

# **POWERGRID TELESERVICES LIMITED**

**Wholly Owned Subsidiary of Power Grid Corporation of India Limited  
(CIN: U64200DL2021GOI390464)**

## **ANNUAL REPORT (2022-23)**

# **POWERGRID TELESERVICES LIMITED**

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

**CIN: U64200DL2021GOI390464**

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

**Tel: 011-26560112**

## **DIRECTORS' REPORT**

To,

Dear Shareholders,

It gives me immense pleasure to present, on behalf of the Board of Directors, the 2<sup>nd</sup> Annual Report of POWERGRID Teleservices Limited on the working of the Company together with Audited Financial Statements and Auditors' Report for the Financial Year ended 31<sup>st</sup> March, 2023.

### **1. State of the Company's Affairs**

POWERGRID Teleservices Limited (PowerTel) was incorporated on 25<sup>th</sup> November, 2021 as a Wholly Owned Subsidiary of Power Grid Corporation of India Limited (POWERGRID) to undertake Telecommunications and Digital Technology Business which was hitherto carried out by POWERGRID to achieve rapid expansion in this growing business opportunity. Unified license with service authorizations for National Long Distance (NLD), Internet Service Provider – A (ISP-A) & International Long Distance (ILD) has been obtained on 11.05.2023 from Department of Telecom (DoT). Further, Infrastructure Provider – 1 (IP-1) registration has been obtained on 16.02.2023 from DoT.

Central Electricity Regulatory Commission (CERC), on 30.11.2022, accorded the approval for providing, on lease/licence basis, the land at POWERGRID Manesar substation to PowerTel, for undertaking Data Centre activities and subsequently, investment approval for the Data Centre at Manesar has been accorded by the Board of Directors of POWERGRID and PowerTel.

Further, on 17.05.2023, CERC accorded the approval for undertaking of existing Telecommunications business of POWERGRID through PowerTel and pursuant to approval of the Board of Directors of POWERGRID and PowerTel, a Business Transfer Agreement (BTA) has been signed on 18.07.2023 between POWERGRID and PowerTel to commence transfer of business.

To provide telecom connectivity to neighboring countries (Nepal and Bangladesh), ILD Gateway has been established at Muzaffarpur (for connectivity to Nepal) & Behrampur (for connectivity to Bangladesh) and awaiting clearance from DoT.

## 2. Financial Performance

Particulars	₹ in Lakhs	
	2022-23	25.11.2021- 31.03.2022
Revenue from Operations	-	-
Other Income	18.51	5.44
<b>Total Income</b>	<b>18.51</b>	<b>5.44</b>
<b>Total Expenses</b>	<b>27.07</b>	<b>49.52</b>
Profit before Tax	(8.56)	(44.08)
<b>Profit after Tax</b>	<b>(6.41)</b>	<b>(32.99)</b>
<b>Earnings Per Equity Share (₹)</b>	<b>(0.07)</b>	<b>(0.37)</b>

## 3. Share Capital

The Authorized and Paid-up Share Capital of the Company as on 31<sup>st</sup> March, 2023 were ₹50.00 Crore and ₹9.00 Crore, respectively.

## 4. Dividend and Transfer to Reserves

Your Directors have not recommended any dividend or transferred any amount to the reserves for the Financial Year ended 31<sup>st</sup> March, 2023.

## 5. 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.

## 6. Particulars of contracts or arrangements with related parties

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

## 7. Material Changes & Commitments

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

## **8. Deposits**

Your Company has not accepted any deposit during the Financial Year 2022-23.

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

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

## **10. Directors' Responsibility Statement**

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

- a. in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
- c. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the Directors had prepared the Annual Accounts on a going concern basis; and
- e. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

There was no Conservation of Energy, Technology absorption and Foreign Exchange Earnings and out go in the Company for Financial Year 2022-23.

## **12. Annual Return**

In compliance with the provisions of Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, copy of Annual Return of the Company is available on the website of the Power Grid Corporation of India Limited (Holding Company) i.e. [www.powergrid.in](http://www.powergrid.in) and can be accessed in the Subsidiaries section of the Investors tab.

### **13. Board of Directors**

As on 31<sup>st</sup> March, 2023, the Board comprised of Four (04) Directors viz., Shri Sreekant Kandikuppa, Shri Ravisankar Ganesan, Shri Ravindra Kumar Tyagi and Shri Vamsi Ramamohan Burra.

Following were the changes in the composition of the Board of Director of the Company during the Financial Year 2022-23:

- a. Smt. Seema Gupta, Shri Mohammed Taj Mukarrum and Shri Suresh Chandra Agrawal ceased to be Directors of the Company w.e.f. 31<sup>st</sup> May, 2022, 31<sup>st</sup> July, 2022 and 30<sup>th</sup> November, 2022, respectively, consequent to their superannuation from POWERGRID.
- b. Shri Ravindra Kumar Tyagi, Shri Sreekant Kandikuppa and Shri Ravisankar Ganesan have been appointed as Additional Directors on the board of the Company w.e.f. 23<sup>rd</sup> June, 2022, 18<sup>th</sup> July, 2022 and 08<sup>th</sup> August, 2022, respectively. Their appointments were regularized at the 1<sup>st</sup> Annual General Meeting held on 02<sup>nd</sup> November, 2022.
- c. Shri Vamsi Ramamohan Burra was appointed as an Additional Director on the Board of the Company w.e.f. 01<sup>st</sup> December, 2022, who holds office up to the date of ensuing Annual General Meeting.

The Board placed on record its appreciation for the valuable contribution, guidance and support given by Smt. Seema Gupta, Shri Mohammed Taj Mukarrum and Shri Suresh Chandra Agrawal 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 Vamsi Ramamohan Burra as Director, liable to retire by rotation, in the ensuing Annual General Meeting.

In accordance with the provisions of the Companies Act, 2013, Shri Sreekant Kandikuppa shall retire by rotation at the Annual General Meeting of your Company and being eligible, has offered himself for re-appointment.

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

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

During the Financial Year 2022-23, Four (04) meetings of Board of Directors were held on 17<sup>th</sup> May, 2022, 08<sup>th</sup> August, 2022, 02<sup>nd</sup> November, 2022 and 30<sup>th</sup> January, 2023. The detail of number of meetings attended by each Director during the Financial Year are as under:

<b>Name of Directors</b>	<b>Designation</b>	<b>No. of Board Meetings entitled to attend during the Financial Year 2022-23</b>	<b>No. of Board Meetings attended during the Financial Year 2022-23</b>
Smt. Seema Gupta	Chairperson & Director	01	01
Shri Mohammed Taj Mukarrum	Director	01	01
Shri Suresh Chandra Agrawal	Director	03	03
Shri Sreekant Kandikuppa	Chairman & Director	03	03
Shri Ravindra Kumar Tyagi	Director	03	03
Shri Ravisankar Ganesan	Director	02	02
Shri Vamsi Ramamohan Burra	Director	01	01

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

##### **Audit Committee and 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 FY 2022-23.

##### **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 FY 2022-23.

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

The provision of Section 149(4) of the Companies Act, 2013 were not applicable to the Company during the FY 2022-23.

#### **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**

M/s Svaraj & Associates, Chartered Accountants, was appointed by Comptroller and Auditor General of India as Statutory Auditors of the Company for the Financial Year 2022-23.

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

M/s Svaraj & Associates, Chartered Accountants, the Statutory Auditors for the Financial Year 2022-23 have given an unqualified report. The report is self-explanatory and does not require any further comments by the Board.

#### **20. Comptroller and Auditor General's (C&AG) Comments**

Comptroller and Auditor General of India have decided not to conduct the supplementary audit under Section 143(6) of the Companies Act, 2013 of the financial statements of the Company for the year ended 31<sup>st</sup> March, 2023. Copy of letter dated 31<sup>st</sup> May, 2023 received from C&AG is placed at Annexure-II to this report.

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

During the Financial Year 2022-23, the Statutory Auditors 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 is not applicable to the Company for the financial year ended 31<sup>st</sup> March, 2023.

#### **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 the Company during Financial year 2022-23.

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

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

#### **25. Particulars of Employees**

As per Notification dated 5<sup>th</sup> June, 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 197 of the Companies Act, 2013 & corresponding rules of Chapter XIII are exempted for Government Companies. 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 generally followed the Secretarial Standards SS-1 & SS-2 issued by the Institute of Company Secretaries of India.

