



## KHANNA THAKER & COMPANY

Chartered Accountants

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### INDEPENDENT AUDITORS' REPORT

TO,  
THE MEMBERS OF  
**POWERGRID UNCHAHAR TRANSMISSION LIMITED**  
**Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the accompanying Ind AS Financial Statements of **M/s POWERGRID UNCHAHAR TRANSMISSION LIMITED ("the Company")**, which comprise the Balance Sheet as at 31 March 2022, the Statement of Profit and Loss, Statement of Changes in Equity, the Statement of Cash Flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with IND AS and the accounting principles generally accepted in India, of state of affairs of the Company as at 31st March 2022, its profit including other comprehensive income, its Changes in Equity and its cashflows for the year ended on that date.

#### **Key Audit Matters**

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

#### **Basis for Opinion**

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

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

The Company's Board of Directors is responsible for the matters in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of

the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with IND AS and the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act read with the relevant rules there under. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

1. As required by the Companies (Auditor's Report) Order, 2020, issued by the Central Government of India in term of sub-section (11) of section 143 of the Companies Act, 2013, we give in the '**Annexure - 1**' a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid financial statements comply with IND AS and the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- e. As the Government Companies have been exempted from applicability of the provision of section 164(2) of the Companies Act, 2013, reporting on disqualification of Directors is not required.
  - f. With respect to the adequacy of internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in '**Annexure - 2**'
  - g. With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion and to our best of our information and according to the explanations given to us:
    - i. The company disclosed the impact of pending litigations on the Financial position in its financial statements of the Company-Refer Note 34 to the financial statements
    - ii. The company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
    - iii. There has been no Delay in Transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
3. In terms of Section 143 (5) of the Companies Act 2013, we give in the "**Annexure-3**" statement on the directions issued by the Comptroller and Auditor General of India.

**For Khanna Thaker & Co.**  
**Chartered Accountants**  
**FRN : 001265C**

**CA Abhinav Khanna**  
Partner  
M. No. 405987  
UDIN : 22405987AHLBRR1153  
Place : Lucknow  
Date : 20 April 2022

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

As referred to in our Independent Auditors' Report of even date to the members of the **POWERGRID Unchahar Transmission Limited**, on the Ind AS financial statements for the year ended 31 March 2022, we report that:

- (i) a) (A) The Company has generally maintained records, showing full particulars including quantitative details and situation of Property, Plant & Equipment.
- (B) The Company has generally maintained records, showing full particulars of intangible assets.
- b) The Property, Plant & Equipment have been physically verified by the management during the year. In our opinion, frequency of verification is reasonable having regard to the nature of its business. No material discrepancies were noticed on such verification.
- c) In our opinion and according to information and explanations given to us and on the basis of an examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except:

Description of the property**	Gross Carrying Amount (₹ in Lakh)	Held in the name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in name of company* *also indicate if in dispute
---NIL---					

- d) In our opinion and according to the information and explanations given to us, the company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- e) In our opinion and according to the information and explanations given to us, no proceedings have been initiated or are pending against the company for holding any Benami property under the "Benami Transactions (Prohibition) Act, 1988 and Rules made thereunder.
- (ii) (a) The inventories have been physically verified by the management during the year. In our opinion, frequency of verification, coverage & procedure adopted by the company for verification is reasonable having regard nature of its business. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such verification.
- (b) The Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets.
- (iii) (a) According to the information and explanations given to us, the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature

of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, paragraph 3(iii) is not applicable to the company.

- (iv) In our opinion and according to information and explanation given to us, the company has complied with the provisions of section 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- (v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposit from the public & no amounts has been deemed to be deposits in accordance with the provisions of the sections 73 to 76 or any other relevant provisions of the Act, and the rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the company.
- (vi) We have broadly reviewed the cost records maintained by the company specified by the Central Government under sub section (1) of section 148 of the Companies Act, 2013, in respect of Transmission Operations of the Company and we are of the opinion that prima facie the prescribed records have been made and maintained. However, we have not made detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues with appropriate authorities including Provident Fund, Income Tax, Goods and Services Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and other statutory dues applicable to the Company and that there are no undisputed statutory dues outstanding as at 31 March 2021 for a period of more than six months from the date they became payable. As informed, provisions of the Employees State Insurance Act are not applicable to the Company.
- b) According to information and explanations given to us, there are no statutory dues referred to in sub- clause (a) have not been deposited on account of dispute. However, the following disputed demands of Income Tax, Sales Tax, Service Tax, Value Added Tax, Goods & Service tax and other Statutory dues have not been deposited:

Name of the Statute	Nature of dues	Amount* (₹ in Lakh)	Period to which the amount relates	Forum where dispute is pending
---NIL---				

- (viii) In our opinion and according to the information and explanations given to us, the Company has not recorded in the books of account any transaction which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (ix) In our opinion and according to the information and explanations given to us,
- the Company has not defaulted during the year in repayment of loans & payment of Interest to its financial institutions, bankers and dues to the Bond holders.
  - the company has not been declared willful defaulter by any bank/financial institution/other lender.
  - term loans have been applied for the purpose for which the loans were obtained.
  - funds raised on short term basis have not been utilised for long term purpose.

- (e) The Company do not have any Subsidiaries, Joint ventures or Associates. Accordingly, paragraph 3(ix)(e) and 3(ix)(f) are not applicable to the company.
- (x) (a) The company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year.  
  
(b) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.
- (xi) (a) According to the information and explanations given to us and as represented by the management, we have been informed that no case of fraud has been committed on or by the company during the year.  
  
(b) As no fraud has been noticed during the year as mentioned at xi(a) above, report under sub-Section (12) of Section 143 of the Companies Act in the Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules 2014 is not applicable.  
  
(c) According to the information and explanations given to us, no whistle-blower complaints has been received during the year by the Company.
- (xii) The company is not a Nidhi Company as prescribed under section 406 of the Act. Accordingly, clause 3(xii)(a), 3(xii)(b) & 3(xii)(c) of the Order is not applicable to the company.
- (xiii) According to the information and explanations given to us and as represented by the management, all transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and the details have been disclosed in the standalone Ind AS financial statements as required by the applicable Indian Accounting Standards.
- (xiv) (a) According to the information and explanations given to us and based on our examination of the records of the company, the company has an internal audit system commensurate with the nature of its business.  
  
(b) The reports of the Internal Auditors for the period under audit was not considered as the Company is not required to appoint the Internal Auditor as per provisions of the Companies Act 2013.
- (xv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) is not applicable to the company.
- (xvi) According to the information and explanations given to us, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Accordingly, paragraphs 3(xvi) are not applicable to the company.
- (xvii) According to the information and explanations given to us and based on our examination of the records of the company, the company has not incurred any cash losses in the current Financial Year and in the immediately preceding Financial Year.

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

**For Khanna Thaker & Co.**  
**Chartered Accountants**  
FRN : 001265C

**CA Abhinav Khanna**  
Partner  
M. No. 405987  
UDIN : 22405987AHLBRR1153  
Place : Lucknow  
Date : 20 April 2022

## **Annexure ‘2’ to the Independent Auditors’ Report**

As referred to in our Independent Auditors’ Report of even date to the members of the **POWERGRID Unchahar Transmission Limited**, on the Ind AS financial statements for the year ended 31 March 2022, we report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **POWERGRID UNCHAHAR TRANSMISSION LIMITED (“the Company”)** as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditor’s Responsibility**

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

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

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



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

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

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

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **Opinion**

In our opinion, the Company, which is company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI).

**For Khanna Thaker & Co.**

**Chartered Accountants**

FRN : 001265C

**CA Abhinav Khanna**

Partner

M. No. 405987

UDIN : 22405987AHLBRR1153

Place : Lucknow

Date : 20 April 2022

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

As referred to in our Independent Auditors' Report of even date to the members of the **POWERGRID Unchahar Transmission Limited**, on the Ind AS financial statements for the year ended 31 March 2022, we report the statement on the directions issued by the Comptroller and Auditor General of India

We have verified various documents and other relevant records and also on the basis of information and explanations provided to us, by the management of POWERGRID Unchahar Transmission Limited to ascertain whether the company has complied with the section 143(5) of the Companies Act, 2013 and give our report against each specific direction as under.

