POWERGRID KURNOOL-IV TRANSMISSION LIMITED

(Formerly known as Kurnool-IV Transmission Limited)
Wholly Owned Subsidiary of Power Grid Corporation of India Limited
(CIN: U42202DL2024GOI438966)
Regd. Office: B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110016
Tel: 011-26560112; Email: companysecretary@powergrid.in

ANNUAL REPORT (2024-25)

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DIRECTORS' REPORT

To,

Dear Members,

It gives me immense pleasure to present on behalf of the Board of Directors, the 1st Directors' Report of **POWERGRID Kurnool-IV Transmission Limited** (Formerly Known as Kurnool-IV Transmission Limited) on the working of the Company together with Audited Financial Statements and Auditors' Report for the period starting from 20th November, 2024 till 31st March, 2025 ("period under review").

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

POWERGRID Kurnool-IV Transmission Limited ("Company") was incorporated as wholly owned subsidiary of REC Power Development Consultancy Limited (RECPDCL) on 20th November, 2024 and acquired by Power Grid Corporation of India Limited ("POWERGRID"/ "Holding Company") on 24th March, 2025 under Tariff based competitive bidding to establish "Transmission System for Integration of Kurnool-IV REZ- Phase-I (for 4.5 GW). Pursuant to such acquisition, your Company became wholly owned subsidiary of POWERGRID. The transmission system comprises of establishment of following elements:

1. Establishment of 4x1500 MVA, 765/400 kV & 4x500 MVA, 400/220 kV Kurnool-IV Pooling Station near Kurnool, Andhra Pradesh along with 2x330 MVAr (765 kV) bus reactors at Kurnool IV PS with provision of two (2) sections of 4500 MVA each at 400kV level:

- 765/400 kV, 1500 MVA, ICTs – 4 nos. (12x500 MVA)
- 765kV ICT bays – 4 nos.
- 400kV ICT bays – 4 nos.
- 400/220kV, 500 MVA, ICTs – 4 nos.
- 400kV ICT bays – 4 nos.
- 220kV ICT bays – 4 nos.
- 765kV line bays – 4 nos. (at Kurnool-IV PS for termination of Kurnool-IV – Bidar and Kurnool-IV – Kurnool-III 765kV D/c lines)
- 765 kV, 330 MVAr Bus Reactor – 2 nos.
- 765 kV Bus Reactor bays – 2 nos.
- 220kV line bays – 6 nos.
- 220kV Bus Sectionalizer : 1 set
- 220 kV Bus Coupler (BC) Bay – 2 nos.

- 220 kV Transfer Bus Coupler (TBC) Bay – 2 nos.
- 1x500 MVA, 765/400 kV 1 Phase spare ICT
- 1x110 MVAr, 765kV, 1 Phase spare Reactor

Future Space Provisions:

- 765/400kV, 1500 MVA, ICTs – 2 nos.
- 765kV ICT bays – 2 nos.
- 400kV ICT bays – 2 nos.
- 400/220kV, 500 MVA, ICTs – 14 nos.
- 400kV ICT bays – 14 nos.
- 220kV ICT bays – 14 nos.
- 765kV line bays – 8 nos. (with provision for SLR)
- 400kV line bays – 12 nos. (with provision for SLR)
- 220kV line bays – 20 nos
- 220kV Bus Sectionalizer : 2 sets
- 220 kV Bus Coupler (BC) Bay – 2 nos.
- 220 kV Transfer Bus Coupler (TBC) Bay – 2 nos.
- 400kV Bus Sectionalizer : 1 set

2. **Kurnool-IV – Bidar 765 kV D/c line (about 330 kms) with 330 MVAR SLR (convertible) at both ends on both circuits:**

- 765kV line bays – 2 nos. (at Bidar PS)
- 765 kV, 330 MVAr SLR at Kurnool-IV PS – 2 nos.
- 765 kV, 330 MVAr SLR at Bidar PS – 2 nos.

3. **Kurnool-IV – Kurnool-III PS 765 kV D/c line (about 150 kms) with 240 MVAR SLR (convertible) at Kurnool-IV end on both circuits:**

- 765kV line bays – 2 nos. (at Kurnool-III PS)
- 765 kV, 240 MVAr SLR at Kurnool-IV PS – 2 nos. (7x80 MVAr inc. 1 switchable spare unit)

4. **+ 300 MVAR STATCOM at Kurnool-IV PS along with 2x125 MVAr MSR:**

- 400 kV bay – 1 no.

5. **Augmentation of 1x1500 MVA, 765/400 kV ICT (3rd) at C'Peta:**

- 765/400kV, 1500 MVA, ICT – 1 no.
- 765kV ICT bays – 1 no.
- 400kV ICT bays – 1 no

6. **LILO of Vijayawada-Nellore 400 kV D/c line at C'Peta (about 20 kms):**

- 400 kV line bays – 4 nos. (at C'Peta for termination of LILO of Vijayawada-Nellore 400 kV D/c line at C'Peta).

Your Company was granted transmission license by CERC on 13th September, 2025 and Tariff Adoption approval granted by CERC on 30th June, 2025.

2. Financial Performance

(Rs.in Lakhs)

Particulars	20th November, 2024 to 31st March, 2025
Revenue from Operations	-
Other Income	-
Total Income	**-**
Expenses	0.71
Loss before Tax	**(0.71)**
Loss after Tax for the period	**(0.53)**
Earnings Per Equity Share (Rs.)	**(1.06)**

3. Share Capital

Your Company had an Authorized and Paid-up Share Capital of Rs.5 lakh each as on 31st March, 2025.
After the end of the period under review, the Authorized Share Capital of the Company was increased to Rs. 1063.55 crores.

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 period under review.

5. Deposits

Your Company has not accepted any deposit as per Chapter V of Companies Act, 2013, for the period under review.

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 in any other entity as per Section 186 of Companies Act, 2013, during the period under review.

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, is given at **Annexure - I** to the Directors' Report.

8. Material Changes & Commitments

There has 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)(c) & 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 this 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 is no Conservation of Energy, Technology absorption and Foreign Exchange Earnings and out go under section 134(3) of the Companies Act, 2013 for the period under review.

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.

13. Board of Directors

As on 31st March, 2025, the Board of Directors of your Company comprised of Four (4) Directors viz. Shri Ravisankar Ganesan, Shri Ashwani Kumar Gupta, Shri Gyaneshwar Prasad Payasi and Shri Naga Raju Arza.

There were some changes in the Board of Directors of the Company during the period under review. Shri Debasis Mitra, Shri Arvind Kumar and Shri Awanish Kumar Bharati (nominated by RECPDCL) ceased to be Directors of the Company w.e.f. 24th March, 2025 consequent to change in directorship post acquisition of your Company by POWERGRID from RECPDCL.

