**Independent Auditor's Report**

**To the Members of M/s. Power Grid Vemagiri Transmission Limited**

**Report on the Standalone Financial Statements**

**Opinion**

We have audited the standalone financial statements of **Power Grid Vemagiri Transmission Limited** (the company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss, (statement of changes in equity) and statement of cash flows for the year then ended, and notes to financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, profit/loss, (changes in equity) and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are Independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our ethical responsibilities in accordance with these requirements and Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis for our opinion.

**Emphasis of Matter**

We draw attention to the following matters in the notes to the Standalone financial statements

a. The Company is ceased to be a Going Concern, Refer Note 12 to the financial statements

b. Holding Company has filed an Appeal in APTEL claiming an amount of ₹1827.94 lakhs towards the acquisition price as well as additional expenditure incurred from the date of acquisition and interest and carrying cost till the date of reimbursement, Refer Note 18 to the financial statements – **Contingent Assets**

Our opinion is not modified in respect of these matters.

## Management's Responsibility for the (Standalone) Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these (standalone) financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibility 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 control 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 entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report However, future events or conditions may cause the entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieve s fair presentation.

Materiality is the magnitude of misstatements in the standalone 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 an identified misstatements in the standalone 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 the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in **Annexure 1** a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent possible.

2. In terms of sub section (5) of section 143 of the companies Act, 2013, we give in **Annexure 2** a statement on the directions issued under the aforesaid section by the comptroller and Auditor General of India.

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

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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, and Cash Flow Statement dealt with by this Report are in agreement with the books of account

   d. In our opinion, the aforesaid standalone, financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e. As per Notification No GSR 463(E) Dated 05/06/2015, section 164(2) regarding directors Disqualification is not Applicable to the company.

   f. With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure 3**"

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. There is a pending appeal filed before APTEL by the Holding Company claiming Rs 1827.94 Lakhs and the final order is awaited – Refer Note 18 to the financial statements

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

   iii. There has been no delay in transferring amounts, required to be transferred, to the investor Education and Protection Fund by the Company

4. As per the Comptroller and Auditors General directions U/s.143(5) of the Companies Act,2013, we further state that:

   i. The Company has a system in place to process all the accounting transactions through IT System and the financial implication of processing of accounting transactions outside IT System on the integrity of the accounts is NIL.

   ii. As the Company has no loans outstanding, the question of restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan does not arise.

   iii. The company during the year has not received any funds by way of grants/subsidy etc., for specific schemes from Central/State Government or its agencies, as the case maybe.

**For SC Bose & Co.,**
**Chartered Accountants**

SUBHASH C BOSE BENDI
Digitally signed by SUBHASH C BOSE BENDI
Date: 2021.06.01 20:20:18 +05'30'

**(CA Subhash C Bose Bendi)**
**Partner**
**M. No.: 029795**
**Firm Regn. No.: 004840S**
**UDI No.: 21029795AAAADK4149**

**Place: Hyderabad.**
**Date : 01st June, 2021.**

***Annexure-1***

*In Terms of The Companies (Auditor's Report) Order 2016 (Hereinafter be called as "The Order"), issued by the Central Government in terms of Section 143(11) of the Act, our comments in respect of **Power Grid Vemagiri Transmission Limited** on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable is as follows:*

| | | ***Clauses of CARO Report, 2016*** | ***Auditor's Comment*** |
|---|---|---|---|
| *(i)* | *(a)* | *Whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;* | *Not applicable since the company does not own any fixed assets as on the date of balance sheet.* |
| | *(b)* | *Whether these fixed assets have been physically verified by the management at reasonable intervals;*<br>*Whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;* | *Not applicable since the company does not own any fixed assets as on the date of balance sheet.* |
| | *(c)* | *Whether the title deeds of immovable properties are held in the name of the company. If not, provide the details thereof;* | *Not applicable since the company does not own any immovable properties as on the date of balance sheet.* |
| *(ii)* | | *Whether physical verification of inventory has been conducted at reasonable intervals by the management; Whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;* | *Not applicable since the company does not own any inventory during the current financial year* |
| *(iii)* | | *Whether the company has granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLP) or other parties covered in the register maintained under section 189 of the Companies Act, 2013. If so,* | *According to the information and explanations given to us, during the year the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, clauses 3 (iii) (a) to 3 (iii) (c) of the Order are not applicable* |
| | *(a)* | *Whether the terms and conditions of the grant of such loans are not prejudicial to the company's interest.* | *Not Applicable* |
| | *(b)* | *Whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular;* | *Not Applicable* |
| | *(c)* | *If the amount is overdue, state the total amount overdue for more than 90 days, and* | *Not Applicable* |

