



**INDEPENDENT AUDITORS' REPORT**

TO,  
THE MEMBERS OF  
**CENTRAL TRANSMISSION UTILITY OF INDIA LIMITED**  
**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the accompanying Ind AS Financial Statements of M/s **CENTRAL TRANSMISSION UTILITY OF INDIA LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2023, the Statement of Profit and Loss, Statement of Changes in Equity, the Statement of Cash Flows for the year then ended, and notes to the 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 financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with IND AS and the accounting principles generally accepted in India, of state of affairs of the Company as at 31<sup>st</sup> March 2023, its profit including other comprehensive income, its Changes in Equity and its cashflows for the year ended on that date.

**Key Audit Matters**

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

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



## **Responsibility of Managements and Those Charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with IND AS and the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act read with the relevant rules there under. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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.

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

1. As required by the Companies (Auditor's Report) Order, 2020, issued by the Central Government of India in term of sub-section (11) of section 143 of the Companies Act, 2013,



we give in the 'Annexure - 1' a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by section 143(3) of the Act, we report that:
- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid financial statements comply with IND AS and the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. Being a Subsidiary of a Government Company, Section 164(2) of the Act pertaining to disqualification of Directors are not applicable to the Company.
  - f. With respect to the adequacy of Internal financial Controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report on 'Annexure -2'; and
  - g. With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion and to our best of our information and according to the explanations given to us:
    - i. The company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
    - ii. There has been no Delay in Transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
    - iii. i) The management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - ii) the management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including



foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

iii) Based on such audit procedures that the we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

iv. An interim dividend declared and paid by the company to its parent company during the year under audit is in compliance with section 123 of the Companies Act, 2013.

3. In terms of Section 143 (5) of the Companies Act 2013, we give in the "Annexure-3" statement on the directions issued by the Comptroller and Auditor General of India.

For R Bhargava & Associates  
Chartered Accountants  
FRN: 012788N

*Gaurang*



Gaurang Bhargava  
Partner

M. No. FCA 530161

UDIN: 23530161 B9Y4UB9327

Place: NEW DELHI

Date : 17.05.2023

## Annexure '1' to the Independent Auditors' Report

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

- (i) a) (A) The Company has generally maintained records, showing full particulars including quantitative details and situation of Property, Plant and Equipment..
- (B) The Company does not own any Intangible Asset. Accordingly, this clause is not Applicable
- b) The Property, Plant & Equipment have been physically verified by the management during the year. In our opinion, frequency of verification is reasonable having regard to the nature of its business. No material discrepancies were noticed on such verification.
- c) The company does not own any immovable Property. Accordingly, this clause is not applicable to the company.
- d) In our opinion and according to the information and explanation given to us, the company has not revalued its Property. Plant and Equipment during the year.
- e) In our opinion and according to the information and explanations given to us, no proceedings have been initiated or are pending against the company for holding any Benami property under the "Benami Transactions (Prohibition) Act, 1988 and Rules made thereunder.
- (ii) (a) The company does not have any inventory. Accordingly. This clause is not applicable to the company
- (b) The Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets.
- (iii) (a) According to the information and explanations given to us, the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, paragraph 3(iii) is not applicable to the company.
- (iv) In our opinion and according to information and explanation given to us, the company has complied with the provisions of section 185 and 186 of the Act in respect of loans, investments, guarantees and security.



- (v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposit from the public & no amounts has been deemed to be deposits in accordance with the provisions of the sections 73 to 76 or any other relevant provisions of the Act, and the rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the company.
- (vi) Cost records maintenance not applicable to the company being a service company. Accordingly, this clause is not applicable.
- (vii) a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues with appropriate authorities including Provident Fund, Income Tax, Goods and Services Tax, and other statutory dues applicable to the Company and that there are no undisputed statutory dues outstanding as at 31 March 2023 for a period of more than six months from the date they became payable.
- b) According to information and explanations given to us, there are no statutory dues referred to in sub- clause (a) have not been deposited on account of dispute.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not recorded in the books of account any transaction which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (ix) In our opinion and according to the information and explanations given to us,
- (a) the Company has not defaulted during the year in repayment of loans & payment of Interest to its financial institutions, bankers and dues to the Bond holders.
- (b) the company has not been declared willful defaulter by any bank/financial institution/other lender.
- (c) term loans have been applied for the purpose for which the loans were obtained.
- (d) funds raised on short term basis have not been utilised for long term purpose.
- (e) The Company do not have any Subsidiaries, Joint ventures or Associates. Accordingly, paragraph 3(ix)(e) and 3(ix)(f) are not applicable to the company.
- (x) (a) The company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year.
- (b) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.



- (xi) (a) According to the information and explanations given to us and as represented by the management, we have been informed that no case of fraud has been committed on or by the company during the year.
- (b) As no fraud has been noticed during the year as mentioned at xi(a) above, report under sub-Section (12) of Section 143 of the Companies Act in the Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules 2014 is not applicable.
- (c) According to the information and explanations given to us, no whistle-blower complaints has been received during the year by the Company.
- (xii) The company is not a Nidhi Company as prescribed under section 406 of the Act. Accordingly, clause 3(xii)(a), 3(xii)(b) & 3(xii)(c) of the Order is not applicable to the company.
- (xiii) According to the information and explanations given to us and as represented by the management, all transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and the details have been disclosed in the Ind AS financial statements as required by the applicable Indian Accounting Standards.
- (xiv) (a) Internal Audit is not mandatory for the Company as per section 138 of the Companies Act 2013. However, the Company has Internal audit System for the for Billing Collection and Disbursement Functions of the Company commensurate with the nature of its business.
- (b) We have considered the reports of the Internal Auditors for the year under audit, issued to the Company during the year and till date in determining the nature, timing and extent of our audit procedures.
- (xv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) is not applicable to the company.
- (xvi) According to the information and explanations given to us, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Accordingly, paragraphs 3(xvi) are not applicable to the company.
- (xvii) According to the information and explanations given to us and based on our examination of the records of the company, the company has not incurred any cash losses in the current Financial Year and in the immediately preceding Financial Year.
- (xviii) There has not been any resignation of the statutory auditors during the year.



- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the records of the company, in our opinion, no material uncertainty exists as on the date of the audit report and the company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- xx) According to the information and explanations given to us and based on our examination of the records, the Company has spent the amount required as per section 135(5) of the Companies Act during the Financial year. Accordingly, paragraph 3(xx)(a) & 3(xx)(b) are not applicable to the company.
- xi) The Company donot have any subsidiaries, joint ventures or associates. Accordingly paragraph 3(ix)(e) and 3(ix)(f) are not applicable to the Company.

**For R Bhargava & Associates**

Chartered Accountants

FRN : 012788N

*Gaurang*

Gaurang Bhargava  
Partner

M. No. FCA 530161

UDIN: 23530161 B9790B9327

Place: NEW DELHI



Date:



## **Annexure '2' Report on Internal Financial Controls Over Financial Reporting**

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

We have audited the Internal Financial controls over financial reporting of Central transmission Utility of India Ltd ("the Company") as of March 31, 2023 in conjunction with our audit of the Ind-AS financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 information, as required under the Companies Act, 2013.

### Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Control over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of Internal Financial Controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

### Meaning of Internal Financial Controls over Financial Reporting



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

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

#### **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 2023, based on "the Internal Financial Controls over Financial Reporting criteria established by the Company considering the essential components of Internal Control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India."



**Annexure '3'**

As referred to in our Independent Auditors Report to the Members of the **Central Transmission Utility of India Limited** ("the Company") on the Financial Statements for the Year Ended 31 March, 2023, we Report that:

| Sl. No. | Directions u/s 143(5) of the No. Companies Act, 2013  | Auditor's reply on action taken on the directions   | Impact on Financial statements |
|---------|---|---|--------------------------------|
| 1.      | Whether the company has system in place to process all the accounting transaction through IT system? If yes, then the implications of accounting transaction outside IT system on the integrity of accounts along with the financial implications, if any, may be stated. | All accounting transactions of the company are processed through the ERP (SAP System) that has been implemented by the Company. No accounting transaction is being recorded/processed otherwise than through the ERP system in place. Hence no further disclosure is required in this regard. | Nil                            |
| 2.      | Whether there is any restructuring of any existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company to the company's inability to repay the loan? If yes, the financial impact may be stated.                               | There are no cases of restructuring of existing loan or cases of waiver/write off of debts/loans/interest etc.  | Nil                            |
| 3.      | Whether funds received/receivable for specific schemes from Central/State agencies were properly accounted for/utilized as per its terms and conditions? List the cases of deviation  | No fund has been received from Central/State agencies.  | Nil                            |

**For R Bhargava & Associates**

**Chartered Accountants**

FRN: 012788N

*Gaurang*



Gaurang Bhargava

Partner

M. No. FCA 530161

UDIN: 23530161B4YGUB9327

Place: NEW DELHI

Date : 17.05.2023

**CENTRAL TRANSMISSION UTILITY OF INDIA LTD**

CIN : U40100HR2020GOI091857

Plot No.2, Sector-29, Gurugram, Haryana-122001

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

(₹ in Lakhs)

| Particulars                            | Note No. | As at 31st March, 2023 | As At 31st March, 2022 |
|--|----------|------------------------|------------------------|
| <b>ASSETS</b>                          |          |                        |                        |
| <b>Non-Current Assets</b>              |          |                        |                        |
| Property, Plant and Equipment          | 4        | 9.80                   | -                      |
| Deferred Tax Assets                    | 5        | 3.09                   | -                      |
|  |          | 12.89                  | -                      |
| <b>Current Assets</b>                  |          |                        |                        |
| <b>Financial Assets</b>                |          |                        |                        |
| i) Cash and Cash Equivalents           | 6        | 95,458.57              | 1,150.12               |
| ii) Bank balances other than (i) above | 7        | 1,50,623.37            | 1,93,880.78            |
| iii) Trade Receivables                 | 8        | 1.06                   | -                      |
| iv) Other current financial assets     | 9        | 367.94                 | 51.43                  |
| Other Current Assets                   | 10       | 2.56                   | -                      |
|  |          | 2,46,453.50            | 1,95,082.33            |
| <b>Total Assets</b>                    |          | <b>2,46,466.39</b>     | <b>1,95,082.33</b>     |
| <b>EQUITY AND LIABILITIES</b>          |          |                        |                        |
| <b>Equity</b>                          |          |                        |                        |
| Equity Share Capital                   | 11       | 5.00                   | 5.00                   |
| Other Equity                           | 12       | 2,611.28               | 3,999.80               |
|  |          | 2,616.28               | 4,004.80               |
| <b>Liabilities</b>                     |          |                        |                        |
| <b>Non-Current Liabilities</b>         |          |                        |                        |
| Provisions                             | 13       | 16.11                  | -                      |
| <b>Current Liabilities</b>             |          |                        |                        |
| Trade Payables                         |          |                        |                        |
| Other Current Financial Liabilities    | 14       | 2,30,387.46            | 1,90,117.40            |
| Other Current Liabilities              | 15       | 11,620.89              | 15.26                  |
| Provisions                             | 16       | 9.86                   | -                      |
| Current Tax Liability                  | 17       | 1,815.79               | 944.87                 |
|  |          | 2,43,850.11            | 1,91,077.53            |
| <b>Total Equity and Liabilities</b>    |          | <b>2,46,466.39</b>     | <b>1,95,082.33</b>     |

