                                                                                                                                              | -                     |
| (j)       | SRN of MGT-14                                                                                                                                                                                                                                                                          | -                     |
| <b>2.</b> | <b>Details of Material contracts or arrangements or transactions at arm's length basis.</b>                                                                                                                                                                                            |                       |
|           | Number of contracts or arrangements or transactions at arm's length basis                                                                                                                                                                                                              | 04                    |
| (I)       | (a) Corporate identity number (CIN) or foreign company registration number (FCRN) or Limited Liability Partnership number (LLPIN) or Foreign Limited Liability Partnership number (FLLPIN) or Permanent Account Number (PAN)/Passport for individuals or any other registration number | L40101DL1989GOI038121 |

|  |                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|--|-----------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | (b) Name (s) of the related party                                                             | Power Grid Corporation of India Limited<br>(POWERGRID)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|  | (c) Nature of relationship                                                                    | [Holding company w.e.f. 27.09.2023]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|  | (d) Nature of contracts/ arrangements/ transaction                                            | <p>(a) To take any security(ies) / guarantee(s) in connection with loan(s) / any form of debt including ECBs and/or to avail Inter corporate loan(s) on cost to cost basis, or prevailing market rates, or a combination thereof, upto an amount of Rs.1032 crore from POWERGRID.</p> <p>(b) To avail all inputs and services as may be required by the Company from POWERGRID for a consultancy fee of Rs.10 crore plus GST as applicable.</p> <p>(c) To avail Inter-corporate loan from POWERGRID upto Rs.20.90 crore and Consultancy services of POWERGRID at a fees of 5% of the actual Project Cost (excl. IDC and IEDC) plus GST for the RTM Project.</p> <p>(d) To divert transformers, reactors and other equipment's /materials/ items within group companies as per terms laid down in approved SOP.</p> |
|  | (e) Duration of the contracts/ arrangements/ transaction                                      | <p>(a) As mutually agreed.</p> <p>(b) As mutually agreed.</p> <p>(c) As mutually agreed.</p> <p>(d) As mutually agreed.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|  | (f) Salient terms of the contracts or arrangements or transaction including the value, if any | Refer (d)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|  | (g) Date of approval by the Board                                                             | <p>For (a) 26.10.2023</p> <p>For (b) 27.09.2023</p> <p>For (c) 05.11.2024</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

|  |                                     |                    |
|--|-------------------------------------|--------------------|
|  |                                     | For (d) 03.05.2024 |
|  | (h) Amount paid as advances, if any | Nil                |

For and on behalf of  
**POWERGRID Ananthpuram Kurnool Transmission Limited**

**Sd/-**  
**(Shri Rakesh Kumar)**  
**Chairman**  
**DIN: 10337596**

**Date: 29/09/2025**  
**Place: Gurugram**



भारतीय लेखापरीक्षा और लेखा विभाग  
महानिदेशक वाणिज्यिक लेखापरीक्षा का कार्यालय, हैदराबाद  
INDIAN AUDIT AND ACCOUNTS DEPARTMENT  
OFFICE OF THE DIRECTOR GENERAL  
OF COMMERCIAL AUDIT, HYDERABAD

No.: PDCA/A/c/Desk/PAKTL/2024-25/1.85/51

20.05.2025

To  
The Chairman,  
Powergrid Ananthpuram Kurnool Transmission Limited,  
B-9, Qutab Institutional Area,  
Katwaria Sarai,  
New Delhi-110016

**Sub: - Comments of the C&AG of India under Section 143(6)(b) of the Companies Act, 2013 on the accounts of Powergrid Ananthpuram Kurnool Transmission Limited, New Delhi for the year ended on 31 March 2025**

I forward herewith the 'Non-review' Certificate of Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the accounts of Powergrid Ananthpuram Kurnool Transmission Limited, New Delhi for the year ended on 31 March 2025.

2. The date of placing the comments along with Annual Accounts and Auditor's Report before the shareholders of the Company may please be intimated and a copy of the proceedings of the meeting may be furnished.
3. The date of forwarding the Annual Report and Annual Accounts of the Company together with Auditor's Report and comments of the Comptroller and Auditor General of India to the Central Government for being placed before the Parliament may please be intimated.
4. Ten copies of the Annual Report for the year 2024-25 may please be furnished in due course.

The receipt of this letter along with the enclosures may please be acknowledged.

Encl:- As above

Yours faithfully,

*Nawal*

(V.M.V Nawal Kishore)  
Principal Director

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA  
UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL  
STATEMENTS OF POWERGRID ANANTHPURAM KURNOOL TRANSMISSION  
LIMITED, NEW DELHI FOR THE YEAR ENDED 31 MARCH 2025**

The preparation of financial statements of Powergrid Ananthpuram Kurnool Transmission Limited, New Delhi for the year ended 31 March 2025 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 07 May 2025.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of Powergrid Ananthpuram Kurnool Transmission Limited, New Delhi for the year ended 31 March 2025 under Section 143(6)(a) of the Act.

**For and on behalf of the  
Comptroller and Auditor General of India**

*Nawal*

**(V.M.V Nawal Kishore)  
Principal Director of Commercial Audit  
Hyderabad**

**Place: Hyderabad  
Date: 20 May 2025**





## **INDEPENDENT AUDITOR'S REPORT**

To the Members of

**M/s POWERGRID Ananthpuram Kurnool Transmission Limited**

### **Report on Audit of Standalone Financial Statements**

#### **Unqualified Opinion**

We have audited the accompanying standalone financial statements of **M/s POWERGRID Ananthpuram Kurnool Transmission Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss, the Statement of Changes in Equity, and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("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, 2025, and its profit/loss, changes in equity, and its cash flows for the year ended on that date.

#### **Basis for Unqualified Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) 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 Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the ICAI 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 opinion.

#### **Key Audit Matters**

We have determined that there are no key audit matters to communicate in our report.



### **Information Other than the Financial Statements and Auditor's Report Thereon**

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

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our 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.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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 Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone 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 Standards on Auditing 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 standalone financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone 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 Companies Act, 2013, 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone 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, 2020 (hereinafter referred to as "the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure I" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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 company does not have any branch office which was audited by a person other than us;
  - d. The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - e. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015.
  - f. There are no observations or comments by us on financial transactions or matters which have any adverse effect on the functioning of the company;
  - g. As the Company is a Government Company, the provisions of sub-section (2) of section 164 of the Act regarding disqualification of directors are not applicable to the company pursuant to Notification No. GSR 463(E) dated 05-06-2015 issued by the Government of India.
  - h. We do not have any qualification, reservation or adverse remark relating to the maintenance of accounts and other matters connected therewith;
  - i. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we are enclosing our Report in Internal Financial Controls over Financial Reporting in Annexure-II;
  - j. 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, in our opinion and to the best of our information and according to the explanations given to us:



- a) There are no pending litigations on or by the company that would impact its financial position and as such the company is not required to disclose the impact of such pending litigations on its financial position in its financial statement;
- b) There are no long-term contracts including derivative contracts entered into by the company for which their material foreseeable losses and as such the company is not required to make any provisions under any law or accounting standards, for material foreseeable losses on such long-term contracts including derivate contracts;
- c) The company is not required to transfer any amount to the Investor Education and Protection Fund and as such there has been no delay in transferring any amount to the Investor Education and Protection Fund;
- d) [ \* \* \* ] [Reporting under this clause (d) of Rule 11 has been Omitted vide Companies (Audit and Auditors) Amendment Rules, 2021 dated 24.03.2021]
- e)
  - I. The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - II. The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
  - III. Based on such audit procedures that we have considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) above contain any material misstatement.
- f) The company has not declared or paid any dividend during the year and such compliance under section 123 of the Act is not required;
- g) The company has used such accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention.



# **GANTA & ASSOCIATES**

## **CHARTERED ACCOUNTANTS**

H.No. 8-2-248/1/7/9 & 10/7, Plot No. 9 & 10, 4th Floor,  
4A, Uma Chambers, Nagarjuna Hills, Punjagutta,  
Hyderabad, Telangana - 500 082.  
Cell : 98484 80745, 94912 80745 Tel : 040-2335 5780  
GSTIN : 36AAFFG3851N1Z2, FRN. No. 008686S

3. In respect of reporting on the statement of directions issued by the Comptroller & Auditor General of India under sub-section (5) of Section 143 of the Companies Act, 2013, we hereby attach our report on the such directions issued by the C&AG in Annexure-III to this audit Report.

Place: Hyderabad  
Date: 07.05.2025  
UDIN: 25209183BMHXZQ9775

**For Ganta and Associates**  
Chartered Accountants  
Firm Registration No 008686S

Digitally signed by Ganta  
Venkateswarlu  
Date: 2025.05.07 20:02:28 +05'30'

G. Venkateswarlu  
Partner  
M No 209183



**"Annexure-I" to the Independent Auditors' Report**

(Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" section of our report of even date)

To the Members of **M/s POWERGRID Ananthpuram Kurnool Transmission Limited**

In terms of the information and explanations sought by us and provided to us by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we report that:

**I. In respect of Property, Plant Equipment and Intangible Assets:**

- a. The Company is maintaining proper records showing full particulars, including quantitative details and situation of its Property, Plant and Equipment, which comprises only land (freehold). The Company also has capital work in progress. The Company does not have any other item of Property, Plant and Equipment or any intangible assets.
- b. The land (freehold) owned by the Company has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and no material discrepancies were noticed.
- c. Based on our examination of the relevant documents provided to us, the title deeds of the freehold land are not held in the name of the Company. As disclosed in Note 23 to the financial statements, the mutation of land in the revenue records is pending. The Company has not revalued any of its Property, Plant and Equipment (including Right-of-Use assets) or intangible assets during the year.
- d. No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and the rules made thereunder.

**II. In respect of its inventories:**

- a. As explained to us, the Company did not have any inventory during the year. Accordingly, reporting under Clause (ii)(a) of paragraph 3 of the Order is not applicable.
- b. The Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from any banks or financial institutions on the basis of security of current assets at any point of time during the year. Accordingly, reporting under Clause (ii)(b) of paragraph 3 of the Order is not applicable.

**III. In respect of loans given, investments, guarantees and security:**

During the year, the Company has not made any investments in, provided any guarantee or security to, or granted any loans or advances in the nature of loans to companies, firms, LLPs or any other parties. Accordingly, sub-clauses (a) to (f) are not applicable.



**IV. Section 185 and 186 of the Act:**

The Company has not granted any loans or provided any guarantees or security covered under Sections 185 and 186 of the Companies Act, 2013. Accordingly, provisions of this clause are not applicable.

**V. In respect of deposits accepted:**

The Company has not accepted any deposits or amounts which are deemed to be deposits from the public during the year in terms of the provisions of sections 73 to 76 of the Companies Act, 2013 and the rules made thereunder. Accordingly, the provisions of paragraph 3(v) of the Order are not applicable to the Company.

**VI. Cost Records:**

The maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Act for the business activities carried out by the Company. Accordingly, reporting under this clause is not applicable.

**VII. Statutory Dues**

- a. The Company is regular in depositing with appropriate authorities undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income tax, and other statutory dues. There were no undisputed dues outstanding as at March 31, 2025 for more than six months.
- b. There are no statutory dues which have not been deposited on account of any dispute.

**VIII. Disclosure of Undisclosed Income:**

There were no transactions not recorded in the books of account which were surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961.

**IX. Default in repayment of Loans:**

- a. The Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- b. The Company has not been declared a wilful defaulter by any bank or financial institution or other lender.
- c. Term loans were applied for the purpose for which the loans were obtained.
- d. No funds raised on a short-term basis have been used for long-term purposes.
- e. The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.



- f. The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures, or associate companies.

**X. Utilization of IPO/FPO/Term Loans:**

- a. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions of clause 3(x)(a) of the Order are not applicable to the Company.
- b. The Company has not made any preferential allotment or private placement of shares or convertible debentures during the year. Accordingly, the provisions of clause 3(x)(b) of the Order are not applicable to the Company.

**XI. Frauds:**

- a. There are no frauds by the company or any fraud on the company been noticed or reported during the year, hence reporting under clause (xi)(a) is not applicable to the company;
- b. We have not filed any report under sub-section (12) of section 143 of the Companies Act in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;
- c. there were no whistle blower complaints in the company during the year and as such we have not considered any whistle-blower complaints, and also the company is not required to maintain vigil mechanism in accordance with the provisions of section 177 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014.

**XII. Nidhi Company:**

The Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.

**XIII. Related Party Transaction:**

All transactions with related parties are in compliance with Sections 177 and 188 of the Act where applicable, and the details have been disclosed in the financial statements as required by the applicable accounting standards.

**XIV. Internal Audit:**

The company is not required to have an internal audit system as per section 138 of the companies act, 2013



**XV. Non-Cash Transaction:**

The company has not entered into any non-cash transactions with directors or persons connected with him, hence reporting under clause 3(xv) are not applicable to the company;

**XVI. Registered u/s 451A of RBI Act, 1934:**

- a) The Company is not required to be registered under section 451A of the Reserve Bank of India, 1934 and accordingly, the provisions of clause 3(xvi)(a) of the Order are not applicable to the Company.
- b) In our opinion and according to the information and explanations furnished to us, the Company has not conducted any Non-Banking Finance or Housing Finance Activity and hence the provisions of Clause 3(xvi)(b) of the Order are not applicable to the Company.
- c) In our opinion and according to the information and explanations furnished to us, the Company is not a Core Investment Company and accordingly the provisions of Clause 3(xvi)(c) of the Order are not applicable to the Company.
- d) In our opinion and according to the information and explanations furnished to us, the group do not have any Core Investment Company and accordingly the provisions of Clause 3(xvi)(d) of the Order are not applicable to the Company.

**XVII. Cash Losses:**

The Company has incurred cash losses of Rs.219.31 Lakhs in the current financial year and Rs.0.73 lakhs in the immediately preceding financial year.

**XVIII. Auditor Resignation:**

There has been no resignation of the statutory auditors during the year and accordingly the provisions of clause 3(xviii) are not applicable to the Company.

**XIX. Capacity to meet Liabilities:**

According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of the balance sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts upto the date of the audit report and we



neither give any guarantee nor any assurance that all the liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

**XX. Corporate Social Responsibility:**

The Company is not covered under the Corporate Social Responsibility (CSR) provisions of Section 135 of the Companies Act, 2013.

**XXI. Consolidated Financial Statements**

The Company is not required to prepare any consolidated financial statements, and hence reporting under clause 3(xxi) of the Order regarding qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements is not applicable to the Company.

Place: Hyderabad  
Date: 07.05.2025  
UDIN: 25209183BMHXZQ9775

**For Ganta and Associates**  
Chartered Accountants  
Firm Registration No 008686S

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Venkateswarlu  
Date: 2025.05.07 20:03:51 +05'30'

G. Venkateswarlu  
Partner  
M No 209183



**"Annexure-II" to the Independent Auditor's Report**

Annexure referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date to the members of M/s POWERGRID Ananthpuram Kurnool Transmission Limited (hereinafter referred to as "the Company").

