Independent Auditor's Report

To the Members of M/s. POWERGRID Vemagiri Transmission Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **POWERGRID Vemagiri Transmission Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss, Statement of Changes in Equity, Statement of Cash Flows for the year then ended, and notes to financial statements, including a summary of significant accounting policies and other explanatory information.

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

Basis for Opinion

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

Emphasis of Matter

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

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

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

Our opinion is not modified in respect of these matters.

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

Management's Responsibility for the Financial Statements

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

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

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

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial control system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report However, future events or conditions may cause the entity to cease to continue as a going concern.

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

Materiality is the magnitude of misstatements in the Financial Statements that individually or in aggregate makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work and (ii) To evaluate the effect of an identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in **Annexure 1** a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.

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

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

    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

    b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

    c. The Balance Sheet, the Statement of Profit and Loss, 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 the Ind AS Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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

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

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

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

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

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

iv.

a. The management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b. the management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

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

v. The Company has not declared any Dividend during the year.

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

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

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

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

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

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(CA Subhash C Bose Bendi)
Partner
M. No.: 029795
UDI No.: 22029795AIQTPL4618

Place: Hyderabad.
Date : 09.05.2022

Annexure '1' to the Independent Auditors' Report

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

(i) a) The Company does not have any Property, Plant & Equipment or Right of Use assets Intangible assets. Accordingly, paragraphs 3(i)(a), 3(i)(b), 3(i)(c) and 3(i)(d) of the order is not applicable to the Company.

b) In our opinion and according to the information and explanations given to us, no proceedings have been initiated or are pending against the company for holding any Benami property under the "Benami Transactions (Prohibition) Act, 1988 and Rules made thereunder.

(ii) (a) The Company does not have any Inventory. Accordingly, paragraph 3(ii)(a) of the order is not applicable to the Company.

(b) The Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets.

(iii) According to the information and explanations given to us, the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, paragraph 3(iii) is not applicable to the company.

(iv) According to the information and explanations given to us, the Company does not have loans, investments and guarantees under section 185 and 186 of the Companies Act, 2013. Accordingly paragraph 3(iv) is not applicable to the company.

(v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposit from the public & no amounts has been deemed to be deposits in accordance with the provisions of the sections 73 to 76 or any other relevant provisions of the Act, and the rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the company.

(vi) The company is not required to maintain cost records under Section 148(1) of the Companies Act, 2013. Accordingly, paragraph 3(vi) of the Order is not applicable to the company.

(vii) a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues with appropriate authorities and that there are no undisputed statutory dues including income tax outstanding as at 31 March 2022 for a period of more than six months from the date they became payable. As informed, provisions of the Provident Fund, Employees State Insurance Act, Goods and Services Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess 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) which have not been deposited on account of dispute.

(viii) In our opinion and according to the information and explanations given to us, the Company has not recorded in the books of account any transaction which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(ix) In our opinion and according to the information and explanations given to us,

(a) The Company has not obtained any loans from financial institutions, bankers nor issued any bonds. Accordingly, paragraph 3(ix)(a) is not applicable to the company.

(b) The company has not been declared willful defaulter by any bank/financial institution/other lender.

(c) Company has not obtained any term loans. Accordingly, paragraph 3(ix)(c) is not applicable to the company.

(d) Funds raised on short term basis have not been utilised for long term purpose.

(e) The Company do not have any Subsidiaries, Joint ventures or Associates. Accordingly, paragraph 3(ix)(e) and 3(ix)(f) are not applicable to the company.

(x) (a) The company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year.

(b) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.

(xi) (a) According to the information and explanations given to us and as represented by the management, we have been informed that no case of fraud has been committed on or by the company during the year.

(b) As no fraud has been noticed during the year as mentioned at xi(a) above, report under sub-Section (12) of Section 143 of the Companies Act in the Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules 2014 is not applicable.

(c) According to the information and explanations given to us, no whistle-blower complaints has been received during the year by the Company.

(xii) The company is not a Nidhi Company as prescribed under section 406 of the Act. Accordingly, clause 3(xii)(a), 3(xii)(b) & 3(xii)(c) of the Order is not applicable to the company.