The accompanying Notes (1 to 39) form an Integral Part of Financial Statements

As Per Our Report of Even Date

For R Bhargava & Associates,  
Chartered Accountants

Firm Regn. No. 012788N

(Gaurang Bhargava)  
Partner

Mem. No.FCA 530161

UDIN 23530161

B644UB932

Place : New Delhi

Date : 17.05.2023



For & on behalf of Board of Directors

(G. Ravisankar)  
Director  
DIN-08816101

(Abhay Choudhary)  
Chairman  
DIN-07188432

Place : Gurugram

Date : 17.05.2023

# CENTRAL TRANSMISSION UTILITY OF INDIA LTD

CIN :U40100HR2020GOI091857

Plot No.2, Sector-29, Gurugram, Haryana-122001

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


(₹ in Lakhs)

| Particulars                                      | Note No. | For the year ended 31st March, 2023 | For the year ended 31st March,2022 |
|--|----------|-------------------------------------|------------------------------------|
| Revenue From Operations                          | 18       | 881.76                              | 580.11                             |
| Other Income                                     | 19       | 6,280.72                            | 4,791.32                           |
| <b>Total Income</b>                              |          | <b>7,162.48</b>                     | <b>5,371.43</b>                    |
| <b>EXPENSES</b>                                  |          |                                     |                                    |
| Employee benefits cost                           | 20       | 190.06                              | 18.89                              |
| Depreciation and Amortization Expense            | 21       | 2.67                                | -                                  |
| Other Expenses                                   | 22       | 121.23                              | 3.90                               |
| <b>Total Expenses</b>                            |          | <b>313.96</b>                       | <b>22.79</b>                       |
| <b>Profit/(Loss) Before Tax</b>                  |          | <b>6,848.52</b>                     | <b>5,348.64</b>                    |
| Tax Expense:                                     |          |                                     |                                    |
| Current Tax                                      |          | 1,740.13                            | 1,346.07                           |
| Deferred Tax                                     |          | (3.09)                              | -                                  |
|  |          | 1,737.04                            | 1,346.07                           |
| <b>Profit (Loss) for the Period</b>              |          | <b>5,111.48</b>                     | <b>4,002.57</b>                    |
| Other Comprehensive Income                       |          | -                                   | -                                  |
| <b>Total Comprehensive Income for the period</b> |          | <b>5,111.48</b>                     | <b>4,002.57</b>                    |
| Earnings per Equity Share (Par Value ₹ 10 each)  |          | -                                   | -                                  |
| Basic (₹)  | 23       | 10,222.95                           | 8,005.14                           |
| Diluted (₹)                                      | 23       | 10,222.95                           | 8,005.14                           |

The accompanying Notes (1 to 39) form an Integral Part of Financial Statements

As Per Our Report of Even Date

For R Bhargava & Associates,  
Chartered Accountants  
Firm Regn. No. 012788N

  
(Gaurang Bhargava)  
Partner

Mem. No.FCA 530161

UDIN 23530161B6Y6UB9327



For & on behalf of Board of Directors

  
( G. Ravisankar )  
Director  
DIN-08816101

  
(Abhay Choudhary)  
Chairman  
DIN-07388432

Place : New Delhi

Date : 17.05.2023

Place : Gurugram

Date : 17.05.2023

**CENTRAL TRANSMISSION UTILITY OF INDIA LTD**

CIN :U40100HR2020GOI091857

Plot No.2, Sector-29, Gurugram, Haryana-122001

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

(₹ in Lakhs)

| Particulars  | For the year ended<br>31st March, 2023 | For the year ended<br>31st March, 2022 |
|--|--|--|
| <b>A CASH FLOW FROM OPERATING ACTIVITIES</b>   |  |  |
| Profit after Tax   | 5,111.48                               | 4,002.57                               |
| <b>Adjustment for :</b>  |  |  |
| Depreciation & amortization expenses   | 2.67                                   | -                                      |
| <b>Operating Profit/(Loss) before Changes in Assets and Liabilities</b>  | <b>5,114.15</b>                        | <b>4,002.57</b>                        |
| <b>Adjustment for Changes in Assets and Liabilities:</b>   |  |  |
| (Increase)/Decrease in Other Financial Assets  | 42,940.90                              | (1,93,932.21)                          |
| (Increase)/Decrease in Trade Receivables   | (1.06)                                 | -                                      |
| (Increase)/Decrease in Other Current Assets  | (2.56)                                 | -                                      |
| (Increase)/Decrease in Other Non-current Assets  | (3.09)                                 | -                                      |
| Increase/(Decrease) in Liabilities   | 52,746.61                              | 1,91,074.76                            |
| Increase/(Decrease) in Provision   | 25.97                                  | -                                      |
|  | <b>95,706.77</b>                       | <b>(2,857.45)</b>                      |
| <b>Cash Generated From Operations</b>  | <b>1,00,820.92</b>                     | <b>1,145.12</b>                        |
| <b>Net Cash from / (used in) Operating Activities</b>  | <b>1,00,820.92</b>                     | <b>1,145.12</b>                        |
| <b>B CASH FLOW FROM INVESTING ACTIVITIES</b>   |  |  |
| Property, Plant & Equipments, Capital Work in Progress and Intangible Assets and Intangible Assets Under Development | (12.47)                                | -                                      |
| <b>Net Cash used in Investing Activities</b>   | <b>(12.47)</b>                         | <b>-</b>                               |
| <b>C CASH FLOW FROM FINANCING ACTIVITIES</b>   |  |  |
| Dividend paid  | (6,500.00)                             | -                                      |
| <b>Net Cash From Financing Activities</b>  | <b>(6,500.00)</b>                      | <b>-</b>                               |
| <b>D Net Change in Cash and Cash Equivalents (A+B+C)</b>   | <b>94,308.45</b>                       | <b>1,145.12</b>                        |
| <b>E Cash and Cash Equivalents (Opening Balance)</b>   | <b>1,150.12</b>                        | <b>5.00</b>                            |
| <b>F Cash and Cash Equivalents (Closing Balance) (D+E)</b>   | <b>95,458.57</b>                       | <b>1,150.12</b>                        |

The accompanying Notes (1 to 39) form an Integral Part of Financial Statements

As Per Our Report of Even Date

R. Bhargava & Associates  
Chartered Accountants  
Firm Regn. No. 012788N

*Ravang*

(Gaurang Bhargava)  
Partner  
Mem. No.FCA 530161  
UDIN 23530161B6460B9327



For & On Behalf of The Board of Directors

*G. Ravisankar*  
(G. Ravisankar)  
Director  
DIN-08816101

*Abhay Choudhary*  
(Abhay Choudhary)  
Chairman  
DIN-07388432

Place : New Delhi  
Date : 17.05.2023

Place : Gurugram  
Date : 17.05.2023

# CENTRAL TRANSMISSION UTILITY OF INDIA LTD

CIN :U40100HR2020GOI091857

Plot No.2, Sector-29, Gurugram, Haryana-122001

## Statement of Changes in Equity for the year ended 31st March, 2023

### A. Equity Share Capital

| Particulars             | (₹ in Lakhs) |
|-------------------------|--------------|
| As at April, 2022       | 5.00         |
| Changes during the year | -            |
| As at 31st march,2023   | 5.00         |
| As at April, 2021       | 5.00         |
| Changes during the year | -            |
| As at 31st March, 2022  | 5.00         |

### B. Other Equity

|  | (₹ in Lakhs)                              |
|--|---|
|  | Reserves and Surplus<br>Retained Earnings |
| As at 1st April, 2022                      | 3,999.80                                  |
| Total Comprehensive Income during the year | 5,111.48                                  |
| Adjustments during the year                |   |
| Dividend paid                              | 6,500.00                                  |
| As at 31st March, 2023                     | 2,611.28                                  |
| As at 1st April, 2021                      | (2.77)                                    |
| Total Comprehensive Income during the year | 4,002.57                                  |
| As at 31st March, 2022                     | 3,999.80                                  |

The accompanying Notes (1 to 39) form an Integral Part of Financial Statements  
Refer to Note 12 for Nature & Movement of Other Equity.

As per our report of even date

For & on behalf of

For R. Bhargava & Associates,

Chartered Accountants

FRN-012788N

*Gaurang*

(Gaurang Bhargava)

Partner



For and on behalf of Board Of Directors

*G. Ravisankar*

(G. Ravisankar)

Director

DIN-08816101

*Abhay Choudhary*

(Abhay Choudhary)

Chairman

DIN-07388432

Mem. No.FCA 530161

UDIN 23530161Bh46UB9327

Place : New Delhi

Date : 17.05.2023

Place : Gurugram

Date : 17.05.2023

## Notes to Financial Statements

### 1. Corporate and General Information

M/s Central Transmission Utility of India Limited ('the Company') is a public company domiciled and incorporated in India on 28<sup>th</sup> December, 2020 under the provisions of Companies Act, 2013 and also notified by the central government as Electricity Company u/s 38(1) of Electricity Act, 2003 and a wholly owned subsidiary of Power Grid Corporation of India Limited. The registered office of the Company is situated at Plot No.2, Sector-29, Gurugram, Haryana-122001, India.

The company is engaged for carrying out statutory function as identified for Central Transmission Utility (CTU) under the Electricity Act 2003, and also other functions assigned to CTU by CERC.

The financial statements of the company for the year ended 31 March 2023 were approved for issue by the Board of Directors on 17.05.2023.

### 2. **Significant Accounting Policies**

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below.

#### 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, 2013 and the provisions of Electricity Act, 2003, in each case, to the extent applicable and as amended thereafter.

##### ii) Basis of Measurement

The financial statements have been prepared on accrual basis and under the historical cost convention except certain financial assets and liabilities measured at fair value (Refer Note no. 2.9 for accounting policy regarding financial instruments).

##### iii) Functional and presentation currency

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

##### iv) Use of estimates





The preparation of financial statements requires estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses during the reporting period. Although, such estimates and assumptions are made on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects 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.

### **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.

### **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.

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.

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

Intangible assets are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

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

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



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

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

## 2.5 Depreciation/ Amortisation

### Property, Plant and Equipment

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

| Particulars                       | Useful life |
|-----------------------------------|-------------|
| a. Computers and Peripherals      | 3 Years     |
| b. Servers and Network Components | 5 years     |

Residual value of above assets is considered as Nil.

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.

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.

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

The 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 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.