Sl. No.	Directions u/s 143(5) of the Companies Act, 2013	Auditor's reply on action taken on the directions	Impact on financial statement
1	Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The company is having ERP system (SAP) in place for processing all accounting transactions. No accounting transaction is being recorded/processed otherwise than the ERP system in place.	NIL
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government Company, then this direction is also applicable for statutory auditor of lender company).	As explained to us, there are no cases of restructuring of an existing loan or cases of waiver/ write off of debts/ loans/ interest etc. made by a lender to the company due to the company's inability to repay the loan.	NIL
3	Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/State Government or its agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation	As per the information and explanation given to us, no funds has been received / receivable for specific schemes from Central/ State agencies.	NIL

**For Khanna Thaker & Co.**

**Chartered Accountants**

FRN : 001265C

**CA Abhinav Khanna**

Partner

M. No. 405987

UDIN : 22405987AHLBRR1153

Place : Lucknow

Date : 20 April 2022



# KHANNA THAKER & COMPANY

Chartered Accountants

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## **Compliance Certificate**

We have conducted the audit of annual standalone accounts of POWERGRID UNCHAHAR TRANSMISSION LIMITED for the year ended 31<sup>st</sup> March 2022 in accordance with the Directions/ Sub Directions issued by C&AG of India under Section 143(5) of the Companies Act, 2013 and certify that we have complied with all the Direction/ Sub-directions issued to us.

**For Khanna Thaker & Co.**  
**Chartered Accountants**  
FRN : 001265C

**CA Abhinav Khanna**  
Partner  
M. No. 405987  
UDIN : 22405987AHLBRR1153  
Place : Lucknow  
Date : 20 April 2022

**POWERGRID UNCHAHAH TRANSMISSION LIMITED**

CIN: U65100DL2012GOI246341

**Balance Sheet As at 31st March 2022**

(₹ in Lakh)

Particulars	Note No.	As at 31st March 2022	As at 31st March 2021
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, Plant And Equipment	4	5591.20	5768.37
Intangible Assets	5	6.56	6.78
Other Non-Current Assets	6	19.67	22.13
		<b>5617.43</b>	<b>5797.28</b>
<b>CURRENT ASSETS</b>			
<b>Financial Assets</b>			
Trade Receivables	7	441.94	437.36
Cash And Cash Equivalents	8	149.45	107.20
Bank Balances Other Than Cash and Cash Equivalents	9	290.12	-
		<b>881.51</b>	<b>544.56</b>
<b>TOTAL ASSETS</b>		<b>6498.94</b>	<b>6341.84</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share Capital	10	1296.11	1296.11
Other Equity	11	1205.62	864.91
		<b>2501.73</b>	<b>2161.02</b>
<b>NON-CURRENT LIABILITIES</b>			
Financial Liabilities			
(i) Borrowings	12	3334.36	3481.47
Deferred Tax Liabilities (Net)	13	279.53	433.74
		<b>3613.89</b>	<b>3915.21</b>
<b>CURRENT LIABILITIES</b>			
<b>Financial liabilities</b>			
Borrowings	14	125.00	125.00
Trade payables			
(a) total outstanding dues of micro enterprises and small enterprises		-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises.	15	251.21	139.68
Other current financial liabilities	16	-	0.50
<b>Other current liabilities</b>	17	7.11	0.43
<b>Current tax liabilities (net)</b>	18	-	-
		<b>383.32</b>	<b>265.61</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>6498.94</b>	<b>6341.84</b>

The accompanying Notes 1 to 42 form an integral part of Financial Statements

In terms of our Report of even date  
For Khanna Thaker & Co  
Chartered Accountants

For and on behalf of the Board of Directors

(Abhinav Khanna)  
Partner  
Membership No.- 405987  
FRN:- 001265C  
Place: Lucknow

Seema Gupta  
Chairperson  
DIN:- 06636330  
Place: Gurugram

Ashok Kumar Singhal  
Director  
DIN:- 08578420  
Place: Gurugram

Purshottam Agarwal  
CEO  
PAN: ABWPA7859E  
Place: Gurugram

Amit Garg  
CFO  
PAN: ACSPG1833F  
Place: Gurugram

Anjana Luthra  
Company Secretary  
PAN: ABYPL2312H  
Place: Gurugram

Date: 20.04.2022

**POWERGRID UNCHAHAR TRANSMISSION LIMITED**  
**CIN: U65100DL2012GOI246341**  
**Statement of Profit and Loss For the year ended 31st March 2022**

(₹ in Lakh)

	Particulars	Note No	For the Year ended 31 March 2022	For the Year ended 31 March 2021
	<b>Income</b>			
I	Revenue from operations	19	3,027.99	2,137.48
II	Other income	20	25.12	41.84
III	<b>Total Income (I+II)</b>		<b>3,053.11</b>	<b>2,179.32</b>
IV	<b>Expenses</b>			
	Employee benefits expense	21	471.10	347.91
	Finance costs	22	290.44	315.68
	Depreciation and amortization expenses	23	177.39	177.39
	Other expenses	24	270.57	245.43
	<b>Total Expenses (IV)</b>		<b>1,209.50</b>	<b>1,086.41</b>
V	<b>Profit before Tax (III-IV)</b>		<b>1,843.61</b>	<b>1,092.91</b>
VI	<b>Tax Expense</b>			
	Current tax		322.12	191.03
	Deferred Tax		(154.21)	407.70
	<b>Tax Expense (VI)</b>		<b>167.91</b>	<b>598.73</b>
VII	<b>Profit for the period (V-VI)</b>		<b>1,675.70</b>	<b>494.18</b>
VIII	<b>Other comprehensive income</b>		-	-
IX	<b>Total comprehensive income for the period (VII+VIII)</b>		<b>1,675.70</b>	<b>494.18</b>
X	<b>Earning Per Equity Share (Par Value ₹ 10/- each)</b>			
	Basic (in ₹ )		12.93	3.81
	Diluted (in ₹ )		12.93	3.81

The accompanying Notes 1 to 42 form an integral part of Financial Statements

In terms of our Report of even date  
For Khanna Thaker & Co  
Chartered Accountants

For and on behalf of the Board of Directors

(Abhinav Khanna)  
Partner  
Membership No.- 405987  
FRN:- 001265C  
Place: Lucknow

Seema Gupta  
Chairperson  
DIN:- 06636330  
Place: Gurugram

Ashok Kumar Singhal  
Director  
DIN:- 08578420  
Place: Gurugram

Purshottam Agarwal  
CEO  
PAN: ABWPA7859E

Amit Garg  
CFO  
PAN: ACSPG1833F

Anjana Luthra  
Company Secretary  
PAN: ABYPL2312H

Place: Gurugram

Place: Gurugram

Place: Gurugram

Date: 20.04.2022

**POWERGRID UNCHAHAR TRANSMISSION LIMITED**  
CIN: U65100DL2012GOI246341  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022**

(₹ in Lakh)

Particulars	For the year ended	
	31.03.2022	31.03.2021
<b>A. Cash Flow from Operating Activities:</b>		
Net profit before Tax	1,843.61	1,092.91
Add: Depreciation	177.39	177.39
Add: interest expense	290.44	315.68
Operating Profit before Working Capital Changes	<b>2,311.44</b>	<b>1,585.98</b>
<b>Adjustments for Increase/Decrease in:</b>		
(Increase)/Decrease in Trade Receivables	(4.58)	87.75
(Increase)/Decrease in Other Current Financial Assets	(290.12)	44.88
(Increase)/Decrease in other non Current Assets	-	5.83
Increase/(Decrease) in Trade Payables	111.53	66.49
Increase/(Decrease) in Other Current Financial Liability	(0.50)	0.50
Increase/(Decrease) in Other Current Liabilities	6.68	(6.46)
<b>Cash Generated from Operations</b>	<b>2,134.45</b>	<b>1,784.97</b>
-Tax Paid	<b>(331.92)</b>	<b>(200.00)</b>
-Tax Refund Received	<b>12.26</b>	1.22
<b>Net Cash (used in)/from Operating Activities</b>	<b>1,814.79</b>	<b>1,586.19</b>
<b>B. Cash Flow from investing Activities:</b>		
Property, Plant & Equipments and CWIP	-	-
<b>Net Cash (used in)/from Investing Activities</b>	-	-
<b>C. Cash Flow from Financing Activities:</b>		
Repayment of Loans Borrowings	(147.11)	(425.47)
Interest paid during the year	(290.44)	(315.68)
Final Dividend paid	-	(129.61)
Tax on Final Dividend	-	-
Interim Dividend Paid	(1,334.99)	(648.05)
Tax on interim Dividend	-	-
<b>Cash Flow (used in)/from Financing Activities:</b>	<b>(1,772.54)</b>	<b>(1,518.81)</b>
<b>D. Net change in Cash and Cash equivalents(A+B+C)</b>	<b>42.25</b>	<b>67.38</b>
E. Cash and Cash equivalents(opening balance)	107.20	39.82
<b>F. Cash and Cash equivalents(closing balance)(Note no 8)</b>	<b>149.45</b>	<b>107.20</b>