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

POWERGRID (the holding Company) has Internal Committee (IC) in place to redress the complaints of sexual harassment.

#### **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 financial year impacting the going concern status and Company's operation in future.

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

Your Company has, in all material respects, an adequate Internal Financial Controls System over Financial Reporting and such Internal Financial Controls over Financial Reporting were operating effectively during Financial Year 2022-23.

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

During the Financial Year 2022-23, no application has been made under the Insolvency and Bankruptcy Code; hence the requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the year along with their status as at the end of the financial year is not applicable.

#### **31. Right to Information**

In compliance with 'Right to Information Act, 2005' (the 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 Act.

**32. Acknowledgement**

The Board of Directors place on record their gratitude for the support of Ministry of Power, the Central Electricity Regulatory Commission, the Central Electricity Authority, the Department of Public Enterprises, Power Grid Corporation of India Limited, the Comptroller & Auditor General of India, the Auditors and various other authorities.

For and on behalf of  
**POWERGRID Teleservices Limited**



**(K. Sreekant)**  
**Chairman**  
**DIN: 06615674**

**Date: 12<sup>th</sup> September, 2023**  
**Place: Gurugram**

**Annexure-I****POWERGRID TELESERVICES LIMITED****FORM No. AOC -2**

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

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

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

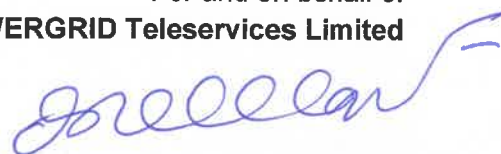
Sl. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	-
b)	Nature of contracts/arrangements/transaction	-
c)	Duration of the contracts/arrangements/transaction	-
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	-
e)	Justification for entering into such contracts or arrangements or transactions'	-
f)	Date of approval by the Board	-
g)	Amount paid as advances, if any	-
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	-

2. Details of Material contracts or arrangements or transactions at Arm's length basis.

Sl. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	-
b)	Nature of contracts/arrangements/transaction	-
c)	Duration of the contracts/ arrangements/ transaction	-

d)	Salient terms of the contracts or arrangements or transaction including the value, if any	-
e)	Date of approval by the Board	-
f)	Amount paid as advances, if any	-

For and on behalf of  
**POWERGRID Teleservices Limited**



**(K. Sreekant)**  
**Chairman**  
**DIN: 06615674**

**Date: 12<sup>th</sup> September, 2023**  
**Place: Gurugram**

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(B) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF POWERGRID TELESERVICES LIMITED FOR THE YEAR ENDED 31 MARCH 2023**

The preparation of financial statements of Powergrid Teleservices Limited for the year ended 31 March 2023 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(5) 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 16.05.2023.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of Powergrid Teleservices Limited for the year ended 31 March 2023 under Section 143(6)(a) of the Act.

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



(Sanjay K. Jha)  
Director General of Audit (Energy)  
New Delhi

Place: New Delhi  
Dated: 31-05-2023



## INDEPENDENT AUDITOR'S REPORT

To,

**The Members of Powergrid Teleservices Limited**

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of **Powergrid Teleservices Limited** ("the Company"), which comprise the balance sheet as at 31 March 2023, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, the profit & total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Key Audit Matters

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

#### Management's Responsibility for the Financial Statements

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

Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The balance sheet, the statement of profit and loss including other comprehensive income, statement of changes in equity and the statement of cash flow dealt with by this Report are in agree with the relevant books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with the relevant rules issued thereunder;

- (e) In view of exemption given vide notification no. G.S.R. 463(E) dated June 5, 2015, issued by the Ministry of Corporate Affairs, provisions of Section 164(2) of the Act regarding disqualification of Directors, no director is disqualified during the year;
- (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 '1'**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (g) Pursuant to Notification No. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of Section 197 of the Companies Act, 2013, are not applicable to the Company, being a Government Company; and
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i) The Company does not have any pending litigations which would impact its Financial Position;
  - 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 its knowledge and belief, no funds (which are material either individually or in the aggregate) 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 or entity, including foreign entity ("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 its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("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;
- c) Based on the 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 misstatement.

- d) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
2. In terms of section 143(5) of the Companies Act, 2013, we give in **Annexure '2'**, our report on the directions issued by the Comptroller and Auditor General of India.
3. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in **Annexure '3'** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

**For M/s. SVARAJ & Associates**  
Chartered Accountants  
FRN No.014203N

**ASHISH** Digitally signed  
by ASHISH  
Date: 2023.05.16  
23:52:42 +05'30'

**Ashish**  
Partner  
M No. 526075

Date: 16/05/2023  
Place: New Delhi  
UDIN No. 23526075BGYVMS7512

## ANNEXURE - '1'

As referred to in our Independent Auditors' Report to the members of the **M/s Powergrid Teleservices Limited** ("the Company"), on the Financial Statements for the year ended 31<sup>st</sup> March 2023

### **Report on the Internal Financial Controls Over Financial Reporting 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 the company as at 31<sup>st</sup> March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Board of Directors of the Company is responsible for establishing and maintaining Internal Financial Control based on "the Internal Control over Financial Reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate Internal Financial Controls that were operating effectively for ensuring the orderly and efficient conduct of its business, 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.

The financial statements and related information and reports produced for our audit are prepared and presented under the control of corporate financial reporting team and the management of the company has confirmed that they comply with the internal financial control over financial reporting as adopted by the parent company.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the 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 Control 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. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

### **Meaning of Internal Financial Controls over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that:

- 1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the company; and
- 3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

## **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 controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **Opinion**

In our opinion, the Company has, in all material respects, an adequate Internal Financial Controls System over Financial Reporting and such Internal Financial Controls over Financial Reporting were operating effectively as at 31st March 2023, based on "the Internal Financial Controls 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 M/s. SVARAJ & Associates**  
Chartered Accountants  
FRN No.014203N

**ASHISH**  
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by ASHISH  
Date:  
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**Ashish**  
Partner  
M No. 526075

Date: 16/05/2023  
Place: New Delhi  
UDIN No. 23526075BGYVMS7512

## Annexure - '2' to Independent Auditor' Report

As referred to in our Independent Auditors' Report to the Members of the **M/s Powergrid Teleservices Limited ('The Company')**, on the Standalone Financial Statements for the Year Ended 31<sup>st</sup> March 2023, we Report that:

Sl. 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, then the implications of accounting transaction outside IT system on the integrity of accounts along with the financial implications, if any, may be stated.	All accounting transactions of the company are processed through the ERP (SAP System) that has been implemented by the Company. No accounting transaction is being recorded /processed otherwise than through the ERP system in place. Hence no further disclosure is required in this regard.	NIL
2	Whether there is any restructuring of any 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.	There are no cases of restructuring of existing loan or cases of waiver/write off of debts/loans/interest etc.	NIL
3	Whether funds received/receivable for specific schemes from Central/State agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.	No fund has been received from Central/State agencies.	NIL

**For M/s. SVARAJ & Associates**

Chartered Accountants

FRN No.014203N

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by ASHISH  
Date: 2023.05.16  
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**Ashish**

Partner

M No. 526075

Date: 16/05/2023

Place: New Delhi

UDIN No. 23526075BGYVMS7512

### **Annexure '3' to the Independent Auditors' Report**

As referred to in our Independent Auditors' Report of even date to the members of the **Powergrid Teleservices Limited**, on the Ind AS financial statements for the year ended 31st March 2023, we report that:

- (i) a) (A) The Company does not have any Property, Plant & Equipment. Hence Reporting under this clause is not applicable.  
  
