

POWERGRID Southern Interconnector Transmission System Limited

CIN : U40106DL2015GOI278746

Balance Sheet as at 31st March, 2023

(₹ In Lakh)

Particulars	Note No	As at 31 March, 2023	As at 31 March, 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant & equipment	<u>4</u>	3,26,627.00	3,35,983.51
(b) Capital work in progress	<u>5</u>	954.42	210.05
(c) Intangible assets	<u>6</u>	4,501.44	4,643.56
(d) Financial assets			
(i) Trade receivables	<u>7</u>	943.21	-
(e) Other non-current assets	<u>8</u>	1,277.31	329.13
		<b>3,34,303.38</b>	<b>3,41,166.25</b>
<b>Current assets</b>			
(a) Inventories	<u>9</u>	66.00	62.97
(b) Financial assets			
(i) Trade receivables	<u>10</u>	9,280.13	11,929.80
(ii) Cash and cash equivalents	<u>11</u>	0.14	2,176.05
(iii) Bank Balance other than (ii) above	<u>12</u>	-	3.85
(iv) Other current financial assets	<u>13</u>	12,101.94	495.41
(c) Other current assets	<u>14</u>	7.01	180.15
		<b>21,455.22</b>	<b>14,848.23</b>
<b>Total Assets</b>		<b>3,55,758.60</b>	<b>3,56,014.48</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	<u>15</u>	70,900.40	70,900.40
(b) Other Equity	<u>16</u>	4,226.17	(6,921.57)
		<b>75,126.57</b>	<b>63,978.83</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	<u>17</u>	2,44,168.33	2,65,132.52
(b) Deferred tax liabilities (net)	<u>18</u>	7,061.64	2,668.38
(c) Other non-current liabilities	<u>19</u>	150.00	150.00
		<b>2,51,379.97</b>	<b>2,67,950.90</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	<u>20</u>	5,028.83	-
(ii) Trade payables	<u>21</u>		
(a) Total O/s dues of micro & small enterprises		-	-
(b) Total O/s dues of creditors other than micro & small enterprises		72.71	22.75
(iii) Other current financial liabilities	<u>22</u>	513.94	587.03
(b) Other current liabilities	<u>23</u>	174.59	16.16
(c) Provisions	<u>24</u>	23,461.99	23,458.81
		<b>29,252.06</b>	<b>24,084.75</b>
<b>Total Equity and Liabilities</b>		<b>3,55,758.60</b>	<b>3,56,014.48</b>

The accompanying notes (1 to 51) form an integral part of financial statements

As per our report of even date

For Krishna & Prasad

Chartered Accountants

Firm Regn. No. 0014605

**BANDUVUL A** Digitally signed by BANDUVUL A  
**LAXMINARA** LAXMINARASIM  
**SIMHA** HA PHANI  
**PHANI** KUMAR  
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**B L N Phani Kumar**  
Partner

Mem. No. 028391

Place : Hyderabad

Date : 04 May, 2023

UDIN: 23028391BGUEGO7880

For and on behalf of Board Of Directors

**ANANTH** Digitally signed by ANANTH SARMA  
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**B Anantha Sarma**  
Chairman  
DIN-08742208  
Place : Gurugram  
Date : 04 May, 2023

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**B Girish Kumar**  
CFO  
PAN : ADNPB7117P  
Place: Hyderabad  
Date : 04 May, 2023

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**Seema Gupta**  
Director  
DIN-08742599  
Place : Gurugram  
Date : 04 May, 2023

**SHWETAN K KUMAR** Digitally signed by SHWETAN K KUMAR  
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**Shwetank Kumar**  
Company Secretary  
Mem. No. A17887  
Place : Gurugram  
Date : 04 May, 2023

**POWERGRID Southern Interconnector Transmission System Limited**  
CIN : U40106DL2015GOI278746  
Statement of Profit and Loss for the year ended 31 March, 2023

(₹ In Lakh)

Particulars	Note No.	For the Year ended 31 March, 2023	For the Year ended 31 March, 2022
Revenue From Operations	<a href="#">25</a>	47,609.35	48,791.14
Other Income	<a href="#">26</a>	496.36	468.34
<b>Total Income</b>		<b>48,105.71</b>	<b>49,259.48</b>
<b>EXPENSES</b>			
Finance costs	<a href="#">27</a>	18,733.00	19,098.49
Depreciation and amortization expense	<a href="#">28</a>	9,939.12	9,912.39
Other expenses	<a href="#">29</a>	2,049.18	1,769.45
<b>Total expenses</b>		<b>30,721.30</b>	<b>30,780.33</b>
<b>Profit/(loss) before exceptional items and tax</b>		<b>17,384.41</b>	<b>18,479.15</b>
Exceptional Items - Provision for liquidated damages		-	23,455.02
<b>Profit/(loss) before tax</b>		<b>17,384.41</b>	<b>(4,975.87)</b>
Tax expense:			
Current tax		-	-
Deferred tax		4,393.26	(1,224.70)
		<b>4,393.26</b>	<b>(1,224.70)</b>
<b>Profit/(Loss) for the period</b>		<b>12,991.15</b>	<b>(3,751.17)</b>
Other Comprehensive Income		-	-
<b>Total Comprehensive Income for the period</b>		<b>12,991.15</b>	<b>(3,751.17)</b>
Earnings per equity share ( Par value ₹10/- each):			
Basic and Diluted		1.83	(0.53)

The accompanying notes (1 to 51) form an integral part of financial statements

As per our report of even date  
For Krishna & Prasad  
Chartered Accountants  
Firm Regn. No. 001460S

**BANDUVULA** Digitally signed by  
**LAXMINARAS** BANDUVULA  
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**B L N Phani Kumar**  
Partner  
Mem. No. 028391  
Place : Hyderabad  
Date : 04 May, 2023  
UDIN: 23028391BGUEGO7880

For and on behalf of Board Of Directors

ANANTHA SARMABOPPUDI Digitally signed by ANANTHA SARMABOPPUDI Date: 2023.05.04 10:51:38 +05'30'

**B Anantha Sarma**  
Chairman  
DIN-08742208  
Place : Gurugram  
Date : 04 May, 2023

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Date : 04 May, 2023

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**Seema Gupta**  
Director  
DIN-08742599  
Place : Gurugram  
Date : 04 May, 2023

**SHWETAN K KUMAR** Digitally signed by SHWETAN K KUMAR Date: 2023.05.04 11:01:53 +05'30'

**Shwetank Kumar**  
Company Secretary  
Mem. No. A17887  
Place : Gurugram  
Date : 04 May, 2023

## POWERGRID Southern Interconnector Transmission System Limited

CIN : U40106DL2015GOI278746

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

(₹ In Lakh)

Sl. No.	Particulars	For the Year ended 31 March, 2023	For the Year ended 31 March, 2022
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Profit/(Loss) Before Tax	17,384.41	(4,975.87)
	<b>Adjustment for :</b>		
	Interest income from Bank	(57.43)	(13.69)
	Surcharge Income	(277.28)	(451.40)
	Interest income from Others	(0.07)	-
	Depreciation & amortization expenses	9,939.12	9,912.39
	Finance Costs	18,733.00	19,098.49
		<b>28,337.34</b>	<b>28,545.79</b>
	<b>Operating profit before Changes in Assets and Liabilities</b>	<b>45,721.75</b>	<b>23,569.92</b>
	<b>Adjustment for Changes in Assets and Liabilities:</b>		
	(Increase)/Decrease in Inventories	(3.03)	(3.11)
	(Increase)/Decrease in Trade Receivables	2,634.37	(2,839.37)
	(Increase)/Decrease in Other Current Assets	173.14	222.95
	(Increase)/Decrease in bank balances other than cash and cash equivalents	3.85	(1.52)
	(Increase)/Decrease in Non current Trade Receivables	(943.21)	-
	(Increase)/Decrease in Other Non current assets	-	19.56
	(Increase)/Decrease in Other current financial assets	(11,606.53)	(495.41)
	Increase/(Decrease) in Trade payables	49.96	(9.86)
	Increase/(Decrease) in Other current financial liabilities	(73.09)	189.69
	Increase/(Decrease) in Other current liabilities	158.43	8.45
	Increase/(Decrease) in Short Term Provisions	3.18	23,455.59
		<b>(9,602.93)</b>	<b>20,546.97</b>
	<b>Cash generated from operations</b>	<b>36,118.82</b>	<b>44,116.89</b>
	Direct Taxes (paid)/refund	(948.18)	(1.06)
	<b>Net Cash from Operating Activities</b>	<b>35,170.64</b>	<b>44,115.83</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Property, Plant & Equipment and Capital Work in Progress (including Advances for Capital Expenditure)	(1,177.17)	(723.93)
	Surcharge received	292.58	284.41
	-Interest income from bank	57.43	13.69
	-Interest income from Others	0.07	-
	<b>Net Cash used in Investing Activities</b>	<b>(827.09)</b>	<b>(425.83)</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds from Borrowings		
	Non Current	589.04	41.36
	Current	5,471.84	268.00
	Repayment of Borrowings		
	Non Current	(21,524.40)	(9,437.20)
	Current	(471.84)	(268.00)
	Finance Costs paid	(18,740.69)	(19,098.49)
	Dividend paid	(1,843.41)	(14,747.28)
	<b>Net Cash used in Financing Activities</b>	<b>(36,519.46)</b>	<b>(43,241.61)</b>
<b>D</b>	<b>Net change in Cash and Cash equivalents (A+B+C)</b>	<b>(2,175.91)</b>	<b>448.39</b>
<b>E</b>	<b>Cash and Cash equivalents (Opening balance)</b>	<b>2,176.05</b>	<b>1,727.66</b>
<b>F</b>	<b>Cash and Cash equivalents (Closing balance) (Refer Note 11)</b>	<b>0.14</b>	<b>2,176.05</b>