**REPORT ON THE INTERNAL FINANCIAL CONTROLS under clause (i) of sub-section (3) of section 143 of the Companies Act, 2013 (hereinafter referred to as "the Act").**

We have audited the internal financial controls over financial reporting of M/s POWERGRID Ananthpuram Kurnool Transmission Limited (hereinafter referred to as "the Company") as of March 31, 2025 in conjunction with our audit of the standalone 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 (ICAI). 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 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.

**Auditors' 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both 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 Company's 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 authorizations of management and directors of the Company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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.



# **GANTA & ASSOCIATES**

## **CHARTERED ACCOUNTANTS**

H.No. 8-2-248/1/7/9 & 10/7, Plot No. 9 & 10, 4th Floor,  
4A, Uma Chambers, Nagarjuna Hills, Punjagutta,  
Hyderabad, Telangana - 500 082.  
Cell : 98484 80745, 94912 80745 Tel : 040-2335 5780  
GSTIN : 36AAFFG3851N1Z2, FRN. No. 008686S

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2025, 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.

Place: Hyderabad  
Date: 07.05.2025  
UDIN: 25209183BMHXZQ9775

**For Ganta and Associates**  
Chartered Accountants  
Firm Registration No 008686S

Digitally signed by Ganta  
Venkateswarlu  
Date: 2025.05.07 20:05:15 +05'30'

G. Venkateswarlu  
Partner  
M No 209183



**ANNEXURE-HI TO THE INDEPENDENT AUDITOR'S REPORT**

Annexure referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date to the members of M/s POWERGRID Ananthpuram Kurnool Transmission Limited (hereinafter referred to as "the Company") on the Ind AS financial statements for the year ended 31 March 2025, we report the statement on the directions issued by the Comptroller and Auditor General of India:

In terms of the information and explanations sought by us and given by the company and the books of accounts and records examined by us in the normal course of audit and to the best of our knowledge and belief, we hereby report that against each specific direction of the Comptroller & Auditor General of India (C&AG) as under:

| S No | Directions issued                                                                                                                                                                                                                                                                                                                                                                                                        | Remarks/Replies                                                                                                                                                                                                                                                                                                                                                               |
|------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| I.   | Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.                                                                                                                                 | Yes, the company does have a system (SAP) in place to process all accounting transactions through its IT system. The system is integrated to ensure that all revenue, expenses, assets, liabilities, and equity transactions are captured and recorded accurately.<br><br>No accounting transactions are recorded or processed outside the ERP system (SAP) currently in use. |
| II.  | Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a government company, then this direction is also applicable for statutory auditor of lender company). | No, there has been no restructuring of any existing loan, nor have there been any cases of waiver or write-off of debts, loans, or interest by any lender due to the company's inability to repay the loan. All loans and related financial obligations are being managed as per the original terms and conditions.                                                           |
| III. | Whether funds (grants/subsidy etc.) received/receivable for specific                                                                                                                                                                                                                                                                                                                                                     | No, the company has not received any funds such as grants, subsidies, or any                                                                                                                                                                                                                                                                                                  |



# GANTA & ASSOCIATES

## CHARTERED ACCOUNTANTS

H.No. 8-2-248/1/7/9 & 10/7, Plot No. 9 & 10, 4th Floor,  
4A, Uma Chambers, Nagarjuna Hills, Punjagutta,  
Hyderabad, Telangana - 500 082.  
Cell : 98484 80745, 94912 80745 Tel : 040-2335 5780  
GSTIN : 36AAFFG3851N1Z2, FRN. No. 008686S

|                                                                                                                                                         |                                                                                                                                                                                                      |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| schemes from Central/State Government or its agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation. | other financial assistance from the Central/State Government or its agencies for specific schemes. Therefore, there are no cases of deviation regarding the utilization or accounting of such funds. |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Place: Hyderabad  
Date: 07.05.2025  
UDIN: 25209183BMHXZQ9775

**For Ganta and Associates**  
Chartered Accountants  
Firm Registration No 008686S

Digitally signed by Ganta  
Venkateswarlu  
Date: 2025.05.07 20:06:41  
+05'30'

G. Venkateswarlu  
Partner  
M No 209183



**COMPLIANCE CERTIFICATE**

We have conducted the audit of annual accounts of M/s POWERGRID Ananthpuram Kurnool Transmission Limited for the year ended 31 March 2025 in accordance with the directions/sub-directions issued by the Comptroller and Auditor General of India under Section 143(5) of the Companies Act, 2013 and certify that we have complied with all the directions/sub-directions issued to us."

Place: Hyderabad  
Date: 07-05-2025  
UDIN: 25209183BMHXZQ9775

**For Ganta and Associates**  
Chartered Accountants  
Firm Registration No 008686S

**Digitally signed by Ganta**  
**Venkateswarlu**  
**Date: 2025.05.07 20:08:27**  
**+05'30'**

G Venkateswarlu  
Partner  
M No 209183

**POWERGRID Ananthpuram Kurnool Transmission Limited**  
**(Erstwhile Ananthpuram Kurnool Transmission Limited)**  
**CIN : U40106DL2020GOI363683**  
**B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi, 110016**  
**Balance Sheet as at 31 March, 2025**

(₹ In Lakh)

| Particulars                                                                  | Note | As at 31 March, 2025 | As at 31 March, 2024 |
|------------------------------------------------------------------------------|------|----------------------|----------------------|
| <b>ASSETS</b>                                                                |      |                      |                      |
| <b>Non-current assets</b>                                                    |      |                      |                      |
| (a) Property, plant & equipment                                              | 4    | 1,074.52             | -                    |
| (b) Capital work in progress                                                 | 5    | 54,942.98            | 3,859.45             |
| (c) Deferred Tax Assets (Net)                                                | 6    | 55.38                | 0.18                 |
| (d) Other non-current assets                                                 | 7    | 3,916.52             | 5,681.87             |
|                                                                              |      | <b>59,989.40</b>     | <b>9,541.50</b>      |
| <b>Current assets</b>                                                        |      |                      |                      |
| (a) Financial assets                                                         |      |                      |                      |
| (i) Cash and cash equivalents                                                | 8    | 0.64                 | 1.98                 |
| (ii) Other current financial assets                                          | 9    | -                    | 35.99                |
|                                                                              |      | <b>0.64</b>          | <b>37.97</b>         |
| <b>Total Assets</b>                                                          |      | <b>59,990.04</b>     | <b>9,579.47</b>      |
| <b>EQUITY AND LIABILITIES</b>                                                |      |                      |                      |
| <b>Equity</b>                                                                |      |                      |                      |
| (a) Equity Share capital                                                     | 10   | 4,574.87             | 1.00                 |
| (b) Other Equity                                                             | 11   | (164.80)             | (0.69)               |
|                                                                              |      | <b>4,410.07</b>      | <b>0.31</b>          |
| <b>Liabilities</b>                                                           |      |                      |                      |
| <b>Non-current liabilities</b>                                               |      |                      |                      |
| (a) Financial liabilities                                                    |      |                      |                      |
| (i) Borrowings                                                               | 12   | 40,379.70            | 7,850.40             |
|                                                                              |      | <b>40,379.70</b>     | <b>7,850.40</b>      |
| <b>Current liabilities</b>                                                   |      |                      |                      |
| (a) Financial liabilities                                                    |      |                      |                      |
| (i) Borrowings                                                               | 13   | 296.94               | -                    |
| (ii) Trade payables                                                          | 14   |                      |                      |
| (a) Total Outstanding dues of micro & small enterprises                      |      | -                    | -                    |
| (b) Total Outstanding dues of creditors other than micro & small enterprises |      | 0.57                 | 0.44                 |
| (iii) Other current financial liabilities                                    | 15   | 14,385.05            | 1,712.19             |
| (b) Other current liabilities                                                | 16   | 222.03               | 16.13                |
| (c) Provisions                                                               | 17   | 295.68               | -                    |
|                                                                              |      | <b>15,200.27</b>     | <b>1,728.76</b>      |
| <b>Total Equity and Liabilities</b>                                          |      | <b>59,990.04</b>     | <b>9,579.47</b>      |

The accompanying notes (1 to 42) form an integral part of financial statements

As per our report of even date  
For Ganta & Associates  
Chartered Accountants  
Firm Regn. No. 008686S

Digitally signed by  
**Ganta Venkateswarlu**  
Date: 2025.05.07  
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**G Venkateswarlu**  
Partner  
Mem. No. 209183  
Place: Hyderabad  
Date: 07 May, 2025

For and on behalf of the Board of Directors

**SUBIR SEN**  
Digitally signed by SUBIR SEN  
Date: 2025.05.07  
11:30:15 +05'30'

**Subir Sen**  
Chairperson  
DIN: 09012185  
Place: Gurugram  
Date: 07 May, 2025

**VENKATA S.V**  
Digitally signed by VENKATA S.V  
Date: 2025.05.07  
11:17:29 +05'30'

**S V Venkata**  
Director  
DIN: 10344777  
Place: Hyderabad  
Date: 07 May, 2025

**POWERGRID Ananthpuram Kurnool Transmission Limited**  
**(Erstwhile Ananthpuram Kurnool Transmission Limited)**  
**CIN : U40106DL2020GOI363683**  
**B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi, 110016**  
**Statement of Profit and Loss for the Year ended 31 March, 2025**

(₹ In Lakh)

| Particulars                                        | Note | For the Year ended 31 March, 2025 | For the Year ended 31 March, 2024 |
|----------------------------------------------------|------|-----------------------------------|-----------------------------------|
| <b>INCOME</b>                                      |      |                                   |                                   |
| Revenue From Operations                            |      | -                                 | -                                 |
| Other Income                                       | 18   | -                                 | -                                 |
| <b>Total Income</b>                                |      | -                                 | -                                 |
| <b>EXPENSES</b>                                    |      |                                   |                                   |
| Finance costs                                      | 19   | -                                 | -                                 |
| Depreciation and amortization expense              |      | -                                 | -                                 |
| Other expenses                                     | 20   | 219.31                            | 0.73                              |
| <b>Total expenses</b>                              |      | <b>219.31</b>                     | <b>0.73</b>                       |
| <b>Profit/(loss) before tax</b>                    |      | <b>(219.31)</b>                   | <b>(0.73)</b>                     |
| Tax expense:                                       |      |                                   |                                   |
| Current tax                                        |      | -                                 | -                                 |
| Deferred tax                                       |      | (55.20)                           | (0.18)                            |
| <b>Total tax expenses</b>                          |      | <b>(55.20)</b>                    | <b>(0.18)</b>                     |
| <b>Profit/(loss) for the period</b>                |      | <b>(164.11)</b>                   | <b>(0.55)</b>                     |
| Other Comprehensive Income                         |      | -                                 | -                                 |
| <b>Total Comprehensive Income for the period</b>   |      | <b>(164.11)</b>                   | <b>(0.55)</b>                     |
| Earnings per equity share ( Par value ₹10/- each): |      |                                   |                                   |
| Basic and Diluted (in ₹)                           |      | (32.10)                           | (5.50)                            |

The accompanying notes (1 to 42) form an integral part of financial statements

As per our report of even date  
For Ganta & Associates  
Chartered Accountants  
Firm Regn. No. 008686S

Digitally signed by  
**Ganta Venkateswarlu**  
Date: 2025.05.07  
19:48:34 +05'30'

**G Venkateswarlu**  
Partner  
Mem. No. 209183  
Place: Hyderabad  
Date: 07 May, 2025

For and on behalf of the Board of Directors

**SUBIR  
SEN**

Digitally signed  
by SUBIR SEN  
Date: 2025.05.07  
11:31:51 +05'30'

**Subir Sen**  
Chairperson  
DIN: 09012185  
Place: Gurugram  
Date: 07 May, 2025

**VENKA  
TA S.V**

Digitally signed  
by VENKATA S.V  
Date:  
2025.05.07  
11:17:51 +05'30'

**S V Venkata**  
Director  
DIN: 10344777  
Place: Hyderabad  
Date: 07 May, 2025

**POWERGRID Ananthpuram Kurnool Transmission Limited**  
**(Erstwhile Ananthpuram Kurnool Transmission Limited)**  
**CIN : U40106DL2020GOI363683**  
**B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi, 110016**  
**Statement of Cash Flows for the Year ended 31 March, 2025**

(₹ In Lakh)

| Sl. No.  | Particulars                                                                                                              | For the Year ended 31 March, 2025 | For the Year ended 31 March, 2024 |
|----------|--------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|
| <b>A</b> | <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                                                                               |                                   |                                   |
|          | Profit Before Tax                                                                                                        | (219.31)                          | (0.73)                            |
|          | Operating profit before Changes in Assets and Liabilities                                                                | (219.31)                          | (0.73)                            |
|          | Adjustment for Changes in Assets and Liabilities:                                                                        |                                   |                                   |
|          | Increase/ (Decrease) in Liabilities & Provisions                                                                         | 210.60                            | 0.44                              |
|          | (Increase)/ Decrease in Other Non-current Assets                                                                         | (1.00)                            | -                                 |
|          |                                                                                                                          | <b>209.60</b>                     | <b>0.44</b>                       |
|          | Cash generated from operations                                                                                           | (9.71)                            | (0.29)                            |
|          | Direct Taxes (paid)/ refund                                                                                              | (30.15)                           | -                                 |
|          | Net Cash used in Operating Activities                                                                                    | <b>(39.86)</b>                    | <b>(0.29)</b>                     |
| <b>B</b> | <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                                                                               |                                   |                                   |
|          | Property, Plant & Equipment, Intangible Assets and Capital Work in Progress (including Advances for Capital Expenditure) | (36,499.28)                       | (7,661.82)                        |
|          | Net Cash used in Investing Activities                                                                                    | <b>(36,499.28)</b>                | <b>(7,661.82)</b>                 |
| <b>C</b> | <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                                                                               |                                   |                                   |
|          | Issue of Shares                                                                                                          | 4,573.87                          | -                                 |
|          | Proceeds from Borrowings                                                                                                 |                                   |                                   |
|          | Non Current                                                                                                              | 32,826.24                         | 7,850.40                          |
|          | Current                                                                                                                  | -                                 | 1,661.32                          |
|          | Repayment of Borrowings                                                                                                  |                                   |                                   |
|          | Non Current                                                                                                              | -                                 | (1,792.83)                        |
|          | Current                                                                                                                  | -                                 | -                                 |
|          | Finance Costs paid                                                                                                       | (862.31)                          | (55.80)                           |
|          | Net Cash from Financing Activities                                                                                       | <b>36,537.80</b>                  | <b>7,663.09</b>                   |
| <b>D</b> | Net change in Cash and Cash equivalents (A+B+C)                                                                          | (1.34)                            | 0.98                              |
| <b>E</b> | Cash and Cash equivalents (Opening balance)                                                                              | 1.98                              | 1.00                              |
| <b>F</b> | Cash and Cash equivalents (Closing balance)                                                                              | <b>0.64</b>                       | <b>1.98</b>                       |

The accompanying notes (1 to 42) form an integral part of financial statements

**Further Notes**

Note 1 - Cash and cash equivalents consist of balances with banks.