Shri Ravisankar Ganesan, Shri Ashwani Kumar Gupta, Shri Gyaneshwar Prasad Payasi and Shri Naga Raju Arza (nominated by POWERGRID) were appointed as Additional Directors w.e.f. 24th March, 2025, who holds office up to the date of ensuing Annual General Meeting.

Subsequently, after the end of period under review, Shri Naga Raju Arza ceased to be Additional Director of the Company w.e.f. 01st July, 2025 and Shri Doman Yadav has been appointed as an Additional Directors on the board of the Company w.e.f. 01st July, 2025 and who holds office up to the date of ensuing Annual General Meeting.

The Board places on record its appreciation for the valuable contribution, guidance & support provided by Shri Debasis Mitra, Shri Arvind Kumar and Shri Awanish Kumar Bharati and Shri Naga Raju Arza during their tenure as Directors of the Company.

The Company has received a notice under section 160 of the Companies Act, 2013 from a member of the Company for appointment of Shri Ravisankar Ganesan, Shri Ashwani Kumar Gupta, Shri Gyaneshwar Prasad Payasi and Shri Doman Yadav as Directors, who shall be 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 period under review

During the period under review, Six (6) meetings of Board of Directors were held on 12th December, 2024, 10th January, 2025, 27th February, 2025, 18th March, 2025, 24th March, 2025 and 26th March, 2025. The detail of number of meetings attended by each Director during the period under review are as under:

Name of Directors	Designation	No. of Board Meetings entitled to attend during 20th November, 2024 till 31st March, 2025.	No. of Board Meetings attended during 20th November, 2024 till 31st March, 2025.
Shri Debasis Mitra (appointed w.e.f. 20th November, 2024 & ceased w.e.f. 24th March, 2025)	Chairman	5	5
Shri Arvind Kumar (appointed w.e.f. 20th November, 2024 & ceased w.e.f. 24th March, 2025)	Director	5	5
Shri Awanish Kumar Bharati (appointed w.e.f. 20th November, 2024 & ceased w.e.f. 24th March, 2025)	Director	5	4
Shri Ravisankar Ganesan (appointed w.e.f. 24th March, 2025)	Chairman (Part-Time)	1	1
Shri Ashwani Kumar Gupta (appointed w.e.f. 24th March, 2025)	Additional Director	1	1
Shri Gyaneshwar Prasad Payasi (appointed w.e.f. 24th March, 2025)	Additional Director	1	1
Shri Naga Raju Arza (appointed w.e.f. 24th March, 2025 & ceased w.e.f. 01st July, 2025)	Additional Director	0	0

15. Committees of the Board

Audit Committee & Nomination & Remuneration Committee

The provisions of Section 177 and Section 178 of the Companies Act, 2013 read with Rule 6 of the Companies (Meeting of Board and Its Powers) Rules, 2014 were not applicable to the Company during the period under review.

Corporate Social Responsibility Committee

The provision of Section 135 of the Companies Act, 2013 read with Rule 5 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 were not applicable to the Company during the period under review.

16. Declaration by Independent Directors

The provision of Section 149(4) of the Companies Act, 2013 were not applicable to the Company during the period under review.

17. Performance Evaluation

The provisions of Section 134(3)(p) of the Companies Act, 2013 is not applicable to your Company since the paid-up share capital of the Company does not exceed the threshold limit of Rs. 25 crores as prescribed under Rule 8(4) of Companies (Accounts) Rules, 2014.

18. Statutory Auditors

Pursuant to section 139(7) of the Companies Act, 2013 and Rule 4(2) of the Companies (Audit and Auditors) Rules, 2014, M/s A N K G & Associates, Chartered Accountants, was appointed by Comptroller and Auditor General of India ("C&AG") as Statutory Auditors of your Company for the period under review.

19. Statutory Auditors' Report

M/s A N K G & Associates, Chartered Accountants, Statutory Auditors for the period under review, 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 ("C&AG") vide letter dated 03rd July, 2025, placed at **Annexure-II** to this report, has informed that they have decided not to conduct supplementary audit of financial statements for the period under review 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 period under review, the Statutory Auditor of the 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 during the period under review.

23. Maintenance of Cost Records of the Company

Maintenance of cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, is not applicable to your Company during the period under review.

24. Development & Implementation of Risk Management Policy

Pursuant to acquisition of your Company by POWERGRID from RECPDCL, your Company became wholly owned subsidiary of POWERGRID and it 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 5th 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 at workplace which includes its wholly owned subsidiaries including your Company. There was no incidence of sexual harassment during the period under review, as per details mentioned hereunder:

i. number of complaints of sexual harassment received in the year: NIL
ii. number of complaints disposed off during the year: NIL
iii. 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 were passed by any authority during the period under review 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 period under review.

30. Insolvency and Bankruptcy Code, 2016

During the period under review, 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 period under review 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 the 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, REC Power Development and Consultancy Limited, the Comptroller & Auditor General of India, the Auditors and various other authorities.

For and on behalf of
For POWERGRID Kurnool-IV Transmission Limited

Sd/-
(Ravisankar Ganesan)
Chairman
DIN: 08816101

Date: 29/12/2025
Place: Gurugram

Annexure- I

POWERGRID KURNOOL-IV TRANSMISSION LIMITED

(Formerly known as Kurnool-IV Transmission Limited)
Wholly Owned Subsidiary of Power Grid Corporation of India Limited
CIN: U42202DL2024GOI438966
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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.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

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

2.	**Details of Material contracts or arrangements or transactions at arm's length basis.**	
	Number of contracts or arrangements or transactions at arm's length basis	-
(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	-
	(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 transaction including the value, if any	-
	(g) Date of approval by the Board	-
	(h) Amount paid as advances, if any	-

For and on behalf of
For POWERGRID Kurnool-IV Transmission Limited

Sd/-
(Ravisankar Ganesan)
Chairman
DIN: 08816101

Date: 29/12/2025
Place: Gurugram

Annexure-B

सख्या.: DGA(Energy)/Rep/01-152Acs-KurnoolIVTL/2025-26/ DIS-2753095

भारतीय लेखापरीक्षा एवं लेखा विभाग
कार्यालय महा निदेशक लेखापरीक्षा (ऊर्जा)
नई दिल्ली

SUPREME AUDIT INSTITUTION OF INDIA
लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest

INDIAN AUDIT & ACCOUNTS DEPARTMENT
Office of the Director General of Audit (Energy)
New Delhi

Dated: 03/07/2025

सेवा में,

अध्यक्ष,
कुरनूल-IV ट्रांसमिशन लिमिटेड,
नई दिल्ली ।

विषय: 31 मार्च 2025 को समाप्त अवधि के लिए कुरनूल-IV ट्रांसमिशन लिमिटेड, नई दिल्ली के वर्ष 2024-25 के वार्षिक लेखाओं पर कम्पनी अधिनियम, 2013 की धारा 143(6)(b) के अन्तर्गत भारत के नियन्त्रक एवं महालेखापरीक्षक की टिप्पणियाँ।