The accompanying notes (1 to 51) form an integral part of financial statements

**Further Notes**

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

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

As per our report of even date

**For Krishna & Prasad**

Chartered Accountants

Firm Regn. No. 0014605

**BANDUVULA** Digitally signed  
by BANDUVULA  
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**B L N Phani Kumar**

Partner

Mem. No. 028391

Place : Hyderabad

Date : 04 May, 2023

UDIN: 23028391BGUEGO7880

**For and on behalf of Board Of Directors**ANANTHA Digitally signed  
by ANANTHA  
SARMA SARMABOPPUDI  
Date: 2023.05.04  
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Chairman

DIN-08742208

Place : Gurugram

Date : 04 May, 2023

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CFO

PAN : ADNPB7117P

Place : Hyderabad

Date : 04 May, 2023

SEEMA Digitally signed  
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GUPTA  
Date: 2023.05.04  
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Director

DIN-08742599

Place : Gurugram

Date : 04 May, 2023

SHWETAN Digitally signed by  
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K KUMAR  
Date: 2023.05.04  
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Company Secretary

Mem. No. A17887

Place : Gurugram

Date : 04 May, 2023

**POWERGRID Southern Interconnector Transmission System Limited**  
CIN : U40106DL2015GOI278746

**Statement of Changes in Equity for the period ended 31st March 2023**

<b>A. Equity Share Capital</b>		<b>(₹ In Lakh)</b>
As at 01 April, 2022		70,900.40
Changes in equity share capital		-
As at 31 March, 2023		70,900.40
As at 01 April, 2021		70,900.40
Changes in equity share capital		-
As at 31 March, 2022		70,900.40

<b>B. Other Equity</b>				<b>(₹ In Lakh)</b>
Particulars	Reserves and Surplus		Total	
	Self Insurance Reserve	Retained Earnings		
As at 01 April, 2022	871.97	(7,793.54)	(6,921.57)	
Total Comprehensive Income for the year	-	12,991.15	12,991.15	
Transfer to Self Insurance Reserve	438.30	(438.30)	-	
Final Dividend paid	-	-	-	
Interim Dividend paid	-	(1,843.41)	(1,843.41)	
As at 31 March, 2023	1,310.27	2,915.90	4,226.17	

<b>(₹ In Lakh)</b>			
Particulars	Reserves and Surplus		Total
	Self Insurance Reserve	Retained Earnings	
As at 01 April, 2021	871.97	10,704.91	11,576.88
Total Comprehensive Income for the year	-	(3,751.17)	(3,751.17)
Transfer to Self Insurance Reserve	-	-	-
Final Dividend paid	-	(2,836.02)	(2,836.02)
Interim Dividend paid	-	(1,911.26)	(1,911.26)
As at 31 March, 2022	871.97	(7,793.54)	(6,921.57)

The accompanying notes (1 to 51) form an integral part of financial statements  
Refer to Note No 16 for nature and movement of Reserve and Surplus.

As per our report of even date  
For Krishna & Prasad  
Chartered Accountants  
Firm Regn. No. 001460S

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**B L N Phani Kumar**  
Partner  
Mem. No. 028391  
Place : Hyderabad  
Date : 04 May, 2023  
UDIN: 23028391BGUEGO7880

For and on behalf of Board Of Directors

**ANANTHA** Digitally signed by  
**SARMA** ANANTHA SARMA  
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**B Anantha Sarma**  
Chairman  
DIN-08742208  
Place : Gurugram  
Date : 04 May, 2023

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**B Girish Kumar**  
CFO  
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Place: Hyderabad  
Date : 04 May, 2023

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**Seema Gupta**  
Director  
DIN-08742599  
Place : Gurugram  
Date : 04 May, 2023

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**K KUMAR** SHWETANK KUMAR  
Date: 2023.05.04  
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**Shwetank Kumar**  
Company Secretary  
Mem. No. A17887  
Place : Gurugram  
Date : 04 May, 2023

## Notes to Financial Statements

### 1. Corporate and General Information

POWERGRID Southern Interconnector Transmission System Limited ("the Company") is a public company domiciled and incorporated in India under the provisions of Companies Act and a wholly owned subsidiary of Power Grid Corporation of India Limited. The registered office of the Company is situated at B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110 016, India.

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

The Financial Statements of the Company for the Year ended 31st March, 2023 were approved for issue by the Board of Directors on 03 May, 2023.

### 2. Significant Accounting Policies

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

#### 2.1 Basis of Preparation

##### i) Compliance with Ind AS

The financial statements are prepared in compliance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act), Companies (Indian Accounting Standards) Rules, 2015, the relevant provisions of the Companies Act, 2013 (to the extent notified), The Companies Act, 1956 and the provisions of Electricity Act, 2003, in each case, to the extent applicable and as amended thereafter.

##### ii) Basis of Measurement

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

##### iii) Functional and presentation currency

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

##### iv) Use of estimates

The preparation of financial statements requires estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses during the reporting period. Although, such estimates and assumptions are made on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision effects only that period or in the period of the revision and future periods if the revision affects both current and future years (refer Note no. 3 on critical accounting estimates, assumptions and judgments).

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

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

An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

The Company recognizes twelve months period as its operating cycle.

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

### **Initial Recognition and Measurement**

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

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

If the cost of the replaced part or earlier inspection component is not available, the estimated cost of similar new parts/inspection is used as an indication of what the cost of the existing part/ inspection component was when the item was acquired or inspection was carried out.

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

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

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

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

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

### **Subsequent costs**

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

The cost of replacing part of an item of Property, Plant and Equipment is recognized in the carrying amount of the item if it is probable that future economic benefit embodied within the part will flow to the company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognised in the Statement of Profit and Loss as incurred.

### **Derecognition**

An item of Property, Plant and Equipment is derecognized when no future economic benefits are expected from their use or upon disposal.

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

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

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

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

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

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

### 2.4 Intangible Assets and Intangible Assets under development

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

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

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

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

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

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

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

### 2.5 Depreciation / Amortisation

#### Property, Plant and Equipment

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

S. No.	Particulars	Useful life
1	Computers and Peripherals	3 Years
2	Servers and Network Components	5 years
3	Buildings (RCC frame structure)	35 years
4	Transmission line	35 years
5	Substation Equipment	35 years

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

Mobile phones are charged off in the year of purchase.

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

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

Where the cost of depreciable property, plant and equipment has undergone a change due to increase/decrease in long term monetary items on account of exchange rate fluctuation, price adjustment, change in duties or similar factors, the unamortized balance of such asset is depreciated prospectively.

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

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

**Right of Use Assets:**

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

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

**Intangible Assets**

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

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

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

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

**2.6 Borrowing Costs**

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

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

**2.7 Impairment of non-financial assets**

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

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

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

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

**2.8 Cash and cash equivalents**

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

**2.9 Inventories**

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

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

Spares which do not meet the recognition criteria as Property, Plant and Equipment, including spare parts whose cost is less than ₹5,00,000/- are recorded as inventories.

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

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

## 2.10 Leases

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

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

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

### i) As a Lessee

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

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

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

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

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

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

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

### ii) As a Lessor

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

#### a) Finance leases

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

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

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

#### b) Operating leases

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

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

## 2.11 Financial instruments

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

### Financial Assets

Financial assets of the Company comprise cash and cash equivalents, bank balances, security deposit, claims recoverable etc.

### Classification

The Company classifies its financial assets in the following categories:

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

The classification depends on the following:

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

### Initial recognition and measurement

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

### Subsequent measurement

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

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

### 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 Contract Assets, the company applies the simplified approach required by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

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

### Financial Liabilities

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

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

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

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

### **Subsequent measurement**

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

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

### **De-recognition of financial liability**

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

### **Offsetting of financial instruments**

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

## **2.12 Foreign Currency Translation**

### **(a) Functional and presentation currency**

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

### **(b) Transactions and balances**

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

## **2.13 Income Tax**

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

### **Current income tax**

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

## **Deferred tax**

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

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

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

## **2.14 Revenue**

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

Amounts disclosed as revenue are net of returns, trade allowances, rebates.

### **2.14.1 Revenue from Operations**

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

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

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

### **2.14.2 Other Income**

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

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

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

Insurance claims are accounted for based on certainty of realization.

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

## **2.15 Dividends**

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

## **2.16 Provisions and Contingencies**

### **a) Provisions**

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

### **b) Contingencies**

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

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

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

## **2.17 Share capital and Other Equity**

Ordinary shares are classified as equity.