The accompanying Notes 1 to 42 form an integral part of Financial Statements

Note : Previous year figures have been re-grouped/re-arranged wherever necessary

In terms of our Report of even date  
For Khanna Thaker & Co  
Chartered Accountants

For and on behalf of the Board of Directors

(Abhinav Khanna)  
Partner  
Membership No.- 405987  
FRN:- 001265C  
Place: Lucknow

Seema Gupta  
Chairperson  
DIN:- 06636330  
  
Place: Gurugram

Ashok Kumar Singhal  
Director  
DIN:- 08578420  
  
Place: Gurugram

Purshottam Agarwal  
CEO  
PAN: ABWPA7859E

Amit Garg  
CFO  
PAN: ACSPG1833F

Anjana Luthra  
Company Secretary  
PAN: ABYPL2312H

Place: Gurugram

Place: Gurugram

Place: Gurugram

Date: 20.04.2022

# POWERGRID UNCHAHAR TRANSMISSION LIMITED

CIN: U65100DL2012GOI246341

## Statement of Changes in Equity for the Year ended 31st March 2022

### A. Equity Share Capital

(₹ in Lakh)

As at 1st April,2021	1296.11
Changes in equity share capital	-
Balance at 31st March, 2022	1296.11
As at 1st April,2020	1296.11
Changes in equity share capital	-
Balance at 31st March, 2021	1296.11

### B. Other Equity

(₹ in Lakh)

Particulars	Reserves and Surplus		Total
	Self Insurance Reserve	Retained Earnings	
Balance at 1st April,2021	35.00	829.91	864.91
Total Comprehensive Income for the year	-	1,675.70	1,675.70
Interim Dividend paid (FY 2021-22)	-	(1,334.99)	(1,334.99)
Transfer to/from retained earnings	8.75	(8.75)	-
Balance at 31st March, 2022	43.75	1,161.87	1,205.62
Balance at 1st April,2020	26.25	1,122.14	1,148.39
Total Comprehensive Income for the year	-	494.18	494.18
Final Dividend paid (FY 2019-20)	-	(129.61)	(129.61)
Interim Dividend paid (FY 2020-21)	-	(648.05)	(648.05)
Transfer to/from retained earnings	8.75	(8.75)	-
Balance at 31st March, 2021	35.00	829.91	864.91

The accompanying Notes 1 to 42 form an integral part of Financial Statements

Refer to Note No. 11 for nature and movement of reserve and surplus

In terms of our Report of even date

For Khanna Thaker & Co

Chartered Accountants

For and on behalf of the Board of Directors

(Abhinav Khanna)

Partner

Membership No.- 405987

FRN:- 001265C

Place: Lucknow

Seema Gupta

Chairperson

DIN:- 06636330

Place: Gurugram

Ashok Kumar Singhal

Director

DIN:- 08578420

Place: Gurugram

Purshottam Agarwal

CEO

PAN: ABWPA7859E

Place: Gurugram

Amit Garg

CFO

PAN: ACSPG1833F

Place: Gurugram

Anjana Luthra

Company Secretary

PAN: ABYPL2312H

Place: Gurugram

Date: 20.04.2022

## **Notes to Financial Statements**

### **1. Corporate and General Information**

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

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

The Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2022 were approved for issue by the Board of Directors on 20<sup>th</sup> April, 2022.

### **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.

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

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

Mobile phones are charged off in the year of purchase.

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

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

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

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

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

#### **Right of Use Assets:**

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

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

#### **Intangible Assets**

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

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

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

The amortization period and the amortization method for intangible assets 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.

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

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 CERC u/s 63 of Electricity Act 2003 for adoption of transmission charges. As at each reporting date, transmission income includes an accrual for services rendered to the customers but not yet billed.

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 Operating Segments**

The Board of Directors is the Company’s ‘Chief Operating Decision Maker’ or ‘CODM’ within the meaning of Ind AS 108 ‘Operating Segments’. CODM monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. The operating segments have been identified on the basis of the nature of products / services.

- Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter-segment transactions.
- Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result. Expenses which relate to the Company as a whole and not allocable to segments are included under unallocable expenditure.
- Income which relates to the Company as a whole and not allocable to segments is included in unallocable income.
- Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.
- Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets.

## **2.20 Earnings per Share**

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

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

## **2.21 Statement of Cash Flows**

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

## **3 Critical Estimates and Judgments**

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

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

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

### Useful life of property, plant and equipment

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

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

### Provisions and contingencies

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

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

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

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

of these assets.

Income Taxes:

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

## POWERGRID UNCHAHAR TRANSMISSION LIMITED

### Note 4/Property, Plant and Equipment

(₹ in Lakh)

Particulars	Cost					Accumulated depreciation					Net Book Value
	As at 1st April,2021	Additions during the year	Disposal	Adjustment during the year	As at 31st March 2022	As at 1st April,2021	Additions during the year	Disposal	Adjustment during the year	As at 31st March 2022	As at 31st March 2022
<b>Plant &amp; Equipment</b>											
Transmission Line	7,292.70	-	-	-	7,292.70	1,524.33	177.17	-	-	1,701.50	5,591.20
<b>Total</b>	<b>7,292.70</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,292.70</b>	<b>1,524.33</b>	<b>177.17</b>	<b>-</b>	<b>-</b>	<b>1,701.50</b>	<b>5,591.20</b>

(₹ in Lakh)

Particulars	As at 1st April,2020	Additions during the year	Disposal	Adjustment during the year	As at 31st March 2021	As at 1st April,2020	Additions during the year	Disposal	Adjustment during the year	As at 31st March 2021	As at 31st March 2021
<b>Plant &amp; Equipment</b>											
Transmission Line	7,292.70	-	-	-	7,292.70	1,347.16	177.17	-	-	1,524.33	5,768.37
<b>Previous Year Total</b>	<b>7,292.70</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,292.70</b>	<b>1,347.16</b>	<b>177.17</b>	<b>-</b>	<b>-</b>	<b>1,524.33</b>	<b>5,768.37</b>

**POWERGRID UNCHAHAR TRANSMISSION LIMITED****Note 5/Intangible Assets**

(₹ in Lakh)

Particulars	Cost					Accumulated depreciation					Net Book Value
	As at 1st April,2021	Additions during the year	Disposal	Adjustment during the year	As at 31st March 2022	As at 1st April,2021	Additions during the year	Disposal	Adjustment during the year	As at 31st March 2022	As at 31st March 2022
Right of Way-Afforestation Expenses	8.59	-	-	-	8.59	1.81	0.22	-	-	2.03	6.56
<b>Total</b>	<b>8.59</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8.59</b>	<b>1.81</b>	<b>0.22</b>	<b>-</b>	<b>-</b>	<b>2.03</b>	<b>6.56</b>

(₹ in Lakh)

Particulars	As at 1st April,2020	Additions during the year	Disposal	Adjustment during the year	As at 31st March 2021	As at 1st April,2020	Additions during the year	Disposal	Adjustment during the year	As at 31st March 2021	As at 31st March 2021
Right of Way-Afforestation Expenses	8.59	-	-	-	8.59	1.59	0.22	-	-	1.81	6.78
<b>Previous Year Total</b>	<b>8.59</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8.59</b>	<b>1.59</b>	<b>0.22</b>	<b>-</b>	<b>-</b>	<b>1.81</b>	<b>6.78</b>



## POWERGRID UNCHAHAR TRANSMISSION LIMITED

### Note 6/Other non-current Assets

(Unsecured considered good unless otherwise stated)

(₹ in Lakh)