| | | | |
|---|---|---|---|
| | | *whether reasonable steps have been taken by the company for recovery of the principal and interest.* | |
| *(iv)* | | *In respect of loans, investments, guarantees, and security whether provisions of section 185 and 186 of the Companies Act, 2013 have been complied with. If not, provide the details thereof.* | *According to the information and explanations given to us, the Company does not have loans, investments and guarantees under section 185 and 186 of the Companies Act, 2013. Accordingly clause 3(iv) of the Order is not applicable* |
| *(v)* | | *In case, the company has accepted deposits, whether the directives issued by the Reserve Bank of India and theprovisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framedthereunder, where applicable, have been complied with? If not, the nature of such contraventions be stated; If an orderhas been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court orany other tribunal, whether the same has been complied with or not?* | *According to the information and explanations given to us, the Company has neither accepted deposits from the public within the meaning of Section 73 and 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under, nor as per an order that has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal* |
| *(vi)* | | *whether maintenance of cost records has been specified by the Central Government under sub-section (1) ofsection 148 of the Companies Act, 2013 and whether such accounts and records have been so made and maintained.* | *The Provisions of the clause (vi) of the Order, relating to maintenance of cost records under Section 148(1) of the Companies Act, 2013, are not applicable, since the Company's turnover or Net Worth of the Company as the case may be has not exceeded Rs.500.00 Crores during the current year* |
| *(vii)* | *(a)* | *Whether the company is regular in depositing undisputed statutory dues to the appropriate authorities including:*<br>*i) Provident fund;*<br>*ii) Employees' state insurance;*<br>*iii) Income-tax;*<br>*iv) Sales-tax;*<br>*v) Service tax;*<br>*vi) Duty of customs;*<br>*vii) Duty of excise;*<br>*viii) Value Added Tax (VAT);*<br>*ix) Cess; and*<br>*x) Any other statutory dues.*<br><br>*If the company is not regular in depositing such statutory dues, the extent of the arrears of outstanding statutory dues as at the last day of the financial year concerned for a* | *According to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues with appropriate authorities applicable to the Company and that there are no undisputed statutory dues outstanding as at 31st March, 2021 for a period of more than six months from the date they became payable.* |

| | | | |
|---|---|---|---|
| | | *period of more than six months from the date they became payable, shall be indicated by the auditor.* | |
| | *(b)* | *where dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax havenot been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned. (A mere representation to the concerned Department shall not be treated as a dispute).* | *According to information and explanations given to us, there are no disputed dues of Income Tax, sales Tax, Service Tax, Duty of Customs or Duty of Excise which have not been deposited.* |
| *(viii)* | | *Whether the company has defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders? If yes, the period and the amount of default to be reported.*<br>*(In case of defaults to banks, financial institutions, and Government, lender wise details to be provided.* | *According to information and explanations given to us, there is no such default.* |
| *(ix)* | | *Whether moneys raised by way of Initial Public Offer (IPO) or further public offer (including debt instruments) and term loans were applied for the purposes for which those are raised. If not, the details together with delays or default and subsequent rectification, if any, as may be applicable, be reported;* | *Based on the specified audit procedures followed by us and as per the information and explanations given by the management, Company has not raised any monies by way of initial public offer or further public offer (including debt instruments).* |
| *(x)* | | *Whether any fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year; If yes, the nature and the amount involved is to be indicated;* | *According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.* |
| *(xi)* | | *Whether managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act 2013? If not, state the amount involved and steps taken by the company for securing refund of the same;* | *The company has not provided for any Managerial Remuneration for the year 2020-21.Accordingly, the Provisions of Section 197 of the Companies Act 2013 are not applicable. Accordingly, clause (xi) of the Order is not applicable to the Company* |
| *(xii)* | | *Whether the Nidhi Company has complied with the Net Owned Funds to Deposits in the ratio of 1: 20 to meet out the liability and whether the Nidhi Company is maintaining 10% unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability;* | *Not Applicable* |

| | | | |
|---|---|---|---|
| *(xiii)* | | *Whether all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;* | *All transactions with the "Related Parties" in compliance with sections 177 and 188 of the Companies Act, 2013 are disclosed.* |
| *(xiv)* | | *Whether the company has made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and if so, as to whether the requirement of section 42 of the Companies Act, 2013 have been complied with and the amount raised have been used for the purposes for which the funds were raised. If not, provide the details in respect of the amount involved and nature of non-compliance;* | *According to the information and explanations given to us, there is no such case.* |
| *(xv)* | | *Whether the company has entered into any non-cash transactions with directors or persons connected with him and if so, whether the provisions of section 192 of Companies Act, 2013 have been complied with;* | *According to the information and explanations given to us, there is no such case.* |
| *(xvi)* | | *Whether the company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and if so, whether the registration has been obtained.* | *The Co. is not required to be registered under section 45-IAof the Reserve Bank of India Act, 1934 as the Co. is not a NBFC.* |

**For SC Bose & Co.,**
**Chartered Accountants**
**Firm Reg. No. 04840S**

SUBHASH C BOSE BENDI
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Date: 2021.06.01 20:22:41 +05'30'

***(CA Subhash C Bose Bendi)***
***(Partner)***
**Membership No. 029795**
UDIN: **21029795AAAADK4149**
**Place: Hyderabad**
**Date: 01st June, 2021.**

*Annexure-2*

**Report on the directions issued under section 143(5) of the Companies Act, 2013 given by the Comptroller & Audit General of India in respect of audit of Annual Accounts of Powergrid Vemagiri Transmission Limited for the year ended 31st March 2021:**

| SI. No. | Direction | Auditors' Report | Impact on Accounts and Financial Statements |
|---|---|---|---|
| 1 | Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated. | According to the information and explanations given to us, and based on our examination of books and representations provided by the management, we report that all accounting transactions of the company (Region)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 an existing loan or cases of waiver/write off of debts/ loans/ interest etc., made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government company, then this direction is also applicable for Statutory Auditor of lender company). | Based on our examination of books and records of the company and the information furnished and explanations given by the management, we report that there are no cases of restructuring of an existing loan or cases of waiver/ write off of debts/ loans/ interest etc. made by a lender to the company due to the company's inability to repay the loan. | Nil |

| | | | |
|---|---|---|---|
| 3 | Whether funds (grants/subsidy etc.,) received / receivable for specific schemes from central/ state government and its agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation. | According to the information and explanations furnished to us during the course of audit, and based on our examination of books and records, we report that there are no Funds received / receivable for specific schemes from Central/ State agencies for the company till date. | Nil. |

**For SC Bose & Co.,**
**Chartered Accountants.**
**Firm Regn.No.004840S**

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Date: 2021.06.01 20:24:34 +05'30'