Note 2 - Previous Year Figures have been re-grouped/ re-arranged wherever necessary.

As per our report of even date

For Ganta & Associates

Chartered Accountants

Firm Regn. No. 008686S

**Digitally signed by**  
**Ganta Venkateswarlu**

**Date: 2025.05.07**

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**G Venkateswarlu**

Partner

Mem. No. 209183

Place: Hyderabad

Date: 07 May, 2025

For and on behalf of the Board of Directors

**SUBIR**  
**SEN**

Digitally signed  
by SUBIR SEN  
Date: 2025.05.07  
11:32:29 +05'30'

**Subir Sen**  
Chairperson  
DIN: 09012185  
Place: Gurugram  
Date: 07 May, 2025

**VENKA**  
**TA S.V**

Digitally signed  
by VENKATA S.V  
Date: 2025.05.07  
11:18:14 +05'30'

**S V Venkata**  
Director  
DIN: 10344777  
Place: Hyderabad  
Date: 07 May, 2025

**POWERGRID Ananthpuram Kurnool Transmission Limited**  
**(Erstwhile Ananthpuram Kurnool Transmission Limited)**  
**CIN : U40106DL2020GOI363683**  
**B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi, 110016**  
**Statement of Changes in Equity for the Year ended 31 March, 2025**

| <b>A. Equity Share Capital</b>  |  | <b>(₹ In Lakh)</b> |
|---------------------------------|--|--------------------|
| As at 01 April, 2024            |  | 1.00               |
| Changes in equity share capital |  | 4,573.87           |
| As at 31 March, 2025            |  | 4,574.87           |
| As at 01 April, 2023            |  | 1.00               |
| Changes in equity share capital |  | -                  |
| As at 31 March, 2024            |  | 1.00               |

| <b>B. Other Equity</b>                  |                      |          | <b>(₹ In Lakh)</b> |
|-----------------------------------------|----------------------|----------|--------------------|
| Particulars                             | Reserves and Surplus | Total    |                    |
|                                         | Retained Earnings    |          |                    |
| As at 01 April, 2024                    | (0.69)               | (0.69)   |                    |
| Total Comprehensive Income for the year | (164.11)             | (164.11) |                    |
| As at 31 March, 2025                    | (164.80)             | (164.80) |                    |
| As at 01 April, 2023                    | (0.14)               | (0.14)   |                    |
| Total Comprehensive Income for the year | (0.55)               | (0.55)   |                    |
| As at 31 March, 2024                    | (0.69)               | (0.69)   |                    |

The accompanying notes (1 to 42) form an integral part of financial statements

Refer to Note 11 for nature and movement of Reserve and Surplus.

As per our report of even date  
For Ganta & Associates  
Chartered Accountants  
Firm Regn. No. 008686S

Digitally signed by  
Ganta Venkateswarlu  
Date: 2025.05.07  
19:54:22 +05'30'

G Venkateswarlu  
Partner  
Mem. No. 209183  
Place: Hyderabad  
Date: 07 May, 2025

For and on behalf of the Board of Directors

**SUBIR SEN** Digitally signed by SUBIR SEN  
Date: 2025.05.07 11:32:46  
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Subir Sen  
Chairperson  
DIN: 09012185  
Place: Gurugram  
Date: 07 May, 2025

**VENKATA S.V** Digitally signed  
by VENKATA S.V  
Date: 2025.05.07  
11:19:13 +05'30'

S V Venkata  
Director  
DIN: 10344777  
Place: Hyderabad  
Date: 07 May, 2025

## Notes to Financial Statements

### Note 1 Corporate and General Information

POWERGRID Ananthpuram Kurnool Transmission Limited (Erstwhile Ananthpuram Kurnool Transmission Limited) ("the Company") is a public company domiciled and incorporated in India under the provisions of The Companies Act and a wholly owned subsidiary of Power Grid Corporation of India Limited. The registered office of the Company is situated at B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110 016, India and Corporate Office of the Company is situated at 6-6-8/32 & 395E, Kavadiguda Main Road, Secunderabad 500080, Telangana.

The Company was incorporated on 13 May, 2020 for establishment of Transmission Scheme for Solar Energy Zone in Ananthpuram (Ananthapur) (2500 MW) and Kurnool (1000 MW), Andhra Pradesh on Build, Own, Operate and Transfer (BOOT) basis. POWERGRID has acquired 100% equity shares from PFC Consulting Limited on 27 September, 2023. Project is Under Construction.

The Company is engaged in business of Power Systems Network, construction, operation and maintenance of transmission systems and other related allied activities.

The financial statements of the company for the Year ended 31 March, 2025 were approved for issue by the Board of Directors on 07 May, 2025.

### Note 2 Material Accounting Policy Information

A summary of the material accounting policy information applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all periods presented in the financial statements.

#### 2.1 Basis of Preparation

##### i) Compliance with Ind AS

The financial statements are prepared in compliance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act), Companies (Indian Accounting Standards) Rules, 2015, the relevant provisions of the Companies Act, 2013 and the provisions of Electricity Act, 2003, in each case, to the extent applicable and as amended thereafter.

##### ii) Basis of Measurement

The financial statements have been prepared on accrual basis and under the historical cost convention except certain financial assets and liabilities measured at fair value (Refer Note no. 2.11 for accounting policy regarding financial instruments).

**iii) Functional and presentation currency**

The financial statements are presented in Indian Rupees (Rupees or ₹), which is the Company's functional and presentation currency, and all amounts are rounded to the nearest lakhs and two decimals thereof, except as stated otherwise.

**iv) Use of estimates**

The preparation of financial statements requires estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses during the reporting period. Although, such estimates and assumptions are made on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision effects only that period or in the period of the revision and future periods if the revision affects both current and future years (refer Note no. 3 on critical accounting estimates, assumptions and judgments).

**v) Current and non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets/liabilities are classified as non-current.

The Company recognises twelve months period as its operating cycle.

## **2.2 Property, Plant and Equipment**

### **Initial Recognition and Measurement**

Property, Plant and Equipment is initially measured at cost of acquisition/construction including any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. After initial recognition, Property, Plant and Equipment is carried at cost less accumulated depreciation / amortisation and accumulated impairment losses, if any.

In the case of commissioned assets, where final settlement of bills with contractors is yet to be effected, capitalisation is done on provisional basis subject to necessary adjustments in the year of final settlement.

Transmission system assets are considered as ready for intended use from date of commercial operation declared or approved in terms of Central Electricity Regulatory Commission (CERC) Tariff Regulation and capitalised accordingly.

The cost of land includes provisional deposits, payments/liabilities towards compensation, rehabilitation and other expenses wherever possession of land is taken.

Expenditure on levelling, clearing and grading of land if incurred for construction of building is capitalised as part of cost of the related building.

Spares parts individually costing more than ₹10,00,000/- standby equipment and servicing equipment which meets the recognition criteria of Property, Plant and Equipment are capitalised.

### **Subsequent costs**

Subsequent expenditure is recognised as an increase in carrying amount of assets when it is probable that future economic benefits deriving from the cost incurred will flow to the company and cost of the item can be measured reliably.

The cost of replacing part of an item of Property, Plant & Equipment is recognised in the carrying amount of the item if it is probable that future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. If the cost of the replaced part or earlier inspection component is not available, the estimated cost of similar new parts/inspection component is used as an indication of what the cost of the existing part/ inspection component was when the item was acquired or inspection was carried out.

The costs of the day-to-day servicing of property, plant and equipment are recognised in the Statement of Profit & Loss as incurred.

### **Derecognition**

An item of Property, Plant and Equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal.

The gain or loss arising from derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss on the date of disposal or derecognition.

### **2.3 Capital Work-In-Progress (CWIP)**

Cost of material, erection charges and other expenses incurred for the construction of Property, Plant and Equipment are shown as CWIP based on progress of erection work till the date of capitalisation.

Expenditure of office, and Projects, directly attributable to construction of property, plant and equipment are identified and allocated on a systematic basis to the cost of the related assets.

Interest during construction and expenditure (net) allocated to construction as per policy above are kept as a separate item under CWIP and apportioned to the assets being capitalised in proportion to the closing balance of CWIP.

Unsettled liability for price variation/exchange rate variation in case of contracts is accounted for on estimated basis as per terms of the contracts.

### **2.4 Intangible Assets and Intangible Assets under development**

Intangible assets with finite useful life that are acquired separately are carried at cost less any accumulated amortisation and accumulated impairment losses.

Subsequent expenditure on already capitalised Intangible assets is capitalised when it increases the future economic benefits embodied in an existing asset and is amortised prospectively.

The cost of software (which is not an integral part of the related hardware) acquired for internal use and resulting in significant future economic benefits is recognised as an intangible asset when the same is ready for its use.

Afforestation charges for acquiring right-of-way for laying transmission lines are accounted for as intangible assets under development till the commissioning of related transmission lines.

Expenditure incurred, eligible for capitalisation under the head Intangible Assets, are carried as "Intangible Assets under Development" till such assets are ready for their intended use.

An item of Intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

## 2.5 Depreciation / Amortisation

### Property, Plant and Equipment

Depreciation/Amortisation on the items of Property, Plant and Equipment is provided on straight line method based on the useful life specified in Schedule II of the Companies Act, 2013 except for the following items of property, plant and equipment on which depreciation is provided based on estimated useful life as per technical assessment and for items covered under Regulated Tariff Mechanism.

| Particulars                      | Useful life |
|----------------------------------|-------------|
| 1 Computers and Peripherals      | 3 Years     |
| 2 Servers and Network Components | 5 Years     |

Depreciation on spares parts, standby equipment and servicing equipment which are capitalised, is provided on straight line method from the date they are available for use over the remaining useful life of the related assets of transmission business.

Residual value is considered as 5% of the Original Cost for all items of Property, Plant and Equipment in line with Companies Act, 2013 except for Computers and Peripherals and Servers and Network Components for which residual value is considered as Nil.

Depreciation/amortisation on the items of property, plant and equipment covered under Regulated Tariff Mechanism is provided on straight line method following the rates, methodology and residual value notified by the CERC for the purpose of recovery of tariff.

Property, plant and equipment costing ₹5,000/- or less, are fully depreciated in the year of acquisition.

Where the cost of depreciable property, plant and equipment has undergone a change due to price adjustment, change in duties or similar factors, the unamortised balance of such asset is depreciated prospectively.

Depreciation on additions to/deductions from Property, Plant and Equipment during the year is charged on pro-rata basis from/up to the date on which the asset is available for use/disposed.

The residual values, useful lives and methods of depreciation for items of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, wherever required.

### Right of Use Assets:

Right of Use assets are fully depreciated from the lease commencement date on a straight line basis over the lease term.

Leasehold land is fully amortised over lease period or useful life of the related plant whichever is lower. Leasehold land acquired on perpetual lease is not amortised.

### **Intangible Assets**

Cost of software capitalised as intangible asset is amortised over the period of legal right to use or 3 years, whichever is less with Nil residual value.

Amortisation on additions to/deductions from Intangible Assets during the year is charged on pro-rata basis from/up to the date on which the asset is available for use/dispensed.

The amortisation period and the amortisation method for intangible assets are reviewed at each financial year-end and are accounted for as change in accounting estimates in accordance with Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

### **2.6 Borrowing Costs**

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalised (net of income on temporary deployment of funds) as part of the cost of such assets till the assets are ready for the intended use. Qualifying assets are assets which take a substantial period of time to get ready for their intended use.

All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

### **2.7 Impairment of non-financial assets**

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 'Impairment of Assets'. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment losses recognised in respect of CGUs are reduced from the carrying amounts of the assets of the CGU.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

## **2.8 Cash and cash equivalents**

Cash and cash equivalents include cash on hand and at bank, and deposits held at call with banks having a maturity of three months or less from the date of acquisition that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

## **2.9 Inventories**

Inventories are valued at lower of the cost, determined on weighted average basis and net realisable value.

Spares which do not meet the recognition criteria as Property, Plant and Equipment, including spare parts individually costing upto ₹10,00,000/- are recorded as inventories.

Surplus materials as determined by the management are held for intended use and are included in the inventory.

The diminution in the value of obsolete, unserviceable and surplus stores and spares is ascertained on review and provided for.

## **2.10 Leases**

Lease is a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves use of an identified assets,
- (ii) the customer has substantially all the economic benefits from the use of the asset through the period of the lease and
- (iii) the customer has the right to direct the use of the asset.

### **i) As a Lessee**

At the date of commencement of the lease, the Company recognises a right-of-use asset (ROU) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for lease with a term of twelve months or less (i.e. short-term leases) and leases for which the underlying asset is of low value. For these short-term and leases for which the underlying asset is of low value, the Company recognises the lease payments on straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognised at cost, which comprises the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the inception date of the lease along with any initial direct costs, restoration obligations and lease incentives received.

Subsequently, the right-of-use assets is measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The Company applies Ind AS 36 to determine whether a ROU asset is impaired and accounts for any identified impairment loss as described in the accounting policy 2.7 on "Impairment of non-financial assets".

The lease liability is initially measured at present value of the lease payments that are not paid at that date.

The interest cost on lease liability is expensed in the Statement of Profit and Loss, unless eligible for capitalisation as per accounting policy 2.6 on "Borrowing costs".

Lease liability and ROU asset have been separately presented in the financial statements and lease payments have been classified as financing cash flows.

**ii) As a Lessor**

A lease is classified at the inception date as a finance lease or an operating lease.

**a) Finance leases**

A lease that transfers substantially all the risks and rewards incidental to ownership of an asset is classified as a finance lease.

Transmission system assets developed only for the State Transmission Utilities and Transmission system assets developed on Build, Own, Operate and Transfer (BOOT) are considered as ready for intended use after meeting the conditions for commercial operation as stipulated in Transmission Service Agreement (TSA) and transferred to lease receivables accordingly.

Net investment in leased assets are recorded as receivable at the lower of the fair value of the leased property and the present value of the minimum lease payments as Lease Receivables under current and non-current other financial assets.

In case, final settlement of bills with contractors is yet to be effected, Net investment is considered on provisional basis subject to necessary adjustments in the year of final settlement.

The interest element of lease is accounted in the Statement of Profit and Loss over the lease period based on a pattern reflecting a constant periodic rate of return on the net investment.

**b) Operating leases**

An operating lease is a lease other than a finance lease. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

For operating leases, the asset is capitalised as property, plant and equipment and depreciated over its economic life. Rental income from operating lease is recognised over the term of the arrangement.

**2.11 Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial Assets****Classification**

The Company classifies its financial assets in the following categories:

- at amortised cost,
- at fair value through other comprehensive income
- at fair value through profit or loss

The classification depends on the following:

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset

**Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs, if any, that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

**Subsequent measurement**

**Debt Instruments at Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

**Debt Instruments at Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit and loss. Interest income from these financial assets is included in finance income using the effective interest rate method.