Particulars	As at 31st March 2022	As at 31st March 2021
<b>Advances Other than for Capital Expenditure</b>		
Deposit made with CDSL	0.90	0.90
<b>Advances recoverable in kind or for value to be received</b>		
Advance tax and TDS	531.93	450.00
Net off against Current Tax Liabilities (Refer Note: 18)	513.16	428.77
	<b>18.77</b>	<b>21.23</b>
<b>TOTAL</b>	<b>19.67</b>	<b>22.13</b>

**POWERGRID UNCHAHAR TRANSMISSION LIMITED****Note 7/Trade receivables**

(₹ in Lakh)

Particulars		As at 31st March 2022	As at 31st March 2021
Trade Receivable-Unsecured			
-Considered Good	441.94		437.36
-Credit Impaired	4.20		4.20
		446.14	441.56
Less: Loss Allowance		4.20	4.20
<b>Total</b>		<b>441.94</b>	<b>437.36</b>

i) Refer Note 39 for disclosure as per Ind AS 115 "Revenue from Contracts with Customers"

ii) Trade Receivables includes Contract Assets which represent transmission charges and surcharge for the month of March 2022 amounting to ₹ 160.92 Lakhs and ₹ 8.55 Lakhs respectively (Previous year ₹ 174.16lakhs and 4.78 lakhs) billed to beneficiaries in the subsequent month i.e. April 2022 and transmission incentive of ₹ 31.42 Lakhs to be billed in FY 2022-23 (previous year ₹ 54.62 lakhs).

**Ageing of Trade Receivable is as follows:**

(₹ in Lakh)

Particulars		Unbilled	0-6M	6M-1Y	1Y-2Y	2Y-3Y	>3Y	Total
<b>As at 31.03.2022</b>								
Considered – Good	Disputed	-	-	-	-	-	-	-
	Undisputed	200.89	158.98	51.67	30.26	0.14	-	<b>441.94</b>
Significant increase in Credit Risk	Disputed	-	-	-	-	-	-	-
	Undisputed	-	-	-	-	-	-	-
Credit Impaired	Disputed	-	-	-	-	-	-	-
	Undisputed	-	-	-	-	-	4.2	<b>4.2</b>
<b>As at 31.03.2021</b>								
Considered – Good	Disputed	-	-	-	-	-	-	-
	Undisputed	233.56	176.34	18.79	8.67	-	-	<b>437.36</b>
Significant increase in Credit Risk	Disputed	-	-	-	-	-	-	-
	Undisputed	-	-	-	-	-	-	-
Credit Impaired	Disputed	-	-	-	-	-	-	-
	Undisputed	-	-	-	-	-	4.2	<b>4.2</b>

## POWERGRID UNCHAHAR TRANSMISSION LIMITED

### Note 8/Cash and Cash Equivalents

(₹ in Lakh)

Particulars	As at 31st March 2022	As at 31st March 2021
Balance with banks-		
-In Current accounts	149.45	107.20
<b>Total</b>	<b>149.45</b>	<b>107.20</b>

**POWERGRID UNCHAHAR TRANSMISSION LIMITED****Note 9/Bank Balances Other Than Cash and Cash Equivalents**

(₹ in Lakh)

Particulars	As at 31st March 2022	As at 31st March 2021
In Term Deposits having maturity over 3 months but upto 12 months (Including Interest Accrued)	290.12	-
<b>Total</b>	<b>290.12</b>	<b>-</b>

Note: Term deposit includes Rs. 2.12 lakhs Accrued interest and Two FDRs amounting to Rs. 288 lakhs as below

(₹ in Lakh)

FDR No.	Amount	Start Date	Maturity Date
FD A/C NO:-40566993234	205.00	09-Nov-21	09-Nov-22
FD A/C NO:-40476079800	83.00	30-Sep-21	30-Sep-22

## POWERGRID UNCHAHAR TRANSMISSION LIMITED

### Note 10/Equity Share capital

(₹ in Lakh)

Particulars	As at 31st March,2022	As at 31st March,2021
<b>Equity Share Capital</b>		
<b>Authorised</b>		
14000000 (Previous year 14000000) equity share of ₹ 10/- each	1400.00	1400.00
<b>Issued, subscribed and paid up</b>		
12961067 (Previous Year 12961067) equity shares of ₹ 10/-each at par fully paid up	1296.11	1296.11
<b>Total</b>	<b>1296.11</b>	<b>1296.11</b>

#### Further Notes:

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

Particulars	For the year ended 31st March, 2022		For the year ended 31st March, 2021	
	No.of Shares	Amount (₹ in Lakh)	No.of Shares	Amount (₹ in Lakh)
Shares outstanding at the beginning of the year	12961067	1,296.11	12961067	1,296.11
Addition during the year	-	-	-	-
Deletion during the year	-	-	-	-
Shares outstanding at the end of the year	12961067	1,296.11	12961067	1,296.11

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

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

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

Particulars	As at 31st March,2022		As at 31st March,2021	
	No.of Shares	% of holding	No.of Shares	% of holding
Power Grid Corporation of India Limited #	12961067	100%	12961067	100%

# Out of 12961067 Equity Shares (Previous Year 12961067 Equity Shares), 6 Equity Shares are held by Nominees of M/s Power Grid Corporation of India Limited on its behalf.

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

# POWERGRID UNCHAHAR TRANSMISSION LIMITED

## Note 11/Other Equity

(₹ in Lakh)

Particulars		As at 31st March,2022	As at 31st March,2021
<b>Self Insurance Reserve*</b>			
As per last balance sheet	35.00		26.25
Addition during the year	8.75		8.75
Deduction during the year	-		-
Closing Balance		43.75	35.00
<b>Retained Earnings</b>			
Balance at the beginning of the year	829.91		1,122.14
Add : Net Profit for the period	1,675.70		494.18
Less: Self Insurance Reserve	8.75		8.75
Less: Final Dividend paid	-		129.61
Less: Interim Dividend paid	1,334.99		648.05
Closing Balance		1,161.87	829.91
<b>Total</b>		<b>1,205.62</b>	<b>864.91</b>

\*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'.

## POWERGRID UNCHAHAR TRANSMISSION LIMITED

### Note 12/ Borrowings

(₹ in Lakh)

Particulars	As at 31st March,2022	As at 31st March,2021
<b>Unsecured</b>		
Loan from Power Grid Corporation of India Limited (Holding Company)	3459.36	3606.47
Less: Current Maturities of Long Term Loan	125.00	125.00
<b>TOTAL</b>	<b>3334.36</b>	<b>3481.47</b>

Note: i) The Inter Corporate loan is provided by the Holding company on cost to cost basis. 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 present rate of interest on the loan is 8.1661% p.a. Loan is repayable in next 28 years with annual repayment of Rs. 125 Lakhs with prepayment facility without any additional charges..

ii) There has been no default in repayment of loan or payment of interest thereon during the year.

iii) Based on availability of funds after considering working capital requirement for following two months, retention payment against CAPEX, if any and projected Dividend (including Dividend Distribution Tax), company is making repayments of Loan.

iv) Disclosure with regard to Loans to/from related parties is given in note 32.

**POWERGRID UNCHAHAR TRANSMISSION LIMITED****Note 13/Deferred tax Liability (Net)**

(₹ in Lakh)

Particulars	As at 31st March,2022	As at 31st March,2021
<b>Deferred Tax Assets (A)</b>		
Unused Tax Credits (MAT Credit Entitlement)	655.29	444.22
Credit Impaired		1.22
<b>Deferred Tax Liability (B)</b>		
Depreciation difference in Property Plant and Equipment (Net)	934.82	879.18
<b>Net Deferred Tax (Asset)/Liability (B-A)</b>	<b>279.53</b>	<b>433.74</b>

**Movement in Deferred Tax Asset**

(₹ in Lakhs)

Particulars	Credit Impaired	MAT Credit Entitlement	Total
As at 1st April 2020	-	484.69	484.69
Charged/ (Credited) to Profit or Loss	(1.22)	40.47	39.25
<b>As at 31st March,2021</b>	<b>1.22</b>	<b>444.22</b>	<b>445.44</b>
Charged/ (Credited) to Profit or Loss	1.22	(211.07)	(209.85)
<b>As at 31st March,2022</b>	<b>-</b>	<b>655.29</b>	<b>655.29</b>

**Movement in Deferred Tax Liability**

(₹ in Lakhs)