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

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

## **2.18 Prior Period Items**

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

## **2.19 Earnings per Share**

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

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

## **2.20 Statement of Cash Flows**

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

## **3 Critical Estimates and Judgments**

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

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

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

Useful life of property, plant and equipment

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

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

Provisions and contingencies

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

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

Income Taxes:

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

Note 4 Property, Plant and Equipment

Particulars	Cost				Accumulated depreciation				Net Book Value		
	As at 01 April, 2022	Additions during the year	Disposal	Adjustment during the year	As at 31 March, 2023	As at 01 April, 2022	Additions during the year	Disposal	Adjustment during the year	As at 31 March, 2023	As at 31 March, 2022
<b>Land</b>											
a) Freehold	2,473.28	-	-	-	2,473.28	-	-	-	-	-	2,473.28
<b>Buildings</b>											
a) Sub-Stations & Office	211.13	-	-	2.82	208.31	5.17	5.65	-	-	10.82	197.49
b) Township	502.69	-	-	(7.08)	509.77	3.03	13.84	-	-	16.87	492.90
Roads & Bridges	229.58	-	-	(2.47)	232.05	0.70	6.30	-	-	7.00	225.05
<b>Plant &amp; Equipment</b>											
a) Transmission	3,17,272.97	-	-	(182.24)	3,17,455.21	25,527.73	8,493.02	-	-	34,020.75	2,83,434.46
b) Substation	41,675.42	-	-	(251.54)	41,926.96	2,888.89	1,129.29	-	-	4,018.18	37,908.78
c) Unified Load Despatch & Communication	2,324.68	-	-	-	2,324.68	317.84	143.24	-	-	461.08	1,863.60
Furniture Fixtures	29.77	-	-	-	29.77	11.38	3.17	-	-	14.55	15.22
Office equipment	2.50	-	-	-	2.50	2.29	0.02	-	-	2.31	0.19
Electronic Data Processing & Word Processing Machines	2.57	-	-	-	2.57	0.40	0.86	-	-	1.26	1.31
Electrical Installation	16.44	-	-	-	16.44	1.56	1.56	-	-	3.12	13.32
Workshop & Testing Equipments	2.09	-	-	-	2.09	0.64	0.05	-	-	0.69	1.40
<b>Grand Total</b>	<b>3,64,743.13</b>	<b>-</b>	<b>-</b>	<b>(440.51)</b>	<b>3,65,183.63</b>	<b>28,759.63</b>	<b>9,797.00</b>	<b>-</b>	<b>-</b>	<b>38,556.63</b>	<b>3,26,627.00</b>
											<b>3,35,983.51</b>

Particulars	Cost				Accumulated depreciation				Net Book Value		
	As at 01 April, 2021	Additions during the year	Disposal	Adjustment during the year	As at 31 March, 2022	As at 01 April, 2021	Additions during the year	Disposal	Adjustment during the year	As at 31 March, 2022	As at 31 March, 2021
<b>Land</b>											
a) Freehold	2,473.28	-	-	-	2,473.28	-	-	-	-	-	2,473.28
<b>Buildings</b>											
a) Sub-Stations & Office	-	211.13	-	-	211.13	-	5.17	-	-	5.17	205.96
b) Township	-	502.69	-	-	502.69	-	3.03	-	-	3.03	499.66
Roads & Bridges	-	229.58	-	-	229.58	-	0.70	-	-	0.70	228.88
<b>Plant &amp; Equipment</b>											
a) Transmission	3,16,865.40	-	-	(407.57)	3,17,272.97	17,037.10	8,490.63	-	-	25,527.73	2,91,745.24
b) Substation	41,681.23	-	-	5.81	41,675.42	1,766.68	1,122.21	-	-	2,888.89	38,786.53
c) Unified Load Despatch & Communication	2,324.68	-	-	-	2,324.68	174.59	143.25	-	-	317.84	2,006.85
Furniture Fixtures	30.37	-	-	0.60	29.77	8.39	3.16	-	0.17	11.38	18.40
Office equipment	2.71	-	-	0.21	2.50	2.49	0.08	-	0.28	2.29	0.21
Electronic Data Processing & Word Processing Machines	-	2.57	-	-	2.57	-	0.40	-	-	0.40	2.17
Electrical Installation	-	16.44	-	-	16.44	-	1.56	-	-	1.56	14.88
Workshop & Testing Equipments	1.28	-	-	(0.81)	2.09	0.11	0.08	-	(0.45)	0.64	1.45
<b>Grand Total</b>	<b>3,63,378.96</b>	<b>962.41</b>	<b>-</b>	<b>(401.76)</b>	<b>3,64,743.13</b>	<b>18,989.36</b>	<b>9,770.27</b>	<b>-</b>	<b>-</b>	<b>28,759.63</b>	<b>3,35,983.51</b>
											<b>3,44,389.61</b>

1 The Company owns Freehold Land of 39.03 hectare (Previous Year 39.03 hectare) of land amounting to ₹2473.28 Lakh (Previous Year ₹2473.28 Lakh) based on available documentation.

2 Refer note no. 32 for details of immovable properties where title deeds are not in the name of the company.

Note 5 Capital work in progress

(₹ In Lakh)

Particulars	As at 01 April, 2022	Additions during the year	Adjustments	Capitalised during the year	As at 31 March, 2023
<b>Buildings</b>					
Township	204.44	-	204.44	-	-
<b>Plant &amp; Equipments (including associated civil works)</b>					
Transmission	-	214.92	214.92	-	-
Sub-Station	5.61	170.72	-	-	176.33
Construction Stores (Net of Provision)	-	726.05	-	-	726.05
<b>Expenditure pending allocation</b>					
Expenditure during construction period(net) (Note 30)	-	52.04	-	-	52.04
<b>Grand Total</b>	<b>210.05</b>	<b>1,163.73</b>	<b>419.36</b>	<b>-</b>	<b>954.42</b>

(₹ In Lakh)

Particulars	As at 01 April, 2021	Additions during the year	Adjustments	Capitalised during the year	As at 31 March, 2022
<b>Buildings</b>					
Sub-Stations & Office	-	-	(209.73)	209.73	-
Township	739.59	19.57	441.00	113.72	204.44
Roads & Bridges	-	-	(214.83)	214.83	-
<b>Plant &amp; Equipments (including associated civil works)</b>					
Sub-Station	-	5.61	-	-	5.61
Electrical Installations	-	-	(16.44)	16.44	-
<b>Expenditure pending allocation</b>					
Expenditure during construction period(net) (Note 30)	110.70	-	-	110.70	-
<b>Grand Total</b>	<b>850.29</b>	<b>25.18</b>	<b>-</b>	<b>665.42</b>	<b>210.05</b>

Note 5/Capital work in progress (Details of Construction stores)

(₹ In Lakh)

Particulars	As at 31 March, 2023	As at 31 March, 2022
<b>Construction Stores</b>		
Sub-Station Equipments	665.72	-
Unified Load Despatch & Communication(ULDC)	-	-
Materials	55.69	-
Others	4.64	-
<b>Total</b>	<b>726.05</b>	<b>-</b>
<b>Construction Stores include:</b>		
<b>i) Material with Contractors</b>		
Sub-Station Equipments	665.72	-
Unified Load Despatch & Communication(ULDC)	-	-
Materials	55.69	-
Others	4.64	-
<b>Total</b>	<b>726.05</b>	<b>-</b>

Further Note:

Refer note no. 32 for ageing and completion schedule for Capital work in progress (CWIP) for the Project whose completion is overdue or has exceed its cost compared to original plan.

Note 6 Intangible assets

Particulars	Cost					Accumulated Amortisation					Net Book Value	
	As at 01 April, 2022	Additions during the year	Disposal	Adjustment during the year	As at 31 March, 2023	As at 01 April, 2022	Additions during the year	Disposal	Adjustment during the year	As at 31 March, 2023	As at 31 March, 2023	As at 31 March, 2022
	5,015.12	-	-	-	5,015.12	371.56	142.12	-	-	513.68	4,501.44	4,643.56
Right of Way--Afforestation Expenses	5,015.12	-	-	-	5,015.12	371.56	142.12	-	-	513.68	4,501.44	4,643.56
<b>Total</b>	<b>5,015.12</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,015.12</b>	<b>371.56</b>	<b>142.12</b>	<b>-</b>	<b>-</b>	<b>513.68</b>	<b>4,501.44</b>	<b>4,643.56</b>

Particulars	Cost					Accumulated Amortisation					Net Book Value	
	As at 01 April, 2021	Additions during the year	Disposal	Adjustment during the year	As at 31 March, 2022	As at 01 April, 2021	Additions during the year	Disposal	Adjustment during the year	As at 31 March, 2022	As at 31 March, 2021	As at 31 March, 2021
	5,015.12	-	-	-	5,015.12	229.44	142.12	-	-	371.56	4,643.56	4,785.68
Right of Way--Afforestation Expenses	5,015.12	-	-	-	5,015.12	229.44	142.12	-	-	371.56	4,643.56	4,785.68
<b>Total</b>	<b>5,015.12</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,015.12</b>	<b>229.44</b>	<b>142.12</b>	<b>-</b>	<b>-</b>	<b>371.56</b>	<b>4,643.56</b>	<b>4,785.68</b>

**Note 7 Trade receivables (Non-current)**

(₹ In Lakh)

Particulars	As at 31	As at 31
	March, 2023	March, 2022
<b>Trade receivables</b>		
Unsecured Considered good	943.21	-
<b>TOTAL</b>	<b>943.21</b>	<b>-</b>

**Further Notes:**

- Refer note no. 35 for disclosure as per Ind AS 115 'Revenue from Contracts with Customers' & note no. 41. for details of trade receivables from related parties.
- Electricity (late Payment Surcharge and Related Matters) Rules, 2022 as notified by Ministry of Power on 03 June 2022, provides that at the option of the Distribution licensees, the outstanding dues including the Late Payment Surcharge (LPSC) upto the date of said notification shall be rescheduled upto a maximum period of 48 months in the manner prescribed in the said rules and no further LPSC shall be charged on those dues. Pursuant to the above, some of the distribution licensees have opted for rescheduling of their dues with Central Transmission Utility.  
The company's portion of dues have been presented at their fair value under Trade Receivables (Non-current / Current) considering the requirements of applicable Indian Accounting Standards. Consequently, the fair value difference amounting to ₹ 317.58 lakh (Previous year Nil) has been charged as Other Expense (refer Note 29) and unwinding thereon amounting to ₹ 159.74 lakhs (Previous year Nil) accounted for as Other Income (refer Note 26).