**Debt instruments at Fair value through profit or loss (FVPL):** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. Interest income and net gain or loss on a debt instrument that is subsequently measured at FVPL are recognised in statement of profit and loss and presented within other income in the period in which it arises.

#### **Derecognition of financial assets**

A financial asset is derecognised only when

- i) The right to receive cash flows from the asset have expired, or
- ii) a) The company has transferred the rights to receive cash flows from the financial asset (or) retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients and

b) 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 difference between the carrying amount and the amount of consideration received/receivable is recognised in the Statement of Profit and Loss.

#### **Impairment of financial assets:**

For trade receivables and contract assets, the company applies the simplified approach required by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For recognition of impairment loss on other financial assets and risk exposure, the company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month Expected Credit Loss (ECL) is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

#### **Financial Liabilities**

Financial liabilities of the Company are contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company.

The Company's financial liabilities include loans & borrowings, trade and other payables.

#### **Classification, initial recognition and measurement**

Financial liabilities are recognised initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss, transaction costs that are directly attributable to the issue of financial liabilities.

**Subsequent measurement**

After initial recognition, financial liabilities are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate (EIR). Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the EIR. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised.

The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

**Derecognition of financial liability**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing 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 the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in Statement of Profit and Loss as other income or finance cost.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset, and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**2.12 Foreign Currency Translation****(a) Functional and presentation currency**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian Rupees (Rupees or ₹), which is the Company's functional and presentation currency.

**(b) Transactions and balances**

Transactions in foreign currencies are initially recorded at the exchange rates prevailing on the date of the transaction. Foreign currency monetary items are translated with reference to the rates of exchange ruling on the date of the Balance Sheet. Non-Monetary items denominated in foreign currency are reported at the exchange rate ruling on the date of initial recognition of the non-monetary prepayment asset or deferred income liability, or the date that related item is recognised in the financial statements, whichever is earlier. In case the transaction is recognised in stages, then transaction date is established for each stage.

Foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/ (losses).

**2.13 Income Tax**

Income tax expense represents the sum of current and deferred tax. Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income. In this case the tax is also recognised directly in equity or in other comprehensive income.

**Current income tax**

The Current Tax is based on taxable profit for the year under the tax laws enacted and applicable to the reporting period in the countries where the company operates and generates taxable income and any adjustment to tax payable in respect of previous years.

**Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the company's financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the Balance Sheet method. Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

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

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

## **2.14 Revenue**

Revenue is measured based on the transaction price to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control of a product or service to a customer.

### **Significant Financing Component**

Where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year, the Company assesses the effects of significant financing component in the contract. As a consequence, the Company makes adjustment in the transaction prices for the effects of time value of money.

### **2.14.1 Revenue from Operations**

Transmission Income is accounted for based on tariff orders notified by the Electricity Regulatory Commissions.

In case of transmission projects covered under Regulated Tariff Mechanism where final tariff orders are yet to be notified, transmission income is accounted for on provisional basis as per tariff regulations and orders of the CERC in similar cases. Difference, if any, is accounted on issuance of final tariff orders by the CERC. Transmission Income in respect of additional capital expenditure incurred after the date of commercial operation is accounted for based on expenditure incurred on year-to-year basis as per CERC tariff regulations.

As at each reporting date, transmission income includes an accrual for services rendered to the customers but not yet billed.

Rebates allowed to beneficiaries as early payment incentives are deducted from the amount of revenue.

The Transmission system incentive / disincentive is accounted for based on certification of availability by the respective Regional Power Committees (RPCs) and in accordance with the Transmission Service Agreement (TSA) signed by the Company along with applicable rules and regulations. Where certification by RPCs is not available, incentive/disincentive is accounted for on provisional basis as per estimate of availability by the company and differences, if any is accounted upon certification by RPCs.

### **Other Operating Revenue**

Income from Scrap generated from other than Plant, Property and Equipment is accounted for as and when sold.

#### **2.14.2 Other Income**

Interest income is recognised, when no significant uncertainty as to measurability or collectability exists, on a time proportion basis taking into account the amount outstanding and the applicable interest rate, using the effective interest rate method (EIR).

Surcharge recoverable from trade receivables, liquidated damages, warranty claims and interest on advances to suppliers are recognised when no significant uncertainty as to measurability and collectability exists.

Income from Scrap generated from Plant, Property and Equipment is accounted for as and when sold.

Insurance claims for loss of profit are accounted for in the year of acceptance. Other insurance claims are accounted for based on certainty of realisation.

Revenue from rentals and operating leases is recognised on an accrual basis in accordance with the substance of the relevant agreement.

#### **2.15 Dividends**

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividends are approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors. Dividend payable and corresponding tax on dividend distribution is recognised directly in equity.

#### **2.16 Provisions and Contingencies**

##### **a) Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits 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 discounted. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each Balance Sheet date and are adjusted to reflect the current best estimate.

**b) Contingencies**

Contingent liabilities are disclosed on the basis of judgment of the management / independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent liabilities are 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 or 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. Information on contingent liability is disclosed in the Notes to the Financial Statements.

Contingent assets are possible assets that arise from past events and whose existence 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. Contingent assets are disclosed in the financial statements when inflow of economic benefits is probable on the basis of judgment of management. These are assessed continually to ensure that developments are appropriately reflected in the financial statements.

**2.17 Share capital and Other Equity**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Self-insurance reserve is created @0.12% p.a. on Original Gross Block of Property, Plant and Equipment (including considered as Lease receivables) and value of inventory except ROU assets and assets covered under insurance as at the end of the year by appropriation of current year profit to mitigate future losses from un-insured risks and for taking care of contingencies in future by procurement of towers and other transmission line materials including strengthening of towers and equipment of AC substation. The Reserve created as above is shown as "Self-Insurance Reserve" under 'Other Equity'.

**2.18 Prior Period Items**

Material prior period errors are corrected retrospectively by restating the comparative amounts for prior period presented in which the error occurred or if the error occurred before the earliest period presented, by restating the opening balance sheet.

## **2.19 Earnings per Share**

Basic earnings per share is computed using the net profit or loss for the year attributable to the shareholders and weighted average number of shares outstanding during the year.

Diluted earnings per share is computed using the net profit or loss for the year attributable to the shareholders and weighted average number of equity and potential equity shares outstanding during the year, except where the result would be anti-dilutive.

## **2.20 Statement of Cash Flows**

Statement of Cash flows is prepared as per indirect method prescribed in the Ind AS 7 'Statement of Cash Flows'.

## **Note 3 Critical Estimates and Judgments**

The preparation of financial statements requires the use of accounting estimates which may significantly vary from the actual results. Management also needs to exercise judgment while applying the company's accounting policies.

Estimates and judgments are periodically evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the company and that are believed to be reasonable under the circumstances.

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

### **The areas involving critical estimates or judgments are:**

#### **Revenue Recognition:**

In case of transmission projects covered under Regulated Tariff Mechanism where final tariff orders are yet to be notified, transmission income is accounted for as per tariff regulations and other orders of the CERC in similar cases. Differences, if any, are accounted on issuance of final tariff orders by the CERC. Transmission income in respect of additional capital expenditure incurred after the date of commercial operation is accounted for based on expenditure incurred on year-to-year basis as per CERC tariff regulations.

#### **Useful life of property, plant and equipment:**

The estimated useful life of property, plant and equipment is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

The Company reviews at the end of each reporting date the useful life of plant and equipment, other than the assets which are governed by CERC Regulations, and are adjusted prospectively, if appropriate.

**Provisions and contingencies:**

The assessments undertaken in recognising provisions and contingencies have been made in accordance with Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets". The evaluation of the likelihood of the contingent events has required best judgment by management regarding the probability of exposure to potential loss. Should circumstances change following unforeseeable developments, this likelihood could alter.

**Income Taxes:**

Significant estimates are involved in determining the provision for current and deferred tax, including amount expected to be paid/recovered for uncertain tax positions.

Note 4

Property, Plant and Equipment

| Particulars |  | Cost                 |                           |          | Accumulated depreciation   |                      |                      |                           | Net Book Value |                            |
|-------------|--|----------------------|---------------------------|----------|----------------------------|----------------------|----------------------|---------------------------|----------------|----------------------------|
|             |  | As at 01 April, 2024 | Additions during the year | Disposal | Adjustment during the year | As at 31 March, 2025 | As at 01 April, 2024 | Additions during the year | Disposal       | Adjustment during the year |
| Land        |  |                      |                           |          |                            |                      |                      |                           |                |                            |
| a) Freehold |  | -                    | 1,074.52                  | -        | -                          | 1,074.52             | -                    | -                         | -              | -                          |
| Total       |  | -                    | 1,074.52                  | -        | -                          | 1,074.52             | -                    | -                         | -              | -                          |

| Particulars |  | Cost                 |                           |          | Accumulated depreciation   |                      |                      |                           | Net Book Value |                            |
|-------------|--|----------------------|---------------------------|----------|----------------------------|----------------------|----------------------|---------------------------|----------------|----------------------------|
|             |  | As at 01 April, 2023 | Additions during the year | Disposal | Adjustment during the year | As at 31 March, 2024 | As at 01 April, 2023 | Additions during the year | Disposal       | Adjustment during the year |
| Land        |  |                      |                           |          |                            |                      |                      |                           |                |                            |
| a) Freehold |  | -                    | -                         | -        | -                          | -                    | -                    | -                         | -              | -                          |
| Total       |  | -                    | -                         | -        | -                          | -                    | -                    | -                         | -              | -                          |

Further Notes:

1 Freehold land acquired by the company includes 22.49 hectare (Previous Year 0 hectare) amounting to ₹1074.52 lakh (Previous Year ₹0 lakh) in respect of land acquired (possession received) by the company for which mutation in revenue records is pending.

2 Refer Note 23 for details of immovable properties where title deeds are not in the name of the company.

**Note 5 Capital work in progress**
**(₹ In Lakh)**

| Particulars                                                      | As at 01 April, 2024 | Additions during the year | Adjustments      | Capitalised during the year | As at 31 March, 2025 |
|------------------------------------------------------------------|----------------------|---------------------------|------------------|-----------------------------|----------------------|
| <b>Plant &amp; Equipments (including associated civil works)</b> |                      |                           |                  |                             |                      |
| a) Transmission                                                  | 103.44               | 15,385.23                 | -                | -                           | 15,488.67            |
| b) Sub-Station                                                   | -                    | 925.59                    | -                | -                           | 925.59               |
| Construction Stores (Net of Provision)                           | 1,544.59             | 44,648.11                 | 11,190.02        | -                           | 35,002.68            |
| <b>Expenditure pending allocation</b>                            |                      |                           |                  |                             |                      |
| i) Expenditure during construction period (net) - (Note 21)      | 2,211.42             | 1,314.62                  | -                | -                           | 3,526.04             |
| <b>Grand Total</b>                                               | <b>3,859.45</b>      | <b>62,273.55</b>          | <b>11,190.02</b> | <b>-</b>                    | <b>54,942.98</b>     |

**(₹ In Lakh)**

| Particulars                                                      | As at 01 April, 2023 | Additions during the year | Adjustments | Capitalised during the year | As at 31 March, 2024 |
|------------------------------------------------------------------|----------------------|---------------------------|-------------|-----------------------------|----------------------|
| <b>Plant &amp; Equipments (including associated civil works)</b> |                      |                           |             |                             |                      |
| a) Transmission                                                  | -                    | 103.44                    | -           | -                           | 103.44               |
| Construction Stores (Net of Provision)                           | -                    | 1,544.59                  | -           | -                           | 1,544.59             |
| <b>Expenditure pending allocation</b>                            |                      |                           |             |                             |                      |
| i) Expenditure during construction period (net) - (Note 21)      | 125.32               | 2,086.10                  | -           | -                           | 2,211.42             |
| <b>Grand Total</b>                                               | <b>125.32</b>        | <b>3,734.13</b>           | <b>-</b>    | <b>-</b>                    | <b>3,859.45</b>      |

**Note 5/Capital work in progress (Details of Construction stores at cost) (₹ In Lakh)**

| Particulars                                           | As at 31 March, 2025 | As at 31 March, 2024 |
|-------------------------------------------------------|----------------------|----------------------|
| <b>Construction Stores</b>                            |                      |                      |
| Towers                                                | 5,237.17             | -                    |
| Conductors                                            | 15,534.17            | -                    |
| Other Line Materials                                  | 2,883.14             | -                    |
| Sub-Station Equipments                                | 10,203.21            | 1,544.59             |
| Unified Load Despatch & Communication(ULDC) Materials | 1,139.96             | -                    |
| Others                                                | 5.03                 | -                    |
| <b>Total</b>                                          | <b>35,002.68</b>     | <b>1,544.59</b>      |
| <b>Construction Stores include:</b>                   |                      |                      |
| <b>i) Material in transit</b>                         |                      |                      |
| Towers                                                | 970.83               | -                    |
| Conductors                                            | 2,286.64             | -                    |
| Sub-Station Equipments                                | -                    | 1,424.00             |
| <b>Total</b>                                          | <b>3,257.47</b>      | <b>1,424.00</b>      |
| <b>ii) Material with Contractors</b>                  |                      |                      |
| Towers                                                | 4,266.34             | -                    |
| Conductors                                            | 13,247.53            | -                    |
| Other Line Materials                                  | 2,883.14             | -                    |
| Sub-Station Equipments                                | 10,203.21            | 120.59               |
| Unified Load Despatch & Communication(ULDC) Materials | 1,139.96             | -                    |
| Others                                                | 5.03                 | -                    |
| <b>Total</b>                                          | <b>31,745.21</b>     | <b>120.59</b>        |
| <b>Grand Total</b>                                    | <b>35,002.68</b>     | <b>1,544.59</b>      |

**Further note:**

Refer Note 23 for ageing and completion schedule for Capital work in progress (CWIP) for the Project whose completion is overdue or has exceed its cost compared to original plan.