Particulars	Depreciation Difference in Property Plant and Equipment	Total
As at 1st April 2020	(510.73)	(510.73)
Charged/ (Credited) to Profit or Loss	368.45	368.45
<b>As at 31st March,2021</b>	<b>(879.18)</b>	<b>(879.18)</b>
Charged/ (Credited) to Profit or Loss	55.64	55.64
<b>As at 31st March,2022</b>	<b>(934.82)</b>	<b>(934.82)</b>

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

(₹ in Lakhs)

Particulars	For the year ended 31st March,2022	For the year ended 31st March,2021
Increase/(Decrease) in Deferred Tax Liabilities	55.64	368.45
(Increase)/Decrease in Deferred Tax Assets	(209.85)	39.25
<b>Net Amount taken to Statement of Profit and Loss</b>	<b>(154.21)</b>	<b>407.70</b>



## POWERGRID UNCHAHAR TRANSMISSION LIMITED

### Note 14/Borrowings

(₹ in Lakh)

Particulars	As at 31st March,2022	As at 31st March,2021
<b>Current Maturities of Long term Borrowings</b> Unsecured Loan from Power Grid Corporation of India Ltd., (Holding Company)	125.00	125.00
<b>Total</b>	<b>125.00</b>	<b>125.00</b>

#### Further Note:

1. There has been no default in repayment of loan or payment of interest thereon during the year.
2. Current maturity of long term borrowings have been taken from the repayment schedule as agreed by Power Grid Corporation of India Ltd. (Holding Company) and Powergrid Unchahar Transmission Limited.

**POWERGRID UNCHAHAR TRANSMISSION LIMITED****Note 15/Trade Payables**

(₹ in Lakh)

Particulars	As at 31st March,2022	As at 31st March,2021
a. For Goods and Services		
(i) total outstanding dues of Micro & Small Enterprises	-	-
(ii) total outstanding dues of other than Micro & Small Enterprises		
(a) Payable to POWERGRID (Related Party)	250.40	138.90
(b) Others	0.81	0.78
<b>Total</b>	<b>251.21</b>	<b>139.68</b>

**Further Notes:**

i) Disclosure with regard to Micro and Small enterprises as required under "The Micro, Small and Medium Enterprises Development Act, 2006" is given in Note No 30.

ii) Disclosure with regard to Outstanding balances arising from sales/purchases of goods and services with related parties is given in note 32.

**Aging of Trade Payables is as follows:**

(₹ in Lakh)

Particulars	Not Billed	<1Y	1Y-2Y	2Y-3Y	>3Y	Total
<b>As at 31.03.2022</b>						
<b>MSME</b>						
Disputed	-	-	-	-	-	-
Undisputed	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-
<b>Others</b>						
Disputed	-	-	-	-	-	-
Undisputed	-	251.21	-	-	-	251.21
<b>Total</b>	-	251.21	-	-	-	251.21
<b>As at 31.03.2021</b>						
<b>MSME</b>						
Disputed	-	-	-	-	-	-
Undisputed	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-
<b>Others</b>						
Disputed	-	-	-	-	-	-
Undisputed	-	139.68	-	-	-	139.68
<b>Total</b>	-	139.68	-	-	-	139.68

**POWERGRID UNCHAHAR TRANSMISSION LIMITED****Note 16/Other Current Financial Liability**

(₹ in Lakh)

Particulars	As at 31st March,2022	As at 31st March,2021
Retention Money	-	0.50
<b>Total</b>	<b>-</b>	<b>0.50</b>

**POWERGRID UNCHAHAR TRANSMISSION LIMITED****Note 17/Other current liabilities**

(₹ in Lakh)

Particulars	As at 31st March,2022	As at 31st March,2021
Statutory dues	7.11	0.43
<b>Total</b>	<b>7.11</b>	<b>0.43</b>

Note: Statutory dues consists of TDS & IGST payable of Rs. 6.64 Lakhs and 0.47 Lakhs respectively.

**POWERGRID UNCHAHAR TRANSMISSION LIMITED****Note 18/Current Tax Liabilities (Net)**

(₹ in Lakh)

Particulars	As at 31st March,2022	As at 31st March,2021
<b>Taxation (Including interest on tax )</b>		
As per last balance sheet	428.77	709.96
Addition during the year	322.12	191.03
Amount adjusted during the year	237.73	472.22
<b>Total</b>	<b>513.16</b>	<b>428.77</b>
Net off against Advance tax and TDS (Refer Note: 6)	513.16	428.77
<b>Closing Balance</b>	<b>-</b>	<b>-</b>

## **POWERGRID UNCHAHAR TRANSMISSION LIMITED**

### **Note 19/Revenue from operations**

(₹ in Lakh)

<b>Particulars</b>	<b>For the Year ended 31 March 2022</b>	<b>For the Year ended 31 March 2021</b>
<b>Sale of Services</b>		
Transmission Charges	2082.47	2137.48
Consultancy Project Management and Supervision	945.52	-
<b>Total</b>	<b>3027.99</b>	<b>2137.48</b>

Refer Note 33 & 39 for disclosure as per Ind AS 115 "Revenue from Contracts with Customers"

**POWERGRID UNCHAHAR TRANSMISSION LIMITED****Note 20/Other income**

(₹ in Lakh)

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
Interest income on FDs	4.50	-
Surcharge	20.62	41.09
Provisions written back	-	0.75
<b>Total</b>	<b>25.12</b>	<b>41.84</b>

## POWERGRID UNCHAHAR TRANSMISSION LIMITED

### Note 21/ Employee benefits expense

(₹ in Lakh)

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
<b>Payment by Power Grid Corporation of India Ltd.</b>		
Salaries wages allowances and benefits	394.94	303.59
Contribution to provident and other funds	49.81	32.72
Staff Welfare expenses (Inc.defered emp.cost)	26.35	11.60
<b>Total</b>	<b>471.10</b>	<b>347.91</b>

#### Further Notes:

- i) Refer Note 27 for further disclosure regarding employee benefit expense.
- ii) Disclosure with regard to Transactions with related parties is given in note 32.



**POWERGRID UNCHAHAR TRANSMISSION LIMITED****Note 22/Finance costs**

(₹ in Lakh)

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
<b>Interest and finance charges on financial liabilities at amortised cost</b>		
Interest on Loan from Power Grid Corporation of India Limited (Holding Company)	290.38	313.92
Interest Others	-	0.29
Other Finance charges	0.06	1.47
<b>Total</b>	<b>290.44</b>	<b>315.68</b>

**Further Notes:**

i) Disclosure with regard to interest on loan from related parties is given in note 32.

**POWERGRID UNCHAHAR TRANSMISSION LIMITED****Note 23/Depreciation and amortization expense**

(₹ in Lakh)

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
Depreciation on Property,Plant and Equipment	177.17	177.17
Amortization of Intangible assets	0.22	0.22
Total	<b>177.39</b>	<b>177.39</b>

**POWERGRID UNCHAHAR TRANSMISSION LIMITED****Note 24/Other expenses**

(₹ in Lakh)

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
<b>Repair &amp; Maintenance</b>		
Plant & Machinery		
Transmission lines	156.09	149.44
System & Market Op. Charges	5.58	3.17
Training Expenses	0.12	0.31
Professional charges(Including TA/DA)	1.07	0.14
Communication expenses	1.04	0.73
A Travel & conv.exp.	11.55	6.43
<b>Payments to Statutory Auditors</b>		
Audit Fees including GST/Service Tax	0.59	0.59
Tax Audit Fees	0.18	0.12
In other capacity	0.35	0.35
Short Term Lease	34.71	33.48
CERC petition & Other charges	5.00	5.00
Miscellaneous expenses	0.01	0.01
EDP hire and other charges	0.25	-
Books Periodicals and Journals	0.03	-
Meeting expenses	15.07	15.39
Directors Sitting Fees	12.74	5.43
Exp on Corporate Social Responsibility	26.19	23.92
Bad and Doubtful Debts	-	0.92
<b>Total</b>	<b>270.57</b>	<b>245.43</b>

**Further Notes:**

- i) Disclosure with regard to Transactions with related parties is given in note 32.
- ii) Communication expenses includes Telephone charges Rs. 1.04 Lakhs
- iii) Travel & conv.exp. Includes local conveyance Rs. 11.25 lakhs and domestic travelling Rs. 0.30 Lakhs

**25. 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.

**26.** Central Transmission Utility of India Limited (Fellow Subsidiary Company) was notified as CTU w.e.f. 01.04.2021 by GOI vide Notification No. CG-DL-E-09032021-225743 and is entrusted with the job of centralized Billing, Collection and Disbursement (BCD) of transmission charges on behalf of all the IST licensees. Accordingly, CTU is raising bills for transmission charges to DICs on behalf of IST licensees. The debtors and their recovery are accounted based on the list of DICs given by CTU. POWERGRID (holding Company) was notified as CTU by GOI till 31.03.2021.