(B) The Company has generally maintained records, showing full particulars of intangible assets.
- b) The Company does not have any Property, Plant & Equipment. Hence Reporting under clause 3(i)b is not applicable.
- c) The Company does not have any immovable property. Hence Reporting under clause 3(i)c is not applicable.
- d) In our opinion and according to the information and explanations given to us, the company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- e) In our opinion and according to the information and explanations given to us, no proceedings have been initiated or are pending against the company for holding any Benami property under the "Benami Transactions (Prohibition) Act, 1988 and Rules made thereunder.
- (ii) a) The Company does not hold any inventory, accordingly the paragraph 3(ii)(a) of the order is not applicable to the company.  
  
b) The Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of the security of current assets at any point of time during the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (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, paragraph 3(iii) of the Order is not applicable to the company. We further report that bank guarantees given as a part of contractual obligations of the company towards its normal course of business are not considered as guarantees given in the nature of loans for the purpose of reporting under this clause.
- (iv) In our opinion and according to information and explanation given to us, the company has not made any loans, Investments, guarantees and security in respect of the provisions of section 185 and 186 of the Act. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company.
- (v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposit from the public & no amounts has been deemed to be deposits in accordance

with the provisions of the sections 73 to 76 or any other relevant provisions of the Act, and the rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the company.

- (vi) According to information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act for the services provided by it. Accordingly, paragraph 3(v) of the Order is not applicable to the company.
- (vii)
  - a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues with appropriate authorities including Income Tax, Goods and Services Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and other statutory dues applicable to the Company and that there are no undisputed statutory dues outstanding as at 31 March 2023 for a period of more than six months from the date they became payable. We note that the company being a subsidiary of the Powergrid group and is not having any employee on its role, the provisions of the provident fund and the provisions of the Employees State Insurance Act are not applicable to the Company.
  - b) According to information and explanations given to us, there are no statutory dues referred to in sub- clause (a) have not been deposited on account of dispute.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not recorded in the books of account any transaction which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (ix) In our opinion, based on our examination of the records and according to the information and explanations given to us,
  - (a) the Company has not defaulted during the year in repayment of loans & payment of Interest to its financial institutions, bankers and dues to the Bond holders. Accordingly, paragraph 3(ix)(a) not applicable to the company.
  - (b) the company has not been declared willful defaulter by any bank/financial institution/other lender.
  - (c) In our opinion and according to the information explanation provided to us, no money was raised by way of term loans. Accordingly, the provision stated in paragraph 3(ix)(c) of the Order is not applicable to the Company.
  - (d) In our opinion, according to the information explanation provided to us, there are no funds raised on short term basis. Accordingly, the provision stated in paragraph 3(ix)(d) of the Order is not applicable to the Company.
  - (e) The Company do not have any Subsidiaries, Joint ventures or Associates. Accordingly, paragraph 3(ix)(e) not applicable to the company.
  - (f) The company does not raised any loans during the year and hence reporting on clause 3(ix)(f) is not applicable.

- (x) (a) The company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year.
- (b) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.

Accordingly, paragraph 3(x) of the Order is not applicable to the company.

- (xi) (a) According to the information and explanations given to us and as represented by the management, we have been informed that no case of fraud has been committed on or by the company during the year.
  - (b) As no fraud has been noticed during the year as mentioned at xi(a) above, report under sub-Section (12) of Section 143 of the Companies Act in the Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules 2014 is not applicable.
  - (c) According to the information and explanations given to us, no whistle-blower complaints has been received during the year by the Company.
- (xii) The company is not a Nidhi Company as prescribed under section 406 of the Act. Accordingly, clause 3(xii)(a), 3(xii)(b) & 3(xii)(c) of the Order is not applicable to the company.
- (xiii) According to the information and explanations given to us and as represented by the management, all transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and the details have been disclosed in the Ind AS financial statements as required by the applicable Indian Accounting Standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, Internal Audit as per section 138 of the Act is not applicable to the company. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) is not applicable to the company.
- (xvi) According to the information and explanations given to us, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Accordingly, paragraphs 3(xvi) are not applicable to the company.
- (xvii) According to the information and explanations given to us and based on our examination of the records of the company, the company has not incurred any cash losses in the current Financial Year but in the immediately preceding Financial Year, the company has incurred cash loss of Rs 44.89 lakhs.
- (xviii) There has not been any resignation of the statutory auditors during the year.



- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the records of the company, in our opinion, no material uncertainty exists as on the date of the audit report and the company is 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.
- xx) According to the information and explanations given to us and based on our examination of the records, the Company is not required to comply with Section 135 of the Companies Act, 2013. Accordingly, paragraph 3(xx)(a) & 3(xx)(b) are not applicable to the company.
- xxi) The Company do not have any Subsidiaries, Joint ventures or Associates. Accordingly, paragraph 3(xxi) is not applicable to the company.

**For M/s. SVARAJ & Associates**

Chartered Accountants

FRN No.014203N

**ASHISH** Digitally signed by  
ASHISH  
Date: 2023.05.16  
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**Ashish**

Partner

M No. 526075

Date: 16/05/2023

Place: New Delhi

UDIN No. 23526075BGYVMS7512

**Compliance Certificate**

We have conducted the audit of annual accounts of Powergrid Teleservices Ltd for the year ended 31st March 2023 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 M/s. SVARAJ & Associates

Chartered Accountants

FRN No.014203N



**Ashish**

Partner

M No. 526075

Date: 16/05/2023

Place: New Delhi

UDIN No. 23526075BGYVMT2886

**POWERGRID TELESERVICES LIMITED**  
CIN:U64200DL2021GOI390464  
B-9, Qutub Institutional Area, Katwaria Sarai, New Delhi-110016

**Balance Sheet as at 31st March, 2023**

(₹ in Lakh)

	Particulars	Note No.	As at 31st March,2023	As at 31st March,2022
<b>A</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-Current Assets</b>			
	(a) Intangible assets	<u>4</u>	506.40	-
	(b) Other non-current assets	<u>5</u>	2.36	530.54
	(c) Deferred tax asset (Net)	<u>6</u>	14.05	11.90
			<b>522.81</b>	<b>542.44</b>
<b>2</b>	<b>Current Assets</b>			
	(a) Financial Assets			
	(i) Cash & Cash equivalents	<u>7</u>	386.00	374.78
	(b) Other current assets	<u>8</u>	0.51	-
			<b>386.51</b>	<b>374.78</b>
	<b>TOTAL ASSETS</b>		<b>909.32</b>	<b>917.22</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>EQUITY</b>			
	(a) Equity Share Capital	<u>9</u>	900.00	900.00
	(b) Other Equity	<u>10</u>	(39.40)	(32.99)
			<b>860.60</b>	<b>867.01</b>
<b>2</b>	<b>Liabilities</b>			
	<b>Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Other current financial liabilities	<u>11</u>	48.67	49.40
	(b) Other current liabilities	<u>12</u>	0.05	-
	(c) Current tax liabilities (Net)	<u>13</u>	-	0.81
			<b>48.72</b>	<b>50.21</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>909.32</b>	<b>917.22</b>

The accompanying notes (1 to 37) form an integral part of financial statements

As per our report of even date

**For SVARAJ & ASSOCIATES**  
Chartered Accountants  
Firm Registration No : 014203N

**ASHISH** Digitally signed by ASHISH  
Date: 2023.05.16 23:42:52  
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**Ashish**  
Partner  
Membership No: 526075

**For and on behalf of the Board of Directors**

**KANDIKUPP** Digitally signed by  
KANDIKUPP SREEKANT  
Date: 2023.05.16 17:14:22  
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**K. Sreekant**  
Chairman  
DIN: 06615674

**RAVISANKA** Digitally signed by  
RAVISANKAR GANESAN  
Date: 2023.05.16  
17:18:34 +05'30'

**G. Ravisankar**  
Director  
DIN: 08816101

Place: New Delhi  
Date: 16.05.2023  
UDIN: 23526075BGVMS7512

Place: Gurugram  
Date: 16.05.2023

Place: Gurugram  
Date: 16.05.2023

**POWERGRID TELESERVICES LIMITED**  
CIN:U64200DL2021GOI390464  
B-9, Qutub Institutional Area, Katwaria Sarai, New Delhi-110016

**Statement of Profit and Loss for the year ended 31st March, 2023**

(₹ in Lakh)