**Note 6 Deferred tax Assets (Net)**

(₹ In Lakh)

| Particulars                      | As at 31 March,<br>2025 | As at 31 March,<br>2024 |
|----------------------------------|-------------------------|-------------------------|
| <b>Deferred Tax Assets</b>       |                         |                         |
| Unused Tax Losses                | 55.38                   | 0.18                    |
| <b>Deferred tax assets (Net)</b> | <b>55.38</b>            | <b>0.18</b>             |

**Movement in Deferred Tax Assets**

(₹ in Lakh)

|                                             | Unused Tax<br>Losses | Total        |
|---------------------------------------------|----------------------|--------------|
| <b>As at 01 April, 2023</b>                 | -                    | -            |
| - (Charged) / Credited to Profit or<br>Loss | 0.18                 | 0.18         |
| <b>As at 31 March, 2024</b>                 | <b>0.18</b>          | <b>0.18</b>  |
| - (Charged) / Credited to Profit or<br>Loss | 55.20                | 55.20        |
| <b>As at 31 March, 2025</b>                 | <b>55.38</b>         | <b>55.38</b> |

**Amount taken to Statement of Profit and Loss**

(₹ in Lakh)

| Particulars                                             | For the Year<br>ended 31 March,<br>2025 | For the Year<br>ended 31 March,<br>2024 |
|---------------------------------------------------------|-----------------------------------------|-----------------------------------------|
| Increase/(Decrease) in Deferred Tax Liabilities         | -                                       | -                                       |
| (Increase)/Decrease in Deferred Tax Assets              | (55.20)                                 | (0.18)                                  |
| <b>Net Amount taken to Statement of Profit and Loss</b> | <b>(55.20)</b>                          | <b>(0.18)</b>                           |

**Note 7 Other non-current Assets**

(Unsecured considered good unless otherwise stated)

(₹ In Lakh)

| Particulars                                                     | As at 31<br>March, 2025 | As at 31<br>March, 2024 |
|-----------------------------------------------------------------|-------------------------|-------------------------|
| <b>Advances for Capital Expenditure</b>                         |                         |                         |
| Unsecured                                                       |                         |                         |
| a. Against bank guarantees                                      | 3,784.16                | 4,898.45                |
| b. Others                                                       | 101.21                  | 783.42                  |
|                                                                 | <u>3,885.37</u>         | <u>5,681.87</u>         |
| <b>Advances other than for Capital Expenditure</b>              |                         |                         |
| Security Deposits                                               | 1.00                    | -                       |
| <b>Advances recoverable in kind or for value to be received</b> |                         |                         |
| Advance tax and Tax deducted at source                          | 30.15                   | -                       |
| <b>Total</b>                                                    | <u>3,916.52</u>         | <u>5,681.87</u>         |

**Further Notes:**

- 1 The above advance for capital expenditure includes interest from advances to contractors amounting to ₹ 5.41 lakh.

**Note 8 Cash and Cash equivalents** (₹ In Lakh)

| <b>Particulars</b>        | <b>As at 31 March, 2025</b> | <b>As at 31 March, 2024</b> |
|---------------------------|-----------------------------|-----------------------------|
| <b>Balance with banks</b> |                             |                             |
| -In Current accounts      | 0.64                        | 1.98                        |
| <b>Total</b>              | <b>0.64</b>                 | <b>1.98</b>                 |

**Note 9 Other Current Financial Assets**

(Unsecured considered good unless otherwise stated) (₹ In Lakh)

| <b>Particulars</b> | <b>As at 31 March, 2025</b> | <b>As at 31 March, 2024</b> |
|--------------------|-----------------------------|-----------------------------|
| Others#            | -                           | 35.99                       |
| <b>Total</b>       | <b>-</b>                    | <b>35.99</b>                |

**Further note:**

#Others includes interest receivable on advance to contractors.

**Note 10 Equity Share capital**

| Particulars                                                        | (₹ In Lakh)          |                      |
|--------------------------------------------------------------------|----------------------|----------------------|
|                                                                    | As at 31 March, 2025 | As at 31 March, 2024 |
| <b>Equity Share Capital</b>                                        |                      |                      |
| <b>Authorised</b>                                                  |                      |                      |
| 249738000 (Previous Year 10000) equity shares of ₹10/- each at par | 24,973.80            | 1.00                 |
| <b>Issued, subscribed and paid up</b>                              |                      |                      |
| 45748666 (Previous Year 10000) equity shares of ₹10/- each at par  | 4,574.87             | 1.00                 |
| <b>Total</b>                                                       | <b>4,574.87</b>      | <b>1.00</b>          |

**Further Notes:**

1 Reconciliation of Number and amount of share capital outstanding at the beginning and at the end of the reporting period

| Particulars                                     | For the Year ended 31 March, 2025 |                  | For the Year ended 31 March, 2024 |                  |
|-------------------------------------------------|-----------------------------------|------------------|-----------------------------------|------------------|
|                                                 | No. of Shares                     | ₹ in Lakh Amount | No. of Shares                     | ₹ in Lakh Amount |
| Shares outstanding at the beginning of the year | 10,000                            | 1.00             | 10,000                            | 1.00             |
| Shares Issued during the year                   | 4,57,38,666                       | 4,573.87         | -                                 | -                |
| Shares outstanding at the end of the year       | <b>4,57,48,666</b>                | <b>4,574.87</b>  | <b>10,000</b>                     | <b>1.00</b>      |

2 The Company has only one class of equity shares having a par value of ₹ 10/- per share.

3 The holders of equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their shareholding at meetings of the Shareholders.

4 Shareholding of Promoters and Shareholders holding more than 5% equity shares of the Company :-

| Particulars                                         | As at 31 March, 2025 |              | As at 31 March, 2024 |              |
|-----------------------------------------------------|----------------------|--------------|----------------------|--------------|
|                                                     | No. of Shares        | % of holding | No. of Shares        | % of holding |
| Power Grid Corporation of India Limited (Promoter)# | 4,57,48,666          | 100%         | 10,000               | 100%         |

#Out of 45748666 Equity shares (Previous year 10000 Equity shares), 600 equity shares (Previous year 600 Equity Shares) are held by nominees of M/s Power Grid Corporation of India Limited on its behalf .

% Change

0%

**Note 11 Other Equity**

(₹ In Lakh)

| Particulars                           | As at 31 March,<br>2025 | As at 31<br>March, 2024 |
|---------------------------------------|-------------------------|-------------------------|
| <b>(i) Retained Earnings</b>          |                         |                         |
| Balance at the beginning of the year  | (0.69)                  | (0.14)                  |
| Add: Additions                        |                         |                         |
| Net Profit/(Loss) for the period      | (164.11)                | (0.55)                  |
| <b>Balance at the end of the year</b> | <b>(164.80)</b>         | <b>(0.69)</b>           |
| <b>Total</b>                          | <b>(164.80)</b>         | <b>(0.69)</b>           |

**Note 12 Borrowings (Non-current)**

(₹ In Lakh)

| Particulars                                                            | As at 31 March,<br>2025 | As at 31<br>March, 2024 |
|------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Rupee Term Loans (Unsecured)</b>                                    |                         |                         |
| Loan from Power Grid Corporation of India Limited<br>(Holding Company) | 41,201.12               | 7,922.94                |
| Less: Current maturities of Long term Borrowing (Refer<br>Note 13)     | 296.94                  | -                       |
| Less: Interest accrued on borrowings (Refer Note 15)                   | 524.48                  | 72.54                   |
| <b>Total</b>                                                           | <b>40,379.70</b>        | <b>7,850.40</b>         |

**Further Notes:**

- 1 The various sources of Loans being extended to the company by Holding Company are Fixed Interest and floating interest rate which get reset periodically. The rate of interest on the loan ranged from 7.08% p.a. to 8.15% p.a. (Previous Year - from 7.50% p.a. to 7.70% p.a.) during the financial year. Loan is repayable in Quarterly Installments of equal amount over the period of 35 Years from commissioning of the Project Assets with prepayment facility without any additional charges.
- 2 There has been no default in repayment of loans or payment of interest thereon as at the end of the year
- 3 Refer Note 32 for details of Borrowings from related parties.

**Note 13 Borrowings (Current)**

(₹ In Lakh)

| Particulars                                                                             | As at 31<br>March, 2025 | As at 31<br>March, 2024 |
|-----------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Current maturities of long term borrowings</b>                                       |                         |                         |
| Rupee Term Loans (Unsecured)                                                            |                         |                         |
| Loan From M/s Power Grid Corporation of<br>India Ltd. (Holding Company) - Refer Note 12 | 296.94                  | -                       |
| <b>Total</b>                                                                            | <b>296.94</b>           | <b>-</b>                |

**Further Notes:**

- 1 The various sources of Loans being extended to the company by Holding Company are Fixed Interest and floating interest rate which get reset periodically. The rate of interest on the loan ranged from 7.08% p.a. to 8.15% p.a. (Previous Year - from 7.50% p.a. to 7.70% p.a.) during the financial year. Loan is repayable in Quarterly Installments of equal amount over the period of 35 Years from commissioning of the Project Assets with prepayment facility without any additional charges.
- 2 There has been no default in repayment of loans or payment of interest thereon as at the end of the year
- 3 Refer Note 32 for details of Borrowings from related parties.

# Note 14 Trade payables

(₹ In Lakh)

## Particulars

As at 31 March,  
2025

As at 31 March,  
2024

## For goods and services

|                                                                                            |             |             |
|--------------------------------------------------------------------------------------------|-------------|-------------|
| (A) Total outstanding dues of Micro enterprises and small enterprises                      | -           | -           |
| (B) Total outstanding dues of creditors other than Micro enterprises and small enterprises | 0.57        | 0.44        |
| Others                                                                                     | 0.57        | 0.44        |
| <b>Total</b>                                                                               | <b>0.57</b> | <b>0.44</b> |

## Further Notes:

1 Disclosure with regard to Micro and Small enterprises as required under "Division II of Schedule III of The Companies Act, 2013" and "The Micro, Small and Medium Enterprises Development Act, 2006" is given in Note 28.

## 3 Ageing of Trade Payables is as follows:

(₹ In Lakh)

| Particulars                 | Unbilled Dues | Not Due  | <1Y         | 1Y-2Y    | 2Y-3Y    | >3Y      | Total       |
|-----------------------------|---------------|----------|-------------|----------|----------|----------|-------------|
| As at 31 March, 2025        |               |          |             |          |          |          |             |
| MSME                        |               |          |             |          |          |          |             |
| Disputed                    | -             | -        | -           | -        | -        | -        | -           |
| Undisputed                  | -             | -        | -           | -        | -        | -        | -           |
| <b>Total</b>                | <b>-</b>      | <b>-</b> | <b>-</b>    | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b>    |
| Others                      |               |          |             |          |          |          |             |
| Disputed                    | -             | -        | -           | -        | -        | -        | -           |
| Undisputed                  | 0.35          | -        | 0.22        | -        | -        | -        | 0.57        |
| <b>Total</b>                | <b>0.35</b>   | <b>-</b> | <b>0.22</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>0.57</b> |
| <b>Total Trade Payables</b> | <b>0.35</b>   | <b>-</b> | <b>0.22</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>0.57</b> |
| As at 31 March, 2024        |               |          |             |          |          |          |             |
| MSME                        |               |          |             |          |          |          |             |
| Disputed                    | -             | -        | -           | -        | -        | -        | -           |
| Undisputed                  | -             | -        | -           | -        | -        | -        | -           |
| <b>Total</b>                | <b>-</b>      | <b>-</b> | <b>-</b>    | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b>    |
| Others                      |               |          |             |          |          |          |             |
| Disputed                    | -             | -        | -           | -        | -        | -        | -           |
| Undisputed                  | 0.29          | -        | 0.15        | -        | -        | -        | 0.44        |
| <b>Total</b>                | <b>0.29</b>   | <b>-</b> | <b>0.15</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>0.44</b> |
| <b>Total Trade Payables</b> | <b>0.29</b>   | <b>-</b> | <b>0.15</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>0.44</b> |

**Note 15 Other Current Financial Liabilities** (₹ In Lakh)

| Particulars                                                                   | As at 31 March,<br>2025 | As at 31 March,<br>2024 |
|-------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Interest accrued on borrowings from</b>                                    |                         |                         |
| M/s Power Grid Corporation of India Ltd.<br>(Holding Company) - Refer Note 12 | 524.48                  | 72.54                   |
| <b>Others</b>                                                                 |                         |                         |
| Dues for capital expenditure                                                  | 9,891.38                | 1,565.89                |
| Deposits/Retention money from contractors and<br>others                       | 3,740.78                | -                       |
| Related parties                                                               | 228.41                  | 73.76                   |
|                                                                               | <u>13,860.57</u>        | <u>1,639.65</u>         |
| <b>Total</b>                                                                  | <b>14,385.05</b>        | <b>1,712.19</b>         |

**Further Note -**

- 1 Disclosure with regard to Micro and Small enterprises as required under "Division II of Schedule III of The Companies Act, 2013" and "The Micro, Small and Medium Enterprises Development Act, 2006" is given in Note 28.
- 2 Refer Note 32 for amount payable to related parties.

**Note 16 Other current liabilities** (₹ In Lakh)

| Particulars    | As at 31 March,<br>2025 | As at 31 March,<br>2024 |
|----------------|-------------------------|-------------------------|
| Statutory dues | 222.03                  | 16.13                   |
| <b>Total</b>   | <b>222.03</b>           | <b>16.13</b>            |

**Note 17 Provisions** (₹ In Lakh)

| Particulars                 | As at 31 March,<br>2025 | As at 31 March,<br>2024 |
|-----------------------------|-------------------------|-------------------------|
| As per last balance sheet   | -                       | -                       |
| Additions during the year   | 295.68                  | -                       |
| Adjustments during the year | -                       | -                       |
| <b>Closing Balance</b>      | <b>295.68</b>           | <b>-</b>                |

**Further Notes:**

Provision includes mainly provision for stamp duty on share allotment and provision for amount payable towards land acquired.

**Note 18 Other income****(₹ In Lakh)**

| Particulars                                                             | For the Year<br>ended 31 March,<br>2025 | For the Year<br>ended 31 March,<br>2024 |
|-------------------------------------------------------------------------|-----------------------------------------|-----------------------------------------|
| <b>Interest income from</b>                                             |                                         |                                         |
| Advances to contractors                                                 | 403.94                                  | 35.99                                   |
| Less: Transferred to expenditure during construction<br>(Net) - Note 21 | 403.94                                  | 35.99                                   |
| <b>Total</b>                                                            | -                                       | -                                       |

**Note 19 Finance costs****(₹ In Lakh)**

| Particulars                                                                       | For the Year<br>ended 31 March,<br>2025 | For the Year<br>ended 31 March,<br>2024 |
|-----------------------------------------------------------------------------------|-----------------------------------------|-----------------------------------------|
| <b>i) Interest and finance charges on financial liabilities at amortised cost</b> |                                         |                                         |
| Power Grid Corporation of India Limited (Holding Company)                         | 1,314.25                                | 120.15                                  |
| PFC Consulting Limited                                                            | -                                       | 8.19                                    |
| <b>Total</b>                                                                      | 1,314.25                                | 128.34                                  |
| Less: Transferred to expenditure during construction<br>(Net) - Note 21           | 1,314.25                                | 128.34                                  |

**Charged To Statement of Profit & Loss**

-

-

**Further Notes:**

1 Refer Note 32 for Interest paid to related parties.

**Note 20 Other expenses****(₹ In Lakh)**

| Particulars                                                             | For the Year<br>ended 31 March,<br>2025 | For the Year<br>ended 31 March,<br>2024 |
|-------------------------------------------------------------------------|-----------------------------------------|-----------------------------------------|
| Legal expenses                                                          | 12.52                                   | -                                       |
| Professional charges                                                    | 0.38                                    | 0.14                                    |
| Consultancy expenses                                                    | 385.16                                  | 1,923.10                                |
| Travelling & Conveyance exp.                                            | -                                       | 0.09                                    |
| <b>Payments to Statutory Auditors</b>                                   |                                         |                                         |
| Audit Fees                                                              | 0.30                                    | 0.55                                    |
| In Other Capacity                                                       | 0.49                                    | -                                       |
|                                                                         | 0.79                                    | 0.55                                    |
| Printing and stationery                                                 | -                                       | 0.03                                    |
| Rent#                                                                   | 1.63                                    | 0.81                                    |
| CERC Petition & Other charges                                           | 5.00                                    | 26.44                                   |
| Miscellaneous expenses                                                  | -                                       | 43.32                                   |
| Rates and taxes                                                         | 218.14                                  | -                                       |
| <b>Total</b>                                                            | 623.62                                  | 1,994.48                                |
| Less: Transferred to expenditure during<br>construction (Net) - Note 21 | 404.31                                  | 1,993.75                                |
| <b>Charged To Statement of Profit &amp; Loss</b>                        | <b>219.31</b>                           | <b>0.73</b>                             |

**Further Notes:**

1 Refer Note 32 for expenses paid to related parties.

2 # Refer Note 29 for short term lease payments.