**3 Ageing of Trade Receivables is as follows:**

(₹ In Lakh)

Particulars		Unbilled	Not Due	0-6M	6M-1Y	1Y-2Y	2Y-3Y	>3Y	Total
<b>As at 31.03.2023</b>									
Considered - Good	Disputed	-	-	-	-	-	-	-	-
	Undisputed	-	943.21	-	-	-	-	-	943.21
Significant increase in Credit Risk	Disputed	-	-	-	-	-	-	-	-
	Undisputed	-	-	-	-	-	-	-	-
Credit Impaired	Disputed	-	-	-	-	-	-	-	-
	Undisputed	-	-	-	-	-	-	-	-
<b>As at 31.03.2022</b>									
Considered - Good	Disputed	-	-	-	-	-	-	-	-
	Undisputed	-	-	-	-	-	-	-	-
Significant increase in Credit Risk	Disputed	-	-	-	-	-	-	-	-
	Undisputed	-	-	-	-	-	-	-	-
Credit Impaired	Disputed	-	-	-	-	-	-	-	-
	Undisputed	-	-	-	-	-	-	-	-

**Note 8 Other non-current Assets**

(Unsecured considered good unless otherwise stated)

(₹ In Lakh)

Particulars	As at 31	As at 31
	March, 2023	March, 2022
Advances for Capital Expenditure*	10.56	10.56
<b>Advances other than for Capital Expenditure</b>		
Security Deposits	11.22	11.22
<b>Advances recoverable in kind or for value to be received</b>		
Advance tax and Tax deducted at source	1,255.53	307.35
Less: Adjustment of Tax Liabilities	-	-
	1,255.53	307.35
<b>TOTAL</b>	<b>1,277.31</b>	<b>329.13</b>

\*Rs.215 lakhs deposited at R & B Department, Narasaraopet, Govt of AP towards Road construction work from Annavaram village to main substation. Out of Rs.215 lakhs, work completed for Rs.204.44 lakhs (Previous year Rs.204.44 lakhs). Utilisation certificate is pending for balance Rs.10.56 lakhs (Previous year Rs.10.56 lakhs).

**Note 9 Inventories**

(₹ In Lakh)

Particulars	As at 31	As at 31
	March, 2023	March, 2022
Components, Spares & other spare parts	66.00	62.97
<b>TOTAL</b>	<b>66.00</b>	<b>62.97</b>

**Note 10 Trade receivables**

(₹ In Lakh)

Particulars	As at 31 March, 2023	As at 31 March, 2022
<b>Trade receivables</b>		
Unsecured Considered good	9280.13	11929.80
Credit Impaired	4.11	0.33
	9284.24	11930.13
Less: Loss Allowance	4.11	0.33
<b>TOTAL</b>	<b>9280.13</b>	<b>11929.80</b>

**Further Notes:**

- 1 Refer note no. 35 for disclosure as per Ind AS 115 'Revenue from Contracts with Customers' & note no. 41. for details of trade receivables from related parties.
- 2 Trade receivable includes unbilled transmission charges & surcharge upto the month of March'23 amounting to Rs.3,900.51 lakhs (net of provision for rebate of Rs.24.23 lakhs) and Rs.171.32 lakhs respectively (Previous year Rs.6,183.86 lakhs (net of provision for rebate of ₹ 33.18 lakhs) and ₹ 186.62 lakhs) billed to beneficiaries in the subsequent month i.e., April 2023 and transmission incentive of Rs.1,348.98 lakhs to be billed in FY 2023-24 (previous year Rs.616.98 lakhs).

**3 Ageing of Trade Receivables is as follows:**

Particulars	Unbilled	Not Due	0-6M	6M-1Y	1Y-2Y	2Y-3Y	>3Y	Total
<b>As at 31.03.2023</b>								
Considered - Good	-	-	-	-	-	-	-	-
Disputed	5420.80	945.54	2761.6	152.19	-	-	-	9280.13
Significant increase in Credit Risk	-	-	-	-	-	-	-	-
Undisputed	-	-	-	-	-	-	-	-
Credit Impaired	-	-	-	-	-	-	-	-
Disputed	-	-	-	-	-	-	-	-
Undisputed	-	-	-	-	3.56	0.38	0.17	4.11
<b>As at 31.03.2022</b>								
Considered - Good	-	-	-	-	-	-	-	-
Disputed	6987.45	-	3501.39	835.12	603.33	2.44	0.07	11929.80
Significant increase in Credit Risk	-	-	-	-	-	-	-	-
Undisputed	-	-	-	-	-	-	-	-
Credit Impaired	-	-	-	-	-	-	-	-
Disputed	-	-	-	-	-	-	-	-
Undisputed	-	-	-	-	0.16	0.17	-	0.33

**Note 11 Cash and Cash equivalents** (₹ In Lakh)

Particulars	As at 31 March, As at 31 March,	
	2023	2022
Balance with banks		
-In Current accounts	0.14	786.05
-In term deposits (with maturity less than 3 months)	-	1,390.00
<b>Total</b>	<b>0.14</b>	<b>2,176.05</b>

**Note 12 Bank Balances other than cash and cash equivalents** (₹ In Lakh)

Particulars	As at 31 March, As at 31 March,	
	2023	2022
In Term Deposits having maturity over 3 months but upto 12 months	-	3.85
<b>Total</b>	<b>-</b>	<b>3.85</b>

**Note 13 Other Current Financial Assets**

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

Particulars	As at 31 March, As at 31 March,	
	2023	2022
Advance to/Receivable from Related Parties	947.94	495.41
Others#	11,154.00	-
<b>Total</b>	<b>12,101.94</b>	<b>495.41</b>

#Others includes the amount of Rs.150 lakhs (Previous year Nil) recovered towards safety corpus fund, to be utilised for working personnel work place safety improvement activities, deposited with Power Grid Corporation of India Ltd. (Refer note no.19 & 41)

#Others includes the amount of Rs.11,004 lakhs (Previous year Nil) deposited with the LTTCS on account of CERC order (Refer note no.49)

Advance to/Receivable from Related Parties includes amount withheld by CTUIL from Transmission Charges billed on behalf of the Company. Refer Note No.41 for details of receivables from related parties

**Note 14 Other current Assets**

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

Particulars	As at 31 March, As at 31 March,	
	2023	2022
<b>Advances other than capital Advance</b>		
<b>Advances recoverable in kind or for value to be received</b>		
Contractors & Suppliers	-	3.75
Deposit with District authorities towards lower base compensation	-	176.40
	-	180.15
<b>Others#</b>		
Considered Good	7.01	-
<b>Total</b>	<b>7.01</b>	<b>180.15</b>

#Others includes advance towards CSR activities given to District Collector, Vizianagaram (10% of Total Cost of Rs.70.01 lakhs)

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(RAJESH SRIVASTAVA)  
DIRECTOR PSITSL



**Note 15 Equity Share capital**

Particulars	(₹ In Lakh)	
	As at 31 March, 2023	As at 31 March, 2022
<b>Equity Share Capital Authorised</b>		
731000000 (Previous Year 731000000) equity shares of Rs.10/- each at par	73,100.00	73,100.00
<b>Issued, subscribed and paid up</b>		
709004000 (Previous Year 709004000) equity shares of Rs.10/- each at par	70,900.40	70,900.40
<b>Total</b>	<b>70,900.40</b>	<b>70,900.40</b>

**Further Notes:**

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

Particulars	For the Year ended 31 March, 2023		For the Year ended 31 March, 2022	
	No. of Shares	₹ in Lakh Amount	No. of Shares	₹ in Lakh Amount
Shares outstanding at the beginning of the year	70,90,04,000	70,900.40	70,90,04,000	70,900.40
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	<b>70,90,04,000</b>	<b>70900.40</b>	<b>70,90,04,000</b>	<b>70900.40</b>

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

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

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

Particulars	As at 31 March, 2023		As at 31 March, 2022		% Change
	No. of Shares	% of holding	No. of Shares	% of holding	
Power Grid Corporation of India Limited (Promoter)#	70,90,04,000	100%	70,90,04,000	100%	-

#Out of 709004000 Equity shares (Previous year 709004000 Equity shares) 6 equity shares (Previous year 6 Equity Shares) are held by nominees of M/s Powergrid Corporation Of India Limited on its behalf .

Note 16 **Other Equity**

(₹ In Lakh)

Particulars	As at 31 March, 2023	As at 31 March, 2022
<b>(i) Retained Earnings</b>		
Balance at the beginning of the year	(7,793.54)	10,704.91
Add: Additions		
Net Profit for the period	12,991.15	(3,751.17)
Less: Appropriations		
Self Insurance Reserve	(438.30)	-
Interim dividend paid	(1,843.41)	(11,911.26)
Final Dividend	-	(2,836.02)
<b>Balance at the end of the year</b>	<b>2,915.90</b>	<b>(7,793.54)</b>
<b>(ii) Self-Insurance Reserve</b>		
Balance at the beginning of the year	871.97	871.97
Addition during the year	438.30	-
Deduction during the year	-	-
<b>Balance at the end of the year</b>	<b>1,310.27</b>	<b>871.97</b>
<b>Total</b>	<b>4,226.17</b>	<b>(6,921.57)</b>

**Further notes:**

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

## Note 17 Borrowings (Non-current)

(₹ In Lakh)

Particulars	As at 31	As at 31
	March, 2023	March, 2022
<b>Unsecured Rupee Term Loans:</b>		
Loan from Power Grid Corporation of India	2,44,271.36	2,65,132.52
Less: Current maturities of Non Current Borrowing	28.83	-
Less: Interest accrued on borrowings	74.20	-
<b>Total</b>	<b>2,44,168.33</b>	<b>2,65,132.52</b>

**Further Note -**

- 1 The various sources of Loans being extended to the company by Holding Company are Fixed Interest and floating interest rate which get reset periodically. The rate of interest on the loan ranged from 6.35% to 8.15% p.a. during the Financial Year. Loan of Rs.459.76 lakhs (including current maturities of Rs.28.83 lakhs) is repayable in 48 equal quarterly instalments, balance loan is repayable in 114 Quarterly Installments with prepayment facility without any additional charges.
- 2 There has been no default in repayment of loans or payment of interest thereon as at the end of the year
- 3 Refer note no. 41. for details of Loan from related parties.