### **2.7 Inventories**

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

### **2.8. Employee benefits**

#### **2.8.1 Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into separate entities (Funds) and will have no legal or constructive obligation to pay further contributions, if the Fund does not hold sufficient assets to pay all employee's benefits related to employee service in the current and prior periods. Obligations for contribution to defined contribution plans are recognized as an employee benefits expense in the statement of profit and loss in the period during which services are rendered by employees.



### 2.8.2 Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's liability towards gratuity, post-retirement medical facility, baggage allowance for settlement at home town after retirement, long service award on retirement and provident fund scheme to the extent of interest liability on provident fund contribution are in the nature of defined benefit plans.

The Company has Post-Retirement Medical Facility (PRMF), under which retired employee and the spouse are provided medical facilities in the Company empanelled hospitals. They can also avail treatment as out-patient subject to a ceiling fixed by the Company.

Company deducts and deposits fixed contribution of 12% to Provident Fund at predetermined rate to EPFO. The contributions to the fund for the year are recognized as expense and are charged to the statement of profit and loss. The obligation of the Company is limited to such fixed contributions and to ensure a minimum rate of interest on contributions to the members as specified by the Government of India (GoI).

The Company has schemes for payment of baggage allowance towards expenses for settlement at hometown for the superannuated employees & their dependents and for providing a Long Service Award to all regular employees of the Company on superannuation.

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognized asset is limited to the total of any unrecognized past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. An economic benefit is available to the Company if it is realizable during the life of the plan, or on settlement of the plan liabilities. Any actuarial gains or losses are recognized in OCI in the period in which they arise and subsequently not reclassified to profit or loss.



When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized in the statement of profit and loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognized immediately in the statement of profit and loss.

### 2.8.3 Other long-term employee benefits

Benefits under the Company's leave encashment and employee family economic rehabilitation scheme constitute other long term employee benefits.

The Company's net obligation in respect of leave encashment is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Company's obligations. The calculation is performed using the projected unit credit method. Any actuarial gains or losses are recognized in the statement of profit and loss in the period in which they arise.

As per Employee Family Economic Rehabilitation Scheme', which is optional, in the event of death or permanent total disability of an employee, the dependent(s) or the employee, as the case may be, is paid a fixed amount based on the last salary drawn by the employee till the notional date of superannuation of the employee upon depositing the final provident fund and gratuity amount which will be interest free.

### 2.8.4 Short-term benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under performance related pay if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

## **2.9 Financial instruments**

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



## Financial Assets

Financial assets of the Company comprise cash and cash equivalents, bank balances etc.

### Classification

The Company classifies its financial assets in the following categories:

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

The classification depends on the following:

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

### Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs, if any, that are attributable to the acquisition of the financial asset.

### 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 other payables etc.

#### **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.

## **2.10 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.

## **2.11 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.

### **2.11.1 Revenue from Operations**

Application Fees towards Connectivity, Long Term Access(LTA) and Medium-term open access (MTOA) is accounted for on receipt as per Central Electricity Regulatory Commission (Grant of Connectivity, Long-term Access and Medium-term Open Access in inter-State Transmission and related matters) Regulations, 2009.

### **2.11.2 Other Income**

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

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

## **2.12 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.

## **2.13 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.

#### **2.14 Share capital and Other Equity**

Ordinary shares are classified as equity.

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

#### **2.15 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.

#### **2.16 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.

### **2.17 Statement of Cash Flows**

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

## **3 Critical Estimates and Judgments**

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

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

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

### Useful life of property, plant and equipment

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

The Company reviews at the end of each reporting date the useful life of plant and equipment and are adjusted prospectively, if appropriate.

### Estimation of defined benefit obligation:

Estimation of defined benefit obligation involves certain significant actuarial assumptions which are listed in Note 38

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.



### -Provisions and contingencies

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

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

### Income Taxes:

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



# CENTRAL TRANSMISSION UTILITY OF INDIA LTD

## Note 4/Property, Plant and Equipment

**(₹ in Lakhs)**

| Particulars   | Cost                  |                           |          |                            | Accumulated depreciation |                           |          | Net Book Value         |                        |
|---|-----------------------|---------------------------|----------|----------------------------|--------------------------|---------------------------|----------|------------------------|------------------------|
|   | As at 1st April, 2022 | Additions during the year | Disposal | Adjustment during the year | As at 1st April, 2022    | Additions during the year | Disposal | As at 31st March, 2023 | As at 31st March, 2022 |
|   |                       |                           |          |                            |                          |                           |          |                        |                        |
| <b>Plant &amp; Equipment</b>                          |                       |                           |          |                            |                          |                           |          |                        |                        |
| Furniture Fixtures                                    |                       | 0.41                      | -        | -                          | -                        | 0.00                      | -        | 0.41                   | 0.00                   |
| Office equipment                                      |                       | 0.75                      | -        | -                          | -                        | 0.01                      | -        | 0.74                   | 0.00                   |
| Electronic Data Processing & Word Processing Machines |                       | 11.31                     | -        | -                          | -                        | 2.66                      | -        | 8.65                   | -                      |
| <b>Total</b>  |                       | <b>12.47</b>              |          |                            |                          | <b>2.67</b>               |          | <b>9.80</b>            |                        |



# CENTRAL TRANSMISSION UTILITY OF INDIA LTD

## Note 5/Deffered Tax Assets (Net)

(₹ in Lakhs)

| Particulars               | As at 31st<br>March,2023 | As at 31st<br>March 2022 |
|---------------------------|--------------------------|--------------------------|
| Deffered Tax Assets (Net) | 3.09                     | -                        |
| <b>Total</b>              | <b>3.09</b>              | <b>-</b>                 |



# CENTRAL TRANSMISSION UTILITY OF INDIA LTD

## Note 6/ Cash and Cash Equivalents

(₹ in Lakhs)

| Particulars  | As at 31st<br>March, 2023 | As at 31st<br>March 2022 |
|--|---------------------------|--------------------------|
| Balance with scheduled Banks<br>-In Current accounts | 95,458.57                 | 1,150.12                 |
| <b>Total</b>   | <b>95,458.57</b>          | <b>1,150.12</b>          |





# CENTRAL TRANSMISSION UTILITY OF INDIA LTD

## Note 7/ Bank balances other than (i) above

(₹ in Lakhs)

| Particulars  | As at 31st March,<br>2023 | As at 31st March 2022 |
|--|---------------------------|-----------------------|
| Earmarked balance with banks<br>In Term Deposits having maturity over 3<br>months but upto 12 months | 1,50,623.37               | 1,93,880.78           |
| <b>Total</b>   | <b>1,50,623.37</b>        | <b>1,93,880.78</b>    |



# CENTRAL TRANSMISSION UTILITY OF INDIA LTD

## Note 8/ Trade Receivables

(₹ in Lakhs)

| Particulars                          | As at 31st March, 2023 | As at 31st March 2022 |
|--------------------------------------|------------------------|-----------------------|
| <b>Trade Receivables - Unsecured</b> |                        |                       |
| Unbilled Revenue                     | 1.06                   | -                     |
| <b>Total</b>                         | <b>1.06</b>            | <b>-</b>              |



# CENTRAL TRANSMISSION UTILITY OF INDIA LTD

## Note 9/ Other Current Financial assets

(₹ in Lakhs)

| Particulars                     | As at 31st March,<br>2023 | As at 31st<br>March 2022 |
|---------------------------------|---------------------------|--------------------------|
| Receivable from Related Parties | 18.04                     | 50.84                    |
| Others-Considered Good          | 349.90                    | 0.59                     |
| <b>Total</b>                    | <b>367.94</b>             | <b>51.43</b>             |



# CENTRAL TRANSMISSION UTILITY OF INDIA LTD

## Note 10/ Other Current Assets

(₹ in Lakhs)

| Particulars                              | As at 31st<br>March, 2023 | As at 31st<br>March 2022 |
|--|---------------------------|--------------------------|
| Other Current assets:<br>Considered Good | 2.56                      | -                        |
| <b>Total</b>                             | <b>2.56</b>               | <b>-</b>                 |



## CENTRAL TRANSMISSION UTILITY OF INDIA LTD

### Note 11/ Equity Share capital

| Particulars                                      | As at 31st March, 2023 | As at 31st March, 2022 |
|--|------------------------|------------------------|
| <b>Equity Share Capital Authorised</b>           |                        |                        |
| 1000000 equity share of ₹ 10/- each              | 100.00                 | 100.00                 |
| <b>Issued, subscribed and paid up</b>            |                        |                        |
| 50000 equity shares of ₹ 10/- each fully paid up | 5.00                   | 5.00                   |
| <b>Total</b>                                     | <b>5.00</b>            | <b>5.00</b>            |

**Further Notes:**

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

| Particulars                                      | For the year ended 31st March, 2023 |             | For the year ended 31st March, 2022 |             |
|--|-------------------------------------|-------------|-------------------------------------|-------------|
|  | 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        |
| Additions during the year                        | -                                   | -           | -                                   | -           |
| Deductions during the year                       | -                                   | -           | -                                   | -           |
| <b>Shares outstanding at the end of the year</b> | <b>50,000</b>                       | <b>5.00</b> | <b>50,000</b>                       | <b>5.00</b> |

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

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

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

| Particulars   | As at 31st March, 2023 |              | As at 31st March, 2022 |              |
|---|------------------------|--------------|------------------------|--------------|
|   | No. of Shares          | % of holding | No. of Shares          | % of holding |
| <b>Power Grid Corporation of India Limited (Holding Company)#</b> | 50000                  | 100%         | 50000                  | 100%         |

5) Shareholding by Promoters

| Particulars   | As at 31st March, 2023 |                              | As at 31st March, 2022 |                          |
|---|------------------------|------------------------------|------------------------|--------------------------|
|   | No. of Shares          | % of holding during the year | No. of Shares          | % Change during the year |
| <b>Power Grid Corporation of India Limited (Holding Company)#</b> | 50,000                 | 100%                         | 50,000                 | 100%                     |

# Out of 50000 Equity shares 6 equity shares are held by nominees of Powergrid Corporation Of India Limited on its behalf . Power Grid Corporation of India Limited is the promoter of the company and there is no change in equity holding during the year and in previous year.