SI. No.	Particulars	Note No.	For the year ended 31st March, 2023	For the period 25th Nov 2021 to 31st March, 2022
<b>I</b>	<b>Income</b>			
	Revenue from operation		-	-
	Other income	<a href="#">14</a>	18.51	5.44
	<b>Total Income (I)</b>		<b>18.51</b>	<b>5.44</b>
<b>II</b>	<b>Expenses</b>			
	Finance cost	<a href="#">15</a>	0.02	-
	Depreciation and Amortization expense	<a href="#">16</a>	23.60	-
	Other Expenses	<a href="#">17</a>	3.45	49.52
	<b>Total Expenses (II)</b>		<b>27.07</b>	<b>49.52</b>
<b>III</b>	<b>Profit before tax (I-II)</b>		<b>(8.56)</b>	<b>(44.08)</b>
<b>IV</b>	<b>Tax expenses:</b>			
	Current tax-Current Year		-	0.81
	Earlier Year		-	-
	Deferred Tax		(2.15)	(11.90)
	<b>Total Tax Expenses (IV)</b>		<b>(2.15)</b>	<b>(11.09)</b>
<b>V</b>	<b>Profit/(Loss) for the period (III-IV)</b>		<b>(6.41)</b>	<b>(32.99)</b>
<b>VI</b>	Other Comprehensive Income		-	-
<b>VII</b>	<b>Total Comprehensive Income for the period (V-VI)</b>		<b>(6.41)</b>	<b>(32.99)</b>
<b>VIII</b>	<b>Earnings per Equity Share (Par Value ₹ 10 each)</b>			
	(1) Basic (in ₹)		(0.07)	(0.37)
	(2) Diluted (in ₹)		(0.07)	(0.37)

The accompanying notes (1 to 37) form an integral part of financial statements

As per our report of even date

**For SVARAJ & ASSOCIATES**  
Chartered Accountants  
Firm Registration No : 014203N

**ASHISH** Digitally signed by ASHISH  
Date: 2023.05.16 23:43:32  
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Ashish  
Partner  
Membership No: 526075

**For and on behalf of the Board of Directors**

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Date: 2023.05.16  
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**K. Sreekant**  
Chairman  
DIN: 06615674

**RAVISANKA** Digitally signed by  
RAVISANKAR  
GANESAN  
R GANESAN  
Date: 2023.05.16  
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**G. Ravisankar**  
Director  
DIN: 08816101

Place: New Delhi  
Date: 16.05.2023  
UDIN: 23526075BGYVMS7512

Place: Gurugram  
Date: 16.05.2023

Place: Gurugram  
Date: 16.05.2023

**POWERGRID TELESERVICES LIMITED**  
CIN:U64200DL2021GOI390464  
B-9, Qutub Institutional Area, Katwaria Sarai, New Delhi-110016

**Statement of Cash Flows for the year ended 31st March, 2023**

(₹ in Lakh)

Sl. No.	Particulars	For the year ended 31st March, 2023	For the period 25th Nov 2021 to 31st March, 2022
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Profit/(Loss) before Tax	(8.56)	(44.08)
		<b>(8.56)</b>	<b>(44.08)</b>
	<b>Adjustment for :</b>		
	Interest on FD	(18.51)	-
	Depreciation & Amortization expenses	23.60	-
	Finance Cost	0.02	-
		<b>5.11</b>	<b>-</b>
	<b>Operating profit before Changes in Assets and Liabilities</b>	<b>(3.45)</b>	<b>(44.08)</b>
	<b>Adjustments For Changes in Assets and Liabilities</b>		
	Adjustment for:		
	(Increase)/Decrease in Other current assets	(0.51)	-
	Increase/(Decrease) in Other current financial liabilities	(0.73)	2.12
	Increase/(Decrease) in Other current liabilities	0.05	-
	Preliminary Expenses Written Off	-	47.28
	<b>Cash Generated from Operations</b>	<b>(4.64)</b>	<b>5.32</b>
	Direct Tax (Paid)/Refund	(2.63)	-
	<b>Net Cash Flow from Operating Activities</b>	<b>(7.27)</b>	<b>5.32</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Adjusment for Changes in Assets and Liabilities		(530.54)
	Interest on FD	18.51	-
	<b>Net Cash Flow from Investing activities</b>	<b>18.51</b>	<b>(530.54)</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Issue of Shares	-	900.00
	Interest and financial charges	(0.02)	-
	<b>Net Cash Flow from Financing Activities</b>	<b>(0.02)</b>	<b>900.00</b>
<b>D</b>	<b>Net change in Cash and Cash equivalents (A+B+C)</b>	<b>11.22</b>	<b>374.78</b>
<b>E</b>	<b>Cash and Cash Equivalents (Opening balance)</b>	<b>374.78</b>	<b>-</b>
<b>F</b>	<b>Cash and Cash Equivalents (Closing balance) (Refer Note 7)</b>	<b>386.00</b>	<b>374.78</b>

The accompanying notes (1 to 37) form an integral part of financial statements

**Further notes:**

Note 1 - Cash and cash equivalents consists of balances with banks and deposits with original maturity of upto three months.

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

As per our report of even date

**For SVARAJ & ASSOCIATES**

Chartered Accountants

Firm Registration No : 014203N

**ASHISH** Digitally signed by ASHISH  
Date: 2023.05.16 23:44:12  
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**Ashish**

Partner

Membership No: 526075

**For and on behalf of the Board of Directors**

Digitally signed by  
KANDIKUPPA  
SREEKANT  
Date: 2023.05.16  
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**KANDIKUPPA  
A SREEKANT**

**K. Sreekant**

Chairman

DIN: 06615674

Digitally signed by  
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GANESAN  
Date: 2023.05.16  
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**RAVISANKAR  
R GANESAN**

**G. Ravisankar**

Director

DIN: 08816101

Place: New Delhi

Date: 16.05.2023

UDIN: 23526075BGVMS7512

Place: Gurugram

Date: 16.05.2023

Place: Gurugram

Date: 16.05.2023

**POWERGRID TELESERVICES LIMITED**

CIN:U64200DL2021GOI390464

B-9, Qutub Institutional Area, Katwaria Sarai, New Delhi-110016

**Statement of Changes in Equity for the year ended 31st March, 2023****A. Equity Share Capital****(₹ in Lakh)**

Particulars	Total
As at 1st April, 2022	900.00
Changes in equity share capital	-
As at 31st March, 2023	900.00
Particulars	Total
As at 25th November, 2021	-
Changes in equity share capital	900.00
As at 31st March, 2022	900.00

**B. Other Equity****(₹ in Lakh)**

Particulars	Reserves and Surplus	Total
	Retained Earnings	
As at 1st April, 2022	(32.99)	(32.99)
Total Comprehensive Income for the year	(6.41)	(6.41)
As at 31st March, 2023	(39.40)	(39.40)

**(₹ in Lakh)**

Particulars	Reserves and Surplus	Total
	Retained Earnings	
As at 25th November, 2021	-	-
Total Comprehensive Income for the period	(32.99)	(32.99)
As at 31st March, 2022	(32.99)	(32.99)

The accompanying notes (1 to 37) form an integral part of financial statements  
Refer to Note 10 for Nature & Movement of Reserve & Surplus.

As per our report of even date

**For SVARAJ & ASSOCIATES**  
Chartered Accountants  
Firm Registration No : 014203N

**ASHISH**  
Digitally signed by  
ASHISH  
Date: 2023.05.16  
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**Ashish**  
Partner  
Membership No: 526075

**For and on behalf of the Board of Directors**

**KANDIKUPP**  
A SREEKANT  
Digitally signed by  
KANDIKUPPA  
SREEKANT  
Date: 2023.05.16  
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**K. Sreekant**  
Chairman  
DIN: 06615674

**RAVISANKA**  
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RAVISANKAR GANESAN  
Date: 2023.05.16 17:17:30  
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**G. Ravisankar**  
Director  
DIN: 08816101

Place: New Delhi  
Date: 16.05.2023  
UDIN: 23526075BGYVMS7512

Place: Gurugram  
Date: 16.05.2023

Place: Gurugram  
Date: 16.05.2023

## Notes to Financial Statements

### 1. Corporate and General Information

POWERGRID Teleservices Limited ("the Company") is a public company domiciled and incorporated in India under the provisions of 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 is engaged in business of developing, operating and maintaining Telecommunications Networks and other related allied activities.

The financial statements of the company for the year ended 31 March 2023 were approved for issue by the Board of Directors on 16<sup>th</sup> May 2023.

### 2. Significant Accounting Policies

A summary of the significant accounting policies 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 (to the extent notified), The Companies Act, 1956, 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. 2.12 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 Lakh 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 realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized 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 recognizes 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.