## **27. Employee Benefits**

The Company does not have any permanent employees. The personnel working for the company are from holding company on secondment basis 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.

PUTL has been appointed as Investment Manager for POWERGRID Infrastructure Investment Trust sponsored by holding company and personnels have been engaged in PUTL on secondment basis to look after the functions of Investment Manager.

Since there are no permanent 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.

## **28. Disclosure as per Ind AS 116 - "Leases"**

### **As a Lessee:-**

The company only has Short Term Lease for office space admeasuring approx. 800 square feet and information technology system including hardware and software with firewalls and security features and telecommunication systems from its Holding Company Power Grid Corporation of India Ltd. which has been assessed and accounted as per the requirements of Ind AS 116 - "Leases" and required disclosures as per the said Ind AS are as follows:

### Short term leases and Low value leases:

The company, during the Financial Year has incurred ₹34.71 Lakh (Previous Year ₹33.48 Lakh) with respect to short term leases. The company's short term leases commitment at the end of financial year is ₹8.56 Lakh (Previous Year ₹8.84 Lakh).

**As a Lessor:-**

The company does not have any lease arrangements as a lessor

**29. 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)

Sl. No.	PARTICULARS	For the year ended 31.03.2022	For the year ended 31.03.2021
A	Gross Amount required to be spent during the year	26.19	23.92
B	Amount approved by the Board to be spent during the year	26.19	23.92
C	<u>Amount spent on CSR –</u>		
(i)	Construction or acquisition of any asset	-	-
(ii)	on Purpose other than (i) above	26.19	23.92
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	26.19	23.92
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>26.19</b>	<b>23.92</b>
	Amount spent in Cash out of above	26.19	23.92
	Amount yet to be spent in Cash	-	-

**30.** Based on information available with the company, there are few suppliers/service providers who are registered as micro, small or medium enterprise under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006). Information in respect of micro and small enterprises as required by Companies Act 2013 and MSMED Act, 2006 is given as under:

(₹ in Lakh)

Sr. No	Particulars	Trade Payables		Others	
		As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
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

### 31. Fair Value Measurement

(₹ in lakh)

Financial Instruments by category	As at 31.03.2022	As at 31.03.2021
	Amortised cost	Amortised cost
<b><u>Financial Assets</u></b>		
Trade Receivables	441.94	437.36
Cash & cash Equivalents	149.45	107.20
Bank balances	290.12	-
<b>Total Financial assets</b>	<b>881.51</b>	<b>544.56</b>
<b><u>Financial Liabilities</u></b>		
Borrowings	3459.36	3606.47
Trade Payables	251.21	139.68
<b><u>Other Financial Liabilities</u></b>		
Current	-	0.50
<b>Total financial liabilities</b>	<b>3710.57</b>	<b>3746.65</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 31.03.2022		As at 31.03.2021	
		Carrying Amount	Fair value	Carrying Amount	Fair value
<b>Financial Assets</b>					
<b>Total Financial Assets</b>					
<b>Financial Liabilities</b>					
Borrowings	2	3459.36	3781.87	3606.47	3794.71
<b>Total financial liabilities</b>		<b>3459.36</b>	<b>3781.87</b>	<b>3606.47</b>	<b>3794.71</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.

The carrying values for finance lease receivables approximate the fair value as these are periodically evaluated based on credit worthiness of customer and allowance for estimated losses is recorded based on this evaluation.

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.

### 32. Disclosure as per Ind AS 24 - "Related Party Disclosures"

#### (a) Holding Company

Name of entity	Place of business/ Country of incorporation	Proportion of Ownership Interest	
		As at 31.03.2022	As at 31.03.2021
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 Southern Interconnector Transmission System Limited	India
POWERGRID Medinipur Jeerat Transmission Limited	India
POWERGRID Mithilanchal Transmission Limited	India
POWERGRID Varanasi Transmission System Limited	India
POWERGRID Jawaharpur Firozabad Transmission Limited (Erstwhile Jawaharpur Firozabad Transmission Limited)	India
POWERGRID Khetri Transmission System Limited (Erstwhile Khetri Transco Limited)	India
POWERGRID Bhuj Transmission Limited (Erstwhile Bhuj-II Transmission Limited)	India
POWERGRID Bhind Guna Transmission Limited (Erstwhile Bhind Guna Transmission Limited)	India
POWERGRID Ajmer Phagi Transmission Limited (Erstwhile Ajmer Phagi Transco Limited)	India
POWERGRID Fatehgarh Transmission Limited (Erstwhile Fatehgarh-II Transco Limited)	India
POWERGRID Rampur Sambhal Transmission Limited (Erstwhile Rampur Sambhal Transco Limited)	India
POWERGRID Meerut Simbhavali Transmission Limited (Erstwhile 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) <sup>1</sup>	India
POWERGRID Bhadla Transmission Limited (Erstwhile Fatehgarh Bhadla Transco Limited) <sup>1</sup>	India
POWERGRID Aligarh Sikar Transmission Limited (Erstwhile Sikar II Aligarh Transmission Limited) <sup>2</sup>	India
POWERGRID Teleservices Limited <sup>3</sup>	India



POWERGRID Energy Services Limited <sup>4</sup>	India
<sup>1</sup> 100% equity acquired by POWERGRID from REC Power Development and Consultancy Limited (erstwhile REC Power Distribution Company Limited) on 04.06.2021	
<sup>2</sup> 100% equity acquired by POWERGRID from PFC Consulting Limited on 08.06.2021	
<sup>3</sup> Incorporated on 25.11.2021	
<sup>4</sup> Incorporated on 14.03.2022	

**(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 <sup>1</sup>	India
Cross Border Power Transmission Company Limited	India
RINL POWERGRID TLT Private Limited <sup>2</sup>	India
Power Transmission Company Nepal Limited	Nepal
<sup>1</sup> POWERGRID has invested ₹ 407.49 crore during year in Energy Efficiency Services Limited (EESL), thereby increasing its shareholding from 5.71% to 33.33%. EESL has been considered as Joint Venture w.e.f. 01.09.2021 being the Joint control has been reinstated vide Agreement dated 01.09.2021.	
<sup>2</sup> POWERGRID's Board of Directors in its meeting held on 01.05.2018 accorded in principle approval to close RINL POWERGRID TLT Private Limited (RPTPL) and seek consent of other JV Partner Rashtriya Ispat Nigam Limited (RINL). RINL's Board of Directors in its meeting held on 08.03.2019 has agreed in principle for winding up proceedings of RPTPL & to seek the approval from Ministry of Steel, Government of India, for closure of RPTPL. RINL's Board of Directors in its meeting held on 05.11.2019 has advised to put up the closure proposal again to Ministry of steel for onward submission to NITI Ayog. The Ministry of Steel vide letter dated 29.09.2020 informed RINL that closure of RPTPL is being examined and seeks further clarifications from RINL. Accordingly, relevant information was forwarded by RINL to The Ministry of Steel. The Approval from Government is still awaited.	