महोदय,

मैं, कुरनूल-IV ट्रांसमिशन लिमिटेड, नई दिल्ली के 31 मार्च 2025 को समाप्त अवधि के लेखाओं पर कम्पनी अधिनियम, 2013 की धारा 143(6)(b) के अन्तर्गत भारत के नियन्त्रक एवं महालेखापरीक्षक की टिप्पणियाँ अग्रेषित कर रहा हूँ।

कृपया इस पत्र की संलग्नकों सहित प्राप्ति की पावती भेजी जाए।

भवदीय,

संलग्नक:- यथोपरि।

(प्रमोद कुमार)
अपर उप नियंत्रक एवं महालेखापरीक्षक (ऊर्जा)

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(B) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF KURNOOL-IV TRANSMISSION LIMITED FOR THE PERIOD ENDED 31 MARCH 2025

The preparation of financial statements of Kurnool-IV Transmission Limited for the period 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 auditor appointed by the Comptroller and Auditor General of India under section 139(7) of the Act is 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 09 June 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 Kurnool-IV Transmission Limited for the period ended 31 March 2025 under Section 143(6)(a) of the Act.

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

(Pramod Kumar)
Addl. Dy. Comptroller & Auditor General (Energy)

Place: New Delhi
Date: 03 July 2025

ANKG & ASSOCIATES
Chartered Accountants

Independent Auditor's Report

To

The Members of *M/s* KURNOOL-IV TRANSMISSION LIMITED

Opinion

We have audited the Standalone Financial Statements of **KURNOOL-IV TRANSMISSION LIMITED** ("the Company") which comprises the Balance Sheet **as at 31st March, 2025**, the Statement of Profit and Loss (including Other comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flows for the period **from 20th November, 2024 to 31st March, 2025** and notes to the financial statements, including a summary of the 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 financial statements for the period ended 31st March, 2025 give the information required by the Act in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2025, and its Profit/loss (including Other Comprehensive Income, changes in equity and its cash flows for the period 20th November, 2024 to 31st March 2025.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 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 the opinion.

Haryana Office: 228, 2nd Floor, Amrapali Corporate Hub, Sector-2, IMT Manesar, Gurugram-122050,Haryana
Delhi Office: Chamber 105, Ist Floor, GK House, 187-A, Sant Nagar, East of Kailash, New Delhi-110065
✆ +91-9818014122 ✉ ankgassociates@gmail.com

Key audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and informing our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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

Responsibility of Management & 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 financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, change in equity and cash flows of the Company for the period 20th November, 2024 to 31st March in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India.

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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditors Responsibilities for the financial statements

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

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

- Identify and assess the risks of material misstatement of the 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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, regarding safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms Section 143(11) of the Companies Act, 2013, we give in **"Annexure A"** statement on the matters specified in paragraph 3 and 4 of the order

2. As required by Section 143 (3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books

c) The Balance Sheet and the Statement of Profit and Loss (including Other comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act and rules made thereunder to the extent applicable to the company

e) Since 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 Ministry of Corporate Affairs, Government of India

f) With respect to the adequacy of the internal financial controls over financial reporting with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in **"Annexure B".** Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial.

g) Since the Company is a Government Company, the provisions of sub-section (16) of section 197 of the Act regarding managerial remuneration are not applicable to the company pursuant to Notification No. GSR 463(E) dated 05-06-2015 issued by the Ministry of Corporate Affairs, Government of India

3. 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:

i. The Company does not have any pending litigations which would impact its financial position.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv.

a) The management has represented that, to the best of it's 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;

b) The management has represented, that, to the best of it's 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

c) Based on such audit procedures that have been 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) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.

v. No dividend have been declared or paid during the period by the company.

vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2025 (from 20.11.2024 to 31.03.2025) which has a feature of recording audit trail (edit log) facility and the same has operated throughout the period for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention

4. In terms of Section 143(5) of the Companies Act 2013, we give in the **"Annexure C"** statement on the directions issued by the Comptroller and Auditor General of India.

For ANKG & ASSOCIATES
Chartered Accountants
FRN: 020753N

NARESH KUMAR GUPTA
Digitally signed by NARESH KUMAR GUPTA
Date: 2025.06.09 17:48:02 +05'30'

(CA NARESH KUMAR GUPTA)
PARTNER
Membership No. 075291

UDIN:25075291BMTEUJ6303

Place:-Gurugram
Date:-09/06/2025

"Annexure "A" referred to in paragraph 1 of Our Report on "Other Legal and Regulatory Requirements".

We report that:

Sr No	Clause number of said order	Auditors Statement
1	3(i)(a)A	According to the information and explanations given to us and based on our examination of the records of the company, the company do not hold any Property, Plant & Equipment during the period under Audit hence this clause is not Applicable on the Company
2	3(i)(a)B	According to the information and explanations given to us and based on our examination of the records of the company, the company does not held any intangible assets during the period under Audit hence this clause is not Applicable on the Company
3	3(i)(b) , (c), (d)	In view of 3(i)(a) above, the reporting under clause 3(i)(b), 3(i)(c) and 3(i)(d) of the Order are not applicable to the company
4	3(i)(e)	According to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder
5	3(ii)(a)	The Company does not held any inventories, hence this clause is not applicable
6	3(ii)(b)	The Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at any point of time during the period from banks or financial institutions on the basis of security of current assets and hence reporting under paragraph 3(ii)(b) of the Order is not applicable
7	3(iii)	According to the information and explanations given to us, the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, provisions of paragraph 3(iii) (a) to paragraph 3(iii)(f) are not applicable to the company
8	3(iv)	According to the information and explanations given to us, the Company has not granted any loans, has not made investments and has not provided guarantees and securities. Hence, reporting under clause 3(iv) of the Order is not applicable to the company