**Note 21 Expenditure during Construction (Net)**
**(₹ In Lakh)**

| Particulars                                                                   | For the Year<br>ended 31 March,<br>2025 | For the Year<br>ended 31 March,<br>2024 |
|-------------------------------------------------------------------------------|-----------------------------------------|-----------------------------------------|
| <b>A. Other Expenses</b>                                                      |                                         |                                         |
| Legal expenses                                                                | 12.52                                   | -                                       |
| Consultancy expenses                                                          | 385.16                                  | 1,923.10                                |
| Travelling & Conveyance exp.                                                  | -                                       | 0.09                                    |
| Rent                                                                          | 1.63                                    | 0.81                                    |
| Others                                                                        | 5.00                                    | 69.75                                   |
| <b>Total (A)</b>                                                              | <b>404.31</b>                           | <b>1,993.75</b>                         |
| <b>B. Finance Costs</b>                                                       |                                         |                                         |
| a) Interest and finance charges on financial liabilities<br>at amortised cost |                                         |                                         |
| Power Grid Corporation of India Limited<br>(Holding Company)                  | 1,314.25                                | 120.15                                  |
| PFC Consulting Limited                                                        | -                                       | 8.19                                    |
| <b>Total (B)</b>                                                              | <b>1,314.25</b>                         | <b>128.34</b>                           |
| <b>C. Less: Other Income</b>                                                  |                                         |                                         |
| Interest from                                                                 |                                         |                                         |
| Contractors                                                                   | 403.94                                  | 35.99                                   |
| <b>Total (C)</b>                                                              | <b>403.94</b>                           | <b>35.99</b>                            |
| <b>GRAND Total</b>                                                            | <b>1,314.62</b>                         | <b>2,086.10</b>                         |

**Note 22 Financial Risk Management**

The Company's principal financial liabilities comprise loans and borrowings denominated in Indian rupees or foreign currencies, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's capital investments and operations.

The Company's principal financial assets include other receivables and cash and cash equivalents that are generated from its operations.

The Company's activities expose it to the following financial risks, namely,

- (A) Credit risk,
- (B) Liquidity risk,
- (C) Market risk.

This note presents information regarding the company's exposure, objectives, policies and processes for measuring and managing these risks.

The management of financial risks by the Company is summarized below: -

**(A) Credit Risk:**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities on account of trade receivables.

A default on a financial asset is when the counterparty fails to make contractual payments within 3 years of when they fall due. This definition of default is determined considering the business environment in which the Company operates and other macro-economic factors.

Assets are written-off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where such recoveries are made, these are recognized in the statement of profit and loss.

**(i) Trade Receivables**

The Company primarily provides transmission facilities to inter-state transmission service customers (DICs) comprising mainly state utilities owned by State Governments and the main revenue is from transmission charges. CERC (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020 ("CERC Sharing Regulations") allow payment against monthly bills towards transmission charges within due date i.e., 45 days from the date of presentation of the bill and levy of surcharge on delayed payment beyond 45 days. However, in order to improve the cash flows of company, a graded rebate is provided for payments made within 45 days. If a DIC fails to pay any bill or part thereof by the Due Date, the Central Transmission Utility (CTU) may encash the Letter of Credit provided by the DIC and utilise the same towards the amount of the bill or part thereof that is overdue plus Late Payment Surcharge, if applicable.

There are no trade receivables as at 31 march, 2025 and as at 31 march, 2024.

**(ii) Other Financial Assets (excluding trade receivables and contract assets)****Cash and cash equivalents**

The Company held cash and cash equivalents of ₹0.64 Lakh (Previous Year ₹1.98 Lakh). The cash and cash equivalents are held with public sector banks and high rated private sector banks and do not have any significant credit risk.

**(iii) Exposure to credit risk**

(₹ In Lakh)

| Particulars                                                                                               | As at 31 March, 2025 | As at 31 March, 2024 |
|-----------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| <b>Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)</b> |                      |                      |
| Cash and cash equivalents                                                                                 | 0.64                 | 1.98                 |
| Other current financial assets                                                                            | -                    | 35.99                |
| <b>Total</b>                                                                                              | <b>0.64</b>          | <b>37.97</b>         |

(iv) **Provision for expected credit losses**

(a) **Financial assets for which loss allowance is measured using 12 month expected credit losses**

The Company has assets where the counter- parties have sufficient capacity to meet the obligations and where the risk of default is very low. At initial recognition, financial assets (excluding trade receivables and unbilled revenue) are considered as having negligible credit risk and the risk has not increased from initial recognition. Therefore, no loss allowance for impairment has been recognised.

(b) **Financial assets for which loss allowance is measured using life time expected credit losses**

The Company has customers most of whom are state government utilities with capacity to meet the obligations and therefore the risk of default is negligible. Further, management believes that the unimpaired amounts that are 30 days past due date are still collectible in full, based on the payment security mechanism in place and historical payment behaviour.

Considering the above factors and the prevalent regulations, the trade receivables continue to have a negligible credit risk on initial recognition and thereafter on each reporting date.

There are no trade receivables as at 31 march, 2025 and as at 31 march, 2024.

(B) **Liquidity Risk**

Liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. The Company has entered into Inter-Corporate Loan Agreement for Funding of its obligations.

The Company depends on both internal and external sources of liquidity to provide working capital and to fund capital expenditure.

**Maturities of financial liabilities**

The table below analyses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.

The amount disclosed in the table is the contractual undiscounted cash flows.

(₹ in lakh)

| Contractual maturities of financial liabilities | Within a year    | Between 1-5 years | Beyond 5 years   | Total              |
|-------------------------------------------------|------------------|-------------------|------------------|--------------------|
| <b>As at 31 March, 2025</b>                     |                  |                   |                  |                    |
| Borrowings (including interest outflows)        | 3,249.82         | 15,829.66         | 74,744.06        | 93,823.54          |
| Trade payables                                  | 0.57             | -                 | -                | 0.57               |
| <u>Other financial liabilities</u>              |                  |                   |                  |                    |
| Others                                          | 13,860.57        | -                 | -                | 13,860.57          |
| <b>Total</b>                                    | <b>17,110.96</b> | <b>15,829.66</b>  | <b>74,744.06</b> | <b>1,07,684.68</b> |
| <b>As at 31 March, 2024</b>                     |                  |                   |                  |                    |
| Borrowings (including interest outflows)        | 670.16           | 3,006.18          | 15,749.73        | 19,426.07          |
| Trade payables                                  | 0.44             | -                 | -                | 0.44               |
| <u>Other financial liabilities</u>              |                  |                   |                  |                    |
| Others                                          | 1,639.65         | -                 | -                | 1,639.65           |
| <b>Total</b>                                    | <b>2,310.25</b>  | <b>3,006.18</b>   | <b>15,749.73</b> | <b>21,066.16</b>   |

(C) **MARKET RISK**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk:

- (i) Currency risk
- (ii) Interest rate risk

(i) **Currency risk**

As on Reporting date the Company does not have any exposure to currency risk in respect of foreign currency denominated loans and borrowings and procurement of goods and services whose purchase consideration foreign currency.

(ii) **Interest rate risk**

The company has taken borrowings from Parent Company on cost to cost basis. The Company is exposed to interest rate risk because the cash flows associated with floating rate borrowings. The various sources of loans being extended to the company by parent company are Fixed interest and floating interest rate which get reset periodically. The Company manages the interest rate risks by maintaining a debt portfolio of fixed and floating rate borrowings. The Company's interest rate risk is not considered significant; hence sensitivity analysis for the risk is not disclosed.

**Note 23 Additional Regulatory Information as per Schedule III to the Companies Act, 2013****a) Details of immovable properties where title deeds are not in the name of the company:**

| Type of Property | Description of item of property | Gross carrying value (₹ in lakh) | Title deeds held in the name of | Whether title deed holder is a promoter, director or relative of promoter /director or employee of promoter /director | Property held since which date | Reason for not being held in the name of the company                                                                                     |
|------------------|---------------------------------|----------------------------------|---------------------------------|-----------------------------------------------------------------------------------------------------------------------|--------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|
| Freehold land    | Ananthpuram substation land     | 71.18                            | Private owners                  | No                                                                                                                    | 10-07-2024                     | The land has been acquired during the current financial year. Company is in the process of obtaining Mutation certificate & title deeds. |
|                  |                                 | 68.80                            | Private owners                  | No                                                                                                                    | 10-07-2024                     |                                                                                                                                          |
|                  |                                 | 137.88                           | Private owners                  | No                                                                                                                    | 01-10-2024                     |                                                                                                                                          |
|                  |                                 | 155.97                           | Private owners                  | No                                                                                                                    | 31-12-2024                     |                                                                                                                                          |
|                  |                                 | 16.92                            | Govt of Andhra Pradesh          | No                                                                                                                    | 04-07-2024                     |                                                                                                                                          |
|                  |                                 | 246.01                           | Govt of Andhra Pradesh          | No                                                                                                                    | 15-07-2024                     |                                                                                                                                          |
|                  |                                 | 377.76                           | Govt of Andhra Pradesh          | No                                                                                                                    | 16-05-2024                     |                                                                                                                                          |

**b) Aging of Capital Work in Progress is as follows:**

(₹ in lakh)

| Particulars                    | <1 Year          | 1-2 Years       | 2-3 Years    | >3 Years     | Total            |
|--------------------------------|------------------|-----------------|--------------|--------------|------------------|
| <b>As at 31 March, 2025</b>    |                  |                 |              |              |                  |
| Projects in progress           | 51,083.53        | 3,734.13        | 44.95        | 80.37        | 54,942.98        |
| Projects temporarily suspended | -                | -               | -            | -            | -                |
| <b>Total</b>                   | <b>51,083.53</b> | <b>3,734.13</b> | <b>44.95</b> | <b>80.37</b> | <b>54,942.98</b> |
| <b>As at 31 March, 2024</b>    |                  |                 |              |              |                  |
| Projects in progress           | 3,734.13         | 44.95           | 10.71        | 69.66        | 3,859.45         |
| Projects temporarily suspended | -                | -               | -            | -            | -                |
| <b>Total</b>                   | <b>3,734.13</b>  | <b>44.95</b>    | <b>10.71</b> | <b>69.66</b> | <b>3,859.45</b>  |

- c) Completion of capital-work-in progress (CWIP) is neither overdue nor has exceeded its cost compared to its original plan.
- d) The company has no Intangible assets under development, hence disclosure of ageing of Intangible assets under development is not applicable.
- e) The company has no Intangible assets under development, hence disclosure of development completion schedule is not applicable

- f) No proceeding has been initiated or pending against the company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder as at the end of the financial year.
- g) The Company is not sanctioned any working capital limit secured against current assets by any Finance Institutions.
- h) The company was not declared as a wilful defaulter by any bank or financial Institution or other lender during the financial year.
- i) The Company does not have any transactions, balances or relationship with Struck off companies.
- j) The Company does not have any Charges on the Assets of the Company.
- k) The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017 during the financial year.
- l) Ratios

| Ratio                              | Numerator                                                                     | Denominator                                            | Current Year | Previous Year | Variance | Reason for variance >25%                                             |
|------------------------------------|-------------------------------------------------------------------------------|--------------------------------------------------------|--------------|---------------|----------|----------------------------------------------------------------------|
| a) Current Ratio                   | Current Assets                                                                | Current Liabilities                                    | 0.00         | 0.02          | -100%    | Increase in current liabilities due to amount payable to contractors |
| b) Debt Equity Ratio               | Total Debt                                                                    | Shareholder's Equity                                   | 9.22         | 25323.87      | -100%    | Increase in equity due to shares allotted during current year        |
| c) Debt Service Coverage Ratio     | Profit for the period + Depreciation and amortization expense + Finance costs | Interest & Lease Payments + Principal Repayments       | NA           | NA            | -        | -                                                                    |
| d) Return on Equity Ratio          | Profit for the period                                                         | Average Shareholder's Equity                           | -7%          | -94%          | -93%     | Increase in equity due to shares allotted during current year        |
| e) Inventory turnover ratio        | Revenue from Operations                                                       | Average Inventory                                      | NA           | NA            | -        | -                                                                    |
| f) Trade Receivable Turnover Ratio | Revenue from Operations                                                       | Average Trade Receivables (before deducting provision) | NA           | NA            | -        | -                                                                    |
| g) Trade payable turnover ratio    | Gross Other Expense (-) FERV, Provisions, Loss on disposal of PPE             | Average Trade payables                                 | 1234.89      | 9065.82       | -86%     | Reduction in gross expenses compared to PY                           |
| h) Net capital turnover ratio      | Revenue from Operations                                                       | Current Assets - Current Liabilities                   | NA           | NA            | -        | -                                                                    |
| i) Net profit ratio                | Profit for the period                                                         | Revenue from Operations                                | NA           | NA            | -        | -                                                                    |

|                               |                                            |                                                          |    |    |   |   |
|-------------------------------|--------------------------------------------|----------------------------------------------------------|----|----|---|---|
| j) Return on Capital employed | Earnings before interest and taxes         | Tangible Net Worth + Total Debt + Deferred Tax Liability | 0% | 0% | - | - |
| k) Return on investment       | $\{MV(T1) - MV(T0) - \text{Sum } [C(t)]\}$ | $\{MV(T0) + \text{Sum } [W(t) * C(t)]\}$                 | NA | NA | - | - |

- m) The company has not received/advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) through Intermediaries during the financial year.
- n) The Company does not have any transaction that was not recorded in the books of accounts and has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- o) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

**Note 24** a) Some balances of Receivables, Recoverable shown under Assets, Trade payables and Other Payables shown under Liabilities include balances subject to confirmation/ reconciliation and consequential adjustments if any. However, reconciliations are carried out on ongoing basis. The management does not expect any material adjustment in the books of accounts as a result of the reconciliation.

b) In the opinion of the management, the value of any of the assets other than Property, Plant and Equipment on realization in the ordinary course of business will not be less than the value at which they are stated in the Balance Sheet.