**(CA Subhash C Bose Bendi)**
**Partner**
**Membership No.029795**
**UDIN:21029795AAAADK4149**

**Place: Hyderabad**
**Date: 01st June, 2021.**

**ANNEXURE – 3**

As referred to in our Independent Auditors' Report to the members of the **Power Grid Vemagiri Transmission Limited ('the Company')**, on the standalone financial statements for the year ended 31st March, 2021

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

We have audited the internal financial controls over financial reporting of the company as at March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial 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 business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial 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, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

**Meaning of Internal Financial Controls Over Financial Reporting**

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

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

**Inherent Limitations of internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial 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, 2021, 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 SC Bose & Co.,**
**Chartered Accountants**
**Firm Reg. No. 04840S**

SUBHASH C BOSE BENDI Digitally signed by SUBHASH C BOSE BENDI Date: 2021.06.01 20:26:35 +05'30'

***(CA Subhash C Bose Bendi)***
***(Partner)***
**Membership No. 029795**
UDIN: **21029795AAAADK4149**

Place: Hyderabad
Date: **01st June, 2021**.

**POWERGRID VEMAGIRI TRANSMISSION LIMITED**

**CIN:U40300DL2011GOI217975**

**Balance Sheet as at 31st March- 2021**

(₹ in Lakhs)

| | Particulars | Note No | As at 31st March,2021 (Audited) | As at 31st March,2020 (Audited) |
|---|---|---|---|---|
| | **ASSETS** | | | |
| I | **Non-current assets** | | - | - |
| II | **Current assets** | | | |
| | Financial Assets | | | |
| | Cash and cash equivalents | 4 | **0.14** | 0.15 |
| | | | **0.14** | **0.15** |
| | **Total Assets** | | **0.14** | **0.15** |
| | **EQUITY AND LIABILITIES** | | | |
| III | **Equity** | | | |
| | Equity Share capital | 5 | 5.00 | 5.00 |
| | Other Equity | 6 | (1946.23) | (1945.43) |
| | | | **(1941.23)** | **(1940.43)** |
| IV | **Liabilities** | | | |
| | **Non-current liabilities** | | | |
| | **Current liabilities** | | | |
| | Financial liabilities | | | |
| | Other current financial liabilities | 7 | 1,941.37 | 1,940.54 |
| | Other current liabilities | 8 | - | 0.04 |
| | | | 1,941.37 | 1,940.58 |
| | **Total Equity and Liabilities** | | **0.14** | **0.15** |

The accompanying notes (4 to 24) form an integral part of financial statements

**As per our report of even date**
**For SC BOSE & Co.**
ICAI Firm Regn. No. 004840S

SUBHASH C BOSE BENDI — Digitally signed by SUBHASH C BOSE BENDI Date: 2021.06.01 16:55:28 +05'30'

**Subhash C Bose**
Partner
Membership No. 29795

Place : Hyderabad
Date : 01.06.2021

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

Anoop Kumar — Digitally signed by Anoop Kumar Date: 2021.06.01 16:03:08 +05'30'

**ANOOP KUMAR**
Director
DIN: 07896278

Place : Hyderabad
Date : 01.06.2021

RAMAMURTHY RAJAGOPALAN — Digitally signed by RAMAMURTHY RAJAGOPALAN Date: 2021.06.01 16:09:23 +05'30'

**R RAJAGOPALAN**
Director
DIN: 08550853

Place : Gurugram
Date : 01.06.2021

# POWERGRID VEMAGIRI TRANSMISSION LIMITED

## CIN:U40300DL2011GOI217975

## Statement of Profit and Loss for the Year ended 31st March, 2021

(₹ in Lakhs)

| | Particulars | Note No. | For the Year ended 31st Mar,2021 | For the year ended 31st March,2020 |
|---|---|---|---|---|
| | | | **(Audited)** | **(Audited)** |
| I | Revenue From Operations | | - | - |
| II | **EXPENSES** | | | |
| | Finance costs | 9 | 0.01 | 0.01 |
| | Other expenses | 10 | 0.79 | 0.65 |
| | Total expenses (II) | | **0.80** | **0.66** |
| III | Profit/(loss) before tax from discontinued operations (I-II) | | (0.80) | (0.66) |
| IV | Tax expense: | | | |
| | Current tax | | - | - |
| | Deferred tax | | - | - |
| V | Profit/(loss) for the period from discontinued operations (III-IV) | | (0.80) | (0.66) |
| VI | Other Comprehensive Income | | - | - |
| VII | Total Comprehensive Income for the period(V+VI) | | (0.80) | (0.66) |
| | **Earnings per equity share (Par Value ₹ 10 each)** | | | |
| | Basic (in ₹) | | **(1.60)** | **(1.32)** |
| | Diluted (in ₹) | | **(1.60)** | **(1.32)** |

The accompanying notes (4 to 24) form an integral part of financial statements

**As per our report of even date**
**For SC BOSE & Co.**
ICAI Firm Regn. No. 004840S

SUBHASH C BOSE BENDI Digitally signed by SUBHASH C BOSE BENDI Date: 2021.06.01 16:57:25 +05'30'

**Subhash C Bose**
Partner
Membership No. 29795

Place : Hyderabad
Date : 01.06.2021

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

Anoop Kumar Digitally signed by Anoop Kumar Date: 2021.06.01 16:05:03 +05'30'

**ANOOP KUMAR**
Director
DIN: 07896278

Place : Hyderabad
Date : 01.06.2021

RAMAMURTHY RAJAGOPALAN Digitally signed by RAMAMURTHY RAJAGOPALAN Date: 2021.06.01 16:10:01 +05'30'