9	3(v)	The Company has not accepted any deposits or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable to the company
10	3(vi)	According to the information and explanations given to us, the cost records as prescribed by the Central Government under section 148(1) of the Act, are not applicable to the Company hence, reporting under clause 3(vi) of the Order is not applicable to the company
11	3(vii)(a)	According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues with appropriate authorities and that there are no undisputed statutory dues outstanding as at 31 March 2025 for a period of more than six months from the date they became payable
12	3(vii)(b)	There are no statutory dues referred to in sub-clause (a) above, which have not been deposited as on 31st March 2025 on account of disputes.
13	3(viii)	There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the period in the tax assessments under the Income Tax Act, 1961
14	3(ix)(a)	According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not obtained any loan / other borrowings hence clause 3(ix)(a) of the order is not applicable.
15	3(ix)(b)	According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not been declared a willful defaulter by any bank or financial institution or other lender;
16	3(ix)(c)	According to the information and explanations given to us by the management, there are no term loans obtained, hence clause 3(ix)(c) of the order is not applicable.
17	3(ix)(d)	According to the information and explanations given to us by the management there are no funds which was raised on short term basis but utilized for long term purpose. Hence, clause 3(ix)(d) of order is not applicable
18	3(ix)(e) & (f)	The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2025 (from 20.11.2024 to 31.03.2025). Accordingly, clause 3(ix)(e) & 3(ix)(f) of order is not applicable.
19	3(x)(a)	The company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the period. Accordingly,

		clause 3(x)(a) of the Order is not applicable.
20	3(x)(b)	According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the period. Accordingly, clause 3(x)(b) of the Order is not applicable
21	3(xi)(a)	Based on examination of the books and records of the Company and according to the information and explanations given to us , no fraud by the company or any fraud on the company has been noticed or reported during the course of audit.
22	3(xi)(b)	According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;
23	3(xi)(c)	According to the information and explanations given to us by the management, no whistle-blower complaints had been received by the company
24	3(xii)	The company is not a Nidhi Company. Accordingly, clause 3(xii)(a), 3(xii)(b) and 3(xii)(c) of the Order is not applicable
25	3(xiii)	In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, where applicable and the details have been disclosed in the financial statements, as required by the applicable Indian accounting standards
26	3(xiv)(a)	In our opinion and based on our examination, the company does not require to have an internal audit system. Accordingly, clause 3(xiv)(a), of the Order is not applicable
27	3(xiv)(b)	Based on information and explanations provided to us, no internal audit had been conducted of the company. Accordingly, clause 3(xiv)(b), of the Order is not applicable
28	3(xv)	In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company
29	3(xvi)(a)	(a) In our Opinion and based on our examination, the Company is not required to be registered under

		section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934). Accordingly, clause 3(xvi)(a) of the Order is not applicable.
30	3(xvi)(b)	In our Opinion and based on our examination, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
31	3(xvi)(c)	In our Opinion and based on our examination, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
32	3(xvi)(d)	According to the information and explanations given by the management, the Group does not have any CIC as part of the Group.
33	3(xvii)	The company is incorporated on date 20.11.2024. According to the information and explanations given to us and based on our examination of the records of the company, the company has incurred cash losses of Rs. 0.71 Lakh in the current Financial Year (from 20.11.2024 to 31.03.2025)
34	3(xviii)	There has been no resignation of the statutory auditors during the period. Accordingly, clause 3(xviii) of the Order is not applicable.
35	3(xix)	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, 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 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 up to the date of the audit report and we neither give any guarantee nor any assurance that all 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.

36	3(xx)	Based on our examination, the provision of section 135 are not applicable on the company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.
37	3(xxi)	The company is not required to prepare Consolidate financial statement hence this clause is not applicable

For ANKG & ASSOCIATES
Chartered Accountants
FRN: 020753N

NARESH KUMAR GUPTA

Digitally signed by NARESH KUMAR GUPTA
Date: 2025.06.09 17:48:32 +05'30'

(CA NARESH KUMAR GUPTA)
PARTNER
Membership No. 075291

UDIN:25075291BMTEUJ6303

Place:-Gurugram
Date:09/06/2025

"Annexure B" : ***Report on Internal Financial Controls Over Financial Reporting***

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

We have audited the internal financial controls over financial reporting of **KURNOOL- IV TRANSMISSION LIMITED** ("the Company") as of March 31, 2025 in conjunction with our audit of the financial statements of the Company for the period ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 with reference to Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting with reference to Ind AS financial statements included obtaining an understanding of internal financial controls over financial reporting with reference to financial statements, 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 authorisations 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.

Opinion

In our opinion, to the best of our information and according to the explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to financial statements and such internal financial controls over financial reporting with reference to Ind AS financial statements 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 .

For ANKG & ASSOCIATES
Chartered Accountants
FRN: 020753N

NARESH KUMAR GUPTA
Digitally signed by NARESH KUMAR GUPTA
Date: 2025.06.09 17:48:53 +05'30'

(CA NARESH KUMAR GUPTA)
PARTNER
Membership No. 075291

UDIN:25075291BMTEUJ6303

Place:-Gurugram
Date:09/06/2025

"Annexure C" : Directions under section 143(5) of the Companies Act 2013 for the period 20.11.2024 to 31.03.2025

We have verified various documents and other relevant records and also on the basis of information and explanations provided to us, by the management of **Kurnool-IV Transmission Limited**, we give our report against each specific direction as under –

Sr No.	Directions u/s 143(5) of the Companies Act, 2013	Auditor's reply on action taken on the directions	Impact on financial statement
1	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.	As per the information and explanations given to us, the company has a system in place to process all the accounting transactions through IT system. The company is having ERP system (SAP) in place for processing all accounting transactions. No accounting transaction is being recorded / processed otherwise than the ERP system in place.	**NIL**
2	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).	Based on our verification and explanations and information given to us, there were no cases of restructuring of an existing loan or cases of waiver/ write off of debts/loan/interest etc. made by a lender to the company due to the company's inability to repay the loan.	**NIL**

3	Whether funds (grants /subsidy etc.) received / receivable for specific schemes from Central / State Government or its agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation	Based on our verification and explanations and information given to us, no funds were received / receivable for specific schemes from Central/ State government or its agencies.	**NIL**

For ANKG & ASSOCIATES
Chartered Accountants
FRN: 020753N

NARESH KUMAR GUPTA

Digitally signed by NARESH KUMAR GUPTA
Date: 2025.06.09 17:49:10 +05'30'

(CA NARESH KUMAR GUPTA)
PARTNER
Membership No. 075291

UDIN:25075291BMTEUJ6303

Place:-Gurugram
Date:09/06/2025

ANKG & ASSOCIATES
Chartered Accountants

Annexure-II

Compliance Certificate

We have conducted the audit of annual accounts of **M/s KURNOOL-IV TRANSMISSION LIMITED** for the period ended **31 March 2025** in accordance with the directions/sub-directions issued by the C&AG 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.