**Note 25** Central Transmission Utility of India Limited (CTUIL) (Fellow Subsidiary Company) was notified as CTU w.e.f. 01.04.2021 by GOI vide Notification No. CG-DL-E-09032021-225743 and is entrusted with the job of centralized Billing, Collection and Disbursement (BCD) of transmission charges on behalf of all the IST licensees. Accordingly, CTUIL is raising bills for transmission charges to DICs on behalf of IST licensees. The debtors and their recovery are accounted based on the list of DICs given by CTUIL.

There are no trade receivables as at 31 march, 2025 and as at 31 march, 2024.

**Note 26 Disclosure as per Ind AS 115 - "Revenue from Contracts with Customer"**

The company does not have any contract assets or contract liability as at 31 March, 2025 and 31 March, 2024.

**Note 27** Borrowing cost capitalised during the year is ₹1314.25 Lakh (Previous Year ₹128.34 Lakh) in the respective carrying amount of Property, Plant and Equipment/Capital work in Progress (CWIP) as per Ind AS 23 'Borrowing Costs'.

**Note 28** Based on information available with the company, there are few suppliers/service providers who are registered as micro, small or medium enterprise under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006). Information in respect of micro and small enterprises as required by Companies Act 2013 and MSMED Act, 2006 is given as under:

(₹ in lakh)

| Sr. No. | Particulars                                                                                                                                                                                                                                                                         | Trade Payables       |                      | Others               |                      |
|---------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|
|         |                                                                                                                                                                                                                                                                                     | As at 31 March, 2025 | As at 31 March, 2024 | As at 31 March, 2025 | As at 31 March, 2024 |
| 1       | Principal amount and interest due thereon remaining unpaid to any supplier as at end of each accounting year:                                                                                                                                                                       |                      |                      |                      |                      |
|         | Principal                                                                                                                                                                                                                                                                           | Nil                  | Nil                  | Nil                  | Nil                  |
|         | Interest                                                                                                                                                                                                                                                                            | Nil                  | Nil                  | Nil                  | Nil                  |
| 2       | The amount of Interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year                                                                               | Nil                  | Nil                  | Nil                  | Nil                  |
| 3       | The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006                                                                | Nil                  | Nil                  | Nil                  | Nil                  |
| 4       | The amount of interest accrued and remaining unpaid at the end of each accounting year                                                                                                                                                                                              | Nil                  | Nil                  | Nil                  | Nil                  |
| 5       | The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006 | Nil                  | Nil                  | Nil                  | Nil                  |

**Note 29 Disclosure as per Ind AS 116 - "Leases"**

a) **As a Lessor - Finance Leases:**

The company does not have any lease arrangements as a lessor

**b) As a Lessee:**

The company has taken assets on lease such as office buildings etc. for various periods which are assessed and accounted as per the requirements of Ind AS 116 – “Leases” and required disclosures as per the said Ind AS are as follows:

Short term leases:

The company, during the financial year, has incurred ₹1.63 lakh (Previous Year ₹0.81 lakh) with respect to short term leases.

The company was committed to short term leases and the total commitment of such leases at the end of financial year was ₹ 0.12 lakh (Previous Year ₹ 0.12 lakh).

**Note 30 Corporate Social Responsibility (CSR) Expenses**

As per Section 135 of the Companies Act, 2013 along with Companies (Corporate Social Responsibility Policy) Rules, 2014 read with DPE guidelines no F.No.15 (13)/2013-DPE (GM), the Company is required to spend, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years in accordance with its CSR Policy.

Since, Company has not satisfied any of the criteria provided in Section 135 of the Companies Act, 2013, the Company is not required to spend any amount for CSR activities.

**Note 31 Fair Value Measurement**

(₹ in lakh)

| Financial Instruments by category   | As at 31 March, 2025 | As at 31 March, 2024 |
|-------------------------------------|----------------------|----------------------|
|                                     | Amortised cost       | Amortised cost       |
| <b>Financial Assets</b>             |                      |                      |
| Cash & cash Equivalents             | 0.64                 | 1.98                 |
| <b>Other Financial Assets</b>       |                      |                      |
| Current                             | -                    | 35.99                |
| Non-Current                         | -                    | -                    |
| <b>Total Financial assets</b>       | <b>0.64</b>          | <b>37.97</b>         |
| <b>Financial Liabilities</b>        |                      |                      |
| Borrowings                          | 41,201.12            | 7,922.94             |
| Trade Payables                      | 0.57                 | 0.44                 |
| <b>Other Financial Liabilities</b>  |                      |                      |
| Other Current Financial Liabilities | 13,860.57            | 1,639.65             |
| Non-Current                         | -                    | -                    |
| <b>Total financial liabilities</b>  | <b>55,062.26</b>     | <b>9,563.03</b>      |

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are measured at fair value and financial instruments that are measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial instruments that are measured at Amortised Cost:

(₹ in lakh)

| Particulars                        | Level | As at 31 March, 2025 |                  | As at 31 March, 2024 |                 |
|------------------------------------|-------|----------------------|------------------|----------------------|-----------------|
|                                    |       | Carrying Amount      | Fair value       | Carrying Amount      | Fair value      |
| <b>Financial Liabilities</b>       |       |                      |                  |                      |                 |
| Borrowings                         | 2     | 41,201.12            | 42,063.72        | 7,922.94             | 8,027.52        |
| <b>Total financial liabilities</b> |       | <b>41,201.12</b>     | <b>42,063.72</b> | <b>7,922.94</b>      | <b>8,027.52</b> |

The carrying amounts of trade payables, cash and cash equivalents, other current financial assets, and other current financial liabilities are considered to be the same as their fair values, due to their short-term nature.

For financial assets that are measured at fair value, the carrying amounts are equal to the fair values.

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity bonds which are traded in the stock exchanges, valued using the closing price as at the reporting period.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, traded bonds) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification assets included in level 3.

There are no transfers between levels 1 and 2 during the year. The company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

**Valuation technique used to determine fair value:**

Specific valuation techniques used to value financial instruments includes:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

All of the resulting fair value estimates are included in level 2.

**Note 32 Disclosure as per Ind AS 24 - "Related Party Disclosures"**

**(a) Holding Company**

| Name of entity                          | Place of business/<br>Country of incorporation | Proportion of Ownership |                         |
|-----------------------------------------|------------------------------------------------|-------------------------|-------------------------|
|                                         |                                                | As at 31 March,<br>2025 | As at 31<br>March, 2024 |
| Power Grid Corporation of India Limited | India                                          | 100%                    | 100%                    |
| PFC Consulting Limited*                 | India                                          | 0%                      | 0%                      |

\*100% equity acquired by POWERGRID from PFC Consulting Limited on 27 September, 2023. Therefore, PFC Consulting Limited ceased to be Holding Company w.e.f. 27 September, 2023.

**(b) Subsidiaries of Holding Company**

| Name of entity                                                                                   | Place of business /<br>Country of incorporation |
|--------------------------------------------------------------------------------------------------|-------------------------------------------------|
| POWERGRID Vemagiri Transmission Limited                                                          | India                                           |
| POWERGRID NM Transmission Limited                                                                | India                                           |
| POWERGRID Unchahar Transmission Limited                                                          | India                                           |
| POWERGRID Southern Interconnector Transmission System Limited                                    | India                                           |
| POWERGRID Medinipur Jeerat Transmission Limited                                                  | India                                           |
| POWERGRID Mithilanchal Transmission Limited                                                      | India                                           |
| POWERGRID Varanasi Transmission System Limited                                                   | India                                           |
| POWERGRID Jawaharpur Firozabad Transmission Limited                                              | India                                           |
| POWERGRID Khetri Transmission System Limited                                                     | India                                           |
| POWERGRID Bhuj Transmission Limited                                                              | India                                           |
| POWERGRID Bhind Guna Transmission Limited                                                        | India                                           |
| POWERGRID Ajmer Phagi Transmission Limited                                                       | India                                           |
| POWERGRID Fatehgarh Transmission Limited                                                         | India                                           |
| POWERGRID Rampur Sambhal Transmission Limited                                                    | India                                           |
| POWERGRID Meerut Simbhavali Transmission Limited                                                 | India                                           |
| Central Transmission Utility of India Limited                                                    | India                                           |
| POWERGRID Ramgarh Transmission Limited                                                           | India                                           |
| POWERGRID Himachal Transmission Limited                                                          | India                                           |
| POWERGRID Bikaner Transmission System Limited                                                    | India                                           |
| POWERGRID Sikar Transmission Limited                                                             | India                                           |
| POWERGRID Bhadla Transmission Limited                                                            | India                                           |
| POWERGRID Aligarh Sikar Transmission Limited                                                     | India                                           |
| POWERGRID Energy Services Limited                                                                | India                                           |
| POWERGRID Teleservices Limited                                                                   | India                                           |
| POWERGRID Narela Transmission Limited                                                            | India                                           |
| POWERGRID Gomti Yamuna Transmission Limited                                                      | India                                           |
| POWERGRID Neemuch Transmission System Limited                                                    | India                                           |
| POWERGRID ER NER Transmission Limited                                                            | India                                           |
| POWERGRID Khavda II-B Transmission Limited<br>(Erstwhile Khavda II-B Transmission Limited)       | India                                           |
| POWERGRID Khavda II-C Transmission Limited<br>(Erstwhile Khavda II-C Transmission Limited)       | India                                           |
| POWERGRID Khavda RE Transmission System Limited<br>(Erstwhile Khavda II-RE Transmission Limited) | India                                           |

|                                                                                                                                                                                                              |       |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|
| POWERGRID KPS2 Transmission System Limited<br>(Erstwhile KPS2 Transmission Limited)                                                                                                                          | India |
| POWERGRID KPS3 Transmission Limited<br>(Erstwhile KPS3 Transmission Limited)                                                                                                                                 | India |
| POWERGRID ERWR Power Transmission Limited<br>(Erstwhile ERWR Power Transmission Limited)                                                                                                                     | India |
| POWERGRID Raipur Pool Dhamtari Transmission Limited<br>(Erstwhile Raipur Pool Dhamtari Transmission Limited)                                                                                                 | India |
| POWERGRID Dharamjaigarh Transmission Limited<br>(Erstwhile Dharamjaigarh Transmission Limited)                                                                                                               | India |
| POWERGRID Bhadla Sikar Transmission Limited<br>(Erstwhile Bhadla Sikar Transmission Limited)                                                                                                                 | India |
| POWERGRID Bhadla III Transmission Limited<br>(Erstwhile Bhadla III Transmission Limited)                                                                                                                     | India |
| POWERGRID Ramgarh II Transmission Limited<br>(Erstwhile Ramgarh II Transmission Limited)                                                                                                                     | India |
| POWERGRID Beawar Dausa Transmission Limited<br>(Erstwhile Beawar Dausa Transmission Limited)                                                                                                                 | India |
| POWERGRID Bikaner Neemrana Transmission Limited<br>(Erstwhile Bikaner III Neemrana Transmission Limited)                                                                                                     | India |
| POWERGRID Neemrana Bareilly Transmission Limited<br>(Erstwhile Neemrana II Bareilly Transmission Limited)                                                                                                    | India |
| POWERGRID Vataman Transmission Limited<br>(Erstwhile Vataman Transmission Limited)                                                                                                                           | India |
| POWERGRID Koppal Gadag Transmission Limited<br>(Erstwhile Koppal II Gadag II Transmission Limited)                                                                                                           | India |
| POWERGRID Sikar Khetri Transmission Limited<br>(Erstwhile Sikar Khetri Transmission Limited)                                                                                                                 | India |
| POWERGRID Bidar Transmission limited<br>(Erstwhile Bidar Transmission Limited)                                                                                                                               | India |
| POWERGRID Mandsaur Transmission Limited<br>(Erstwhile Rajasthan IV C Power Transmission Limited)<br>-100% equity acquired by POWERGRID from REC Power Development Consultancy Limited on 19-Aug-2024         | India |
| POWERGRID Khavda IV-E2 Power Transmission Limited<br>(Erstwhile Khavda IV-E2 Power Transmission Limited)<br>-100% equity acquired by POWERGRID from REC Power Development Consultancy Limited on 30-May-2024 | India |
| POWERGRID Mewar Transmission Limited(Erstwhile Rajasthan IV E Power Transmission Limited)<br>-100% equity acquired by POWERGRID from REC Power Development Consultancy Limited on 19-Aug-2024                | India |
| POWERGRID Sirohi Transmission Limited<br>(Erstwhile Sirohi Transmission Limited)<br>-100% equity acquired by POWERGRID from PFC Consulting Limited on 22-Aug-2024                                            | India |
| POWERGRID Beawar-Mandsaur Transmission Limited<br>(Erstwhile Beawar - Mandsaur Transmission Limited)<br>-100% equity acquired by POWERGRID from PFC Consulting Limited on 22-Aug-2024                        | India |
| POWERGRID Khavda PS1 and 3 Transmission Limited<br>(Erstwhile Khavda PS1 & 3 Transmission Limited)<br>-100% equity acquired by POWERGRID from PFC Consulting Limited on 07-Nov-2024                          | India |
| POWERGRID Bhadla Bikaner Transmission Limited<br>(Erstwhile Bhadla-III & Bikaner-III Transmission Limited)<br>-100% equity acquired by POWERGRID from PFC Consulting Limited on 30-Aug-2024                  | India |