Property, Plant and Equipment acquired as replacement of the existing assets are capitalized and its corresponding replaced assets removed/ retired from active use are derecognized.

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.

In the case of commissioned assets, deposit works/cost- plus contracts where final settlement of bills with contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustments in the year of final settlement.

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 capitalized as part of cost of the related building.

Spares parts whose cost is ₹5,00,000/- and above, standby equipment and servicing equipment which meets the recognition criteria of Property, Plant and Equipment are capitalized.

The acquisition or construction of some items of property, plant and equipment although not directly increasing the future economic benefits of any particular existing item of property, plant and equipment, may be necessary for the company to obtain future economic benefits from its other assets. Such items are recognized as property, plant and equipment.

### **Subsequent costs**

Subsequent expenditure is recognized 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 recognized 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 derecognized. 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 derecognized when no future economic benefits are expected from their use or upon their disposal.

The gain or loss arising on the disposal or retirement 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 retirement.

## **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 capitalization.

Expenditure of Corporate office, Regional Offices 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 capitalized 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 are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Subsequent expenditure on already capitalized 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 recognized as an intangible asset when the same is ready for its use.

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

Expenditure on research is recognised as an expense when it is incurred.

Expenditure on development activities shall be recognised as Intangible asset if it meets the eligibility criteria as per Ind AS 38 'Intangible Assets', otherwise it shall be recognised as an expense.

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 Investment property

Investment property comprises portions of land and/or buildings that are held for long term rental yields and/or for capital appreciation.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are carried at cost less accumulated depreciation and accumulated impairment loss, if any.

Transfers to or from investment property is made when there is a change in use i.e. an asset meets or ceases to meet the definition of investment property and there is evidence of the change in use.

Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised as profit or loss in the period of derecognition.

## 2.6 Depreciation / Amortisation

### Property, Plant and Equipment

Depreciation/amortisation on the items of telecom business is provided on straight line method as per useful life specified in Schedule II of the Companies Act, 2013 except for property, plant and equipment specified in the following paragraphs.

Depreciation on buildings held as investment property is provided on straight line method as specified in Schedule II of The Companies Act, 2013.

Depreciation on following items of property, plant and equipment is provided based on estimated useful life as per technical assessment.

Particulars	Useful life
a. Computers & Peripherals	3 Years
b. Servers & Network Components	5 years

Residual value of above assets is considered as Nil.

Mobile phones are charged off in the year of purchase.

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 increase/decrease in long term monetary items on account of exchange rate fluctuation, price adjustment, change in duties or similar factors, the unamortized 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 amortized over lease period. Leasehold land acquired on perpetual lease is not amortized.

#### **Intangible Assets**

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

Telecom Licenses are amortised on straight line basis over their respective useful lives.

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 amortization period and the amortization method for an intangible asset 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.

## **2.7 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.

## **2.8 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 recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit and loss. Impairment losses recognized in respect of CGUs are reduced from the carrying amounts of the assets of the CGU.

Impairment losses recognized 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 amortization, if no impairment loss had been recognized.

## **2.9 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.

## **2.10 Inventories**

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

Steel scrap is valued at estimated realizable value or book value, whichever is less.

Spares which do not meet the recognition criteria as Property, Plant and Equipment, including spare parts whose cost is less than ₹5,00,000/- 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/surplus stores and spares and non-moving unserviceable inventories is ascertained on review and provided for.

## **2.11 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 recognizes the lease payments on straight-line basis over the term of the lease.

Certain lease arrangements includes 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 recognized 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 2.8 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 capitalization as per accounting policy 2.7 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.

Net investment in such leased assets are recorded 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.

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 capitalized as property, plant and equipment and depreciated over its economic life. Rental income from operating lease is recognized over the term of the arrangement.

## **2.12 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**

Financial assets of the company comprises cash and cash equivalents, bank balances etc.

### **Classification**

The Company classifies its financial assets in the following categories:

- at amortised cost,
- at fair value through other comprehensive income

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.

### **Equity investments**

All equity investments in scope of Ind AS 109 'Financial Instruments' are measured at fair value. The company may, on initial recognition, make an irrevocable election to present subsequent changes in the fair value in other comprehensive income (FVOCI) on an instrument by-instrument basis.

For equity instruments classified as at FVOCI, all fair value changes on the instrument, excluding dividends are recognized in the OCI. There is no recycling of the amounts from OCI to Profit or Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

### **Derecognition of financial assets**

A financial asset is derecognized 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 recognizing 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 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.

## **2.13 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 recognized in the financial statements, whichever is earlier. In case the transaction is recognized 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).

## **2.14 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.

## **2.15 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.

### **2.15.1 Revenue from Operations**

Income from Telecom Services, net of downtime credit, is recognised on the basis of terms of agreements/purchase orders from the customers. Upfront fee received in advance under long term contracts providing Indefeasible Right to Use (IRU), is recognised as revenue on the basis of estimation of revenue over the period of contract

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

### **2.15.2 Other Income**

Interest income is recognized, 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).

Liquidated damages, warranty claims and interest on advances to suppliers are recognized when no significant uncertainty as to measurability and collectability exists.

Scrap other than steel scrap are accounted for as and when sold.

Dividend income is recognized when right to receive payment is established.

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

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

## **2.16 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.

## **2.17 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.

## **2.18 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.

## **2.19 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 statement of financial position.

## **2.20 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.

## **2.21 Statement of Cash Flows**

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

## **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.

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 recognizing 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.

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.

### **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.

# POWERGRID TELESERVICES LIMITED

CIN:U64200DL2021GOI390464

## Note 4/Intangible Assets

(₹ in Lakh)

[illegible]

**POWERGRID TELESERVICES LIMITED**

CIN:U64200DL2021GOI390464

**Note 5/Other non-current assets**

(Unsecured considered good unless otherwise stated)

**(₹ in Lakh)**

<b>Particulars</b>	<b>As at 31st March,2023</b>	<b>As at 31st March,2022</b>
<b>Advances recoverable in kind or for value to be received</b>		
Advance Against License Fee	-	530.00
Advance Tax & Tax deducted at source	2.36	0.54
<b>Total</b>	<b>2.36</b>	<b>530.54</b>

**POWERGRID TELESERVICES LIMITED**

CIN:U64200DL2021GOI390464

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

**(₹ in Lakh)**

<b>Particulars</b>	<b>As at 31st March,2023</b>	<b>As at 31st March,2022</b>
<b>Deferred Tax Liability</b>		
Difference in book depreciation and tax depreciation	0.73	-
<b>Deferred Tax Liability (A)</b>	<b>0.73</b>	<b>-</b>
<b>Deferred Tax Assets</b>		
Unused Tax Losses (Income Tax Loss)	14.78	11.90
<b>Deferred Tax Assets (B)</b>	<b>14.78</b>	<b>11.90</b>
<b>Net Deferred Tax Asset ( A-B)</b>	<b>14.05</b>	<b>11.90</b>
<b>Movements in Deferred Tax Liabilities</b>		<b>(₹ in Lakh)</b>
	<b>Amortization Difference in Intangible Assets</b>	<b>Total</b>
<b>As at 31st March 2022 (Audited)</b>	-	-
Charged/(Credited)		
- to Profit or Loss	0.73	0.73
- to Other Comprehensive Income	-	-
<b>As at 31st March 2023 (Audited)</b>	<b>0.73</b>	<b>0.73</b>
<b>Movements in Deferred Tax Assets</b>		<b>(₹ in Lakh)</b>
	<b>Unused Tax Losses</b>	<b>Total</b>
<b>As at 31st March 2022 (Audited)</b>	11.90	11.90
Charged/(Credited)		
- to Profit or Loss	2.88	2.88
<b>As at 31st March 2023 (Audited)</b>	<b>14.78</b>	<b>14.78</b>
<b>Amount taken to Statement of Profit and Loss</b>		
<b>Particulars</b>	<b>As at 31st March,2023</b>	<b>As at 31st March,2022</b>
Increase/(Decrease) in Deferred Tax Liabilities	0.73	-
(Increase)/Decrease in Deferred Tax Assets	(2.88)	(11.90)
<b>Net Amount taken to Statement of Profit and Loss</b>	<b>(2.15)</b>	<b>(11.90)</b>