For ANKG & ASSOCIATES
Chartered Accountants
FRN: 020753N

NARESH KUMAR GUPTA
Digitally signed by NARESH KUMAR GUPTA
Date: 2025.06.09 17:49:25 +05'30'

(CA NARESH KUMAR GUPTA)
PARTNER
Membership No. 075291

UDIN:25075291BMTEUJ6303

Place:-Gurugram
Date:09/06/2025

Haryana Office: 228, 2nd Floor, Amrapali Corporate Hub, Sector-2, IMT Manesar, Gurugram-122050,Haryana
Delhi Office: Chamber 105, Ist Floor, GK House, 187-A, Sant Nagar, East of Kailash, New Delhi-110065
+91-9818014122 ankgassociates@gmail.com

Kurnool-IV Transmission Limited

CIN : U42202DL2024GOI438966

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
ASSETS		
Non-current assets		
(a) Capital work in progess	4	1,923.30
(b) Deferred Tax Assets (Net)	5	0.18
		1,923.48
Current assets		
(a) Financial assets		
(i) Cash and cash equivalents	6	5.00
		5.00
Total Assets		**1,928.48**
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share capital	7	5.00
(b) Other Equity	8	(0.53)
		4.47
Liabilities		
Current liabilities		
(a) Financial liabilities		
(i) Trade payables	9	
(a) Total Outstanding dues of micro & small enterprises		-
(b) Total Outstanding dues of creditors other than micro & small enterprises		0.54
(ii) Other current financial liabilities	10	1,919.42
(b) Other current liabilities	11	4.05
		1,924.01
Total Equity and Liabilities		**1,928.48**

The accompanying notes (1 to 34) form an integral part of financial statements

As per our report of even date
For A N K G & Associates
Chartered Accountants
Firm Regn. No. 020753N

NARESH KUMAR GUPTA
Digitally signed by NARESH KUMAR GUPTA
Date: 2025.06.09 15:39:39 +05'30'

Naresh Kumar Gupta
Partner
Mem. No. 075291
Place: Gurugram

For and on behalf of the Board of Directors

RAVISANKAR GANESAN
Digitally signed by RAVISANKAR GANESAN
Date: 2025.06.05 18:05:39 +05'30'

G Ravisankar
Chairperson
DIN: 08816101
Place: Gurugram

Gyaneshwar Prasad Payasi
Digitally signed by Gyaneshwar Prasad Payasi
Date: 2025.06.05 18:03:01 +05'30'

G P Payasi
Additional Director
DIN: 10088426
Place: Gurugram

Kurnool-IV Transmission Limited
CIN : U42202DL2024GOI438966
B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi, 110016
Statement of Profit and Loss For the period from 20 November, 2024 to 31 March, 2025

(₹ In Lakh)

Particulars	**Note**	**For the period from 20 November, 2024 to 31 March, 2025**
Revenue From Operations		-
Other Income		-
Total Income		**-**
EXPENSES		
Finance costs	12	-
Depreciation and amortization expense		-
Other expenses	13	0.71
Total expenses		**0.71**
Profit/(loss) before tax		**(0.71)**
Tax expense:		
Current tax		-
Deferred tax		(0.18)
Total tax expenses		**(0.18)**
Profit/(loss) for the period		**(0.53)**
Other Comprehensive Income		-
Total Comprehensive Income for the period		**(0.53)**
Earnings per equity share (Par value ₹10/- each):		
Basic and Diluted (in ₹)		(1.06)

The accompanying notes (1 to 34) form an integral part of financial statements

As per our report of even date
For A N K G & Associates
Chartered Accountants
Firm Regn. No. 020753N

NARESH KUMAR GUPTA
Digitally signed by NARESH KUMAR GUPTA
Date: 2025.06.09 15:42:01 +05'30'

Naresh Kumar Gupta
Partner
Mem. No. 075291
Place: Gurugram

For and on behalf of the Board of Directors

RAVISANKAR R GANESAN
Digitally signed by RAVISANKAR GANESAN
Date: 2025.06.05 18:06:00 +05'30'

G Ravisankar
Chairperson
DIN: 08816101
Place: Gurugram

Gyaneshwar Prasad Payasi
Digitally signed by Gyaneshwar Prasad Payasi
Date: 2025.06.05 18:03:34 +05'30'

G P Payasi
Additional Director
DIN: 10088426
Place: Gurugram

Kurnool-IV Transmission Limited
CIN : U42202DL2024GOI438966
B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi, 110016
Statement of Cash Flows For the period from 20 November, 2024 to 31 March, 2025

(₹ In Lakh)

Sl. No.	Particulars	For the period from 20 November, 2024 to 31 March, 2025
A	**CASH FLOW FROM OPERATING ACTIVITIES**	
	Profit Before Tax	**(0.71)**
	Adjustment for :	
	Operating profit before Changes in Assets and Liabilities	**(0.71)**
	Adjustment for Changes in Assets and Liabilities:	
	Increase/(Decrease) in Liabilities & Provisions	2.45
	Net Cash from Operating Activities	**1.74**
B	**CASH FLOW FROM INVESTING ACTIVITIES**	
	Net Cash used in Investing Activities	**-**
C	**CASH FLOW FROM FINANCING ACTIVITIES**	
	Issue of Shares	5.00
	Finance Costs paid	(1.74)
	Net Cash from Financing Activities	**3.26**
D	Net change in Cash and Cash equivalents (A+B+C)	5.00
E	Cash and Cash equivalents (Opening balance)	-
F	Cash and Cash equivalents (Closing balance)	**5.00**

The accompanying notes (1 to 34) form an integral part of financial statements

Further Notes

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

As per our report of even date
For A N K G & Associates
Chartered Accountants
Firm Regn. No. 020753N

NARESH KUMAR GUPTA
Digitally signed by NARESH KUMAR GUPTA
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Naresh Kumar Gupta
Partner
Mem. No. 075291
Place: Gurugram

For and on behalf of the Board of Directors

RAVISANKAR GANESAN
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G Ravisankar
Chairperson
DIN: 08816101
Place: Gurugram

Gyaneshwar Prasad Payasi
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G P Payasi
Additional Director
DIN: 10088426
Place: Gurugram

Kurnool-IV Transmission Limited
CIN : U42202DL2024GOI438966
B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi, 110016
Statement of Changes in Equity For the period from 20 November, 2024 to 31 March, 2025

A. Equity Share Capital **(₹ In Lakh)**

As at 20 November, 2024	-
Changes in equity share capital	5.00
As at 31 March, 2025	**5.00**

B. Other Equity **(₹ In Lakh)**

Particulars	**Reserves and Surplus**	**Total**
	Retained Earnings	
As at 20 November, 2024	-	-
Total Comprehensive Income for the period	(0.53)	**(0.53)**
As at 31 March, 2025	**(0.53)**	**(0.53)**

The accompanying notes (1 to 34) form an integral part of financial statements
Refer to Note 8 for nature and movement of Reserve and Surplus.

As per our report of even date
For A N K G & Associates
Chartered Accountants
Firm Regn. No. 020753N

NARESH KUMAR GUPTA
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Naresh Kumar Gupta
Partner
Mem. No. 075291
Place: Gurugram

For and on behalf of the Board of Directors

RAVISANKAR GANESAN
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G Ravisankar
Chairperson
DIN: 08816101
Place: Gurugram

Gyaneshwar Prasad Payasi
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Date: 2025.06.05 18:04:32 +05'30'

G P Payasi
Additional Director
DIN: 10088426
Place: Gurugram

Notes to Financial Statements

Note 1 Corporate and General Information

Kurnool-IV 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.