# CENTRAL TRANSMISSION UTILITY OF INDIA LTD

## Note 12/ Other Equity

(₹ in Lakhs)

| Particulars  | As at 31st<br>March, 2023 | As at 31st<br>March 2022 |
|--|---------------------------|--------------------------|
| <b>Reserve &amp; Surplus</b>                       |                           |                          |
| Surplus (Balance in statement of Profit and Loss ) | 3,999.80                  | (2.77)                   |
| Add: Additions                                     | -                         | -                        |
| Profit after tax as per Statement of Profit & Loss | 5,111.48                  | 4,002.57                 |
| Less: Dividend paid                                | 6,500.00                  | -                        |
| Closing Balance                                    | 2,611.28                  | 3999.80                  |
| <b>Total</b>                                       | <b>2,611.28</b>           | <b>3999.80</b>           |



# CENTRAL TRANSMISSION UTILITY OF INDIA LTD

## Note 13/ NC-Provisions

(₹ in Lakhs)

| Particulars                          | As at 31st<br>March, 2023 | As at 31st<br>March 2022 |
|--------------------------------------|---------------------------|--------------------------|
| <b>Employee benefits</b>             |                           |                          |
| As per last Balance Sheet            | -                         | -                        |
| Addition/ Adjustment During the year | 16.11                     | -                        |
| Paid During the year                 | -                         | -                        |
| Closing Balance                      | 16.11                     | -                        |



# CENTRAL TRANSMISSION UTILITY OF INDIA LTD

## Note 14/Other Current Financial Liability

(₹ in Lakhs)

| Particulars                              | As at 31st March, 2023 | As at 31st March 2022 |
|--|------------------------|-----------------------|
| LTA BG Encashment & amount in lieu of LC | 53,312.42              | 51,010.31             |
| Licensee Withheld Amount                 | 64,781.66              | 41,930.52             |
| Amount pending disbursement              | 1,09,728.98            | 97,040.43             |
| Employee Related Liabilities             | 2.41                   | -                     |
| Deposits From Contractors                | 11.54                  | -                     |
| Others                                   | 2,550.45               | 136.14                |
| <b>Total</b>                             | <b>2,30,387.46</b>     | <b>1,90,117.40</b>    |

### Further Note -

Disclosure with regard to Micro and Small Enterprises as required under "The Micro, Small and Medium Enterprises Development Act, 2006" is given in Note 27

\*Refer note number 28 for related Party transactions.





# CENTRAL TRANSMISSION UTILITY OF INDIA LTD

## Note 15/Other current Liabilities

(₹ in Lakhs)

| Particulars    | As at 31st March, 2023 | As at 31st March 2022 |
|----------------|------------------------|-----------------------|
| Statutory Dues | 11620.89               | 15.26                 |
| <b>Total</b>   | <b>11,620.89</b>       | <b>15.26</b>          |



# CENTRAL TRANSMISSION UTILITY OF INDIA LTD

## Note 16/Provisions

(₹ in Lakhs)

| Particulars   | As at 31st March<br>2023 | As at 31st March<br>2022 |
|---|--------------------------|--------------------------|
| <b>A. Employee benefits</b>                                 |                          |                          |
| <b>Performance Related Pay</b>                              |                          |                          |
| As per last Balance Sheet                                   | -                        | -                        |
| Addition/ Adjustment During the year                        | 4.51                     | -                        |
| Paid During the year  | -                        | -                        |
| Closing Balance   | 4.51                     | -                        |
| <b>B. Other Employee Benefits</b>                           |                          |                          |
| <b>Leave Encashment/Settlement/Long Service Award, etc.</b> |                          |                          |
| As per last Balance Sheet                                   | -                        | -                        |
| Addition/ Adjustment During the year                        | 5.35                     | -                        |
| Paid During the year  | -                        | -                        |
| Closing Balance   | 5.35                     | -                        |
| <b>Total</b>  | <b>9.86</b>              | <b>-</b>                 |



# CENTRAL TRANSMISSION UTILITY OF INDIA LTD

## Note 17/ Current Tax liabilities

(₹ in Lakhs)

| Particulars                     | As at 31st<br>March 2023 | As at 31st<br>March 2022 |
|---------------------------------|--------------------------|--------------------------|
| As per last balance Sheet       | 944.87                   | -                        |
| Additions during the year       | 1,740.13                 | 1,346.07                 |
| Amount adjusted during the year | -                        | -                        |
| Total                           | 2,685.00                 | 1,346.07                 |
| Net off against TDS*            | 869.21                   | 401.20                   |
| Total                           | 1,815.79                 | 944.87                   |

Note : \*Includes TDS of Rs. 368.47 Cr (Prev Year 508.61 Cr) deducted by Designated Inter-State Customers (DICs) and the same amount withheld by the company against payment to licensees.



CENTRAL TRANSMISSION UTILITY OF INDIA LTD

Note 18/ Revenue from Operations

(₹ in Lakhs)

| Particulars      | For the year ended<br>31st March, 2023 | For the year ended 31st<br>March, 2022 |
|------------------|--|--|
| Sale of services | 881.76                                 | 580.11                                 |
| <b>Total</b>     | <b>881.76</b>                          | <b>580.11</b>                          |



# CENTRAL TRANSMISSION UTILITY OF INDIA LTD

## Note 19/ Other Income

(₹ in Lakhs)

| Particulars                             | For the year ended<br>31st March, 2023 | For the year ended 31st<br>March,2022 |
|---|--|---------------------------------------|
| Interest from Bank from<br>Indian banks | 6280.17                                | 4,791.32                              |
| Miscellaneous Income                    | 0.55                                   | -                                     |
| <b>Total</b>                            | <b>6,280.72</b>                        | <b>4,791.32</b>                       |



# CENTRAL TRANSMISSION UTILITY OF INDIA LTD

## Note 20/Employee benefits expense

(₹ in Lakhs)

| Particulars                               | For the year ended<br>31st March 2023 | For the year ended<br>31st March,2022 |
|---|---------------------------------------|---------------------------------------|
| Salaries, wages, allownces & benefits     | 157.54                                | 16.86                                 |
| Contribution to Provident and other funds | 18.51                                 | 1.77                                  |
| Staff Welfare expenses                    | 14.01                                 | 0.26                                  |
| <b>Total</b>                              | <b>190.06</b>                         | <b>18.89</b>                          |

Note:-

Refer Note No 35 for expenses related to Company which is borne by POWERGRID in line with CERC order dt 25.02.2022 .



# CENTRAL TRANSMISSION UTILITY OF INDIA LTD

Note 21/Depreciation and amortization expense

(₹ in Lakhs)

| Particulars                                   | For the year ended<br>31st March, 2023 | For the year ended<br>31st March, 2022 |
|---|--|--|
| Depreciation of Property, Plant and Equipment | 2.67                                   | -                                      |
| Total   | 2.67                                   | -                                      |



# CENTRAL TRANSMISSION UTILITY OF INDIA LTD

## Note 22/ Other expenses

(₹ in Lakhs)

| Particulars   | For the year ended<br>31st March 2023 | For the year ended<br>31st March,2022 |
|---|---------------------------------------|---------------------------------------|
| Training & Recruitment Expenses                         | 8.97                                  | -                                     |
| Professional charges                                    | 13.89                                 | 0.88                                  |
| Communication Expenses                                  | 0.79                                  | -                                     |
| Travelling & Conveyance Exp (excluding foregin Travels) | 1.40                                  | -                                     |
| Printing ans stationary                                 | 2.28                                  | -                                     |
| Payments to Statutory Auditors                          |                                       |                                       |
| Audit Fees  | 0.35                                  | 0.25                                  |
| Tax Audit Fee   | 0.12                                  |                                       |
| In other capacity                                       | 0.25                                  | 0.06                                  |
| Arrears of audit fee                                    | 0.10                                  | -                                     |
| Advertisement and Publicity                             | 7.41                                  | -                                     |
| Brokerage and commission                                | 0.19                                  | -                                     |
| Hiring of Vehicles                                      | 0.03                                  | -                                     |
| CSR expenses  | 53.46                                 | -                                     |
| Others  | 31.99                                 | 2.71                                  |
| <b>Total</b>  | <b>121.23</b>                         | <b>3.90</b>                           |

Note:-

Refer Note No 35 for expenses related to Company which is borne by POWERGRID in line with CERC order dt 25.02.2022 .





# CENTRAL TRANSMISSION UTILITY OF INDIA LTD

## Note 23/ Earnings Per Share

| (a) Basic earnings per share attributable to the equity holders of the company  | 31-Mar-2023  | 31-Mar-2022     |
|---|--------------|-----------------|
| Total Basic and Diluted earnings per share attributable to the equity holders of the company from Continuing Operations | 10,222.95    | 8,005.14        |
|   | (₹ in Lakhs) | (₹ in Lakhs)    |
| (b) Reconciliation of earnings used as numerator in calculating earnings per share                                      | 31-Mar-2023  | 31-Mar-2022     |
| Total Earnings attributable to the equity holders of the company  | 5,111.48     | 4,002.57        |
|   |              | (No. of Shares) |
| (c) Weighted average number of shares used as the denominator   | 31-Mar-2023  | 31-Mar-2022     |
| Weighted average number of equity shares used as the denominator in calculating basic earnings per share                | 50000        | 50000           |



# CENTRAL TRANSMISSION UTILITY OF INDIA LTD

## Note 24/ Fair Value Measurements

(₹ in Lakhs)

| Financial instruments by category  | 31-Mar-23<br>Amortised Cost | 31-Mar-22          |
|------------------------------------|-----------------------------|--------------------|
| <b>Financial Assets</b>            |                             |                    |
| Cash & Cash Equivalents            | 95,458.57                   | 1150.12            |
| Bank Balance                       | 1,50,623.37                 | 193880.78          |
| Other Financial Assets             |                             |                    |
| Current                            | 367.94                      | 51.43              |
| <b>Total Financial Assets</b>      | <b>2,46,449.88</b>          | <b>1,95,082.33</b> |
| <b>Financial Liabilities</b>       |                             |                    |
| Other Financial Liabilities        |                             |                    |
| Current                            | 2,30,387.46                 | 1,90,117.40        |
| <b>Total Financial Liabilities</b> | <b>2,30,387.46</b>          | <b>1,90,117.40</b> |

### (i) Fair Value Hierarchy

(₹ in Lakhs)

| <i>Assets and liabilities which are measured at amortised cost for which fair values are disclosed</i> | Level | At 31 March 2023 | At 31 March 2022 |
|--|-------|------------------|------------------|
| <b>Financial Assets</b>  |       |                  | -                |
| <b>Total Financial Assets</b>  |       |                  | -                |
| <b>Financial Liabilities</b>   |       |                  | -                |
| <b>Total Financial Liabilities</b>   |       |                  | -                |

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed on the stock exchanges is valued using the closing price as at the reporting period.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, traded derivatives) is determined using valuation techniques which maximise the use of observable market data and 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 includes unlisted equity securities, contingent consideration and indemnification asset included in level 3.

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



**(ii) Valuation technique used to determine fair value**

Specific valuation techniques used to value financial instruments include:

- the fair value of the financial instruments is determined using discounted cash flow analysis.

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

**(iii) Fair Value of Financial Assets and Liabilities measured at Amortised Cost**

The carrying amounts of cash and cash equivalents, other current Financial Assets and other current financial flows using a current borrowing rate. They are classified as level 2 fair values in the fair value hierarchy since to fair value an instrument are observable. For financial assets and liabilities that are measured at fair value, equal to the fair values.



# CENTRAL TRANSMISSION UTILITY OF INDIA LTD

## Note 25/ Capital Management

### Risk Management

The company's objectives when managing capital are to

- maximize the Shareholder Value
- safeguard its ability to continue as a going concern
- maintain an optimal capital structure to reduce the cost of capital.