**R RAJAGOPALAN**
Director
DIN: 08550853

Place : Gurugram
Date : 01.06.2021

# POWERGRID VEMAGIRI TRANSMISSION LTD
## CIN:U40300DL2011GOI217975
## Statement of Cash flows for the Year ended 31st March 2021

(₹ in Lakhs)

| Sl. No. | Particulars | For the Year Ended | |
|---|---|---|---|
| | | For the year ended 31st Mar 2021 | For the year ended 31st Mar 2020 |
| A | **CASH FLOW FROM OPERATING ACTIVITIES** | | |
| | **Profit Before Tax** | **(0.80)** | **(0.66)** |
| | **Operating profit before Changes in Assets and Liabilities** | **(0.80)** | **(0.66)** |
| | **Adjustment for Changes in Assets and Liabilities:** | | |
| | Increase/(Decrease) in Other current financial liabilities | 0.83 | 0.65 |
| | Increase/(Decrease) in Other current liabilities | (0.04) | 0.00 |
| | | **0.79** | **0.65** |
| | **Cash generated from operations** | **(0.01)** | **(0.01)** |
| | **Net Cash from Operating Activities** | **(0.01)** | **(0.01)** |
| B. | **CASH FLOW FROM INVESTING ACTIVITIES** | | |
| | **Net Cash used in Investing Activities** | - | - |
| C. | **CASH FLOW FROM FINANCING ACTIVITIES** | | |
| | **Net Cash used in Financing Activities** | - | - |
| D. | **Net change in Cash and Cash equivalents (A+B+C)** | **(0.01)** | **(0.01)** |
| E. | Cash and Cash equivalents (Opening balance) | 0.15 | 0.16 |
| F. | Cash and Cash equivalents (Closing balance) * | **0.14** | **0.15** |

The accompanying notes (4 to 24) form an integral part of financial statements

**Note:**

I) Cash & Cash equivalents consist of balances with banks.

II) Previous year figures have been re-grouped / re-arranged wherever required.

**As per our report of even date**

**For SC BOSE & Co.**
**CHARTERED ACCOUNTANTS**
**ICAI Firm Regn. No. 004840S**

SUBHASH C BOSE BENDI Digitally signed by SUBHASH C BOSE BENDI Date: 2021.06.01 16:58:28 +05'30'

**Subhash C Bose**
**Partner**
**Membership No. 29795**

Place : Hyderabad
Date : 01.06.2021

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

Anoop Kumar Digitally signed by Anoop Kumar Date: 2021.06.01 16:05:42 +05'30'

**ANOOP KUMAR**
Director
DIN: 07896278

Place : Hyderabad
Date : 01.06.2021

RAMAMURTHY RAJAGOPALAN Digitally signed by RAMAMURTHY RAJAGOPALAN Date: 2021.06.01 16:10:27 +05'30'

**R RAJAGOPALAN**
Director
DIN: 08550853

Place : Gurugram
Date : 01.06.2021

**POWERGRID VEMAGIRI TRANSMISSION LIMITED**
**Statement of Changes in Equity for the Year ended 31st March 2021**

**A. Equity Share Capital**

(₹ in Lakhs)

| | |
|---|---|
| **As at 1st April, 2019** | 5.00 |
| Changes in equity share capital | - |
| **As at 31st March, 2020** | 5.00 |
| Changes in equity share capital | - |
| **As at 31st March, 2021** | 5.00 |

**B. Other Equity**

(₹ in Lakhs)

| Particulars | Reserves & Surplus | Total |
|---|---|---|
| | Retained Earnings | |
| **Balance at 1st April,2020** | (1945.43) | (1945.43) |
| Total Comprehensive Income for the year | (0.80) | (0.80) |
| **Balance at 31st March, 2021** | **(1,946.23)** | **(1,946.23)** |

(₹ in Lakhs)

| | | |
|---|---|---|
| **Balance at 1st April,2019** | (1944.77) | (1944.77) |
| Total Comprehensive Income for the year | (0.66) | (0.66) |
| **Balance at 31st March, 2020** | **(1,945.43)** | **(1,945.43)** |

The accompanying notes (4 to 24) form an integral part of financial statements
Refer Note 6 for movement in Other Equity

**As per our report of even date**

**For SC BOSE & Co.**
**CHARTERED ACCOUNTANTS**
**ICAI Firm Regn. No. 004840S**

SUBHASH C BOSE BENDI Digitally signed by SUBHASH C BOSE BENDI Date: 2021.06.01 16:59:38 +05'30'

**Subhash C Bose**
**Partner**
**Membership No. 29795**

Place : Hyderabad
Date : 01.06.2021

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

Anoop Kumar Digitally signed by Anoop Kumar Date: 2021.06.01 16:06:11 +05'30'

**ANOOP KUMAR**
Director
DIN: 07896278

Place : Hyderabad
Date : 01.06.2021

RAMAMURTHY RAJAGOPALAN Digitally signed by RAMAMURTHY RAJAGOPALAN Date: 2021.06.01 16:10:54 +05'30'

**R RAJAGOPALAN**
Director
DIN: 08550853

Place : Gurugram
Date : 01.06.2021

**Notes to Financial Statements**

## 1. Corporate and General Information

POWERGRID Vemagiri Transmission 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 Power Systems Network, construction, operation and maintenance of transmission lines and other related allied activities.

The Financial Statements of the Company for the year ended 31 March 2021 were approved for issue by the Board of Directors on 01st June 2021.

## 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 and the provisions of Electricity Act, 2003, in each case, to the extent applicable and as amended thereafter.

**ii) Basis of Measurement**

The financial statements are not prepared on the assumption of going concern and the company will not be able to do further any activity in near future. The reasons are disclosed at note no. 13.

**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 ongoing 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, 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.

Transmission system assets are considered as ready for intended use after meeting the conditions for commercial operation as stipulated in Transmission Service Agreement (TSA) and capitalized accordingly.