The Company was incorporated on 20 November, 2024 for establishment of Transmission System for Integration of Kurnool-IV REZ - Phase-I (for 4.5 GW) on Build, Own, Operate and Transfer (BOOT) basis. POWERGRID has acquired 100% equity shares from REC Power Development Consultancy Limited on 24 March, 2025. 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 period from 20 November, 2024 to 31 March, 2025 were approved for issue by the Board of Directors on 05 June, 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.

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 assetsunder development till the commssioning 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 .

	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.

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/disposed.

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.

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 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:

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, 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 Capital work in progress **(₹ In Lakh)**

Particulars	As at 20 November, 2024	Additions during the period	Adjustments	Capitalised during the period	As at 31 March, 2025
Plant & Equipments (including associated civil works)					
a) Transmission	-	38.10	-	-	38.10
b) Sub-Station	-	5.67	-	-	5.67
Expenditure pending allocation					
i) Expenditure during construction period (net) - (Note 14)	-	1,879.53	-	-	1,879.53
Grand Total	-	**1,923.30**	**-**	**-**	**1,923.30**

Further notes:

Refer Note 16 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 5 Deferred tax Assets (Net) (₹ In Lakh)

Particulars	As at 31 March, 2025
Deferred Tax Assets	
Unused Tax Losses	0.18
Deferred tax assets (Net)	**0.18**

Movement in Deferred Tax Assets **(₹ in Lakh)**

Particulars	Unused Tax Losses	Total
As at 20 November, 2024	**-**	**-**
- (Charged) / Credited to Profit or Loss	0.18	0.18
As at 31 March, 2025	**0.18**	**0.18**

Amount taken to Statement of Profit and Loss **(₹ in Lakh)**

Particulars	For the period from 20 November, 2024 to 31 March, 2025
Increase/(Decrease) in Deferred Tax Liabilities	-
(Increase)/Decrease in Deferred Tax Assets	(0.18)
Net Amount taken to Statement of Profit and Loss	**(0.18)**

Note 6 Cash and Cash equivalents (₹ In Lakh)

Particulars	As at 31 March, 2025
Balance with banks	
-In Current accounts	5.00
Total	**5.00**

Note 7 Equity Share capital

(₹ In Lakh)

Particulars	As at 31 March, 2025
Equity Share Capital	
Authorised	
50000 equity shares of ₹10/- each at par	5.00
Issued, subscribed and paid up	
50000 equity shares of ₹10/- each at par	5.00
Total	**5.00**

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 period from 20 November, 2024 to 31 March, 2025	
	No. of Shares	₹ in Lakh Amount
Shares outstanding at the beginning of the period	-	-
Shares Issued during the period	50,000	5.00
Shares outstanding at the end of the period	**50,000**	**5.00**

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	
	No. of Shares	% of holding
Power Grid Corporation of India Limited (Promoter)#	50,000	100%
REC Power Development Consultancy Limited*	-	0%

#Out of 50000 Equity shares 6 equity shares are held by nominees of M/s Power Grid Corporation of India Limited on its behalf .

*100% equity acquired by POWERGRID from REC Power Development Consultancy Limited on 24 March, 2025. Therefore, REC Power Development Consultancy Limited ceased to be Holding Company w.e.f. 24 March, 2025.

Note 8 Other Equity (₹ In Lakh)

Particulars	As at 31 March, 2025
(i) Retained Earnings	
Balance at the beginning of the period	-
Add: Additions	
Net Profit / (Loss) for the period	(0.53)
Balance at the end of the period	**(0.53)**
Total	**(0.53)**

Note 9 Trade payables **(₹ In Lakh)**

Particulars	As at 31 March, 2025
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	
Related Parties	-
Others	0.54
Total	0.54

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 21.

2 Refer Note 25 for amount payable to related parties.

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	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Others							
Disputed	-	-	-	-	-	-	-
Undisputed	0.54	-	-	-	-	-	0.54
Total	**0.54**	**-**	**-**	**-**	**-**	**-**	**0.54**
Total Trade Payables	**0.54**	**-**	**-**	**-**	**-**	**-**	**0.54**

Note 10 Other Current Financial Liabilities **(₹ In Lakh)**

Particulars	As at 31 March, 2025
Others	
Related parties	1,919.42
Total	1,919.42

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 21.

2 Refer Note 25. for amount payable to related parties.

Note 11 Other current liabilities **(₹ In Lakh)**

Particulars	As at 31 March, 2025
Statutory dues	4.05
Total	**4.05**

Note 12 Finance costs **(₹ In Lakh)**

Particulars	For the period from 20 November, 2024 to 31 March, 2025
i) Interest and finance charges on financial liabilities at amortised cost	
Power Grid Corporation of India Limited (Holding Company)	2.92
REC Power Development Consultancy Limited	1.74
Total	4.66
Less: Transferred to expenditure during construction (Net) - Note 14	4.66
Charged To Statement of Profit & Loss	**-**

Further Notes:

1 Refer Note 25 for Interest paid to related parties.

Note 13 Other expenses **(₹ In Lakh)**

Particulars	For the period from 20 November, 2024 to 31 March, 2025
Consultancy expenses	1,781.20
Payments to Statutory Auditors	
Audit Fees	0.59
Regulatory Commission Petition & Other charges	26.00
Miscellaneous expenses	67.79
	1,875.58
Less: Transferred to expenditure during construction (Net) - Note 14	1,874.87
Charged To Statement of Profit & Loss	**0.71**

Further Notes:

1 Refer Note 25 for expenses paid to related parties.

Note 14 Expenditure during Construction (Net) **(₹ In Lakh)**

Particulars	For the period from 20 November, 2024 to 31 March, 2025
A. Other Expenses	
Consultancy expenses	1,781.20
Miscellaneous expenses	93.67
Total (A)	1,874.87
B. Finance Costs	
a) Interest and finance charges on financial liabilities at amortised cost	-
Power Grid Corporation of India Limited (Holding Company)	2.92
REC Power Development Consultancy Limited	1.74
	4.66
Total (B)	4.66
GRAND Total	**1,879.53**

Note 15 Financial Risk Management

The Company's principal financial liabilities comprise 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 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

There are no trade receivables as at 31st March, 2025.

(ii) Other Financial Assets (excluding trade receivables)

· **Cash and cash equivalents**

The Company held cash and cash equivalents of ₹5 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**
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)	
Cash and cash equivalents	5.00
Total	**5.00**

(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) 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 31st March, 2025.

(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 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
As at 31 March, 2025				
Trade payables	0.54	-	-	0.54
Other financial liabilities				
Others	1,919.42	-	-	1,919.42
Total	**1,919.96**	-	-	**1,919.96**
	-	-	-	-

(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 not taken any borrowings. Hence, the company does not have exposure to interest rate risk.