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DIRECTOR , PSITSL



Note 18 **Deferred tax liabilities (Net)**

(₹ In Lakh)

Particulars	As at 31 March, 2023	As at 31 March, 2022
<b>Deferred Tax Liability</b>		
Difference in book Depreciation and Tax Depreciation	32,750.29	26,387.73
<b>Sub-total (A)</b>	<b>32,750.29</b>	<b>26,387.73</b>
<b>Deferred Tax Assets</b>		
Unused Tax Losses	25,647.89	23,719.27
On Fair value of Financial assets	39.73	-
Credit impaired	1.03	0.08
<b>Sub-total (B)</b>	<b>25,688.65</b>	<b>23,719.35</b>
<b>Deferred tax liabilities (Net)</b>	<b>7,061.64</b>	<b>2,668.38</b>

**Movement in Deferred Tax Liabilities**

(₹ in Lakh)

Particulars	Depreciation Difference in Property Plant and Equipment	Total
<b>As at 01 April, 2021</b>	<b>18,456.52</b>	<b>18,456.52</b>
-Charged/ (Credited) to Profit or Loss	7,931.21	7,931.21
<b>As at 31 March, 2022</b>	<b>26,387.73</b>	<b>26,387.73</b>
-Charged/ (Credited) to Profit or Loss	6,362.56	6,362.56
<b>As at 31 March, 2023</b>	<b>32,750.29</b>	<b>32,750.29</b>

**Movement in Deferred Tax Assets**

(₹ in Lakh)

Particulars	Credit Impaired	Unused Tax Losses	On Fair valuation of Financial assets	Total
<b>As at 1st April 2021</b>	<b>0.08</b>	<b>14,563.36</b>	<b>-</b>	<b>14,563.44</b>
-Charged/ (Credited) to Profit or Loss	-	(9,155.91)	-	(9,155.91)
<b>As at 31 March, 2022</b>	<b>0.08</b>	<b>23,719.27</b>	<b>-</b>	<b>23,719.35</b>
-Charged/ (Credited) to Profit or Loss	(0.95)	(1,928.62)	(39.73)	(1,969.30)
<b>As at 31 March, 2023</b>	<b>1.03</b>	<b>25,647.89</b>	<b>39.73</b>	<b>25,688.65</b>

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

(₹ in Lakh)

Particulars	For the Year ended 31 March, 2023	For the Year ended 31 March, 2022
Increase/(Decrease) in Deferred Tax Liabilities	6,362.56	7,931.21
(Increase)/Decrease in Deferred Tax Assets	(1,969.30)	(9,155.91)
<b>Net Amount taken to Statement of Profit and Loss</b>	<b>4,393.26</b>	<b>(1,224.70)</b>

## Note 19 Other non-current liabilities

(₹ In Lakh)

Particulars	As at 31	As at 31
	March, 2023	March, 2022
Safety Corpus Fund	150.00	150.00
<b>Total</b>	<b>150.00</b>	<b>150.00</b>

Further Note:

Recovery towards safety corpus fund, to be utilised for working personnel work place safety improvement activities. The amount is deposited with Power Grid Corporation of India Ltd. for utilisation towards above purpose (Refer note no.13 & 41)

## Note 20 Borrowings (Current)

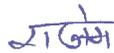
(₹ In Lakh)

Particulars	As at 31	As at 31
	March, 2023	March, 2022
<b>Short term Working Capital Loan</b>		
<b>Rupee Term Loans (Unsecured)</b>		
Loan From M/s Power Grid Corporation of India Ltd. (Holding Co.)	5,000.00	-
<b>Current maturities of long term borrowings</b>		
<b>Rupee Term Loans (Unsecured)</b>		
Loan From M/s Power Grid Corporation of India Ltd. (Holding Co.)	28.83	-
<b>Total</b>	<b>5,028.83</b>	<b>-</b>

Further Note -

- 1 There has been no default in repayment of loans or payment of interest thereon as at the end of the year
- 2 Refer note no. 41 for details of Loan from related parties.
- 3 The Short term Working Capital Loan of Rs.5000 Lakhs is due for repayment at the end of 12 months from the date of first drawl i.e. drawn in the month of March 2023 with prepayment facility without any additional charges. The rate of interest on the loan was 8.10% during the financial year.



  
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 DIRECTOR, PSITSL

## Note 21 Trade payables

(₹ In Lakh)

Particulars	As at 31 March, 2023	As at 31 March, 2022
<b>For goods and services</b>		
Total outstanding dues of Micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than Micro enterprises and small enterprises	72.71	22.75
<b>Total</b>	<b>72.71</b>	<b>22.75</b>

**Further Note -**

1 Disclosure with regard to Micro and Small enterprises as required under "Division II of Schedule III of The Companies Act, 2013" and "The Micro, Small and Medium Enterprises Development Act, 2006" is given in Note No 37.

2 Ageing of Trade Payables is as follows:

(₹ In Lakh)

Particulars	Not Billed	<1Y	1Y-2Y	2Y-3Y	>3Y	Total
<b>As at 31.03.2023</b>						
<b>MSME</b>						
Disputed	-	-	-	-	-	-
Undisputed	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Others</b>						
Disputed	-	-	-	-	-	-
Undisputed	72.71	-	-	-	-	72.71
<b>Total</b>	<b>72.71</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>72.71</b>
<b>As at 31.03.2022</b>						
<b>MSME</b>						
Disputed	-	-	-	-	-	-
Undisputed	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Others</b>						
Disputed	-	-	-	-	-	-
Undisputed	11.47	11.28	-	-	-	22.75
<b>Total</b>	<b>11.47</b>	<b>11.28</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22.75</b>

Note 22 **Other Current Financial Liabilities** (₹ In Lakh)

Particulars	As at 31 March, 2023	As at 31 March, 2022
<b>Interest accrued on borrowings from</b>		
Power Grid Corporation of India Limited (Holding Company)	74.20	-
<b>Others</b>		
Dues for capital expenditure	220.13	466.69
Deposits/Retention money from contractors and others.	219.61	120.34
	<u>439.74</u>	<u>587.03</u>
<b>Total</b>	<b>513.94</b>	<b>587.03</b>

**Further Note -**

- 1 Disclosure with regard to Micro and Small enterprises as required under "Division II of Schedule III of The Companies Act, 2013" and "The Micro, Small and Medium Enterprises Development Act, 2006" is given in Note No 37.
- 2 Refer note no. 41. for amount payable to related parties.

Note 23 **Other current liabilities** (₹ In Lakh)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Statutory dues	174.59	16.16
<b>Total</b>	<b>174.59</b>	<b>16.16</b>

Note 24 **Provisions** (₹ In Lakh)

Particulars	As at 31 March, 2023	As at 31 March, 2022
<b>Provision for Liquidated Damages</b>		
As per last balance sheet	23,455.02	-
Additions during the year	-	23,455.02
Closing Balance	<u>23,455.02</u>	<u>23,455.02</u>
<b>Provision-Others</b>		
As per last balance sheet	3.79	3.22
Additions during the year	6.97	3.79
Adjustments during the year	3.79	3.22
Closing Balance	<u>6.97</u>	<u>3.79</u>
<b>Total</b>	<b>23,461.99</b>	<b>23,458.81</b>

**Further Note:**

- 1 Provision for Liquidated Damages is provided on the basis of CERC's order dtd 07.05.2022 on Petition No.13/MP/2021. Refer Note No.49 for details.
- 2 Provision others includes provision for expenses of Rs.3.55 lakhs (Previous year Rs.0.23 lakhs) and GST on construction consultancy of Rs.3.42 lakhs (Previous year Rs.3.56 lakhs).

Note 25 **Revenue from operations** (₹ In Lakh)

Particulars	For the Year ended 31 March, 2023	For the Year ended 31 March, 2022
<b>Operating Revenue</b>		
<b>Sales of services</b>		
Transmission Charges	47,609.35	48,791.14
<b>Total</b>	<b>47,609.35</b>	<b>48,791.14</b>

**Further Notes:**

1. Refer Note No.35 for disclosure as per Ind AS 115 "Revenue from Contracts with Customer".
2. Transmission Charges includes incremental tariff of Rs.1285.59 lakhs (previous year Rs.2469.73 lakhs) granted by CERC on account of Change in Law events vide Order dtd 07.05.2022 on Petition No. 13/MP/2021.

Note 26 **Other income** (₹ In Lakh)

Particulars	For the Year ended 31 March, 2023	For the Year ended 31 March, 2022
<b>Interest income from</b>		
Indian Banks	57.43	13.69
Others*	0.07	-
	57.50	13.69
<b>Unwinding of discount on financial assets</b>	159.74	-
<b>Others</b>		
Surcharge**	277.28	451.40
Miscellaneous income#	1.84	3.25
	279.12	454.65
<b>TOTAL</b>	<b>496.36</b>	<b>468.34</b>

\*Others include interest on Income tax refund of Rs.0.07 lakhs (previous year Nil)

#Miscellaneous income include rebate on RLDC fees of Rs.1.84 lakhs (previous year Rs.1.39 lakhs).

\*\* Surcharge includes unbilled surcharge of Rs.171.32 lakhs (Previous year Rs.186.62 lakhs).