For the purpose of the company's capital management, equity capital includes issued equity capital, and all other equity reserves attributable to the equity holders of the company. The company manages its capital structure and makes adjustments in light of changes in economic conditions.

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

| Particulars                    | (₹ in Lakhs) |             |
|--------------------------------|--------------|-------------|
|                                | 31-Mar-2023  | 31-Mar-2022 |
| Long Term Debt                 |              | -           |
| Equity                         | 2,616.28     | 4,004.80    |
| Long Term Debt to Equity Ratio |              | -           |



# CENTRAL TRANSMISSION UTILITY OF INDIA LTD

## Note 26/ Financial Risk Management

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

- Credit risk,
- Liquidity risk,
- Market risk.

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

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

### (A) Credit Risk

Credit risk arises from cash and cash equivalents carried at amortised cost.

#### (i) Credit Risk Management

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

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

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

### Other Financial Assets

#### Cash and cash equivalents

The Company held cash and cash equivalents as on 31st March, 2023 of ₹95548.57 Lakhs. The cash and cash equivalents are held with public sector bank and do not have any significant credit risk.

#### (i) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

| Particulars  | (Rs in Lakhs)                |                              |
|--|------------------------------|------------------------------|
|  | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |
| Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL) |                              |                              |
| Cash and cash equivalents  | 95,458.57                    | 1,150.12                     |
| Deposits with Banks  | 1,50,623.37                  | 1,93,880.78                  |
| Other Current Financial Assets   | 367.94                       | 51.43                        |
| <b>Total</b>   | <b>2,46,449.88</b>           | <b>1,95,082.33</b>           |



#### (ii) Provision for Expected Credit Losses

##### Financial assets for which loss allowance is measured using 12 month expected credit losses

The Company has assets where the counter- parties have sufficient capacity to meet the obligations and where the risk of default is very low. At initial recognition, financial assets are considered as having negligible credit risk and the risk has not increased from initial recognition. Therefore, expected credit loss provision is not required.

## Note 26/ Financial Risk Management(Contd..)

### (B) Liquidity Risk

Liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. The Company monitors its risk of a shortage of funds using a liquidity planning tool.

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

### (i) Maturities of Financial Liabilities

The tables below analyse The company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities

The amounts disclosed in the table are the contractual undiscounted cash flows.

|  | (₹ in Lakhs)       |                       |                       |                |                    |
|--|--------------------|-----------------------|-----------------------|----------------|--------------------|
| Contractual Maturities of Financial Liabilities: | Within 1 Year      | Between 1 and 2 years | Between 2 and 5 years | Beyond 5 Years | Total              |
| <b>31-Mar-23</b>                                 |                    |                       |                       |                |                    |
| Other Financial Liabilities                      | 2,30,387.46        | -                     | -                     | -              | 2,30,387.46        |
| <b>Total</b>                                     | <b>2,30,387.46</b> |                       |                       |                | <b>2,30,387.46</b> |
| <b>31-Mar-22</b>                                 |                    |                       |                       |                |                    |
| Other Financial Liabilities                      | 1,90,117.40        | -                     | -                     | -              | 1,90,117.40        |
| <b>Total</b>                                     | <b>1,90,117.40</b> |                       |                       |                | <b>1,90,117.40</b> |

### (C) Market risk

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

- i. Currency risk
- ii. Interest rate risk

#### i) Currency risk

As on Reporting date the Company does not have any exposure to currency risk in respect of foreign currency denominated loans and borrowings. The company is exposed to currency risk mainly due to procurement of goods and services.

#### ii) Interest rate risk

The Company is not exposed to any interest rate risk as the Company has not taken any borrowings either short term or Long Term..



## Note 27

Based on information available with the company, there are No Suppliers/Service providers who are registered as Micro, Small or Medium Enterprise under The Micro, Small and Medium Enterprises Development Act,2006 (MSMED Act, 2006). Information in respect of Micro, Small or Medium Enterprise as required by MSMED Act, 2006 is given as under:

| Sr. 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  | Nil<br>Nil   | 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           |



**Note 28/ Disclosure as per Ind AS 24 - "Related Party Disclosures"**

**(a) Holding Co.**

|   |  | Proportion of Ownership Interest | Proportion of Ownership Interest |
|---|--|----------------------------------|----------------------------------|
| Name of entity                          | Place of business/country of incorporation | As at 31.03.2023                 | As at 31.03.2022                 |
| Power Grid Corporation of India Limited | India                                      | 100%                             | 100%                             |

**(b) Subsidiaries of Holding Company**

| Name of entity  | Place of business/<br>Country of incorporation | Proportion of Ownership Interest |                  |
|---|--|----------------------------------|------------------|
|   |  | As at 31.03.2023                 | As at 31.03.2022 |
| Powergrid Vemagiri Transmission Limited   | India  | 100%                             | 100%             |
| Powergrid NM Transmission Limited   | India  | 100%                             | 100%             |
| Powergrid Unchahar Transmission Limited   | India  | 100%                             | 100%             |
| Powergrid Southern Interconnector Transmission System Limited                               | India  | 100%                             | 100%             |
| Powergrid Medinipur Jeerat Transmission Limited   | India  | 100%                             | 100%             |
| Powergrid Mithilanchal Transmission Limited   | India  | 100%                             | 100%             |
| Powergrid Varanasi Transmission System Limited  | India  | 100%                             | 100%             |
| Powergrid Jawaharpur Firozabad Transmission Limited   | India  | 100%                             | 100%             |
| Powergrid Khetri Transmission System Limited  | India  | 100%                             | 100%             |
| Powergrid Bhuj Transmission Limited   | India  | 100%                             | 100%             |
| Powergrid Bhind Guna Transmission Limited   | India  | 100%                             | 100%             |
| Powergrid Ajmer Phagi Transmission Limited  | India  | 100%                             | 100%             |
| Powergrid Fatehgarh Transmission Limited  | India  | 100%                             | 100%             |
| Powergrid Rampur Sambhal Transmission Limited   | India  | 100%                             | 100%             |
| Powergrid Meerut Simbhavali Transmission Limited  | India  | 100%                             | 100%             |
| Central Transmission Utility of India Limited   | India  | 100%                             | 100%             |
| Powergrid Ramgarh Transmission Limited (Erstwhile Ramgarh New Transmission Limited)         | India  | 100%                             | 100%             |
| Powergrid Himachal Transmission Limited (Erstwhile Jaypee Powergrid Limited)                | India  | 100%                             | 100%             |
| Powergrid Bikaner Transmission System Limited (Erstwhile Bikaner-II Bhiwad Transco Limited) | India  | 100%                             | 100%             |





|  |       |      |      |
|--|-------|------|------|
| Powergrid Sikar Transmission Limited (Erstwhile Sikar New Transmission Limited)                        | India | 100% | 100% |
| Powergrid Bhadla Transmission Limited (Erstwhile Fatehgarh Bhadla Transco Limited)                     | India | 100% | 100% |
| Powergrid Aligarh Sikar Transmission Limited (Erstwhile Sikar II Aligarh Transmission Limited)         | India | 100% | 100% |
| Powergrid Teleservices Limited   | India | 100% | 100% |
| Powergrid Energy Services Limited  | India | 100% | 100% |
| Powergrid Narela Transmission Limited (Erstwhile Khetri-Narela Transmission Limited) <sup>1</sup>      | India | 100% | NA   |
| Powergrid Gomti Yamuna Transmission Limited (Erstwhile Mohanlalganj Transmission Limited) <sup>2</sup> | India | 100% | NA   |
| Powergrid Neemuch Transmission System Limited (Erstwhile Neemuch Transmission Limited) <sup>3</sup>    | India | 100% | NA   |
| Powergrid ER NER Transmission Limited (Erstwhile ER NER Transmission Limited) <sup>4</sup>             | India | 100% | NA   |
| ERWR Power Transmission Limited <sup>5</sup>   | India | 100% | NA   |
| Khavda RE Transmission Limited <sup>5</sup>  | India | 100% | NA   |
| Khavda II-B Transmission Limited <sup>5</sup>  | India | 100% | NA   |
| Khavda II-C Transmission Limited <sup>5</sup>  | India | 100% | NA   |
| KPS2 Transmission Limited <sup>5</sup>   | India | 100% | NA   |
| KPS3 Transmission Limited <sup>5</sup>   | India | 100% | NA   |
| Raipur Pool Dhamtari Transmission Limited <sup>6</sup>   | India | 100% | NA   |
| Dharamjaigarh Transmission Limited <sup>6</sup>  | India | 100% | NA   |
| Bhadla Sikar Transmission Limited <sup>6</sup>   | India | 100% | NA   |
| <sup>1</sup> 100% equity acquired from PFC Consulting Limited on 11.05.2022                            |       |      |      |
| <sup>2</sup> 100% equity acquired from PFC Consulting Limited on 30.05.2022                            |       |      |      |
| <sup>3</sup> 100% equity acquired from REC Power Development and Consultancy Limited on 24.08.2022     |       |      |      |
| <sup>4</sup> 100% equity acquired from REC Power Development and Consultancy Limited on 10.10.2022     |       |      |      |
| <sup>5</sup> 100% equity acquired from REC Power Development and Consultancy Limited on 21.03.2023     |       |      |      |
| <sup>6</sup> 100% equity acquired from PFC Consulting Limited on 28.03.2023                            |       |      |      |

(c) Joint Ventures of Holding Company -

| Name of entity                                       | Place of business/<br>Country of incorporation | Proportion of Ownership Interest |                  |
|--|--|----------------------------------|------------------|
|  |  | As at 31.03.2023                 | As at 31.03.2022 |
| Powerlinks Transmission Limited                      | India  | 49%                              | 49%              |
| Torrent Power Grid Limited                           | India  | 26%                              | 26%              |
| Parbati Koldam Transmission Company Limited          | India  | 26%                              | 26%              |
| Teestavalley Power Transmission Limited <sup>1</sup> | India  | 30.92%                           | 30.92%           |
| North East Transmission Company Limited              | India  | 26%                              | 26%              |
| National High Power Test Laboratory Private Limited  | India  | 20%                              | 20%              |



|  |       |        |        |
|--|-------|--------|--------|
| Bihar Grid Company Limited                                   | India | 50%    | 50%    |
| Energy Efficiency Services Limited <sup>2</sup>              | India | 33.33% | 33.33% |
| Cross Border Power Transmission Company Limited <sup>3</sup> | India | 26%    | 26%    |
| RINL Powergrid TLT Private Limited <sup>4</sup>              | India | 50%    | 50%    |
| Power Transmission Company Nepal Limited                     | Nepal | 26%    | 26%    |

<sup>1</sup> 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.

<sup>2</sup> The Company has invested ₹ 407.49 crore during the previous year in Energy Efficiency Services Limited (EESL), thereby increasing its shareholding from 5.71% to 33.33%. EESL has been considered as Joint Venture w.e.f. 01.09.2021 being the Joint control has been reinstated vide Agreement dated 01.09.2021.