**POWERGRID TELESERVICES LIMITED**

CIN:U64200DL2021GOI390464

**Note 7/Cash and Cash equivalents**

**(₹ in Lakh)**

<b>Particulars</b>	<b>As at 31st March,2023</b>	<b>As at 31st March,2022</b>
<b>Balance with Banks-</b>		
In Current Accounts with scheduled banks	0.31	0.88
In Term Deposits (with maturity less than 3 months)	385.69	373.90
<b>Total</b>	<b>386.00</b>	<b>374.78</b>

**POWERGRID TELESERVICES LIMITED**

CIN:U64200DL2021GOI390464

**Note 8/Other current Assets**

(Unsecured considered good unless otherwise stated)

**(₹ In Lakh)**

<b>Particulars</b>	<b>As at 31 March, 2023</b>	<b>As at 31 March, 2022</b>
Others -Considered Good*	0.51	-
<b>Total</b>	<b>0.51</b>	<b>-</b>

\* Others Include Input Tax Credit of CGST and SGST



**POWERGRID TELESERVICES LIMITED**  
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**Note 9/Equity Share Capital**

(₹ in Lakh)

Particulars	As at 31st March,2023	As at 31st March,2022
<b>Equity Share Capital</b>		
Authorised Share Capital 5,00,00,000 (Previous Year 5,00,00,000 ) Equity Shares of ₹ 10 each at par	5,000.00	5,000.00
Issued,Subscribed and Paid up capital 90,00,000 (Previous Year 90,00,000) fully paid up Equity shares of ₹ 10/- each at par	900.00	900.00
<b>Total</b>	<b>900.00</b>	<b>900.00</b>

**Further Notes :**

**1) Reconciliation of number and amount of share capital outstanding at the beginning and end of reporting period:**

Particulars	As at 31st March,2023		As at 31st March,2022	
	No. of Shares	(₹ in Lakh)	No. of Shares	(₹ in Lakh)
Equity shares outstanding at the beginning of period	90,00,000.00	900.00	-	-
Add: Shares issued during the period	-	-	90,00,000.00	900.00
Equity shares outstanding at the end of period	<b>90,00,000.00</b>	<b>900.00</b>	<b>90,00,000.00</b>	<b>900.00</b>

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

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

**4) Shareholders holding more than 5% equity shares of the Company**

Particulars	As at 31st March,2023		As at 31st March,2022	
	No. of Shares	% of holding	No. of Shares	% of holding
Power Grid Corporation of India Limited (Holding Company)#	90,00,000	100	90,00,000	100
<b>TOTAL</b>	<b>90,00,000</b>	<b>100</b>	<b>90,00,000</b>	<b>100</b>

**5) Shareholding by Promoters**

Particulars	As at 31st March,2023			As at 31st March,2022		
	No. of Shares	% of holding	% Change during	No. of Shares	% of	% Change
Power Grid Corporation of India Limited (Holding Company)#	90,00,000	100%	-	90,00,000	100%	-

# Out of 90,00,000 (Previous Year 90,00,000) Equity Shares, 6 Equity Shares are held by 6 Nominees of M/s Power Grid Corporation of India Limited (POWERGRID) jointly with M/s Power Grid Corporation of India Limited.

Power Grid Corporation of India Limited is the promoter of the company and there is no change in equity holding during the year.

**POWERGRID TELESERVICES LIMITED**

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**Note 10/Other Equity****(₹ in Lakh)**

<b>Particulars</b>	<b>As at 31st March,2023</b>	<b>As at 31st March,2022</b>
<b>Reserves and Surplus</b>		
<b>Retained Earnings</b>		
Balance at the beginning of the period	(32.99)	-
Add- Profit after tax as per Statement of Profit & Loss	(6.41)	(32.99)
Balance at the end of the period	(39.40)	(32.99)
<b>Total</b>	<b>(39.40)</b>	<b>(32.99)</b>

**POWERGRID TELESERVICES LIMITED**  
CIN:U64200DL2021GOI390464

**Note 11/Other current financial liabilities**

(₹ in Lakh)

Particulars	As at 31st March,2023	As at 31st March,2022
<b>A) Others</b>		
i) Payable to Power Grid Corp. of India Ltd (Holding Co.)#	48.14	47.87
ii) Others	0.53	1.53
<b>Total</b>	<b>48.67</b>	<b>49.40</b>

# Refer note 25 for Related Party

Further Note :

1) Disclosure with regard to Micro & 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 23

**POWERGRID TELESERVICES LIMITED**

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**Note 12/Other Current Liabilities**

(₹ in Lakh)		
Particulars	As at 31st March,2023	As at 31st March,2022
Statutory Dues*	0.05	-
<b>Total</b>	<b>0.05</b>	<b>-</b>

\*Statutory Dues includes TDS liability

**POWERGRID TELESERVICES LIMITED**

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**Note 13/Current Tax Liabilities (Net)**

**(₹ in Lakh)**

<b>Particulars</b>	<b>As at 31st March,2023</b>	<b>As at 31st March,2022</b>
As per last balance sheet	0.81	-
Additions during the year	-	0.81
Amount adjusted during the year	0.27	-
<b>Total</b>	<b>0.54</b>	<b>0.81</b>
Net off against Advance tax and TDS	0.54	-
<b>Closing Balance</b>	<b>-</b>	<b>0.81</b>

**POWERGRID TELESERVICES LIMITED**

CIN:U64200DL2021GOI390464

**Note 14/ Other Income****(₹ in Lakh)**

<b>Particulars</b>	<b>For the year ended 31st March, 2023</b>	<b>For the period 25th Nov 2021 to 31st March, 2022</b>
Interest on Term Deposit	18.51	5.44
<b>Total</b>	<b>18.51</b>	<b>5.44</b>

**POWERGRID TELESERVICES LIMITED**

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**Note 15/Finance Cost****(₹ in Lakh)**

<b>Particulars</b>	<b>For the year ended 31st March, 2023</b>	<b>For the period 25th Nov 2021 to 31st March, 2022</b>
Interest-Others*	0.02	-
<b>Total</b>	<b>0.02</b>	<b>-</b>

\* Others include Interest under section 234 B &amp; C

**POWERGRID TELESERVICES LIMITED**

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**Note 16/Depreciation and Amortization Expense****(₹ in Lakh)**

<b>Particulars</b>	<b>For the year ended 31st March, 2023</b>	<b>For the period 25th Nov 2021 to 31st March, 2022</b>
Amortization of Intangible asset	23.60	-
<b>Total</b>	<b>23.60</b>	<b>-</b>



**POWERGRID TELESERVICES LIMITED**  
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**Note 17/ Other Expenses**

(₹ in Lakh)

Particulars	For the year ended 31st March, 2023	For the period 25th Nov 2021 to 31st March, 2022
Professional Charges	0.21	-
Payment to Statutory Auditors		
Audit Fees	0.50	0.50
In Other Capacity	0.30	-
Out of Pocket Expense	0.03	
Preliminary Expenses Written Off	-	47.28
Rates and Taxes	-	0.08
Bank Charges	0.41	0.11
License Fees to DOT	2.00	1.55
<b>Total</b>	<b>3.45</b>	<b>49.52</b>

**18. Exceptional and Extraordinary items**

There are no exceptional and extraordinary items as at the Balance Sheet date.

**19. Party Balances and Confirmations**

Balances shown under Assets 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.

**20. Employee Benefits**

The Company does not have any permanent employees. 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.

**21. Leases**

The company does not have any lease arrangements either as a lessor or lessee therefore Ind AS 116 "leases" does not apply to the company."

**22. Corporate Social Responsibilities (CSR):**

As per section 135 of the Companies Act, 2013, along with Companies (Corporate Social responsibility Policy) Rules, 2021 read with DPE guidelines no F.N0.15 (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 Corporate Social Responsibility Policy.

Since the 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.