Note 27 **Finance costs** (₹ In Lakh)

Particulars	For the Year ended 31 March, 2023	For the Year ended 31 March, 2022
<b>i) Interest and finance charges on financial liabilities at amortised cost from</b>		
Power Grid Corporation of India Limited (Holding Company)	18,735.87	19,097.23
<b>ii) Unwinding of discount on financial liabilities</b>	4.82	1.26
<b>TOTAL</b>	<b>18,740.69</b>	<b>19,098.49</b>
Less: Transferred to expenditure during construction(Net)-Note No.30	7.69	-
<b>TOTAL</b>	<b>18,733.00</b>	<b>19,098.49</b>

**Further Notes:**

1 Refer note no. 41 for Interest paid to related parties.

Note 28 **Depreciation and amortization expense** (₹ In Lakh)

Particulars	For the Year ended 31 March, 2023	For the Year ended 31 March, 2022
Depreciation of Property,Plant and Equipment	9,797.00	9,770.27
Amortisation of Intangible assets	142.12	142.12
<b>Charged To Statement of Profit &amp; Loss</b>	<b>9,939.12</b>	<b>9,912.39</b>

Note 29 **Other expenses**

(₹ In Lakh)

Particulars	For the Year ended 31 March, 2023	For the Year ended 31 March, 2022
<b>Plant &amp; Machinery</b>		
Sub-Stations	219.08	209.99
Transmission lines	1,111.77	1,063.21
Others	0.82	-
	1,331.67	1,273.20
System and Market Operation Charges	124.49	139.55
Power charges	44.58	69.97
Less: Recovery from contractors	(0.01)	-
	44.57	69.97
Expenses of Diesel Generating sets	1.89	-
Legal expenses	15.19	56.51
Professional charges(Including TA/DA)	2.40	1.64
Consultancy expenses(Including TA/DA)	44.36	-
<b>Payments to Statutory Auditors</b>		
Audit Fees	0.83	0.71
Tax Audit Fees	0.30	0.30
In Other Capacity	0.47	0.40
Out of pocket Expenses	0.04	0.04
	1.64	1.45
Cost Audit and Physical verification Fees	0.36	0.30
CERC petition & Other charges	50.84	52.11
Miscellaneous expenses	14.32	12.17
Security Expenses	69.05	59.40
Expenditure on Corporate Social Responsibility (CSR) & Sustainable development	71.39	103.15
Fair valuation loss on financial assets	317.58	-
<b>Provisions</b>		
Doubtful loans, advances, debts, claims etc.	3.78	-
	2,093.53	1,769.45
Less: Transferred to expenditure during construction(Net)-Note No.30	(44.35)	-
<b>Total</b>	<b>2,049.18</b>	<b>1,769.45</b>

Further Note:

Refer Note No.41 for Disclosure on Related Party transactions.

Note 30 **Expenditure during Construction (Net)**

(₹ In Lakh)

Particulars	For the Year ended 31 March, 2023	For the Year ended 31 March, 2022
<b>A. Other Expenses</b>		
Power charges	-	-
Less: Recovery from contractors	0.01	-
	(0.01)	-
Consultancy expenses	44.36	-
<b>Total(A)</b>	44.35	-
<b>B. Finance Costs</b>		
a) Interest and finance charges on financial liabilities at amortised cost from Power Grid Corporation of India Limited (Holding Company)	7.69	-
<b>Total (B)</b>	7.69	-
<b>GRAND TOTAL</b>	<b>52.04</b>	-

**Note 31 Financial Risk Management**

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

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

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

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

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

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

**(A) Credit Risk:**

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

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

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

**(i) Trade Receivables**

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

Trade receivables consist of receivables relating to transmission services of ₹ 10227.45 Lakh as on 31 March, 2023 (₹ 11930.13 Lakh as on 31 March, 2022).

**(ii) Other Financial Assets (excluding trade receivables and unbilled revenue)****· Cash and cash equivalents**

The Company held cash and cash equivalents of ₹0.14 Lakh (Previous Year ₹2176.05 Lakh). The cash and cash equivalents are held with public sector banks and high rated private sector banks and do not have any significant credit risk.

**· Deposits with banks and financial institutions**

The Company held deposits with banks and financial institutions of ₹0 Lakh (Previous Year ₹3.85 Lakh). Term deposits are placed with public sector banks and high rated private sector banks and have negligible credit risk.

**(iii) Exposure to credit risk**

(₹ In Lakh)

Particulars	As at 31 March, 2023	As at 31 March, 2022
<b>Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)</b>		
Cash and cash equivalents	0.14	2,176.05
Deposits with banks and financial institutions	-	3.85
Other current financial assets	12,101.94	495.41
<b>Total</b>	<b>12,102.08</b>	<b>2,675.31</b>
<b>Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)</b>		
Trade receivables (Current)	9,284.24	11,930.13
Trade receivables (Non - Current)	943.21	-
<b>Total</b>	<b>10,227.45</b>	<b>11,930.13</b>

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

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

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

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

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

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

(v) **Ageing analysis of trade receivables**

The ageing analysis of the trade receivables (Current & Non-current) is as below:

(₹ in lakh)

Ageing	Unbilled	Not due	0-30 days past due	31-60 days past due	61-90 days past due	91-120 days past due	More than 120 days past due	Total
Gross carrying amount as on 31.03.2023	5420.80	1,888.75	2305.08	358.13	84.20	5.89	164.60	10,227.45
Gross carrying amount as on 31.03.2022	6987.45	-	2057.88	528.52	342.56	200.04	1813.68	11,930.13

(vi) **Reconciliation of impairment loss provisions**

The movement in the allowance for impairment in respect of financial assets during the year was as

(₹ in lakh)

Particulars	Trade receivables
Balance as at 01.04.2021	0.33
Impairment loss recognised/ (reversed)	-
Amounts written off	-
Balance as at 31.03.2022	0.33
Impairment loss recognised/ (reversed)	3.78
Amounts written off	-
Balance as at 31.03.2023	4.11

Based on historic default rates, the Company believes that, apart from the above, no impairment allowance is necessary in respect of any other assets as the amounts are insignificant.

(B) **Liquidity Risk**

Liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. The Company has entered into Inter-Corporate Loan Agreement for Funding of its obligations. For this, Company provided quarterly cashflows in advance to Holding Company with Monthly requirement.

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

**Maturities of financial liabilities**

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

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

(₹ in lakh)

Contractual maturities of financial liabilities	Within a year	Between 1-5 years	Beyond 5 years	Total
<b>As at 31.03.2023</b>				
Borrowings (including interest outflows)	24,104.40	93,306.65	4,47,506.78	5,64,917.83
Trade payables	72.71	-	-	72.71
<u>Other financial liabilities</u>				
Others	513.94	-	-	513.94
<b>Total</b>	<b>24,691.05</b>	<b>93,306.65</b>	<b>4,47,506.78</b>	<b>5,65,504.48</b>
<b>As at 31.03.2022</b>				
Borrowings (including interest outflows)	18,943.76	1,03,900.22	4,54,416.38	5,77,260.36
Trade payables	22.75	-	-	22.75
<u>Other financial liabilities</u>				
Others	587.03	-	-	587.03
<b>Total</b>	<b>19,553.54</b>	<b>1,03,900.22</b>	<b>4,54,416.38</b>	<b>5,77,870.14</b>

**(C) MARKET RISK**

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

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

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

**(ii) Interest rate risk**

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

**Note 32 Additional Regulatory Information as per Schedule III to the Companies Act, 2013**

- a) There are no cases of immovable properties where title deeds are not in the name of the company.  
b) Aging of Capital Work in Progress is as follows:

(₹ in lakh)

Particulars as at 31.03.2023	<1 Year	1-2 Years	2-3 Years	>3 Years	Total
Projects in progress	948.81	5.61	-	-	954.42
<b>Total</b>	<b>948.81</b>	<b>5.61</b>	-	-	<b>954.42</b>
<b>As at 31.03.2022</b>					
Projects in progress	25.17	184.88	-	-	210.05
<b>Total</b>	<b>25.17</b>	<b>184.88</b>	-	-	<b>210.05</b>

- c) For capital-work-in progress (CWIP), whose completion is overdue or has exceeded its cost compared to its original plan, CWIP completion schedule is as follows:

(₹ in lakh)

Particulars	Project	<1 Year	1-2 Years	2-3 Years	>3 Years	Total
Projects in progress	RTM 765 kV Spare Reactor	702.80	-	-	-	702.80
Projects in progress	RTM Scheme to bypass NGR	98.72	-	-	-	98.72

- d) The company does not have any intangible assets under development.  
e) 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.  
f) The Company is not sanctioned any working capital limit secured against current assets by any Finance Institutions.  
g) The company was not declared as a wilful defaulter by any bank or financial Institution or other lender during the financial year.  
h) The Company does not have any transactions, balances or relationship with Struck off companies.  
i) The Company does not have any Charges on its assets.  
j) 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.  
k) Ratios

Ratio	Numerator	Denominator	Current Year	Previous Year	Variance	Reason for variance >25%
(a) Current Ratio	Current Assets	Current Liabilities	0.73	0.62	19%	-
(b) Debt-Equity Ratio	Total Debt	Shareholder's Equity	3.32	4.14	-20%	-
(c) Debt Service Coverage Ratio	Profit for the period + Depreciation and amortization expense + Finance costs	Interest & Lease Payments + Principal Repayments	1.02	0.88	17%	-
(d) Return on Equity Ratio	Profit for the period	Average Shareholder's Equity	18.68%	-5%	-465%	Reduction in profit in previous year due to exceptional items
(e) Inventory turnover ratio	Revenue from Operations	Average Inventory	738.30	794.45	-7%	-
(f) Trade Receivables turnover ratio	Revenue from Operations	Average Trade Receivables (before deducting provision)	4.49	4.68	-4%	-
(g) Trade payables turnover ratio	Gross Other Expense (-) FERV, Provisions, Loss on disposal of PPE	Average Trade payables	43.78	63.92	-32%	Increase in average trade payables in current year
(h) Net capital turnover ratio	Revenue from Operations	Current Assets - Current Liabilities	-6.11	-5.28	16%	-
(i) Net profit ratio	Profit for the period	Revenue from Operations	27.29%	-8%	-455%	Reduction in profit in previous year due to exceptional items
(j) Return on Capital employed	Earnings before interest and taxes	Tangible Net Worth + Total Debt + Deferred Tax Liability	11.05%	4.32%	156%	Reduction in earnings before interest and taxes in previous year due to exceptional items
(k) Return on investment	{MV(T1) - MV(T0) - Sum [C(t)]}	{MV(T0) + Sum [W(t) * C(t)]}	NA	NA	NA	-

- l) 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.  
m) 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.  
n) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

**Note 33** a) Some balances of Trade Receivables and recoverable shown under Assets and Trade and Other Payables shown under Liabilities include balances subject to confirmation/ reconciliation and consequential adjustments if any. However, reconciliations are carried out on ongoing basis. The management does not expect any material adjustment in the books of accounts as a result of the reconciliation.