<sup>3</sup> The Board of Directors of the company have, in its meeting held on 01 May 2022, approved the proposal for purchase of 77,30,225 no. equity shares held by IL&FS Energy Development Company Limited in Cross Border Power Transmission Company Limited (Joint venture of the company).

<sup>4</sup> POWERGRID's Board of Directors in its meeting held on 01.05.2018 accorded in principle approval to close RINL Powergrid TLT Private Limited (RPTPL) and seek consent of other JV Partner Rashtriya Ispat Nigam Limited (RINL). RINL's Board of Directors in its meeting held on 08.03.2019 has agreed in principle for winding up proceedings of RPTPL & to seek the approval from Ministry of Steel(MoS), Government of India, for closure of RPTPL. The approval for closure of RPTPL is received on 11.07.2022 from MoS.

#### (d) Associates of Holding Company

| Name of entity                                       | Place of business/<br>Country of<br>incorporation | Proportion of Ownership Interest |                  |
|--|---|----------------------------------|------------------|
|  |   | As at 31.03.2023                 | As at 31.03.2022 |
| Powergrid Vizag Transmission Limited <sup>1</sup>    | India   | 0%                               | 0%               |
| Powergrid Kala Amb Transmission Limited <sup>2</sup> | India   | 26%                              | 26%              |
| Powergrid Jabalpur Transmission Limited <sup>2</sup> | India   | 26%                              | 26%              |
| Powergrid Warora Transmission Limited <sup>2</sup>   | India   | 26%                              | 26%              |
| Powergrid Parli Transmission Limited <sup>2</sup>    | India   | 26%                              | 26%              |

<sup>1</sup> Associate with holding of 26% from 13.05.2021 and transferred to PG InvIT on 31.03.2022 (Subsidiary till 12.05.2021) and Refer note 19A "Assets classified as held for sale"

<sup>2</sup> Associate from 13.05.2021 onwards (Subsidiary till 12.05.2021) and Refer note 19A "Assets classified as held for sale"

#### (e) List of key managerial personnel

| Name                 | Designation | Tenure                        |
|----------------------|-------------|-------------------------------|
| Shri Abhay Chaudhary | Chairman    | From 28.12.2020 and Continue  |
| Mr M. Taj Mukkaram   | Director    | From 28.12.2020 to 31.07.2022 |
| Shri G Ravishankar   | Director    | From 04.08.2022               |
| Shri P C Garg        | Director    | From 02.11.2021 and continue  |

#### (f) Transactions with related parties

The following transactions occurred with related parties:



(₹ in Lakhs)

| Particulars   | As on 31st<br>March 2023 | As on 31st<br>March 2022 |
|---|--------------------------|--------------------------|
| <b>Power Grid Corporation of India Ltd. (Holding Company)</b>         |                          |                          |
| Preliminary Expenses  | NIL                      | NIL                      |
| Equity capital received during the year                               | NIL                      | NIL                      |
| Bill discounting charges reimbursement received in CTUIL Bank account | NIL                      | (15.14)                  |
| Bank Interest of CTUIL received in POWERGRID bank Account             | 0.29                     | 8.38                     |
| On account of TDS and other Miscellaneous                             | 17.75                    | 57.60                    |

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

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

| Particulars   | (₹ in Lakhs)             |                          |
|---|--------------------------|--------------------------|
|   | As on 31st March<br>2023 | As on 31st March<br>2022 |
| <b>Power Grid Corporation of India Ltd. (Holding Company)</b> |                          |                          |
| Amount receivable/ payable to Holding company                 | 18.04                    | 50.84                    |

**(h) Transactions with related parties**

Amount withheld for related parties against TDS deducted in name of CTUIL

| Particulars                                 | (₹ in Lakhs)                     |                                  |
|---|----------------------------------|----------------------------------|
|   | For the year ended<br>31.03.2023 | For the year ended<br>31.03.2022 |
| Power Grid Corporation of India Limited     | 64074.93                         | 27000.93                         |
| Powerlinks Transmission Limited             | 279.79                           | 151.31                           |
| POWERGRID Himachal Transmission Limited     | 318.07                           | 192.78                           |
| Torrent Power Grid Limited                  | 84.10                            | 47.49                            |
| North East Transmission Company Limited     | 672.43                           | 380.70                           |
| Parbati Koldam Transmission Company Limited | 338.76                           | 180.50                           |
| POWERGRID Vizag Transmission Limited        | 544.86                           | 314.62                           |
| POWERGRID UNCHAHAR TRANSMISSION             | 41.41                            | 22.71                            |
| TEESTAVALLEY POWER TRANSMISSION LTD         | 559.04                           | 316.57                           |
| Powergrid Parli Transmission Limited        | 687.97                           | 387.30                           |
| POWERGRID Southern Interconnector T         | 947.85                           | 495.33                           |
| POWERGRID Kala Amb Transmission Lim         | 129.76                           | 51.41                            |
| Powergrid NM Transmission Limited           | 230.62                           | 125.40                           |
| Powergrid Warora Transmission Limit         | 749.38                           | 406.37                           |



|  |        |        |
|--|--------|--------|
| Powergrid JabalpurTransmission Limi          | 526.13 | 268.06 |
| POWERGRID Medinipur Jeerat Transmis          | 988.41 | 425.43 |
| POWERGRID MITHILANCHAL TRANSMISSION          | 305.24 | 136.01 |
| POWERGRID AJMER PHAGI TRANSMISSION           | 108.54 | 49.02  |
| Powergrid Varanasi Transmission Sys          | 183.06 | 67.18  |
| POWERGRID Fatehgarh transmission limited     | 100.83 | 29.88  |
| POWERGRID Khetri transmission system limited | 154.55 | 29.04  |
| Powergrid Bhuj Transmission Limited          | 23.13  | 0.00   |

## Note 29/ 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. As the company is formed for carrying out statutory function as identified for Central Transmission Utility (CTU) under the Electricity Act 2003, and also other functions assigned by CERC, the company has only a single reportable segment for carrying out these functions.

## Note 30/ Capital and other Commitments

| Particulars  | (₹ in Lakhs)         |                      |
|--|----------------------|----------------------|
|  | As at 31 March, 2023 | As at 31 March, 2022 |
| Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances) | NIL                  | NIL                  |

## Note 31/ Contingent Liabilities and Contingent Assets

1. Contingent Liabilities and Assets of the Company as at 31<sup>st</sup> March, 2023 is NIL (Previous year NIL)
2. Disputed amount of BG extension Charges of Rs 339.29 Lakhs paid to Ms. MB Power Ltd for which appeal has been filed with Honorable Supreme Court for which decision is pending.

## Note 32/ Disclosure on Ind AS 115 "Revenue from Contracts with Customers"

The company does not have any revenue during the period. Hence Ind AS 115 "Revenue from Contracts with Customers" is not applicable.



## Note 33(a)/ Ind AS 116 - Leases

The company does not have any lease arrangements either as lessor or Lessee. Hence Ind AS 116 "Leases" is not applicable.

### **Note 33(b)/ Exceptional and Extraordinary items**

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

### **Note 33(c)/ Corporate Social Responsibilities (CSR)**

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

The company has deposited Rs 53,45,868 in PM CARES Fund during the year.

### **Note 34/ Auditors Remuneration**

(₹ in Lakhs)

| Particulars | For the year ended 31.03.2023 | For the year ended 31.03.2022 |
|-------------|-------------------------------|-------------------------------|
| Audit Fees  | 0.35                          | 0.35                          |

### **Note 35/ Transfer of CTU function from Power grid Corporation of India Ltd. to Central Transmission Utility of India Limited (Company) w.e.f. 1st April 2021.**

Ministry of Power vide Gazette notification dated 09.03.2021 notified Central Transmission Utility of India Limited, a Government Company as the 'Central Transmission Utility', within the meaning of sub-section(10) of section 2 of the Electricity Act, 2003 with effect from 01.04.2021, to undertake and discharge all functions of of the Electricity Act, 2003 or any regulations or directions of the central commission or authority or any other directions or functions prescribed by the Central Government in that regard. In pursuant to above referred notification, the functions of CTU are transferred from Powergrid Corporation of India Ltd. to CTUIL with effect from 01.04.2021.

The transmission charges of all the ISTS Licensees is pooled and shared by the ISTS Customers named as Designated ISTS Customers (DICs) and CTUIL, is mandated to raise bills for ISTS charges on the DICs, Collect the charges from them and disburse the same to the ISTS Licensees.

As per CERC Petition No. 02/SM/2022(Suo-Motu), the proposal to establish CTUIL as a wholly owned Government of India Company is still under consideration of the Central Government. Therefore, it is not possible at this stage to finalize the norms for Fees and Charges of CTU for discharging various functions under the Act and therefore, frame appropriate Regulation for a separate revenue stream, as suggested in the letter dated 17.6.2020 of the Ministry of Power. Therefore, as suggested in the said letter, in the interim, PGCIL shall take care of the budgetary requirement of CTUIL with all the expenses in this regard maintained separately. The Commission, therefore, is of the view that it is appropriate to put in place a mechanism for meeting the expenses of CTUIL through PGCIL.

The Commission observes that as the employees posted in CTUIL have been taken from PGCIL and functions being carried out by CTUIL were being undertaken by PGCIL prior to the separation of CTU, the expenditure on the employees and other related expenditure has already been included in O & A expenditure being provided to PGCIL through orders in various tariff petitions for the period 2019-24 filed before the Commission. Therefore, the commission has ordered that expenses related to such



employees and other related expenses of CTUIL shall continue to be taken care of by PGCIL for the period till 31.3.2024 or until further orders, whichever is earlier. For this purpose, PGCIL and CTUIL shall maintain separate and proper accounts for expenditure incurred and keep the same reconciled.

In line with above CERC order, Employee benefits expense including actuarial valuation of ₹ 35.19 crore ( Previous year Rs 29.37 crore) & Other expenses of ₹ 7.58 crore ( Previous year Rs 6.55 crore) for the FY 2022-23 related to Company has been borne by PGCIL.

### **Note:36/ ISTS Charges accounting treatment**

(a) As one of the main functions of the CTU is billing, collection and disbursement of ISTS charges, as prescribed in CERC Sharing Regulations, 2020, the Company is mandated to raise bills on behalf of Inter-State Transmission System (ISTS) Licensees for ISTS (Inter-State Transmission System) charges to the Designated InterState Customers (DICs) [based on tariff orders issued by CERC on assets owned and operated by respective ISTS Licensees], collect the transmission charges from DICs and disburse the same to the ISTS Licensees as prescribed in CERC Sharing Regulations, 2020.

During the year ended 31.03.2023 CTUIL has raised bills amounting to Rs 53813.33 (previous year Rs 45,446.11) crore on behalf of ISTS Licensees and the same amount is payable to the ISTS licensees. Further, since the Company is merely acting as an agent, it has not recognised the related asset and liability, viz., recoverable from DICs and payable to ISTS Licensees on account of billing, collection and disbursement services on behalf of ISTS Licensees in its financial statements.