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

Expenditure on leveling, clearing and grading of land is capitalized as part of cost of the related buildings.

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.

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

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

Afforestation charges for acquiring right-of-way for laying transmission lines are accounted for as intangible assets on the date of capitalization of related transmission lines.

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.

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

## 2.5 Depreciation / Amortisation

### Property, Plant and Equipment

Depreciation/Amortisation on the items of Property, Plant and Equipment related to transmission business is provided on straight line method based on the useful life specified in Schedule II of the Companies Act, 2013 except for the following items of property, plant and equipment on which depreciation is provided based on estimated useful life as per technical assessment and considering the terms of Transmission Service Agreement entered with Long Term Transmission Customers.

| Particulars | | Useful life |
|---|---|---|
| a. | Computers and Peripherals | 3 Years |
| b. | Servers and Network Components | 5 years |
| c. | Buildings (RCC frame structure) | 35 years |
| d. | Transmission line | 35 years |
| e. | Substation Equipment | 35 years |

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

Mobile phones are charged off in the year of purchase.

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

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

Where the cost of depreciable property, plant and equipment has undergone a change due to 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 or life of the related plant whichever is lower. 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.

Afforestation charges are amortized over thirty-five years from the date of capitalization of related transmission assets following the straight line method, with Nil Residual Value.

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

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

### 2.6 Borrowing Costs

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

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

### 2.7 Impairment of non-financial assets

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

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

An impairment loss is 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.

### 2.8 Cash and cash equivalents

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

### 2.9 Inventories

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

Steel scrap and conductor scrap are 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 and surplus stores and spares is ascertained on review and provided for.

**2.10 Leases**

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

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves use of an identified assets, (ii) the customer has substantially all the economic benefits from the use of the asset through the period of the lease and (iii) the customer has the right to direct the use of the asset.

**i) As a Lessee**

At the date of commencement of the lease, the Company recognises a right-of-use asset (ROU) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for lease with a term of twelve months or less (i.e. short term leases) and leases for which the underlying asset is of low value. For these short-term and leases for which the underlying asset is of low value, the Company 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 2.7 on “Impairment of non-financial assets”.

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

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

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

**ii) As a Lessor**

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

**a) Finance leases**

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

Net investment in leased assets is 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.

**2.11 Financial instruments**

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

**Financial Assets**

**Classification**

The Company classifies its financial assets in the following categories:

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

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.

**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.

**De-recognition 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 unbilled revenue, 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 unfavorable to the Company.

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

**Classification, initial recognition and measurement**

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

**Subsequent measurement**

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

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

**De-recognition of financial liability**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in Statement of Profit and Loss as other income or finance cost.

**Offsetting of financial instruments**

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

**2.12 Foreign Currency Translation**

(a) Functional and presentation currency

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

(b) Transactions and balances

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

**2.13 Income Tax**

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

**Current income tax**

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

**Deferred tax**

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

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

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

**2.14 Revenue**

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognizes revenue when it transfers control over a product or service to a customer.

### 2.14.1 Revenue from Operations

Transmission Income is accounted for based on orders issued by CERC u/s 63 of Electricity Act 2003 for adoption of transmission charges. As at each reporting date, transmission income includes an accrual for services rendered to the customers but not yet billed i.e. Unbilled Revenue.

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

The Transmission system incentive / disincentive is accounted for based on certification of availability by the respective Regional Power Committees (RPC) and in accordance with the Transmission Service Agreement (TSA) entered between the Transmission Service Provider and long term Transmission Customers. Where certification by RPCs is not available, incentive/disincentive is accounted for on provisional basis as per estimate of availability by the company and differences, if any, is accounted upon certification by RPCs.

### 2.14.2 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).

Surcharge recoverable from trade receivables, 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 and conductor scrap are accounted for as and when sold.

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.

### 2.15 Dividends

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

### 2.16 Provisions and Contingencies

#### a) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each Balance Sheet date and are adjusted to reflect the current best estimate.

#### b) Contingencies

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

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements.

Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are disclosed in the financial statements when inflow of economic benefits is probable on the basis of judgment of management. These are assessed continually to ensure that developments are appropriately reflected in the financial statements.

**2.17 Share capital and Other Equity**

Ordinary shares are classified as equity.

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

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

**2.18 Prior Period Items**

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

**2.19 Earnings per Share**

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

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

**2.20 Statement of Cash Flows**

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

**3 <u>Critical Estimates and Judgments</u>**

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:**

<u>Useful life of property, plant and equipment</u>

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.

Estimation of uncertainties relating to the global health pandemic from COVID-19:

In assessing the recoverability of trade receivables and unbilled revenue, the company has considered internal and external information up to the date of approval of these financial statements including credit reports and economic forecasts. As the company's revenue is based on CERC tariff order and falls under essential services and based on the current indicators of future economic conditions, the company expects to recover the carrying amount of these assets.