**(d) Associates of Holding Company**

Name of entity	Place of business/ Country of incorporation
POWERGRID Kala Amb Transmission Limited <sup>1</sup>	India
POWERGRID Jabalpur Transmission Limited <sup>1</sup>	India
POWERGRID Vizag Transmission Limited <sup>1</sup>	India
POWERGRID Warora Transmission Limited <sup>1</sup>	India
POWERGRID Parli Transmission Limited <sup>1</sup>	India
<sup>1</sup> Associates of Holding Company w.e.f. 13.05.2021 (Wholly owned Subsidiaries of Holding Company till 12.05.2021); POWERGRID has transferred its remaining 26% stake in POWERGRID Vizag Transmission Limited (PVTL) on 31.03.2022, hence PVTL has ceased to be the Associate of Holding Company w.e.f. 31.03.2022	

**(c) Related Party as per Regulation 2(1)(zv) of the SEBI (Infrastructure Investment Trusts) Regulations, 2014**

Name of entity	Place of business/country of incorporation
POWERGRID Infrastructure Investment Trust ("PGInvIT")	India

**(d) Key Managerial Personnel**

Name	Designation
Smt. Seema Gupta	Non-Executive Director & Chairperson
Shri Ashok Kumar Singhal	Non-Executive Director
Shri Sunil Kumar Sharma	Additional Director (Independent Director) [ceased to be director on 23.07.2021]
Shri M N Venkatesan	Independent Director [ceased to be director on 15.12.2021]
Shri B Anantha Sarma	Additional Director (Non-Executive Director) [ceased to be director on 11.02.2022]
Shri Onkarappa KN	Additional Director (Independent Director)
Shri Ram Naresh Tiwari	Additional Director (Independent Director)
Shri Purshottam Agarwal	CEO
Shri Amit Garg	CFO
Ms. Anjana Luthra	Company Secretary

**(e) 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.

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

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

(₹ in lakh)

Particulars	As at 31.03.2022	As at 31.03.2021
<b><u>Amounts payable</u></b>		
<b><u>Power Grid Corporation of India Ltd. (Holding Company)</u></b>		
Purchases of goods and services – O&M Maintenance / Consultancy	250.40	138.90
Loans from Holding Company	3459.36	3606.47

<b><u>Amounts Receivable</u></b>		
<b>Power Grid Corporation of India Ltd. (<u>Holding Company</u>)</b>		
Outstanding Balance in capacity of CTU	-	207.99
<b>Central Transmission Utility of India Ltd. (<u>Fellow Subsidiary Company</u>)</b>		
Outstanding Balance in capacity of CTU	446.14	-

**(g) Transactions with related parties**

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

(₹ in lakh)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
<b>Power Grid Corporation of India Ltd. (<u>Holding Company</u>)</b>		
Purchase of Goods or Services – O&M Maintenance / Consultancy Expense	131.62	127.30
Short Term Lease (excluding Taxes)	29.41	28.37
Other Expenses (Communication, Travel & Meeting)	27.00	22.55
Reimbursement of Employee Cost	471.10	347.91
Repayment of Loan	147.11	425.47
Interest paid on Loan	290.38	313.92
Dividend Paid	1334.99	777.66
Transactions in capacity of CTU	-	2137.48
<b>Central Transmission Utility of India Ltd. (<u>Fellow Subsidiary Company</u>)</b>		
Transactions in capacity of CTU	2082.47	-
<b>POWERGRID Infrastructure Investment Trust</b>		
Revenue from Investment Management Service (excluding Taxes)	945.52	-

**h) Remuneration to Key Managerial Personnel**

(₹ in lakh)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Sitting fee (excluding Taxes)	10.80	4.60

**33. Operating Segments**

**a) Business Segment**

The Board of Directors is the Company's Chief Operating Decision Maker (CODM) who monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment.

Two reportable segments have been identified on the basis of services provided.

- **Transmission Services-** Company's principal business is transmission of bulk power across different states of India.

- **Consultancy Services-** provides Investment Management Services to POWERGRID Infrastructure Investment Trust.
- b) The operations of the company are mainly carried out within the country and therefore there is no reportable geographical segment.
- c) Information about major customer: Revenue from any single customer is not equal to or exceeds 10% of the company's total revenue for transmission service. Entire revenue for consultancy services is received from a single entity i.e. POWERGRID Infrastructure Investment Trust.
- d) **Segment Revenue and Expenses**  
Revenue directly attributable to the segments is considered as Segment Revenue. Expenses directly attributable to the segments and common expenses allocated on a reasonable basis are considered as segment expenses.  
Revenue from external customer in india is ₹ 3,048.61 lakhs (Previous Year ₹ 2,179.32 lakhs) and outside india is ₹ NIL (Previous Year ₹ NIL).
- e) **Segment Assets and Liabilities**  
Segment assets include all operating assets comprising of Property, Plant and Equipment, current assets and loan and advances. Accrued interest on short term deposits is included in unallocated assets. Segment facilities include operating liabilities and provisions.

Particulars	Transmission Services		Consultancy Services		Elimination		Total	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
<b>Revenue:</b>								
Revenue from Operations (including allocable other income)	2,103.09	2,179.32	945.52	-	-	-	3,048.61	2,179.32
Inter Segment Revenue	-	-	-	-	-	-	-	-
Net Revenue from Operations	2,103.09	2,179.32	945.52	-	-	-	3,048.61	2,179.32
Segment results	1,439.97	1,092.91	399.14	-	-	-	1,839.11	1,092.91
Exceptional Item-Transmission	-	-	-	-	-	-	-	-
Unallocated Interest and Other Income	-	-	-	-	-	-	4.50	-
Unallocated Finance Costs	-	-	-	-	-	-	-	-
Profit before Tax (Including movement in Regulatory Deferral Account Balances)	-	-	-	-	-	-	1,843.61	1,092.91
Provision for Taxes	-	-	-	-	-	-	167.91	598.73
Profit after Tax	-	-	-	-	-	-	1,675.70	494.18
<b>Other information:</b>								
Segment Assets	6,059.38	6,864.51	437.45	-	-	-	6,496.83	6,864.51

Unallocated Assets	-	-	-	-	-	-	2.12	-
Asset Classified as Held for Sale	-	-	-	-	-	-	-	-
Total Assets	-	-	-	-	-	-	6,498.95	6,341.84
Segment Liabilities	3,505.08	4,180.82	212.60	-	-	-	3,717.68	4,180.82
Unallocated Other Liabilities (including loans)	-	-	-	-	-	-	279.53	-
Total liabilities	-	-	-	-	-	-	3,997.21	4,180.82
Depreciation and Amortisation	177.39	177.39	-	-	-	-	177.39	177.39
Non-cash expenditure other than Depreciation	-	-	-	-	-	-	-	-
Capital Expenditure	-	-	-	-	-	-	-	-

#### 34. Contingent Liabilities and contingent assets

There is no Contingent Liability/ Assets as on 31st March 2022(Nil as on 31st March 2021)

#### 35. Capital and Other Commitments

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	Nil	Nil

#### 36. 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 31.03.2022	As at 31.03.2021
Long term debt (₹ in lakh)	3459.36	3606.47
Equity (₹ in lakh)	2501.73	2161.02
Long term debt to Equity ratio	1.38:1	1.67:1

No changes were made in the objectives, policies or processes for managing capital during the years ended 31.03.2022 and 31.03.2021.

#### b) Dividends

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Final dividend for the year ended 31st March, 2021 of ₹ NIL (31st March, 2020 – ₹ 1.00) per fully paid share	-	129.61
Interim dividend for the year ended 31st March, 2022 of ₹ 10.30 (31st March, 2021 – ₹ 5.00) per fully paid share	1334.99	648.05

#### c) Earnings per share

(Amount in ₹)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
(a) Basic and diluted earnings per share attributable to the equity holders of the company	12.93	3.81
(b) Total Earnings attributable to the equity holders of the company	1675.70	494.18
(c) Weighted average number of shares used as the denominator	1,29,61,067	1,29,61,067

### 37. 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 and Contract assets

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 due date. 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 ₹ 446.14 Lakhs as on 31st March, 2022 (₹ 441.56 Lakhs as on 31st March, 2021).

Contract assets primarily relates to the Company's right to consideration for services provided but not billed at the reporting date and has substantially the same risk characteristics as the trade receivables for the same type of contracts.

### (ii) Other Financial Assets (excluding trade receivables and contract assets)

#### • Cash and cash equivalents

The Company held cash and cash equivalents of ₹ 149.45 Lakhs as on 31<sup>st</sup> March, 2022 (Previous Year ₹107.20 lakh). The cash and cash equivalents are held with public sector banks and do not have any significant credit risk.