(b) Transmission capacities in the Inter State Transmission System (ISTS) are granted by CTU in form of Long Term Access (LTA) and Medium Term Open Access (MTOA) to Designated ISTS Customers ('DIC'). LTA Customers had filed petitions, from time to time, in the CERC with regard to relinquishment of their LTAs citing force majeure events. CERC vide its Order dated 08.03.2019 in Petition 92/MP/2015 has directed CTU to determine the relinquishment charges for the stranded capacity due to relinquishment of their LTA. Accordingly, the relinquishment charges were computed by the CTU as per the mechanism given in the Order and demand has been raised on all the relinquished LTA customers. As per Clause (3) of Regulation 18 of the CERC Connectivity Regulations, on receipt of the relinquished charges from the relinquished LTA customers, the same shall be passed on to the DIC's. However, some of the LTA customers had filed appeals in Appellate Tribunal (APTEL) against the above CERC Order or against the demand for relinquishment charges raised by the CTU and appeals are still to be disposed by the Court.

The above relinquishment charges are neither an asset nor liability of the company as per the definition of assets and liability given in "Conceptual Framework for Financial Reporting under Indian Accounting Standards" issued by Institute of Chartered Accountants of India (ICAI). Hence, there is no financial impact to the company.

### **Note 37 (a) / Additional Regulatory Information as per Schedule III to the Companies Act**

- a) No proceeding has been initiated or pending against the company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder as at the end of the financial year.
- b) The Company is not sanctioned any working capital limit secured against current assets by any Finance Institutions.



- c) The company was not declared as a willful defaulter by any bank or financial Institution or other lender during the financial year.
- d) The Company does not have any transactions, balances or relationship with Struck off companies.
- e) The Company does not have any Charges on the Assets of the Company.
- f) The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017 during the financial year.
- g) Ratios

| Ratio                                | Numerator   | Denominator  | Current Year | Previous Year | Variance | Reason for variance >25%  |
|--------------------------------------|---|--|--------------|---------------|----------|---|
| (a) Current Ratio                    | Current Assets  | Current Liabilities                                    | 1.01         | 1.02          | -1.01    | -   |
| (b) Debt-Equity Ratio                | Total Debt  | Shareholder's Equity                                   | NA           | NA            | NA       | NA  |
| (c) Debt Service Coverage Ratio      | Profit for the period + Depreciation and amortization expense + Finance costs + FERV + Loss on Sale of Fixed Assets | Interest & Lease Payments + Principal Repayments       | NA           | NA            | NA       | NA  |
| (d) Return on Equity Ratio           | Profit for the period   | Average Shareholder's Equity                           | 1.54         | 2.00          | -22.81%  | -   |
| (e) Inventory turnover ratio         | Revenue from Operations   | Average Inventory                                      | NA           | NA            | NA       | NA  |
| (f) Trade Receivables turnover ratio | Revenue from Operations   | Average Trade Receivables (before deducting provision) | NA           | NA            | NA       | NA  |
| (g) Trade payables turnover ratio    | Gross Other Expense (-) FERV, Provisions, Loss on disposal of PPE   | Average Trade payables                                 | NA           | NA            | NA       | NA  |
| (h) Net capital turnover ratio       | Revenue from Operations   | Current Assets - Current Liabilities                   | 0.34         | 0.14          | 133.82   | Increase in revenue due to interest income and application fees |
| (i) Net profit ratio                 | Profit for the period   | Revenue from Operations                                | 5.80         | 6.90          | -15.98%  | -   |



|                                |   |  |      |      |       |   |
|--------------------------------|---|--|------|------|-------|---|
| (j) Return on Capital employed | Earnings before interest and taxes            | Tangible Net Worth + Total Debt + Deferred Tax Liability | 2.62 | 1.34 | 96.23 | Increase in revenue due to interest income and application fees |
| (k) Return on Investment       | Income from Investment + Capital Appreciation | Average Investments                                      | NA   | NA   | NA    | NA  |

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

## Note 38/

### Employee Benefit Obligations

(Amount in ₹)

| Particulars                               | 31 March 2023 |                |                | 31 March 2022 |             |          |
|---|---------------|----------------|----------------|---------------|-------------|----------|
|   | Current       | Non-current    | Total          | Current       | Non-current | Total    |
| Gratuity                                  | 596           | 463621         | 464217         | 0             | 0           | 0        |
| Leave Encashment                          | 67210         | 758423         | 825633         | 0             | 0           | 0        |
| Post-Retirement Medical Benefit           | 40            | 511558         | 511598         | 0             | 0           | 0        |
| Baggage Allowance                         | 35            | 17572          | 17607          | 0             | 0           | 0        |
| Long Service Award                        | 57            | 36225          | 36282          | 0             | 0           | 0        |
| Employee Rehabilitation Scheme            | 3647          | 286774         | 290421         | 0             | 0           | 0        |
| <b>Total employee benefit obligations</b> | <b>71585</b>  | <b>2074173</b> | <b>2145758</b> | <b>0</b>      | <b>0</b>    | <b>0</b> |

#### A. Leave Encashments

The Company provides for earned leave benefit (including compensated absences) and half-pay leave to the employees of the company which accrue annually at 30 days and 20 days respectively. Earned leave is encashable while in service. Half pay leaves (HPL) are encashable only on separation beyond the age of 55 years up to the maximum of 300 days (HPL). However, total number of leave that can be encashed on superannuation shall be restricted to 300 days and no commutation of half pay leave shall be permissible. The liability for same is recognized on the basis of actuarial valuation.

#### B. Employee family rehabilitation scheme





The company has Employees Family Economic Rehabilitation Scheme under which monetary assistance and support to an employee is provided in case of his/her permanent total disablement and to his/her family in case of death while in service. The beneficiary would be entitled to monthly payment equivalent to the employee's 50% of one month pay last drawn provided the beneficiary deposits with the company an amount equal to PF (excluding VPF) balance, Gratuity amount and Group Insurance (EDLI) amount. Such monthly payment would continue till the normal notional date on which the employee concerned would have attained the age of superannuation had the employee continued in the service of the company. The scheme is optional. Provision for Employees Family Economic Rehabilitation Scheme amounting to ₹ 290421 for the year has been made during the year based on actuarial valuation.

### **C. Post-Retirement Medical Benefit (PRMB)**

The Company has Post-Retirement Medical Benefits (PRMB), under which retired employees and the spouse are provided medical facilities in the empaneled hospitals. They can also avail treatment as Out-Patient subject to a ceiling fixed by the company. The liability for the same is recognized on the basis of actuarial valuation on annual basis on the Balance Sheet date.

### **D. Other employee benefits – Long Service Award**

This benefit is applicable to all regular employees of the company (except for Directors and CMD) who have superannuated after completing at least 10 years of service. This scheme is unfunded and liability for the same is recognised on the basis of actuarial valuation on annual basis on the balance sheet date.

### **E. Gratuity**

The company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to get gratuity at 15 days salary (15/26 x last drawn basic salary plus, dearness allowance) for each completed year of service on superannuation, resignation, termination, disablement or on death subject to a maximum of ₹ 20 lacs. The liability for the same is recognized on the basis of actuarial valuation on annual basis on the Balance Sheet date. Company has carried out the actuarial valuation of Gratuity benefit considering ceiling of ₹20 Lakhs.

### **F. Other Defined Retirement Benefits Baggage Allowance**

The Company has a scheme for settlement at the time of superannuation at anywhere in India and dependents to superannuated employees. The scheme is unfunded and liability for the same is recognized on the basis of actuarial valuation on annual basis on the Balance Sheet date.

### **G. Provident Fund**

Company deducts and deposits fixed contribution of 12% to Provident Fund at predetermined rate to EPFO.

#### **(i) Significant actuarial assumptions for Post-Employment Benefits:**

#### **Economic Assumptions**

| Particulars   | Gratuity, ODRB, Pension, PRMF, PF |               |
|---------------|-----------------------------------|---------------|
|               | 31 March 2023                     | 31 March 2022 |
| Discount rate | 7.40%                             | -             |



|                                    |       |   |
|------------------------------------|-------|---|
| Salary growth rate (except for PF) | 6.50% | - |
|------------------------------------|-------|---|

The discount rate is generally based upon the market yields available on Govt. Bonds at the accounting date relevant to currency of benefit payments for a term that matches the liabilities. Salary growth rate is companies' long term best estimate as to salary increases and takes account of inflation, seniority, promotion, business plan, HR Policy and other relevant factors on long term basis.

#### Demographic Assumptions

| Particulars   | 31 March 2023          | 31 March 2022 |
|---|------------------------|---------------|
| i) Retirement Age   | 60                     |               |
| ii) Mortality rates inclusive of provision for disability | 100% of IALM (2012-14) |               |
|   | Withdrawal rate %      |               |
| Upto 30 years   | 3                      |               |
| From 31 to 44 years                                       | 2                      |               |
| Above 44 years  | 1                      |               |

#### Mortality rates for specimen ages

| Age | Mortality rate | Age | Mortality rate | Age | Mortality rate |
|-----|----------------|-----|----------------|-----|----------------|
| 15  | 0.000698       | 45  | 0.002579       | 75  | 0.038221       |
| 20  | 0.000924       | 50  | 0.004436       | 80  | 0.061985       |
| 25  | 0.000931       | 55  | 0.007513       | 85  | 0.100979       |
| 30  | 0.000977       | 60  | 0.011162       | 90  | 0.163507       |
| 35  | 0.001202       | 65  | 0.015932       | 95  | 0.259706       |
| 40  | 0.00168        | 70  | 0.024058       | 100 | 0.397733       |

#### (ii) Sensitivity Analysis of the defined benefit obligation

(Amt in ₹)

| Particulars                                      | Gratuity | Baggage | Leave   | LSA    |
|--|----------|---------|---------|--------|
| a) Impact of change in discount rate             |          |         |         |        |
| Present value of Obligation at the end of period | 464217   | 17607   | 825633  | 36282  |
| - Impact due to increase of 0.5%                 | (49915)  | (2426)  | (80593) | (3628) |
| - Impact due to decrease of 0.5%                 | 57574    | 2819    | 91180   | 3975   |
| b) Impact of change in salary increase           |          |         |         |        |
| Present value of Obligation at the end of period | 464217   | NA      | 825633  | NA     |
| - Impact due to increase of 0.5%                 | 57804    | NA      | 91919   | NA     |
| - Impact due to decrease of 0.5%                 | (50532)  | NA      | (80540) | NA     |

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

The sensitivity analysis above has been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. This analysis may not be representative of the actual change in the defined benefit



obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

**(iii) Description of Risk exposures**

Valuation is based on certain assumptions which are dynamic in nature and vary over time. As such company is exposed to various risks as follows:

- A) Salary Increases (except for PF) – Actual salary increase will increase the plan’s liability. Increase in salary increase rate assumptions in future valuation will also increase the liability.
- B) Medical Cost Increase(in case of PRMB) - increase in actual medical cost per retiree will increase the Plan’s liability. Increase in medical Cost per Retiree rate assumption will also increase the liability.
- C) Investment risk – If plan is funded then assets liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability
- D) Discount Rate – Reduction in discount rate in subsequent valuations can increase the plan’s liability.
- E) Mortality & disability – Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- F) Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan’s liability.