|                                                                                                                                                                                                          |       |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|
| POWERGRID South Olpad Transmission Limited<br>(Erstwhile South Olpad Transmission Limited)<br>-100% equity acquired by POWERGRID from PFC Consulting Limited on 15-Oct-2024                              | India |
| POWERGRID Bhadla-III Power Transmission Limited<br>(Erstwhile Bhadla III Power Transmission Limited)<br>-100% equity acquired by POWERGRID from REC Power Development Consultancy Limited on 28-Aug-2024 | India |
| POWERGRID Kurawar Transmission Limited<br>(Erstwhile Rajasthan IV H1 Power Transmission Limited)<br>-100% equity acquired by POWERGRID from REC Power Development Consultancy Limited on 15-Oct-2024     | India |
| POWERGRID Jam Khambhaliya Transmission Limited<br>(Erstwhile Jam Khambhaliya Transmission Limited)<br>-100% equity acquired by POWERGRID from PFC Consulting Limited on 15-Oct-2024                      | India |
| POWERGRID West Central Transmission Limited (Erstwhile Khavda V-A Power Transmission Limited)<br>-100% equity acquired by POWERGRID from REC Power Development Consultancy Limited on 19-Nov-2024        | India |
| POWERGRID Barmer I Transmission Limited<br>(Erstwhile Barmer I Transmission Limited)<br>-100% equity acquired by POWERGRID from PFC Consulting Limited on 07-Nov-2024                                    | India |
| POWERGRID Bikaner IV Transmission Limited<br>(Erstwhile Bikaner A Power Transmission Limited)<br>-100% equity acquired by POWERGRID from REC Power Development Consultancy Limited on 11-Nov-2024        | India |
| POWERGRID Siwani Transmission Limited<br>(Erstwhile Bikaner B Power Transmission Limited)<br>-100% equity acquired by POWERGRID from REC Power Development Consultancy Limited on 11-Nov-2024            | India |
| POWERGRID Kudankulam Transmission Limited(Erstwhile Kudankulam ISTS Transmission Limited)<br>-100% equity acquired by POWERGRID from PFC Consulting Limited on 10-Jan-2025                               | India |
| POWERGRID Ghiror Transmission Limited(Erstwhile Rajasthan IV 4A Power Transmission Limited)<br>-100% equity acquired by POWERGRID from REC Power Development Consultancy Limited on 30-Dec-2024          | India |
| POWERGRID Koppal Gadag Augmentation Transmission Limited(Erstwhile Gadag II and Koppal II Transmission Limited)<br>-100% equity acquired by POWERGRID from PFC Consulting Limited on 16-Jan-2025         | India |
| Khavda V-B1B2 Power Transmission Limited<br>-100% equity acquired by POWERGRID from REC Power Development Consultancy Limited on 18-Feb-2025                                                             | India |
| Bidar Transco Limited<br>-100% equity acquired by POWERGRID from REC Power Development Consultancy Limited on 18-Feb-2025                                                                                | India |
| Chitradurga Bellary REZ Transmission Limited<br>-100% equity acquired by POWERGRID from PFC Consulting Limited on 21-Mar-2025                                                                            | India |
| Fatehgarh II And Barmer I PS Transmission Limited<br>-100% equity acquired by POWERGRID from PFC Consulting Limited on 21-Mar-2025                                                                       | India |
| Banaskantha Transco Limited<br>-100% equity acquired by POWERGRID from REC Power Development Consultancy Limited on 24-Mar-2025                                                                          | India |
| Kurnool-IV Transmission Limited<br>-100% equity acquired by POWERGRID from REC Power Development Consultancy Limited on 24-Mar-2025                                                                      | India |
| Rajasthan V Power Transmission Limited<br>-100% equity acquired by POWERGRID from REC Power Development Consultancy Limited on 24-Mar-2025                                                               | India |
| Kurnool III PS RE Transmission Limited<br>-100% equity acquired by POWERGRID from PFC Consulting Limited on 27-Mar-2025                                                                                  | India |

**(c) Joint Ventures of Holding company**

| Name of entity                                                                           | Place of business / Country of incorporation |
|------------------------------------------------------------------------------------------|----------------------------------------------|
| Powerlinks Transmission Limited                                                          | India                                        |
| Torrent POWERGRID Limited                                                                | India                                        |
| Parbati Koldam Transmission Company Limited                                              | India                                        |
| Sikkim Power Transmission Limited<br>(Erstwhile Teestavalley Power Transmission Limited) | India                                        |
| North East Transmission Company Limited                                                  | India                                        |
| National High Power Test Laboratory Private Limited                                      | India                                        |
| Bihar Grid Company Limited                                                               | India                                        |
| Energy Efficiency Services Limited                                                       | India                                        |
| Cross Border Power Transmission Company Limited                                          | India                                        |
| RINL POWERGRID TLT Private Limited (under process of liquidation)                        | India                                        |
| Butwal-Gorakhpur Cross Border Power Transmission Limited                                 | India                                        |
| Rajasthan Power Grid Transmission Company Limited (incorporated on 27-11-2024)           | India                                        |
| Power Transmission Company Nepal Limited                                                 | Nepal                                        |

**(d) Associates of Holding Company\***

| Name of entity                                                                          | Place of business/ Country of incorporation |
|-----------------------------------------------------------------------------------------|---------------------------------------------|
| Kala Amb Transmission Limited (erstwhile POWERGRID Kala Amb Transmission Limited)       | India                                       |
| Jabalpur Power Transmission Limited (erstwhile POWERGRID Jabalpur Transmission Limited) | India                                       |
| Warora Transmission Limited (erstwhile POWERGRID Warora Transmission Limited)           | India                                       |
| Parli Power Transmission Limited (erstwhile POWERGRID Parli Transmission Limited)       | India                                       |

\*The above Companies ceased to be the associate of Holding Company subsequent to the transfer their Equity Shares by Holding Company to POWERGRID Infrastructure Investment Trust on 30-12-2024.

**(e) Key Managerial Personnel**

| Name                           | Designation         | Date of Appointment | Date of Cessation / Separation |
|--------------------------------|---------------------|---------------------|--------------------------------|
| Shri Subir Sen                 | Chairperson         | 10-01-2024          | Continuing                     |
| Shri Andhavarapu Jagannath Rao | Director            | 27-09-2023          | Continuing                     |
| Shri Naga Raju Arza            | Additional Director | 19-12-2024          | Continuing                     |
| Shri Venkata S V               | Director            | 06-10-2023          | Continuing                     |
| Shri Rajesh Srivastava         | Director            | 27-09-2023          | 30-06-2024                     |
| Shri Akhilesh Pathak           | Additional Director | 13-11-2024          | 18-12-2024                     |

**(f) Government Related Entities**

The Company is a wholly owned subsidiary of Central Public Sector Undertaking (CPSU) controlled by Central Government by holding majority of shares.

The Company has business transactions with other entities controlled by the GOI for procurement of capital equipment, spares and services. Transactions with these entities are carried out at market terms on arms-length basis through a transparent price discovery process against open tenders, except in a few cases of procurement of spares/services from Original Equipment Manufacturer (OEM) for proprietary items/or on single tender basis due to urgency, compatibility or other reasons. Such single tender procurements are also done through a process of negotiation with prices benchmarked against available price data of same/similar items.

The above transactions are in the course of normal day-to-day business operations and are not considered to be significant keeping in view the size, either individually or collectively.

**(g) Outstanding balances arising from sales/purchases of goods and services**

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

(₹ in lakh)

| Particulars                                                   | As at 31 March, 2025 | As at 31 March, 2024 |
|---------------------------------------------------------------|----------------------|----------------------|
| <b>Amounts payable</b>                                        |                      |                      |
| <b>Power Grid Corporation of India Ltd. (Holding Company)</b> |                      |                      |
| Purchases of goods and services – Consultancy                 | 219.16               | -                    |
| Loans from Holding Company                                    | 40,676.64            | 7,850.40             |
| Interest Accrued on Loan                                      | 524.48               | 72.54                |
| Other Payables - Survey expenses                              | 9.24                 | 73.76                |

**(h) Transactions with related parties**

The following transactions occurred with related parties (excluding taxes):

(₹ in lakh)

| Particulars                                                             | For the Year ended 31 March, 2025 | For the Year ended 31 March, 2024 |
|-------------------------------------------------------------------------|-----------------------------------|-----------------------------------|
| <b>Power Grid Corporation of India Ltd. (Holding Company)</b>           |                                   |                                   |
| Purchase of Goods or Services – Consultancy Expense                     | 326.40                            | 127.12                            |
| Reimbursement of Expenses towards survey & soil investigation           | 8.56                              | 68.76                             |
| Reimbursement of Expenses - BG charges                                  | -                                 | 5.06                              |
| Additional Loan obtained during the year                                | 32,826.24                         | 7,850.40                          |
| Investments Received during the year (Equity/Share application Money)   | 4,573.87                          | -                                 |
| Interest on Loan                                                        | 1,314.25                          | 120.15                            |
| <b>PFC Consulting Limited (Holding Company till 27 September, 2023)</b> |                                   |                                   |
| Manpower charges                                                        | -                                 | 20.98                             |
| Consultancy charges                                                     | -                                 | 1,503.10                          |
| Reimbursement of Expenses                                               | -                                 | 4.25                              |
| Repayment of Loan                                                       | -                                 | 1,792.83                          |
| Additional Loan obtained during the year                                | -                                 | 1,661.32                          |
| Interest paid on Loan                                                   | -                                 | 8.19                              |

**Note 33 Segment Information**

The Board of Directors is the company's Chief operating decision maker who monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. One reportable segment has been identified on the basis of product/services. The company has a single reportable segment i.e., Power transmission network for transmission system.

The operations of the company are mainly carried out within the country and therefore there is no reportable geographical segment.

**Note 34 Capital and other Commitments**

(₹ in lakh)

| Particulars                                                                                                      | As at 31 March, 2025 | As at 31 March, 2024 |
|------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | 57,554.08            | 1,05,431.44          |

**Note 35 Contingent Liabilities and contingent assets**

Contingent liabilities, Claims against the company not acknowledged as debts and Contingent assets is Nil (Previous year is Nil)

**Note 36 Capital management****a) Risk Management**

The company's objectives when managing capital are to maximize the shareholder value; safeguard its ability to continue as a going concern; maintain an optimal capital structure to reduce the cost of capital.

For the purpose of the company's capital management, equity capital includes issued equity capital and all other equity reserves attributable to the equity holders of the company. The company manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, regulate investments in its projects, return capital to shareholders or issue new shares. The company monitors capital using debt-equity ratio, which is the ratio of long term debt to Total net worth. The company includes within long term debt, interest bearing loans and borrowings and current maturities of long-term debt.

The debt –equity ratio of the Company was as follows: -

| Particulars                    | As at 31 March, 2025 | As at 31 March, 2024 |
|--------------------------------|----------------------|----------------------|
| Total debt (₹ in lakh)         | 40,676.64            | 7,850.40             |
| Equity (₹ in lakh)             | 4,410.07             | 0.31                 |
| Long term debt to Equity ratio | 9.22                 | 25,323.87            |

No changes were made in the objectives, policies or processes for managing capital during the years ended 31.03.2025 and 31.03.2024.

**Note 37 Earnings per share**

| Particulars                                                                                   | For the Year ended 31 March, 2025 | For the Year ended 31 March, 2024 |
|-----------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|
| Basic and diluted earnings per share attributable to the equity holders of the company (in ₹) | (32.10)                           | (5.50)                            |
| Total Earnings attributable to the equity holders of the company (₹ in lakh)                  | (164.11)                          | (0.55)                            |
| Weighted average number of shares used as the denominator                                     | 5,11,246                          | 10,000                            |

**Note 38 Income Tax expense**

This note provides an analysis of the company's income tax expense, and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Company's tax position.

**(a) Income tax expense**

| Particulars                                       | For the Year ended 31 March, 2025 | For the Year ended 31 March, 2024 |
|---------------------------------------------------|-----------------------------------|-----------------------------------|
| (₹ in lakh)                                       |                                   |                                   |
| Current Tax                                       |                                   |                                   |
| Current tax on profits for the year               | -                                 | -                                 |
| Deferred Tax expense                              |                                   |                                   |
| Origination and reversal of temporary differences | (55.20)                           | (0.18)                            |
| Total deferred tax expense /benefit               | (55.20)                           | (0.18)                            |
| Income tax expense (A+B)                          | (55.20)                           | (0.18)                            |

**(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:**

| Particulars                                                                                 | For the Year ended 31 March, 2025 | For the Year ended 31 March, 2024 |
|---------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|
| (₹ in lakh)                                                                                 |                                   |                                   |
| Profit before income tax expense including movement in Regulatory Deferral Account Balances | (219.31)                          | (0.73)                            |
| Tax at the Company's domestic tax rate of 25.168 %                                          | -                                 | -                                 |
| Tax effect of:                                                                              |                                   |                                   |
| Unabsorbed tax losses                                                                       | (55.20)                           | (0.18)                            |
| Income tax expense                                                                          | (55.20)                           | (0.18)                            |

**Note 39 Employee Benefits**

The Company does not have any permanent employees. The personnel working for the company are from holding company on secondment basic and are working on time share basis. The employee cost (including retirement benefits such as Gratuity, leave encashment, post-retirement benefits etc.) in respect of personnel working for the company are paid by holding company. Since there are no employees in the company, the obligation as per Ind-AS 19 does not arise. Accordingly, no provision is considered necessary for any retirement benefit like gratuity, leave salary, pension etc., in the books of the company.

**Note 40** The Board of Directors of the Company in their meeting held on August 12, 2024 had approved the merger/ amalgamation between POWERGRID Khavda II-B Transmission Limited, POWERGRID Khavda RE Transmission System Limited, POWERGRID KPS2 Transmission System Limited, POWERGRID KPS3 Transmission Limited, POWERGRID ERWR Power Transmission Limited, POWERGRID Raipur Pool Dhamtari Transmission Limited, POWERGRID Dharamjaigarh Transmission Limited, POWERGRID Bhadla Sikar Transmission Limited, POWERGRID Ananthpuram Kurnool Transmission Limited, POWERGRID Neemrana Bareilly Transmission Limited, POWERGRID Koppal Gadag Transmission Limited and POWERGRID Bidar Transmission Limited (collectively "Transferor Companies"), and POWERGRID Khavda II-C Transmission Limited ("Transferee Company"), and their respective shareholders and creditors under section 230 to 232 of the Companies Act, 2013 and other statutory provisions as per the terms and conditions mentioned in the Scheme of Amalgamation.

The first motion petition for approval of the Scheme had been filed before the Ministry of Corporate Affairs (MCA) on September 23, 2024. Approval of the Ministry of Power, Government of India has been conveyed on 30th January 2025. Approval of the Scheme is awaited from Ministry of Corporate Affairs.

**Note 41 Recent Pronouncements****A. Amendments to Indian Accounting Standards (Ind AS):**

On 12.08.2024, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2024 applicable from 01.04.2024 introducing Ind AS 117 "Insurance Contracts", and amendments to Ind AS 116 "Lease". The Company has assessed that the amendments have no effect on the Accounts of the Company.

**B. Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024**

Central Electricity Regulatory Commission has notified new tariff regulations 'Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024' for the next five years effective from 01 April 2024. The said Regulation has made certain changes in method & rate of depreciation, useful life, etc. of assets commissioned on or after 01 April 2024. The Company has assessed and implemented the regulations for accounting in FY 2024-25.

- Note 42** a) Figures have been rounded off to nearest rupees in lakh up to two decimals.  
b) Previous year figures have been regrouped/ rearranged wherever considered necessary.

As per our report of even date

For Ganta & Associates

Chartered Accountants

Firm Regn. No. 008686S

Digitally signed by Ganta

Venkateswarlu

Date: 2025.05.07 19:57:44

+05'30'

G Venkateswarlu

Partner

Mem. No. 209183

Place: Hyderabad

Date: 07 May, 2025

For and on behalf of the Board of Directors

SUBI  
R SEN

Digitally signed  
by SUBIR SEN  
Date:  
2025.05.07  
11:33:12  
+05'30'

Subir Sen

Chairperson

DIN: 09012185

Place: Gurugram

Date: 07 May, 2025

VENKA  
TA S.V

Digitally signed  
by VENKATA S.V  
Date:  
2025.05.07  
11:19:49 +05'30'

S V Venkata

Director

DIN: 10344777

Place: Hyderabad

Date: 07 May, 2025