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

**Note 34** Central Transmission Utility of India Limited (CTUIL) (Fellow Subsidiary Company) was notified as CTU w.e.f. 01.04.2021 by GOI vide Notification No. CG-DL-E-09032021-225743 and is entrusted with the job of centralized Billing, Collection and Disbursement (BCD) of transmission charges on behalf of all the IST licencees. Accordingly, CTUIL is raising bills for transmission charges to DICs on behalf of IST licencees. The debtors and their recovery are accounted based on the list of DICs given by CTUIL.

**Note 35 Disclosure as per Ind AS 115 - "Revenue from Contracts with Customer"**

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

(₹ In Lakh)

Particulars	For the Year ended 31 March, 2023	For the Year ended 31 March, 2022
Contracted price	46,209.92	44,967.80
Add/ (Less)- Discounts/ rebates provided to customer	(217.91)	(220.27)
Add/ (Less)- Performance bonus	1,617.34	1,573.88
Add/ (Less)- Adjustment for significant financing component	-	-
Add/ (Less)- Other adjustments - Other adjustments on account of CERC order in Petition no.13/MP/2021 (refer note 49)	-	2,469.73
Revenue recognised in profit or loss statement	47,609.35	48,791.14

**Note 36** Borrowing cost capitalised during the year is ₹7.69 Lakh (Previous Year ₹0 Lakh) in the respective carrying amount of Property, Plant and Equipment/Capital work in Progress (CWIP) as per Ind AS 23 'Borrowing Costs'.

**Note 37** 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 and small enterprises as required by Companies Act 2013 and MSMED Act, 2006 is given as under:

Sr. No	Particulars	Trade Payables		Others	
		As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
1	Principal amount and interest due thereon remaining unpaid to any supplier as at end of each accounting year:				
	Principal	Nil	Nil	Nil	Nil
	Interest	Nil	Nil	Nil	Nil
2	The amount of Interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil	Nil	Nil
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	Nil	Nil	Nil	Nil
4	The amount of interest accrued and remaining unpaid at the end of each accounting year	Nil	Nil	Nil	Nil
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	Nil	Nil	Nil	Nil

**Note 38 Disclosure as per Ind AS 116 - "Leases"**

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

**Note 39 Corporate Social Responsibility (CSR) Expenses**

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

The details of CSR expenses for the year are as under: -

(₹ in lakh)

S. No.	PARTICULARS	For the Year ended 31 March, 2023	For the Year ended 31 March, 2022
A	Amount required to be spent during the year	71.39	103.15
B	Amount approved by the Board to be spent during the year	71.39	103.15
C	<u>Amount spent on CSR –</u>		
(i)	Construction or acquisition of any asset	-	-
(ii)	on Purpose other than (i) above	71.39	103.15
D	Total Shortfall/ (Excess) amount	-	-
E	Break-up of the amount spent on CSR		
1	Education and Skill Development expenses	-	-
2	Ecology and Environment Expenses	-	-
3	Health and Sanitation expenses	71.39	103.15
4	Sports, Art and Culture expenses	-	-
5	Protection of national heritage, art and culture including restoration of building and sites of historical importance	-	-
6	Other CSR activities	-	-
	<b>Total Amount spent on CSR</b>	<b>71.39</b>	<b>103.15</b>
	Amount spent in Cash out of above	71.39	103.15
	Amount yet to be spent in Cash	-	-

**Note 40 Fair Value Measurement**

(₹ in lakh)

Financial Instruments by category	As at 31 March, 2023	As at 31 March, 2022
	Amortised cost	Amortised cost
<b>Financial Assets</b>		
Trade Receivables (Current)	9,280.13	11,929.80
Trade Receivables (Non-Current)	943.21	-
Cash & cash Equivalents	0.14	2,176.05
Bank Balance	-	3.85
<b>Other Financial Assets</b>		
Current	12,101.94	495.41
Non-Current	-	-
<b>Total Financial assets</b>	<b>22,325.42</b>	<b>14,605.11</b>
<b>Financial Liabilities</b>		
Borrowings	2,49,197.16	2,65,132.52
Trade Payables	72.71	22.75
<b>Other Financial Liabilities</b>		
Current	513.94	587.03
Non-Current	-	-
<b>Total financial liabilities</b>	<b>2,49,783.81</b>	<b>2,65,742.30</b>

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

Financial instruments that are measured at Amortised Cost:

(₹ in lakh)

Particulars	Level	As at 31 March, 2023		As at 31 March, 2022	
		Carrying Amount	Fair value	Carrying Amount	Fair value
<b>Financial Assets</b>					
Trade Receivables (Non-current)	2	943.21	943.21	-	-
<b>Total Financial Assets</b>		<b>943.21</b>	<b>943.21</b>	-	-
<b>Financial Liabilities</b>					
Borrowings	2	2,49,197.16	2,45,170.85	2,65,132.52	2,68,029.74
<b>Total financial liabilities</b>		<b>2,49,197.16</b>	<b>2,45,170.85</b>	<b>2,65,132.52</b>	<b>2,68,029.74</b>

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

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

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

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

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

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

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

Specific valuation techniques used to value financial instruments includes:

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

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

**Note 41 Disclosure as per Ind AS 24 - "Related Party Disclosures"**

**(a) Holding Company**

Name of entity	Place of business/ Country of incorporation	Proportion of Ownership	
		As at 31 March, 2023	As at 31 March, 2022
Power Grid Corporation of India Limited	India	100%	100%

**(b) Subsidiaries of Holding Company**

Name of entity	Place of business/ Country of incorporation
POWERGRID Vemagiri Transmission Limited	India
POWERGRID NM Transmission Limited	India
POWERGRID Unchahar Transmission Limited	India
POWERGRID Medinipur Jeerat Transmission Limited	India
POWERGRID Mithilanchal Transmission Limited	India
POWERGRID Varanasi Transmission System Limited	India
POWERGRID Jawaharpur Firozabad Transmission Limited	India
POWERGRID Khetri Transmission System Limited	India
POWERGRID Bhuj Transmission Limited	India
POWERGRID Bhind Guna Transmission Limited	India
POWERGRID Ajmer Phagi Transmission Limited	India
POWERGRID Fatehgarh Transmission Limited	India
POWERGRID Rampur Sambhal Transmission Limited	India
POWERGRID Meerut Simbhavali Transmission Limited	India
Central Transmission Utility of India Limited	India
POWERGRID Ramgarh Transmission Limited (Erstwhile Ramgarh New Transmission Limited)	India
POWERGRID Himachal Transmission Limited (Erstwhile Jaypee POWERGRID Limited)	India
POWERGRID Bikaner Transmission System Limited (Erstwhile Bikaner-II Bhiwadi Transco Limited)	India
POWERGRID Sikar Transmission Limited (Erstwhile Sikar New Transmission Limited)	India
POWERGRID Bhadla Transmission Limited (Erstwhile Fatehgarh Bhadla Transco Limited)	India
POWERGRID Aligarh Sikar Transmission Limited (Erstwhile Sikar II Aligarh Transmission Limited)	India
POWERGRID Teleservices Limited	India
POWERGRID Energy Services Limited	India
POWERGRID Narela Transmission Limited (Erstwhile Khetri Narela Transmission Limited)*	India
POWERGRID Gomti Yamuna Transmission Limited (Erstwhile Mohanlalganj Transmission Limited)**	India
POWERGRID Neemuch Transmission System Limited (Erstwhile Neemuch Transmission Limited)#	India
POWERGRID ER NER Transmission Limited (Erstwhile ER NER Transmission Limited)##	India
Khavda II-B Transmission Limited***	India
Khavda II-C Transmission Limited***	India
Khavda RE Transmission Limited***	India
KPS2 Transmission Limited***	India
KPS3 Transmission Limited***	India
ERWR Power Transmission Limited***	India
Raipur Pool Dhamtari Transmission Limited###	India
Dharamjaigarh Transmission Limited###	India
Bhadla Sikar Transmission Limited###	India

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

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

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

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

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

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

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

Name of entity	Place of business/ Country of incorporation
Powerlinks Transmission Limited	India
Torrent Power Grid Limited	India
Parbati Koldam Transmission Company Limited	India
Teestavalley Power Transmission Limited	India
North East Transmission Company Limited	India
National High Power Test Laboratory Private Limited	India
Bihar Grid Company Limited	India
Energy Efficiency Services Limited	India
Cross Border Power Transmission Company Limited	India
RINL POWERGRID TLT Private Limited*	India
Butwal-Gorakhpur Cross Border Power Transmission Limited#	India
Power Transmission Company Nepal Limited	Nepal