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 VEMAGIRI TRANSMISSION LIMITED

### Note 4/Cash and Cash Equivalents

(₹ in Lakhs)

| Particulars | As at 31st March,2021 | As at 31st March,2020 |
|---|---|---|
| Balance with banks | | |
| -In Current accounts | 0.14 | 0.15 |
| **Total** | **0.14** | **0.15** |

## POWERGRID VEMAGIRI TRANSMISSION LIMITED

**Note 5/Equity Share capital**

(₹ in Lakhs)

| Particulars | As at 31st March,2021 | As at 31st March,2020 |
|---|---|---|
| **Equity Share Capital** | | |
| **Authorised** | | |
| 50,000 (Previous year 50000) equity shares of ₹ 10/- each at par | 5.00 | 5.00 |
| **Issued, subscribed and paid up** | | |
| 50,000 (Previous year 50000) equity shares of ₹ 10/-each at par fully paid up | 5.00 | 5.00 |
| **Total** | 5.00 | 5.00 |

**Further Notes:**

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

| Particulars | For the Year ended 31st Mar,2021 | | For the year ended 31st March, 2020 | |
|---|---|---|---|---|
| | No.of Shares | ₹ in Lakhs | No.of Shares | ₹ in Lakhs |
| Shares outstanding at the beginning of the year | 50,000 | 5.00 | 50,000 | 5.00 |
| Shares Issued during the year | - | - | - | - |
| Shares outstanding at the end of the year | 50,000 | 5.00 | 50,000 | 5.00 |

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

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

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

| Particulars | As at 31st March,2021 | | As at 31st March, 2020 | |
|---|---|---|---|---|
| | No.of Shares | % of holding | No.of Shares | % of holding |
| Power Grid Corporation of India Limited (Holding Company) # | 50,000 | 100 | 50,000 | 100 |

# Out of 50000 Equity shares (Previous Year 50000 Equity shares), 6 Equity shares are held by Nominees of M/s Power Grid Corporation of India Limited on its behalf

## POWERGRID VEMAGIRI TRANSMISSION LIMITED

**Note 6/Other Equity**

(₹ in Lakhs)

| Particulars | As at 31st March,2021 | As at 31st March,2020 |
|---|---|---|
| **Reserves and Surplus** | | |
| **Retained Earnings** | | |
| As per last balance sheet | (1,945.43) | (1,944.77) |
| Add: | | |
| Profit after tax as per Statement of Profit & Loss | (0.80) | (0.66) |
| **TOTAL** | **(1,946.23)** | **(1,945.43)** |

## POWERGRID VEMAGIRI TRANSMISSION LIMITED

**Note 7/Other Current Financial Liability**

(₹ in Lakhs)

| Particulars | As at 31st March,2021 | As at 31st March,2020 |
|---|---|---|
| Related Party (M/s Power Grid Corporation of India Ltd.,) | 1,940.93 | 1,940.11 |
| Others | 0.44 | 0.43 |
| **Total** | **1,941.37** | **1,940.54** |

***Further Notes:***

Others represents Audit Fees payable

Disclosure with regard to Micro and Small enterprises as required under "The Micro, Small and Medium Enterprises Development Act, 2006" is given in Note No 11

Refer note 15 for related party transactions

## POWERGRID VEMAGIRI TRANSMISSION LIMITED

**Note 8/Other current liabilities**

(₹ in Lakhs)

| Particulars | As at 31st March,2021 | As at 31st March,2020 |
|---|---|---|
| Statutory dues | - | 0.04 |
| **Total** | **-** | **0.04** |

# POWERGRID VEMAGIRI TRANSMISSION LIMITED

**Note 9/Finance costs**

(₹ in Lakhs)

| Particulars | For the year ended 31st March 2021 | For the year ended 31st March 2020 |
|---|---|---|
| Other finance charges | 0.01 | 0.01 |
| **TOTAL** | **0.01** | **0.01** |

**POWERGRID VEMAGIRI TRANSMISSION LIMITED**

**Note 10/Other expenses**

(₹ in Lakhs)

| Particulars | For the year ended 31st March 2021 | For the year ended 31st March 2020 |
|---|---|---|
| Legal Expenses | 0.05 | - |
| Professional charges (Including TA/DA) | 0.27 | 0.18 |
| **Payments to Statutory Auditors** | | - |
| Audit Fees | 0.47 | 0.47 |
| Miscellaneous Expenses | - | - |
| **Total** | **0.79** | **0.65** |

11. Based on information available with the company, there are one 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 Lakhs)

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

12. **GOING CONCERN ASSUMPTION**

The company was formed as SPV for execution of Vemagiri Transmission system allocated on Tariff Based Competitive Bidding (TBCB). CERC vide order dated 09.05.2013 and 27.09.2013 interalia stated that Vemagiri Transmission system cannot be executed in its present form. In this scenario, the company will not be able to do further any activity and ceased to be a going concern.

The CERC vide its order dated 06th April 2015, had withdrawn their earlier regulatory approval given vide its order dated 13-Dec-2011 since the transmission project is not required to be implemented as there was no enough gas in the KG Basin to supply to the beneficiaries M/s Samalkot Power Ltd., and M/s Spectrum Power generation

Limited. CERC further directed that 80% of the acquisition price incurred by M/s Powergrid Vemagiri Transmission Ltd shall be reimbursed by M/s Samalkot Power Ltd and M/s Spectrum Power Generation Limited to POWERGRID in proportion to the LTA granted to them. The balance 20% and the expenditure incurred by Powergrid Vemagiri Transmission Limited from the date of acquisition till the liquidation of the company shall be borne by POWERGRID. Order further stated that in case there is any realization from the assets of M/s Powergrid Vemagiri Transmission Ltd in future, the same shall be apportioned between LTTCs and PGCIL in the ratio of 80:20.

Aggrieved with the said order, M/s Spectrum Power Generation Limited and Samalkot Power Limited filed an appeal in APTEL. (Appeal 128 & 171 of 2015). The decision of the APTEL is still awaited.

13. As on the date of Balance sheet company does not have any Inventory or own any Property, Plant & Equipment and hence no depreciation provided in the books of accounts.

Further, the company being in Loss, Deferred tax provision has not been made as the company is ceased to be a going concern.