**23. MSME Payments :**

Based on information available with the company, there are few supplier's/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 MSMED Act, 2006 is given as under:

(₹ in Lakh)

Sr. No	Particulars	Other Current financial liabilities	
		As at 31.03.2023	As at 31.03.2022
1	Principal amount and interest due thereon remaining unpaid to any supplier as at end of each accounting year:		
	Principal	0.45	-
	Interest	-	-
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	-	-
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	-	-
4	The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
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	-	-

## 24. Fair Value Measurements

(₹ in lakh)

Financial Instruments by category	As at 31.03.2023	As at 31.03.2022
	Amortised cost	Amortised cost
<b><u>Financial Assets</u></b>		
Cash & Cash Equivalents	386.00	374.78
<b>Total Financial assets</b>	<b>386.00</b>	<b>374.78</b>
<b><u>Financial Liabilities</u></b>		
<b><u>Other Financial Liabilities</u></b>		
Current	48.67	49.40
<b>Total financial liabilities</b>	<b>48.67</b>	<b>49.40</b>

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

The carrying amounts of 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 asset 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 include:

- 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

**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 Interest	
		As at 31.03.2023	As at 31.03.2022
Power Grid Corporation of India Limited	India	100%	100%

**(b) Subsidiaries of Holding Company:-**

Name of entity	Place of business/ Country of incorporation
	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 (Erstwhile Ramgarh New Transmission Limited)	India
POWERGRID Himachal Transmission Limited (Erstwhile Jaypee POWERGRID Limited)	India
POWERGRID Bikaner Transmission System Limited (Erstwhile Bikaner-II Bhiwadi Transco Limited)	India
POWERGRID Sikar Transmission Limited (Erstwhile Sikar New Transmission Limited)	India
POWERGRID Bhadla Transmission Limited (Erstwhile Fatehgarh Bhadla Transco Limited)	India
POWERGRID Aligarh Sikar Transmission Limited (Erstwhile Sikar II Aligarh Transmission Limited)	India
POWERGRID Energy Services Limited	India
POWERGRID Narela Transmission Limited (Erstwhile Khetri Narela Transmission Limited)*	India
POWERGRID Gomti Yamuna Transmission Limited (Erstwhile Mohanlalganj Transmission Limited)**	India
POWERGRID Neemuch Transmission System Limited (Erstwhile Neemuch Transmission Limited)#	India
POWERGRID ER NER Transmission Limited (Erstwhile ER NER Transmission Limited)##	India
Khavda II-B Transmission Limited***	India
Khavda II-C Transmission Limited***	India
Khavda RE Transmission Limited***	India
KPS2 Transmission Limited***	India
KPS3 Transmission Limited***	India

ERWR Power Transmission Limited***	India
Raipur Pool Dhamtari Transmission Limited###	India
Dharamjaigarh Transmission Limited###	India
Bhadla Sikar Transmission Limited###	India

\*100% equity acquired by POWERGRID from PFC Consulting Limited on 11.05.2022

\*\*100% equity acquired by POWERGRID from PFC Consulting Limited on 30.05.2022

#100% equity acquired by POWERGRID from REC Power Development and Consultancy Limited (erstwhile REC Power Distribution Company Limited) on 24.08.2022.

##100% equity acquired by POWERGRID from REC Power Development and Consultancy Limited (erstwhile REC Power Distribution Company Limited) on 10.10.2022

\*\*\*100% equity acquired by POWERGRID from REC Power Development and Consultancy Limited (erstwhile REC Power Distribution Company Limited) on 21.03.2023

###100% equity acquired by POWERGRID from PFC Consulting Limited on 28.03.2023

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

<b>Name of entity</b>	<b>Place of business/ Country of incorporation</b>
Powerlinks Transmission Limited	India
Torrent Power Grid Limited	India
Parbati Koldam Transmission Company Limited	India
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*	India
Butwal-Gorakhpur Cross Border Power Transmission Limited#	India
Power Transmission Company Nepal Limited	Nepal

\* POWERGRID's Board of Directors in its meeting held on 01.05.2018 accorded in principle approval to close RINL POWERGRID TLT Private Limited (RPTPL) and seek consent of other JV Partner Rashtriya Ispat Nigam Limited (RINL). RINL's Board of Directors in its meeting held on 08.03.2019 has agreed in principle for winding up proceedings of RPTPL & to seek the approval from Ministry of Steel, Government of India, for closure of RPTPL. The approval for closure of RPTPL is received on 11.07.2022 from MoS.

#Incorporated on 31.08.2022 as a Joint Venture between POWERGRID and Nepal Electricity Authority (NEA) with equity participation of 50:50 for implementation of Indian Portion of New Butwal - Gorakhpur 400 kV Double Circuit (Quad Moose) Cross Border Transmission Line.

**(d) Associates of Holding Company**

<b>Name of entity</b>	<b>Place of business/ Country of incorporation</b>
POWERGRID Kala Amb Transmission Limited	India
POWERGRID Jabalpur Transmission Limited	India
POWERGRID Warora Transmission Limited	India
POWERGRID Parli Transmission Limited	India

**(e) Key Management Personnel**

<b>S.N.</b>	<b>Name</b>	<b>Designation</b>	<b>Date of Appointment</b>	<b>Date of Cessation</b>
1.	Smt. Seema Gupta	Director	25/11/21	31/05/22
2.	Shri M. Taj Mukarrum	Director	25/11/21	31/07/22
3.	Shri S. C. Agrawal	Director	25/11/21	30/11/22
4.	Shri Sreekant Kandikuppa	Chairman	18/07/22	-
5.	Shri Ravindra Kumar Tyagi	Director	23/06/22	-
6.	Shri Ravisankar Ganesan	Director	08/08/22	-
7.	Shri Vamsi Ramamohan Burra	Additional Director	01/12/22	-



**(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.

**(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 31.03.2023	As at 31.03.2022
<b><u>Amounts payable</u></b>		
<b>Power Grid Corporation of India Ltd. (<u>Holding Company</u>)</b>		
Reimbursement of expenses	48.14	47.87

**(h) Transactions with related parties**

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

(₹ in lakh)

Particulars	For the year ended 31 <sup>st</sup> March 2023	For the Period From 25 <sup>th</sup> Nov 2021 to 31 <sup>st</sup> March 2022
<b>Power Grid Corporation of India Ltd. (<u>Holding Company</u>)</b>		
Reimbursement of expenses	0.27	47.87
Investments Received during the year (Equity/Share application Money)	-	900

**26. Segment Information**

**Business Segment**

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 segments have been identified on the basis of product/services. The company has a single reportable segment i.e., Telecom Services.

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

## 27. Contingent Liabilities and contingent assets

There is Nil Contingent Liabilities and Contingent Assets as at 31<sup>st</sup> March 2023 and as at 31<sup>st</sup> March 2022.

## 28. Capital and other Commitments

(₹ in lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	NIL	NIL

## 29. Capital management

### 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 is as follows :-**

Particulars	As at 31.03.2023	As at 31.03.2022
Long term debt (₹ in lakh)	-	-
Equity (₹ in lakh)	900	900
Long term debt to Equity ratio	-	-

No changes were made in the objectives, policies or processes for managing capital during the years ended 31.03.2023 and 31.03.2022.

### 30. Earnings per share

Particulars	For the year ended 31 <sup>st</sup> Mar 2023	For the period 25 <sup>th</sup> November 2021 to 31 <sup>st</sup> Mar 2022
(a) Basic and diluted earnings per share attributable to the equity holders of the company (in Rupees)	(0.07)	(0.37)
(b) Total Earnings attributable to the equity holders of the company (in lakhs)	(6.41)	(32.99)
(c) Weighted average number of shares used as the denominator (in numbers)	9000000	9000000

### 31. Financial Risk Management:

The Company's principal financial liabilities comprise loans and borrowings denominated in Indian rupees, 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, trade and other receivables, and cash and cash equivalents that are generated from its operations.

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

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

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

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

#### A) Credit Risk

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

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

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

**(i) Cash and cash equivalents**

The Company held cash and cash equivalents of ₹ 386.00 Lakh as on 31<sup>st</sup> March, 2023 (₹ 374.78 Lakh as on 31<sup>st</sup> March, 2022). The cash and cash equivalents are held with Scheduled Commercial Bank and do not have any significant credit risk

**(ii) Exposure to credit risk:-**

Particulars	As at 31.03.2023	As at 31.03.2022
<b>Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)</b>		
Cash and cash equivalents	386.00	374.78
<b>Total</b>	<b>386.00</b>	<b>374.78</b>

**iii) Provision for Expected Credit Losses**

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

The Company does not have any financial assets other than Cash and Cash equivalents. 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 does not have any financial assets other than Cash and Cash equivalents. Therefore, no loss allowance has been recognised.