### (iii) Exposure to credit risk

(₹ in Lakhs)		
Particulars	As at 31.03.2022	As at 31.03.2021
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Cash and cash equivalents	149.45	107.20

Bank balances other than above	290.12	-
<b>Total</b>	<b>439.57</b>	<b>107.20</b>
<b>Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)</b>		
Trade Receivables	446.14	441.56
<b>Total</b>	<b>446.14</b>	<b>441.56</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 contract assets) 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 contract assets 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 is as below:

(₹ in Lakhs)								
Ageing	Not Billed	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 31.03.2022	200.89	-	93.67	25.63	17.20	3.13	105.62	446.14
Gross carrying amount as on 31.03.2021	233.56	-	82.24	73.97	9.76	3.77	38.26	441.56

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

(₹ in Lakhs)			
Particulars	Trade Receivables	Contract Assets	Total
Balance as on 01.04.2020	4.02	0.00	4.02
Impairment loss recognized/ (reversed)	0.18	0.00	0.18



Amounts written off	0.00	0.00	0.00
<b>Balance as at 31.03.2021</b>	<b>4.20</b>	<b>0.00</b>	<b>4.20</b>
Impairment loss recognized/ (reversed)	0.00	0.00	0.00
Amounts written off	0.00	0.00	0.00
<b>Balance as at 31.03.2022</b>	<b>4.20</b>	<b>0.00</b>	<b>4.20</b>

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 Lakhs)

Contractual maturities of financial liabilities	Within a year	Between 1-5 years	Beyond 5 years	Total
<b>As at 31.03.2022</b>				
Borrowings (including interest outflows)	407.50	1527.90	5575.35	7510.75
Trade Payables	251.21			251.21
<b>Total</b>	<b>658.71</b>	<b>1527.90</b>	<b>5575.35</b>	<b>7761.96</b>
<b>As at 31.03.2021</b>				
Borrowings (including interest outflows)	419.51	1575.96	6007.44	8002.91
Trade Payables	139.68			139.68
Other Current Financial Liabilities	0.50	-	-	0.50
<b>Total</b>	<b>559.69</b>	<b>1575.96</b>	<b>6007.44</b>	<b>8143.09</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.

**38. Income Tax expense**

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

(a) **Income tax expense**

(₹ in Lakhs)		
Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
<u>Current Tax</u>		
Current tax on profits for the year	322.12	191.03
<b>Total current tax expense</b>	<b>322.12</b>	<b>191.03</b>
<u>Deferred Tax</u>		
Origination and reversal of temporary differences	(154.21)	407.70
<b>Total deferred tax expense/(benefit)</b>	<b>(154.21)</b>	<b>407.70</b>
<b>Income tax expense</b>	<b>167.91</b>	<b>598.73</b>

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

(₹ in Lakhs)		
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	1843.62	1092.91
<b>Tax at the Company's domestic tax rate of 27.82%</b>	<b>512.90</b>	<b>304.04</b>
Tax effect of:		
Non-Deductible tax items	-	0.34
Tax exempt income	-	(0.21)
Deferred Tax expense/(income)	(154.21)	407.70
Minimum alternate tax adjustments	(190.78)	(113.14)
<b>Income tax expense</b>	<b>167.91</b>	<b>598.73</b>

**(c) MAT Credit**

As company have option to avail MAT credit in future against Income Tax payable and hence MAT paid during earlier and in current year are carried forward to the extent expected to avail the MAT credit in future.

**39. Disclosure as per Ind AS 115 - "Revenue from Contracts with Customer"**

a) The movement in contract assets during the year is as follows:

(₹ in lakh)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Balance at the beginning	233.56	278.44
Add: Revenue recognised during the period	200.89	233.56
Less: Invoiced during the period	233.56	278.44
Less: Impairment/reversal during the period	-	-
Add: Translation gain/(Loss)	-	-
Balance at the end	200.89	233.56

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 31.03.2022	For the year ended 31.03.2021
Contracted price	2972.72	2078.70
Add/ (Less)- Discounts/ rebates provided to customer	(8.97)	(10.61)
Add/ (Less)- Performance bonus	64.24	72.75
Add/ (Less)- Adjustment for significant financing component	-	-
Add/ (Less)- Other adjustments	-	(3.36)
Revenue recognised in profit or loss statement	3027.99	2137.48

**40. Additional Regulatory Information as per Schedule III to the Companies Act, 2013**

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

- c) The company was not declared as a wilful defaulter by any bank or financial Institution or other lender during the financial year. The Company has registered charges or satisfaction of charges during the financial year with Registrar within statutory period.
- d) 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.
- e) Ratios

Ratio	Numerator	Denominator	Current Year	Previous Year	Variance (%age)	Reason for variance >25%
(a) Current Ratio	Current Assets	Current Liabilities	2.30	2.05	12.20	
(b) Debt-Equity Ratio	Total Debt	Shareholder's Equity	1.38	1.67	-17.37	
(c) Debt Service Coverage Ratio	Profit for the period + Depreciation and amortization expense + Finance costs + FERV + Loss on Sale of Fixed Assets	Interest & Lease Payments + Principal Repayments	4.89	1.33	267.67	Due to increase in net profit because of increase in revenue by Rs. 945.52 Lakhs on account of INVIT and Repayment of Loan
(d) Return on Equity Ratio	Profit for the period	Average Shareholder's Equity	0.72	0.21	242.86	Due to increase in net profit mainly because of increase in revenue by Rs. 945.52 Lakhs on account of INVIT and impact of change in deferred tax
(e) Inventory turnover ratio	Revenue from Operations	Average Inventory	-	-	-	
(f) Trade Receivables turnover ratio	Revenue from Operations	Average Trade Receivables (before deducting provision)	13.36	8.49	57.36	Due to increase in income by Rs. 945.52 Lakhs on account of INVIT

(g) Trade payables turnover ratio	Gross Other Expense (-) FERV, Provisions, Loss on disposal of PPE	Average Trade payables	1.38	2.31	-40.26	Due to increase in trade payable
(h) Net capital turnover ratio	Revenue from Operations	Current Assets - Current Liabilities	6.08	7.66	-20.63	Due to increase in net current asset mainly on account of higher cash and bank balance
(i) Net profit ratio	Profit for the period	Revenue from Operations	0.55	0.23	139.13	Due to increase in income by Rs. 945.52 Lakhs on account of INVIT
(j) Return on Capital employed	Earnings before interest and taxes	Tangible Net Worth + Total Debt + Deferred Tax Liability	0.34	0.23	47.83	Due to increase in income by Rs. 945.52 Lakhs on account of INVIT
(k) Return on investment	Income from Investment + Capital Appreciation	Average Investments	N.A.	N.A.	N.A.	

- f) 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.
- g) 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.
- h) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

#### 41. Disclosure of material impact of COVID-19 pandemic

The Company is mainly engaged in the business of transmission of electricity and providing investment management services to POWERGRID Infrastructure Investment Trust which presently holds power transmission assets. The tariffs for the transmission services are regulated in terms of the Transmission Service Agreements signed with LTTCs which provide for recovery of the annual transmission charges based on system availability and Investment management fee is governed by the Investment Management Agreement.

Due to the COVID-19 pandemic, various lockdowns were declared by the Central/ State Governments/ Local Authorities from time to time. However, as per the Government guidelines, transmission units and services were exempted from the said lockdown restrictions. There has been no significant impact due to the pandemic on the availability of the transmission system of the Company and Investment management activities performed by the Company.

In the above backdrop, the Company has considered various internal and external information available up to the date of approval of financial statements in assessing the impact of COVID-19 pandemic on the financial statements for the year ended 31 March 2022.

Based on the above, there has been no material impact on the operations or profitability of the company during the financial year due to the pandemic

The Company has assessed the liquidity position for the next one year and of the recoverability and carrying value of its assets comprising of Property Plant and equipment, trade receivables and others as at Balance Sheet date and the management is of the view that there are no material adjustments required in the financial statements. However, the impact assessment of COVID 19 is a continuing process given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions.

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

As per our report of even date attached.

**For Khanna Thaker & Co.  
Chartered Accountants**

**For and on behalf of Powergrid Unchahar  
Transmission Limited**

**(Abhinav Khanna)  
Partner  
Membership No. 405987  
ICAI FRN : 001265C  
Place: Lucknow**

**Seema Gupta  
Chairperson  
DIN : 06636330  
Place: Gurugram**

**Ashok Kumar Singhal  
Director  
DIN : 08578420  
Place: Gurugram**

**Purshottam Agarwal  
CEO**

**Amit Garg  
CFO**

**Anjana Luthra  
Company Secretary**

**PAN: ABWPA7859E  
Place: Gurugram**

**PAN: ACSPG1833F  
Place: Gurugram**

**PAN: ABYPL2312H  
Place: Gurugram**

Date: 20.04.2022