14. **Fair Value Measurements**

(₹ in Lakhs)

| Financial instruments by category | 31st March 2021 | 31st March 2020 |
|---|---|---|
| | **Amortised cost** | **Amortised cost** |
| **Financial Assets** | | |
| Cash & Cash Equivalents | 0.14 | 0.15 |
| **Total Financial Assets** | **0.14** | **0.15** |
| **Financial Liabilities** | | |
| Other current financial liabilities | 1941.37 | 1940.54 |
| **Total Financial Liabilities** | **1941.37** | **1940.54** |

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) 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. Since there is nothing Non-Current as at 31st Mar 2021 and 31st Mar 2020, nothing has been categorised as Level 1 or Level 2 or Level 3.

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity Instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) 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.
The carrying amount of cash & cash equivalent and other financial liabilities are considered to be the same as their fair values, due to their short term nature.

15. **Related party Transactions**

**(a) Holding Company**

| | | Proportion of Ownership Interest | |
|---|---|---|---|
| **Name of entity** | **Place of business/country of incorporation/Relationship** | **31-Mar-2021** | **31- Mar- 2020** |
| Powergrid Corporation of India Limited | India | 100% | 100% |

**(b) Subsidiaries of Holding Company –**

| **Name of entity** | **Place of business / Country of incorporation** | **Proportion of Ownership Interest** | |
|---|---|---|---|
| | | **As on 31st March, 2021** | **As on 31st March, 2020** |
| Powergrid Vizag Transmission Limited | India | NA | NA |
| Powergrid NM Transmission Limited | India | NA | NA |
| Powergrid Unchahar Transmission Limited | India | NA | NA |
| Powergrid Kala Amb Transmission Limited | India | NA | NA |
| Powergrid Jabalpur Transmission Limited | India | NA | NA |
| Powergrid Parli Transmission Limited | India | NA | NA |
| Powergrid Warora Transmission Limited | India | NA | NA |
| Powergrid Vemagiri Transmission Limited | India | NA | NA |
| Powergrid Medinipur Jeerat Transmission Limited | India | NA | NA |
| Powergrid Mithilanchal Transmission Limited (Erstwhile ERSS XXI Transmission Limited) | India | NA | NA |

| | | | |
|---|---|---|---|
| Powergrid Varanasi Transmission System Limited (Erstwhile WR-NR Power Transmission Limited) | India | NA | NA |
| Powergrid Jawaharpur Firozabad Transmission Limited (Erstwhile Jawaharpur Firozabad Transmission Limited) | India | NA | NA |
| Powergrid Khetri Transmission System Limited (Erstwhile Khetri Transco Limited) | India | NA | NA |
| Powergrid Bhuj Transmission Limited (Erstwhile Bhuj-II Transmission Limited) | India | NA | NA |
| Powergrid Bhind Guna Transmission Limited (Erstwhile Bhind Guna Transmission Limited) | India | NA | NA |
| Powergrid Ajmer Phagi Transmission Limited (Erstwhile Ajmer Phagi Transco Limited) | India | NA | NA |
| Powergrid Fatehgarh Transmission Limited (Erstwhile Fatehgarh-II Transco Limited) | India | NA | NA |
| Powergrid Rampur Sambhal Transmission Limited (Erstwhile Rampur Sambhal Transco Limited) | India | NA | NA |
| Powergrid Meerut Simbhavali Transmission Limited (Erstwhile Meerut-Simbhavali Transmission Limited) | India | NA | NA |
| Central Transmission Utility of India Limited[1] | India | NA | NA |
| Powergrid Ramgarh Transmission Limited (Erstwhile Ramgarh New Transmission Limited)[2] | India | NA | NA |
| Jaypee Powergrid Limited[3] | India | NA | NA |
| Bikaner-II Bhiwadi Transco Limited[4] | India | NA | NA |

[1] Incorporated on 28.12.2020.

[2] 100% equity acquired from REC Power Distribution Company Limited on 09.03.2021.

[3] Wholly owned subsidiary from 25.03.2021 (Joint venture till 24.03.2021).

[4] 100% equity acquired from PFC Consulting Limited on 25.03.2021.

### (c) Joint Ventures of Holding Company-

| Name of entity | Place of business / Country of incorporation | Proportion of Ownership Interest | |
|---|---|---|---|
| | | As on 31st March, 2021 | As on 31st March, 2020 |
| Powerlinks Transmission Limited | India | NA | NA |
| Torrent Power Grid Limited | India | NA | NA |
| Jaypee POWERGRID Limited[1] | India | NA | NA |
| Parbati Koldam Transmission Company Limited | India | NA | NA |
| Teestavalley Power Transmission Limited[2] | India | NA | NA |
| North East Transmission Company Limited | India | NA | NA |
| National High Power Test Laboratory Private Limited | India | NA | NA |
| Bihar Grid Company Limited | India | NA | NA |
| Kalinga Bidyut Prasaran Nigam Private Limited[3] | India | NA | NA |
| Cross Border Power Transmission Company Limited | India | NA | NA |
| RINL POWERGRID TLT Private Limited[4] | India | NA | NA |
| Power Transmission Company Nepal Ltd | Nepal | NA | NA |

1 Joint venture till 24.03.2021 (Wholly owned subsidiary from 25.03.2021).

2 POWERGRID & Teesta Urja Ltd are the Joint venture partners in Teestavalley Power Transmission Limited & holds 26% & 74 % equity, respectively as per Shareholding agreement. On call of additional equity by Teestavalley Power Transmission limited, POWERGRID contributed their share while the other JV partner has not yet contributed their share of money. Consequently, the holding of POWERGRID increased to 30.92% against 26% provided in shareholding agreement.

3 The present status of the Company (M/s KBPNL) as per MCA website is "Strike Off".

4 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 01.03.2019 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. RINL's Board of Directors in its meeting held on 05.11.2019 has advised to put up the closure proposal again to Ministry of steel for onward submission to NITI Ayog. The Approval from Government is awaited.