Note 16 Additional Regulatory Information as per Schedule III to the Companies Act, 2013

a) There are no cases of immovable properties where title deeds are not in the name of the company.

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

(₹ in lakh)

Particulars	<1 Year	1-2 Years	2-3 Years	>3 Years	Total
As at 31 March, 2025					
Projects in progress	1,923.30	-	-	-	**1,923.30**
Projects temporarily suspended	-	-	-	-	**-**
Total	**1,923.30**	**-**	**-**	**-**	**1,923.30**

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

e) Completion of Intangible assets under development (IAUD) is neither overdue nor has exceeded its cost compared to its original plan.

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
a) Current Ratio	Current Assets	Current Liabilities	0.00
b) Debt Equity Ratio	Total Debt	Shareholder's Equity	NA
c) Debt Service Coverage Ratio	Profit for the period + Depreciation and amortization expense + Finance costs	Interest & Lease Payments + Principal Repayments	NA
d) Return on Equity Ratio	Profit for the period	Average Shareholder's Equity	-24%
e) Inventory turnover ratio	Revenue from Operations	Average Inventory	NA
f) Trade Receivable Turnover Ratio	Revenue from Operations	Average Trade Receivables (before deducting provision)	NA
g) Trade payable turnover ratio	Gross Other Expense (–) FERV, Provisions, Loss on disposal of PPE	Average Trade payables	2.63
h) Net capital turnover ratio	Revenue from Operations	Current Assets - Current Liabilities	NA
i) Net profit ratio	Profit for the period	Revenue from Operations	NA
j) Return on Capital employed	Earnings before interest and taxes	Tangible Net Worth + Total Debt + Deferred Tax Liability	-16%
k) Return on investment	{MV(T1) – MV(T0) – Sum [C(t)]}	{MV(T0) + Sum [W(t) * C(t)]}	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 17 a) Some balances of 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 18 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.

The Company has no trade receivables as at 31st March, 2025.

Note 19 **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.

Note 20 Borrowing cost capitalised during the period is ₹4.66 Lakh in the respective carrying amount of Property, Plant and Equipment/Capital work in Progress (CWIP) as per Ind AS 23 'Borrowing Costs'.

Note 21 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, 2025
1	Principal amount and interest due thereon remaining unpaid to any supplier as at end of each accounting year:		
	Principal	Nil	Nil
	Interest	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
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
4	The amount of interest accrued and remaining unpaid at the end of each accounting year	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

Note 22 Disclosure as per Ind AS 116 - "Leases"

The company does not have any lease arrangements as a lessor or as a lessee.

Note 23 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 24 Fair Value Measurement

(₹ in lakh)

Financial Instruments by category	As at 31 March, 2025
	Amortised cost
Financial Assets	
Cash & cash Equivalents	5.00
Total Financial assets	**5.00**
Financial Liabilities	
Trade Payables	0.54
Other Financial Liabilities	
Other Current Financial Liabilities	1,919.42
Non-Current	-
Total financial liabilities	**1,919.96**

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	
		Carrying Amount	Fair value
Financial Liabilities			
Borrowings	2	-	-
Total financial liabilities		**-**	**-**

The carrying amounts of trade payables, cash and cash equivalents 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 25 Disclosure as per Ind AS 24 - "Related Party Disclosures"

(a) Holding Company

Name of entity	Place of business/ Country of incorporation	Proportion of Ownership As at 31 March, 2025
Power Grid Corporation of India Limited	India	100%
REC Power Development Consultancy Limited*	India	0%

*100% equity acquired by POWERGRID from REC Power Development Consultancy Limited on 24 March, 2025. Therefore, REC Power Development Consultancy Limited ceased to be Holding Company w.e.f. 24 March, 2025.

(b) Subsidiaries of Holding Company

Name of entity	Place of business / 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 (Erstwhile Khavda II-B Transmission Limited)	India
POWERGRID Khavda II-C Transmission Limited (Erstwhile Khavda II-C Transmission Limited)	India
POWERGRID Khavda RE Transmission System Limited (Erstwhile Khavda RE Transmission Limited)	India
POWERGRID KPS2 Transmission System Limited (Erstwhile KPS2 Transmission Limited)	India
POWERGRID KPS3 Transmission Limited (Erstwhile KPS3 Transmission Limited)	India
POWERGRID ERWR Power Transmission Limited (Erstwhile ERWR Power Transmission Limited)	India
POWERGRID Raipur Pool Dhamtari Transmission Limited (Erstwhile Raipur Pool Dhamtari Transmission Limited)	India
POWERGRID Dharamjaigarh Transmission Limited (Erstwhile Dharamjaigarh Transmission Limited)	India
POWERGRID Bhadla Sikar Transmission Limited (Erstwhile Bhadla Sikar Transmission Limited)	India

POWERGRID Ananthpuram Kurnool Transmission Limited (Erstwhile Ananthpuram Kurnool Transmission Limited)	India
POWERGRID Bhadla III Transmission Limited (Erstwhile Bhadla III Transmission Limited)	India
POWERGRID Ramgarh II Transmission Limited (Erstwhile Ramgarh II Transmission Limited)	India
POWERGRID Beawar Dausa Transmission Limited (Erstwhile Beawar Dausa Transmission Limited)	India
POWERGRID Bikaner Neemrana Transmission Limited (Erstwhile Bikaner III Neemrana Transmission Limited)	India
POWERGRID Neemrana Bareilly Transmission Limited (Erstwhile Neemrana II Bareilly Transmission Limited)	India
POWERGRID Vataman Transmission Limited (Erstwhile Vataman Transmission Limited)	India
POWERGRID Koppal Gadag Transmission Limited (Erstwhile Koppal II Gadag II Transmission Limited)	India
POWERGRID Sikar Khetri Transmission Limited (Erstwhile Sikar Khetri Transmission Limited)	India
POWERGRID Bidar Transmission limited (Erstwhile Bidar Transmission Limited)	India
POWERGRID Mandsaur Transmission Limited (Erstwhile Rajasthan IV C Power Transmission Limited) -100% equity acquired by POWERGRID from REC Power Development Consultancy Limited on 19-Aug-2024	India
POWERGRID Khavda IV-E2 Power Transmission Limited (Erstwhile Khavda IV-E2 Power Transmission Limited) -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) -100% equity acquired by POWERGRID from REC Power Development Consultancy Limited on 19-Aug-2024	India
POWERGRID Sirohi Transmission Limited (Erstwhile Sirohi Transmission Limited) -100% equity acquired by POWERGRID from PFC Consulting Limited on 22-Aug-2024	India
POWERGRID Beawar-Mandsaur Transmission Limited (Erstwhile Beawar - Mandsaur Transmission Limited) -100% equity acquired by POWERGRID from PFC Consulting Limited on 22-Aug-2024	India
POWERGRID Khavda PS1 and 3 Transmission Limited (Erstwhile Khavda PS1 and 3 Transmission Limited) -100% equity acquired by POWERGRID from PFC Consulting Limited on 07-Nov-2024	India
POWERGRID Bhadla Bikaner Transmission Limited (Erstwhile Bhadla-III & Bikaner-III Transmission Limited) -100% equity acquired by POWERGRID from PFC Consulting Limited on 30-Aug-2024	India
POWERGRID South Olpad Transmission Limited (Erstwhile South Olpad Transmission Limited) -100% equity acquired by POWERGRID from PFC Consulting Limited on 15-Oct-2024	India
POWERGRID Bhadla-III Power Transmission Limited (Erstwhile Bhadla III Power Transmission Limited) -100% equity acquired by POWERGRID from REC Power Development Consultancy Limited on 28-Aug-2024	India
POWERGRID Kurawar Transmission Limited (Erstwhile Rajasthan IV H1 Power Transmission Limited) -100% equity acquired by POWERGRID from REC Power Development Consultancy Limited on 15-Oct-2024	India