**B) Liquidity risk**

**Maturities of financial liabilities**

The tables 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)

<b>Contractual maturities of financial liabilities</b>	<b>Within a year</b>	<b>Between 1-5 years</b>	<b>Beyond 5 years</b>
<b>As at 31.03.2023</b>			
<u>Other financial liabilities</u>			
Others	48.67	NIL	NIL
<b>Total</b>	<b>48.67</b>	<b>NIL</b>	<b>NIL</b>
<b>As at 31.03.2022</b>			
<u>Other financial liabilities</u>			
Others	49.40	NIL	NIL
<b>Total</b>	<b>49.40</b>	<b>NIL</b>	<b>NIL</b>

### **C) Market Risk**

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

- i. Currency risk
- ii. Interest rate risk

#### **i) Currency risk**

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

#### **ii) Interest rate risk**

As on Reporting date the Company does not have any borrowings.

### **32. 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 positions.

(a) Income tax expense -

(₹ in lakh)

Particulars	For the year ended 31 <sup>st</sup> March 2023	For the period from 25 <sup>th</sup> Nov 2021 to 31 <sup>st</sup> March 2022
<u>Current Tax</u>		
Current tax on profits for the year	-	0.81
<b>Total current tax expense (A)</b>	<b>-</b>	<b>0.81</b>
<u>Deferred Tax expense</u>		
Origination and reversal of temporary differences	(2.15)	(11.90)
<b>Total deferred tax expense /benefit (B)</b>	<b>(2.15)</b>	<b>(11.90)</b>
<b>Income tax expense (A+B)</b>	<b>(2.15)</b>	<b>(11.09)</b>

Current tax is reckoned based on the current year's income and tax payable thereon in accordance with the applicable tax rates as per the prevailing tax laws.

The company had made a tax provision of ₹ NIL for the year ended 31<sup>st</sup> March, 2023 ( For the year FY 2021-22 ₹ 0.81 Lakhs) towards current tax.

In accordance with Ind-AS 12 on Accounting for Taxes on Income, the Company has computed Deferred Tax Asset amounting to ₹ 14.05 Lakh for year ended 31<sup>st</sup> March, 2023 (₹ 11.90 Lakh for year ended 31<sup>st</sup> March, 2022) on account of timing difference.

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

(₹ in lakh)

Particulars	For the year ended 31 <sup>st</sup> March 2023	For the period from 25 <sup>th</sup> Nov 2021 to 31 <sup>st</sup> March 2022
Profit before income tax expense including movement in Regulatory Deferral Account Balances	(8.56)	(44.08)
<b>Tax at the Company's domestic tax rate of 25.168 %</b>	<b>(2.15)</b>	<b>(11.09)</b>
Tax effect of:		

Non-Deductible tax items	-	-
Tax exempt income	-	-
Deferred Assets for Deferred Tax Liability	-	-
Previous Years tax liability	-	-
Unabsorbed tax losses	-	-
Deferred Tax expense/(income)	2.15	11.90
Minimum alternate tax adjustments	-	-
<b>Income tax expense</b>	<b>-</b>	<b>0.81</b>

### 33. Additional Regulatory Information as per Schedule III to the Companies Act, 2013

- a) The company does not have any immovable properties where title deeds are not in the name of the company:
- b) The company has no Capital Work in Progress, hence Ageing of Capital Work in Progress is not applicable.
- c) The company has no Capital Work in Progress, hence disclosure of completion schedule of capital-work-in progress (CWIP) is not applicable.
- d) The company has no Intangible assets under development, hence Aging of Intangible assets under development is not applicable.
- e) The company has no Intangible assets under development, hence disclosure of completion schedule of Intangible assets under development is not applicable.
- f) No proceeding has been initiated or pending against the company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder as at the end of the financial year.
- g) The company is not sanctioned any working capital limit secured against current assets by any Finance Institutions.
- h) The company was not declared as a wilful defaulter by any bank or financial Institution or other lender during the financial year.
- i) The company does not have any transactions, balance 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**

<b>Ratio</b>	<b>Numerator</b>	<b>Denominator</b>	<b>Current Year</b>	<b>Previous Year</b>	<b>Variance</b>	<b>Reason for variance &gt;25%</b>
(a) Current Ratio	Current Assets	Current Liabilities	7.93	7.46	6%	N/A
(b) Debt-Equity Ratio	Total Debt	Shareholder's Equity	N/A	N/A		
(c) Debt Service Coverage Ratio	Profit for the period + Depreciation and amortization expense + Finance costs	Interest & Lease Payments + Principal Repayments	N/A	N/A	N/A	N/A
(d) Return on Equity Ratio	Profit for the period	Average Shareholder's Equity	-0.71%	-3.67%	-81%	Due to decrease in losses
(e) Inventory turnover ratio	Revenue from Operations	Average Inventory	N/A	N/A	N/A	N/A
(f) Trade Receivables turnover ratio	Revenue from Operations	Average Trade Receivables (before deducting provision)	N/A	N/A	N/A	N/A
(g) Trade payables turnover ratio	Gross Other Expense (-) FERV, Provisions, Loss on disposal of PPE	Average Trade payables	N/A	N/A	N/A	N/A
(h) Net capital turnover ratio	Revenue from Operations	Current Assets - Current Liabilities	N/A	N/A	N/A	N/A
(i) Net profit ratio	Profit for the period	Revenue from Operations	N/A	N/A	N/A	N/A



(j) Return on Capital employed	Earnings before interest and taxes	Tangible Net Worth + Total Debt + Deferred Tax Liability(Assets)	-3%	-5%	-51%	Due to decrease in losses
(k) Return on investment	Income from Investment + Capital Appreciation	Average Investments	N/A	N/A	N/A	N/A

- 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.

#### **34. Disclosure on Ind AS 115 “Revenue from Contracts with Customers**

- a) The company does not have any contract assets or contract liability as at 31st March 2023 and 31st March 2022.
- b) The entity determines transaction price based on expected value method considering its past experiences of refunds or significant reversals in amount of revenue. In estimating significant financing component, management considers the financing element inbuilt in the transaction price based on imputed rate of return. Reconciliation of Contracted Price vis-a-vis revenue recognized in profit or loss statement is as follows:

Particulars	For the Year ended 31 March, 2023	For the period from 25 <sup>th</sup> Nov 2021 to 31 <sup>st</sup> March 2022
Contracted price	-	-
Add/ (Less)- Discounts/ rebates provided to customer	-	-
Add/ (Less)- Performance bonus	-	-
Add/ (Less)- Adjustment for significant financing component	-	-
Add/ (Less)- Other adjustments	-	-
Revenue recognised in profit or loss statement	-	-

### 35. Disclosure of material impact of Covid-19 pandemic

The company has considered various internal and external information available up to date of approval of Financial Results and there has been no material impact on the operations of the company for the period ended 31<sup>st</sup> March 2023. The Company will continue to monitor any material changes to future economic conditions.

### 36. Recent Pronouncements

On 31.03.2023, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2023 applicable from 01.04.2023. The Company will assess and implement the amendments in the FY 2023-24, as applicable.

37. (a) Figures have been rounded off to nearest rupee in lakh up to two decimals.  
(b) Previous year figures have been regrouped/ rearranged wherever considered necessary.

As per our report of even date

**For SVARAJ & ASSOCIATES**

Chartered Accountants

Firm Registration No : 014203N

**ASHISH** Digitally signed by  
ASHISH  
Date: 2023.05.16  
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**Ashish**

Partner

Membership No: 526075

**For and on behalf of the Board of  
Directors**

**KANDIKUPPA** Digitally signed by  
KANDIKUPPA  
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SREEKANT  
Date: 2023.05.16  
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**K. Sreekant**

Chairman

DIN: 06615674

**RAVISANKAR** Digitally signed by  
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R GANESAN  
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**G. Ravisankar**

Director

DIN: 08816101

Place: New Delhi

Date: 16.05.2023

Place: Gurugram

Date: 16.05.2023

Place: Gurugram

Date: 16.05.2023