**D. Key Management Personnel-**

| No. | Name | Designation | Date of Appointment | Date of Cessation |
|---|---|---|---|---|
| 1 | Shri Upendra Gunawant Pande | Chairman & Additional Director (Part Time) | 08/12/2020 | Continuing |
| 2 | Shri Anoop Kumar | Director (Part Time) | 27/02/2020 | Continuing |
| 3 | Shri Ramamurthy Rajagopalan | Director (Part Time) | 01/08/2020 | Continuing |
| 4 | Shri K S R Murty | Director (Part Time) | 08/02/2018 | 31/07/2020 |
| 5 | Shri Anil Jain | Director (Part Time) | 04/07/2017 | 30/04/2020 |
| 6 | Shri Abhay Choudhary | Chairman & Director (Part Time) | 27/12/2018 | 08/12/2020 |
| 7 | Shri Avinash Madhav Pavgi | Additional Director (Part Time) | 31/10/2019 | 01/02/2020 |

**(e) 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 Lakhs)**

| **Particulars** | **31 March, 2021** | **31 March, 2020** |
|---|---|---|
| **Amount payable (purchases of goods and services)** | | |
| Holding Company | | |
| Power Grid Corporation of India Ltd. | 1940.93* | 1940.11 |
| **Total payables to related parties** | **1940.93** | **1940.11** |

* Since the FY 2013-14, in which the Company has charged off CWIP to Revenue, Holding Company is making necessary provision in its Financial Statements against the receivables from the Company and investment made in the Company.

16 . **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., Power transmission.

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

## 17. Capital and other Commitments

**(₹ in Lakhs)**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | NIL | NIL |

## 18. Contingent Liabilities and Contingent assets

### a. Contingent Liabilities

No contingent liability exists as on 31st Mar 2021. (As on 31st Mar 2020 ₹ NIL).

### b. Contingent Assets

Holding Company filed an appeal in APTEL on 16/12/2016 placing before the facts with a prayer that Spectrum Power Generation Limited, Samalkot Power Limited and REC Transmission Project Company Limited (RECTPCL) are jointly and/or severally liable to compensate POWERGRID for the entire cost incurred, namely, the acquisition cost of ₹1827.94 lakhs as well as additional expenditure incurred from the date of acquisition and interest and carrying cost till the date of reimbursement. Extensive hearings were held by Hon'ble Tribunal and Hon'ble Tribunal vide order dated 12.02.2020 has directed all the parties to file written submissions. All the parties to dispute have filed written submissions to APTEL. The Company believes that a favourable outcome is probable. Since the judgement is reserved by the Honourable Tribunal, also aggrieved parties may approach higher courts, in such circumstances, estimating timing and realizable amount is not ascertainable. As such, it is impracticable to estimate the exact financial impact of the same.

## 19. Capital management

**Risk Management**

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 will not be able to do further any activity and ceased to be a going concern.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2021 and 31 March 2020.

**20. Earnings per share**

**(Amount in ₹)**

| **(a) Basic and diluted earnings per share attributable to the equity holders of the company** | **31 March, 2021** | **31 March, 2020** |
|---|---|---|
| Total basic & diluted earnings per share attributable to the equity holders of the company from Discontinued Operations | (1.60) | (1.32) |

**(₹ in Lakhs)**

| **(b) Reconciliation of earnings used in calculating earnings per share** | **31 March, 2021** | **31 March, 2020** |
|---|---|---|
| Earnings attributable to the equity holders of the company | (0.80) | (0.66) |

| **(c) Weighted average number of shares used as the denominator** | **31 March, 2021 No. of shares** | **31 March, 2020 No. of Shares** |
|---|---|---|
| Weighted average number of equity shares used as the denominator in calculating basic earnings per share | 50,000 | 50,000 |

**21. Financial Risk Management:**

The Company financial liabilities comprise of only payable to Power Grid Corporation of India Limited (Holding Company). The main purpose of the financial liability was to finance the Company's capital investments.

The Company's financial assets include cash and cash equivalents only.

The Company held cash and cash equivalents of ₹ 0.14 Lakhs as on 31st March, 2021 (31st March, 2020 ₹ 0.15 Lakhs). The cash and cash equivalents are held with public sector bank and do not have any significant risk. The company will not be able to do further any activity and ceased to be a going concern.

**22. Employee Benefit Obligations**

The company not employed any employee hence, does not have any employee related benefit obligations.

**23. a) Disclosure on of Ind AS 115 "Revenue from Contracts with Customers".**

As the company is not in operation, Ind AS 115 "Revenue from Contracts with Customers" is not applicable.

**b) Disclosure on Ind AS 116 "Leases."**

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

**24.** a) Figures have been rounded off to nearest rupee in lakhs up to two decimal.
b) The previous year figures have been reclassified/re-grouped to conform to the current year's classification.

**In terms of our report of even date**
**For SC BOSE & Co..,**
**Chartered Accountants**
**ICAI Firm Reg No. 004840S**
**UDIN:**

SUBHASH C BOSE BENDI Digitally signed by SUBHASH C BOSE BENDI Date: 2021.06.01 17:01:54 +05'30'

**Subhash C Bose**
**Partner**
**Mem No. 29795**

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

Anoop Kumar Digitally signed by Anoop Kumar Date: 2021.06.01 16:07:23 +05'30'

**ANOOP KUMAR**
**Director**
**DIN: 07896278**

RAMAMURTHY RAJAGOPALAN Digitally signed by RAMAMURTHY RAJAGOPALAN Date: 2021.06.01 16:08:35 +05'30'

**R RAJAGOPALAN**
**Director**
**DIN: 08550853**

**Place: Hyderabad**
**Date: 01.06.2021**

**Place: Hyderabad**
**Date: 01.06.2021**

**Place : Gurugram**
**Date: 01.06.2021**