**(iv) Defined benefit liability and employee contribution**

The expected maturity analysis of undiscounted, gratuity and other defined retirement is as follows:

(Amt in ₹)

| Particulars                           | Less than a year | Between 1-2 year | Between 2-5 years | Over 5 years   | Total          |
|---------------------------------------|------------------|------------------|-------------------|----------------|----------------|
| <b>31 March 2023</b>                  |                  |                  |                   |                |                |
| Defined benefit obligation (Gratuity) | 596              | 625              | 16662             | 446334         | 464217         |
| Leave                                 | 67210            | 22057            | 54316             | 682050         | 825633         |
| ODRB-Baggage                          | 35               | 108              | 2055              | 15409          | 17607          |
| Other Employee Benefits(LSA)          | 57               | 1057             | 2537              | 32631          | 36282          |
| <b>TOTAL</b>                          | <b>67898</b>     | <b>23847</b>     | <b>75570</b>      | <b>1176424</b> | <b>1343739</b> |



## Note 39/

- a) Figures have been rounded off to nearest rupees in lakhs upto two decimal.  
b) Previous year figures have been regrouped/ rearranged wherever considered necessary.

As per our report of even date  
For R. Bhargava & Associates  
Chartered Accountants  
FRN-012788N

*Gaurang*

(Gaurang Bhargava)  
Partner

M.No.FCA 530161 ,

UDIN 23530161B646UB9327

Place: Gurgaon

Date:17.05.2023



For and on behalf of Board of Directors

*G. Ravisankar*

(G. Ravisankar)  
Director

DIN:08816101

Place: Gurugram

Date: 17.05.2023

*Abhay Choudhary*  
(Abhay Choudhary)  
Chairman  
DIN: 07388432



**INDEPENDENT AUDITORS' REPORT**

TO,  
THE MEMBERS OF  
CENTRAL TRANSMISSION UTILITY OF INDIA LIMITED  
Report on the Audit of the Financial Statements

**Opinion**

We have audited the accompanying Ind AS Financial Statements of M/s **CENTRAL TRANSMISSION UTILITY OF INDIA LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2023, the Statement of Profit and Loss, Statement of Changes in Equity, the Statement of Cash Flows for the year then ended, and notes to the 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 financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with IND AS and the accounting principles generally accepted in India, of state of affairs of the Company as at 31<sup>st</sup> March 2023, its profit including other comprehensive income, its Changes in Equity and its cashflows for the year ended on that date.

**Key Audit Matters**

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

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



## **Responsibility of Managements and Those Charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with IND AS and the accounting principles generally accepted in India, including the Indian Accounting Standards("Ind AS") prescribed under Section 133 of the Act read with the relevant rules there under. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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.

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

1. As required by the Companies (Auditor's Report) Order, 2020, issued by the Central Government of India in term of sub-section (11) of section 143 of the Companies Act,2013,



we give in the 'Annexure - 1' a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid financial statements comply with IND AS and the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. Being a Subsidiary of a Government Company, Section 164(2) of the Act pertaining to disqualification of Directors are not applicable to the Company.
  - f. With respect to the adequacy of Internal financial Controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report on 'Annexure -2'; and
  - g. With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion and to our best of our information and according to the explanations given to us:
    - i. The company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
    - ii. There has been no Delay in Transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
    - iii. i) The management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - ii) the management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including



foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

iii) Based on such audit procedures that the we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

iv. An interim dividend declared and paid by the company to its parent company during the year under audit is in compliance with section 123 of the Companies Act, 2013.

3. In terms of Section 143 (5) of the Companies Act 2013, we give in the "Annexure-3" statement on the directions issued by the Comptroller and Auditor General of India.

For R Bhargava & Associates  
Chartered Accountants  
FRN: 012788N

*Gaurang*



Gaurang Bhargava  
Partner

M. No. FCA 530161

UDIN: 23530161B9414UB9327

Place: NEW DELHI

Date :



## Annexure '1' to the Independent Auditors' Report

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

- (i) a) (A) The Company has generally maintained records, showing full particulars including quantitative details and situation of Property, Plant and Equipment..
- (B) The Company does not own any Intangible Asset. Accordingly, this clause is not Applicable
- b) The Property, Plant & Equipment have been physically verified by the management during the year. In our opinion, frequency of verification is reasonable having regard to the nature of its business. No material discrepancies were noticed on such verification.
- c) The company does not own any immovable Property. Accordingly, this clause is not applicable to the company.
- d) In our opinion and according to the information and explanation given to us, the company has not revalued its Property. Plant and Equipment during the year.
- e) In our opinion and according to the information and explanations given to us, no proceedings have been initiated or are pending against the company for holding any Benami property under the "Benami Transactions (Prohibition) Act, 1988 and Rules made thereunder.
- (ii) (a) The company does not have any inventory. Accordingly. This clause is not applicable to the company
- (b) The Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets.
- (iii) (a) According to the information and explanations given to us, the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, paragraph 3(iii) is not applicable to the company.
- (iv) In our opinion and according to information and explanation given to us, the company has complied with the provisions of section 185 and 186 of the Act in respect of loans, investments, guarantees and security.



- (v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposit from the public & no amounts has been deemed to be deposits in accordance with the provisions of the sections 73 to 76 or any other relevant provisions of the Act, and the rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the company.
- (vi) Cost records maintenance not applicable to the company being a service company. Accordingly, this clause is not applicable.
- (vii) a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues with appropriate authorities including Provident Fund, Income Tax, Goods and Services Tax, and other statutory dues applicable to the Company and that there are no undisputed statutory dues outstanding as at 31 March 2023 for a period of more than six months from the date they became payable.
- b) According to information and explanations given to us, there are no statutory dues referred to in sub- clause (a) have not been deposited on account of dispute.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not recorded in the books of account any transaction which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (ix) In our opinion and according to the information and explanations given to us,
- (a) the Company has not defaulted during the year in repayment of loans & payment of Interest to its financial institutions, bankers and dues to the Bond holders.
- (b) the company has not been declared willful defaulter by any bank/financial institution/other lender.
- (c) term loans have been applied for the purpose for which the loans were obtained.
- (d) funds raised on short term basis have not been utilised for long term purpose.
- (e) The Company do not have any Subsidiaries, Joint ventures or Associates. Accordingly, paragraph 3(ix)(e) and 3(ix)(f) are not applicable to the company.
- (x) (a) The company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year.
- (b) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.



- (xi) (a) According to the information and explanations given to us and as represented by the management, we have been informed that no case of fraud has been committed on or by the company during the year.
- (b) As no fraud has been noticed during the year as mentioned at xi(a) above, report under sub-Section (12) of Section 143 of the Companies Act in the Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules 2014 is not applicable.
- (c) According to the information and explanations given to us, no whistle-blower complaints has been received during the year by the Company.
- (xii) The company is not a Nidhi Company as prescribed under section 406 of the Act. Accordingly, clause 3(xii)(a), 3(xii)(b) & 3(xii)(c) of the Order is not applicable to the company.
- (xiii) According to the information and explanations given to us and as represented by the management, all transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and the details have been disclosed in the Ind AS financial statements as required by the applicable Indian Accounting Standards.
- (xiv) (a) Internal Audit is not mandatory for the Company as per section 138 of the Companies Act 2013. However, the Company has Internal audit System for the for Billing Collection and Disbursement Functions of the Company commensurate with the nature of its business.
- (b) We have considered the reports of the Internal Auditors for the year under audit, issued to the Company during the year and till date in determining the nature, timing and extent of our audit procedures.
- (xv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) is not applicable to the company.
- (xvi) According to the information and explanations given to us, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Accordingly, paragraphs 3(xvi) are not applicable to the company.
- (xvii) According to the information and explanations given to us and based on our examination of the records of the company, the company has not incurred any cash losses in the current Financial Year and in the immediately preceding Financial Year.
- (xviii) There has not been any resignation of the statutory auditors during the year.



- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the records of the company, in our opinion, no material uncertainty exists as on the date of the audit report and the company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- xx) According to the information and explanations given to us and based on our examination of the records, the Company has spent the amount required as per section 135(5) of the Companies Act during the Financial year. Accordingly, paragraph 3(xx)(a) & 3(xx)(b) are not applicable to the company.
- xi) The Company donot have any subsidiaries, joint ventures or associates. Accordingly paragraph 3(ix)(e) and 3(ix)(f) are not applicable to the Company.

**For R Bhargava & Associates**

Chartered Accountants

FRN : 012788N

*Gaurang*

Gaurang Bhargava

Partner

M. No. FCA 530161

UDIN: 235301613649089327

Place: NEW DELHI

Date: 17.05.2023



## **Annexure '2' Report on Internal Financial Controls Over Financial Reporting**

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

We have audited the Internal Financial controls over financial reporting of Central transmission Utility of India Ltd ("the Company") as of March 31, 2023 in conjunction with our audit of the Ind-AS financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 information, as required under the Companies Act, 2013.

### Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Control over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of Internal Financial Controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

### Meaning of Internal Financial Controls over Financial Reporting



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

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

### **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 2023, based on "the Internal Financial Controls over Financial Reporting criteria established by the Company considering the essential components of Internal Control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India."



### Annexure '3'

As referred to in our Independent Auditors Report to the Members of the **Central Transmission Utility of India Limited** ("the Company") on the Financial Statements for the Year Ended 31 March, 2023, we Report that:

| Sl. No. | Directions u/s 143(5) of the No. Companies Act, 2013  | Auditor's reply on action taken on the directions   | Impact on Financial statements |
|---------|---|---|--------------------------------|
| 1.      | Whether the company has system in place to process all the accounting transaction through IT system? If yes, then the implications of accounting transaction outside IT system on the integrity of accounts along with the financial implications, if any, may be stated. | All accounting transactions of the company are processed through the ERP (SAP System) that has been implemented by the Company. No accounting transaction is being recorded/processed otherwise than through the ERP system in place. Hence no further disclosure is required in this regard. | Nil                            |
| 2       | Whether there is any restructuring of any existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company to the company's inability to repay the loan? If yes, the financial impact may be stated.                               | There are no cases of restructuring of existing loan or cases of waiver/write off of debts/loans/interest etc.  | Nil                            |
| 3.      | Whether funds received/receivable for specific schemes from Central/State agencies were properly accounted for/utilized as per its terms and conditions? List the cases of deviation  | No fund has been received from Central/State agencies.  | Nil                            |

For R Bhargava & Associates

Chartered Accountants

FRN: 012788N

*Raurang*

Gaurang Bhargava  
Partner

M. No. FCA 530161

UDIN: 23530161B474UB9327

Place: NEW DELHI

Date : 17.05.2023