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

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

(d) **Associates of Holding Company**

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

(e) **Key Managerial Personnel**

Name	Designation
Shri B.Anantha Sarma	Chairperson
Shri Rajesh Srivastava	Director (appointed w.e.f 04.08.2022)
Shri Yagya Datt	Director (appointed w.e.f 17.10.2022)
Smt Seema Gupta	Director (appointed w.e.f 06.06.2022)
Shri Anoop Kumar	Director (ceased to be director on 30.06.2022)
Shri Ravisankar Ganesan	Director (ceased to be director on 13.10.2022)
Smt V Susheela Devi	Director (ceased to be director on 31.05.2022)
Shri B Girish Kumar	Chief Financial Officer
Shri Shwetank Kumar	Company Secretary

(f) **Government Related Entities**

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

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

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

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

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

(₹ in lakh)

Particulars	As at 31 March, 2023	As at 31 March, 2022
<b>Amounts payable</b>		
<b>Power Grid Corporation of India Ltd. (Holding Company)</b>		
Purchases of goods and services - Consultancy	17.09	17.81
Loans from Holding Company	2,49,197.16	2,65,132.52
Interest Accrued on Loan	74.20	-
<b>Amounts Receivable</b>		
<b>Power Grid Corporation of India Ltd. (Holding Company)</b>		
Other Receivables (Safety Corpus Deposit)	150.00	-
<b>Central Transmission Utility of India Ltd. (Fellow Subsidiary Company)</b>		
Outstanding Balance in capacity of CTU	11175.39	12425.54

(h) Transactions with related parties

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

(₹ in lakh)

Particulars	For the Year ended 31 March, 2023	For the Year ended 31 March, 2022
<b>Power Grid Corporation of India Ltd. (Holding Company)</b>		
Purchase of Goods or Services - O&M Maintenance / Consultancy Expense (excluding taxes)	1,146.54	1,079.30
Reimbursement of BG charges (excluding taxes)	11.17	9.87
Repayment of Loan	21,996.24	9,705.20
Additional Loan obtained during the year	6,060.88	309.36
Safety Corpus Fund deposited	150.00	-
Interest paid on Loan	18,735.87	19,097.23
Dividend Paid	1,843.41	14,747.28
<b>Central Transmission Utility of India Ltd. (Fellow Subsidiary Company)</b>		
Transactions in capacity of CTU	47,886.63	49,242.54

**Note 42 Segment Information**

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

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

**Note 43 Capital and other Commitments**

(₹ in lakh)

Particulars	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)	246.25	203.55

**Note 44 Contingent Liabilities and contingent assets****A. Contingent Liabilities**

Claims against the Company not acknowledged as debts in respect of:

**i. Additional / Enhanced compensation for Kadapa - Madhugiri Line:**

311 nos of civil cases (Previous Year 281 cases) are pending in the District court Tumukur before honourable VI Addl. District & Sessions judge, Tumkur at Madhugiri, filed by the parties for enhanced crop & tree compensation in Kadapa-Madhugiri line which is already completed and into operation on 28.02.2019, are for ₹ 17,075.15 lakhs (Previous Year ₹ 15,253.43 lakhs).

Contingent liability for 25% of the claim amount along with interest @ 9% p.a from the date of admission to 31.03.2023 amounting to ₹ 5,643.52 lakhs is considered (Previous Year ₹ 4,733.01 lakhs).The company is confident that there will not be any additional compensation payable to the above said cases.

**ii. Bank Guarantees**

Bank Guarantee of Nil (Previous Year ₹ 110.04 Crores) has been given by POWERGRID Corporation of India Limited (Holding Co.) on behalf of company as per the requirement of the TSA which is not form part of contingent liability to the company.

iii. The company has received show cause notice during FY 2021-22 from Directorate General of GST Intelligence (DGGI) for an amount of Rs. 614.62 lakhs towards payment of GST under RCM on amount paid to Compensatory Afforestation Fund Management & Planning Authority (CAMPA) for diversion of forest land for non-forestry purposes.

The proceedings were dropped by the Additional Commissioner, Tirupati, CGST Commissionerate vide Order no. 02/2023-24 CGST [ADC] dated 28.04.2023

In view of the above contingent liability towards GST under RCM on amount paid to Compensatory Afforestation can be considered as Nil as on 31.03.2023.

**Note 45 Capital management****a) Risk Management**

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

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

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

Particulars	As at 31 March, 2023	As at 31 March, 2022
Total debt (₹ in lakh)	2,49,197.16	2,65,132.52
Equity (₹ in lakh)	75,126.57	63,978.83
Debt to Equity ratio	3.32	4.14

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

**b) Dividends**

(₹ in lakh)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Final dividend for the year ended 31.03.2022 of Nil (31.03.2021 - ₹0.40) per fully paid up share	-	2,836.02
Interim dividend for the year ended 31.03.2023 of ₹ 0.26 (31.03.2022 - ₹1.68) per fully paid up share	1,843.41	11,911.26

**Dividend not recognized at the end of the reporting period:**

In addition to above dividend, the Board of Directors on 03 May, 2023 declared the interim dividend of ₹ 0.41 per fully paid up equity share.

**Note 46 Earnings per share**

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Basic and diluted earnings per share attributable to the equity holders of the company (in ₹)	1.83	(0.53)
Total Earnings attributable to the equity holders of the company (₹ in lakh)	12,991.15	(3,751.17)
Weighted average number of shares used as the denominator	70,90,04,000	70,90,04,000

**Note 47 Income Tax expense**

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

**(a) Income tax expense**

(₹ in lakh)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
<b>Current Tax</b>		
Current tax on profits for the year (A)	-	-
<b>Deferred Tax expense</b>		
Origination and reversal of temporary differences	4,393.26	(1,224.70)
<b>Total deferred tax expense/benefit (B)</b>	<b>4,393.26</b>	<b>(1,224.70)</b>
<b>Income tax expense (A+B)</b>	<b>4,393.26</b>	<b>(1,224.70)</b>

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

(₹ in lakh)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Profit before income tax expense including movement in Regulatory Deferral Account Balances	17,384.41	(4,975.87)
<b>Tax at the Company's domestic tax rate of 25.168 %</b>	<b>4,375.31</b>	<b>-</b>
Tax effect of:		
Non-Deductible tax items	(17.97)	-
Unabsorbed tax losses	(4,357.34)	-
Deferred Tax expense/(income)	4,393.26	(1,224.70)
<b>Income tax expense</b>	<b>4,393.26</b>	<b>(1,224.70)</b>

**Note 48 Employee Benefits**

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

**Note 49 Provision for Liquidated Damages**

The Company vide Petition no - 13/MP/2021 filed a petition to seek relief for time extension on Account of Force Majeure events and compensation in form of increase in transmission charges Change in Law events under Article 11 and Article 12 respectively of Transmission Service Agreement (TSA) dated 31.08.2015 signed by the Company with LITCs for execution of Transmission Project. CERC vide its order dated 07.05.2022 has allowed partial increase in transmission Charges on account of Change in Law events. However, CERC has denied time extension on account of Force Majeure events, which may result in action by LITCs to claim Liquidated Damages (LD) as per the provisions of TSA. The Company has filed an Appeal with Appellate Tribunal for Electricity (APTEL) (Appeal No.194 of 2022) to set aside CERC order dated 07.05.2022 in petition 13/MP/2021. The appeal has been posted for next hearing on 04.05.2023. However, provision for the amount of Rs 23,455.02 lakhs towards LD has been made in FY 2021-22. Due to said consolidated one-time LD, there is a reduction in the profit for the FY 2021-22 and the same has been disclosed under "Exceptional items" in the Statement of Profit and loss for the year ended 31.03.2022.

Out of the provision for LD of Rs.23,455.02 lakhs, the Company has <sup>deposited</sup> paid the amount of Rs.11,004.00 lakhs to the LITCs on 28.03.2023 as per the CERC order dated 17.03.2023 in Appeal No. 194 of 2022 & IA No. 724 of 2022. Since the company has filed an appeal and the same is sub judice, the amount paid to LITCs is considered as Other current financial assets (Note no.13). \* in exchange for bank guarantees issued earlier

**Note 50 Recent Pronouncements**

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

**Note 51** a) Figures have been rounded off to nearest rupees in lakh up to two decimals.

b) Previous year figures have been regrouped/ rearranged wherever considered necessary.

**As per our report of even date**

**For Krishna & Prasad**  
Chartered Accountants  
Firm Regn. No. 001460S

**BANDUVUL A**  
LAXMINARASIMHA PHANI  
ASIMHA KUMAR  
PHANI KUMAR  
Date: 2023.05.04  
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B L N Phani Kumar  
Partner  
Mem. No. 028391  
Place : Hyderabad  
Date : 04 May, 2023  
UDIN: 23028391BGUEGO7880

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

**ANANTHA SARMA BOPPUDI**  
Digitally signed by ANANTHA SARMA BOPPUDI  
Date: 2023.05.04  
10:55:06 +05'30'

B Anantha Sarma  
Chairman  
DIN-08742208  
Place : Gurugram  
Date : 04 May, 2023

**GIRISH KUMAR BURLE**  
Digitally signed by GIRISH KUMAR BURLE  
Date: 2023.05.04  
10:19:40 +05'30'

B Girish Kumar  
CFO  
PAN : ADNPB7117P  
Place: Hyderabad  
Date : 04 May, 2023

**SEEMA GUPTA**  
Digitally signed by SEEMA GUPTA  
Date: 2023.05.04  
10:55:55 +05'30'

Seema Gupta  
Director  
DIN-08742599  
Place : Gurugram  
Date : 04 May, 2023

**SHWETAN K KUMAR**  
Digitally signed by SHWETAN K KUMAR  
Date: 2023.05.04  
11:26:31 +05'30'

Shwetank Kumar  
Company Secretary  
Mem. No. A17887  
Place : Gurugram  
Date : 04 May, 2023