POWERGRID Jam Khambhaliya Transmission Limited (Erstwhile Jam Khambhaliya Transmission Limited) -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) -100% equity acquired by POWERGRID from REC Power Development Consultancy Limited on 19-Nov-2024	India
POWERGRID Barmer I Transmission Limited (Erstwhile Barmer I Transmission Limited) -100% equity acquired by POWERGRID from PFC Consulting Limited on 07-Nov-2024	India
POWERGRID Bikaner IV Transmission Limited (Erstwhile Bikaner A Power Transmission Limited) -100% equity acquired by POWERGRID from REC Power Development Consultancy Limited on 11-Nov-2024	India
POWERGRID Siwani Transmission Limited (Erstwhile Bikaner B Power Transmission Limited) -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) -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) -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) -100% equity acquired by POWERGRID from PFC Consulting Limited on 16-Jan-2025	India
Khavda V-B1B2 Power Transmission Limited -100% equity acquired by POWERGRID from REC Power Development Consultancy Limited on 18-Feb-2025	India
Bidar Transco Limited -100% equity acquired by POWERGRID from REC Power Development Consultancy Limited on 18-Feb-2025	India
Chitradurga Bellary REZ Transmission Limited -100% equity acquired by POWERGRID from PFC Consulting Limited on 21-Mar-2025	India
Fatehgarh II And Barmer I PS Transmission Limited -100% equity acquired by POWERGRID from PFC Consulting Limited on 21-Mar-2025	India
Banaskantha Transco Limited -100% equity acquired by POWERGRID from REC Power Development Consultancy Limited on 24-Mar-2025	India
Rajasthan V Power Transmission Limited -100% equity acquired by POWERGRID from REC Power Development Consultancy Limited on 24-Mar-2025	India
Kurnool III PS RE Transmission Limited -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 (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 G Ravisankar	Chairperson & Additional Director	24-03-2025	Continuing
Shri Ashwani Kumar Gupta	Additional Director	24-03-2025	Continuing
Shri Gyaneshwar Prasad Payasi	Additional Director	24-03-2025	Continuing
Shri Naga Raju Arza	Additional Director	24-03-2025	Continuing
Shri Arvind Kumar	Director	20-11-2024	24-03-2025
Shri Awanish Kumar Bharati	Director	20-11-2024	24-03-2025
Shri Debasis Mitra	Director	20-11-2024	24-03-2025

(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
Amounts payable	
Power Grid Corporation of India Ltd. (Holding Company)	
Interest Accrued on Advance from Holding Company	2.63
Other Payables (Advances from holding company)	1,916.79

(h) Transactions with related parties

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

(₹ in lakh)

Particulars	For the period from 20 November, 2024 to 31 March, 2025
Power Grid Corporation of India Ltd. (Holding Company)	
Advances from Holding Company towards reimbursement of acquisition cost	1,850.73
Reimbursement of Expenses towards transmission adoption charges and license fees	26.00
Reimbursement of Expenses towards survey & soil investigation	37.09
Interest on advances	2.92
REC Power Development Consultancy Limited (Holding Company till 24 March, 2025)	
Purchase of Goods or Services – Consultancy Expense	1,500.00
Reimbursement of Expenses	66.94
Investments Received during the period (Equity/Share application Money)	5.00
Interest paid	1.47

Note 26 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 27 Capital and other Commitments

(₹ in lakh)

Particulars	As at 31 March, 2025
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1,41,023.23

Note 28 Contingent Liabilities and contingent assets

Contingent liabilities, Claims against the Company not acknowledged as debts and Contingent Assets is Nil as on 31.03.2025.

Note 29 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**
Total debt (₹ in lakh)	-
Equity (₹ in lakh)	4.47
Long term debt to Equity ratio	-

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

Note 30 Earnings per share

Particulars	**For the period from 20 November, 2024 to 31 March, 2025**
Basic and diluted earnings per share attributable to the equity holders of the company (in ₹)	(1.06)
Total Earnings attributable to the equity holders of the company (₹ in lakh)	(0.53)
Weighted average number of shares used as the denominator	50,000

Note 31 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

(₹ in lakh)

Particulars	**For the period from 20 November, 2024 to 31 March, 2025**
Current Tax	
Current tax on profits for the period	-
Deferred Tax expense	
Origination and reversal of temporary differences	(0.18)
Total deferred tax expense /benefit	**(0.18)**
Income tax expense (A+B)	**(0.18)**

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

(₹ in lakh)

Particulars	**For the period from 20 November, 2024 to 31 March, 2025**
Profit before income tax expense including movement in Regulatory Deferral Account Balances	(0.71)
Tax at the Company's domestic tax rate of 25.168 %	**-**
Tax effect of:	
Unabsorbed tax losses	(0.18)
Income tax expense	**(0.18)**

Note 32 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 33 Recent Pronouncements

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.

Note 34 Figures have been rounded off to nearest rupees in lakh up to two decimals.

As per our report of even date
For A N K G & Associates
Chartered Accountants
Firm Regn. No. 020753N

NARESH KUMAR GUPTA
Digitally signed by NARESH KUMAR GUPTA
Date: 2025.06.09 15:47:32 +05'30'

Naresh Kumar Gupta
Partner
Mem. No. 075291
Place: Gurugram

For and on behalf of the Board of Directors

RAVISANKAR GANESAN
Digitally signed by RAVISANKAR GANESAN
Date: 2025.06.05 18:07:01 +05'30'

G Ravisankar
Chairperson
DIN: 08816101
Place: Gurugram

Gyaneshwar Prasad Payasi
Digitally signed by Gyaneshwar Prasad Payasi
Date: 2025.06.05 18:04:49 +05'30'

G P Payasi
Additional Director
DIN: 10088426
Place: Gurugram