(xiii) According to the information and explanations given to us and as represented by the management, all transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and the details have been disclosed in the Ind AS financial statements as required by the applicable Indian Accounting Standards.

(xiv) Internal Audit is not applicable to the company as per section 138 of the companies act 2013 accordingly paragraph (xiv) (a) & (xiv) (b) of the order is not applicable.

(xv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) is not applicable to the company.

(xvi) According to the information and explanations given to us, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Accordingly, paragraphs 3(xvi) is 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 incurred cash loss of Rs.0.60 lakhs in the current financial Year and a cash loss of Rs.0.80 lakhs 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, Section 135 of the Companies Act, 2013 is not applicable to the company. Accordingly, paragraph 3(xx)(a) & 3(xx)(b) are not applicable to the company.

xxi) The Company do not have any Subsidiaries, Joint ventures or Associates. Accordingly, paragraph 3(xxi) is not applicable to the company.

For SC Bose & Co
Chartered Accountants
Firm Reg No : 004840S

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(CA Subhash C Bose Bendi)
(Partner)
Membership No. 029795
UDIN: 22029795AIQTPL4618

Place: Hyderabad
Date: 09.05.2022.

Annexure-2

Report on the directions issued under section 143(5) of the Companies Act, 2013 given by the Comptroller & Audit General of India in respect of audit of Annual Accounts of POWERGRID Vemagiri Transmission Limited for the year ended 31st March 2022:

SI. No.	Direction	Auditors' Report	Impact on Accounts and Financial Statements
1	Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Based on the information and representations provided by the Management to us and based on the verification procedures performed by us, the Company has system in place to process/record all the accounting transactions through IT system. No accounting transactions are being recorded / processed through other than IT System.	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.	Based on the information and representations provided by the Management to us and based on the verification procedures performed by us there were no restructuring of loans or cases of waiver/write off of debts/loans/interest etc. during the year.	Nil

3	Whether funds received/receivable for specific schemes from Central/State agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.	Based on the information and representations provided by the Management to us and based on the verification procedures performed by us, no funds were received for any specific schemes from Central/State agencies during the year.	Nil.

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

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(CA Subhash C Bose Bendi)
Partner
Membership No. 029795
UDIN: 22029795AIQTPL4618

Place: Hyderabad
Date: 09.05.2022

ANNEXURE - 3

As referred to in our Independent Auditors' Report to the members of the **POWERGRID Vemagiri Transmission Limited ('the Company')**, on the financial statements for the year ended 31st March, 2022

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

We have audited the internal financial controls over financial reporting of the company as at March 31, 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 Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the 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 controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

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

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

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(CA Subhash C Bose Bendi)
(Partner)
Membership No. 029795
UDIN: 22029795AIQTPL4618

Place: Hyderabad
Date: 09.05.2022

POWERGRID VEMAGIRI TRANSMISSION LIMITED

CIN:U40300DL2011GOI217975

Balance Sheet as at 31st March-2022

(₹ in Lakhs)

	Particulars	Note No	As at 31st March,2022	As at 31st March,2021
			(Audited)	**(Audited)**
	ASSETS			
I	**Non-current assets**		-	-
II	**Current assets**			
	Financial Assets			
	Cash and cash equivalents	4	**0.14**	0.14
			0.14	**0.14**
	Total Assets		**0.14**	**0.14**
	EQUITY AND LIABILITIES			
III	**Equity**			
	Equity Share capital	5	5.00	5.00
	Other Equity	6	(1946.83)	(1946.23)
			(1941.83)	**(1941.23)**
IV	**Liabilities**			
	Non-current liabilities			
	Current liabilities			
	Financial liabilities			
	Other current financial liabilities	7	1,941.93	1,941.37
	Other current liabilities	8	0.04	-
			1,941.97	1,941.37
	Total Equity and Liabilities		**0.14**	**0.14**

The accompanying notes (1 to 28) form an integral part of financial statements

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

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Subhash C Bose
Partner
Membership No. 029795

Place : Hyderabad
Date : 09.05.2022

For and on behalf of the Board of Directors

SUNIL AGARWAL
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Sunil Agrawal
Chairman
DIN: 09048015

Place : Gurugram
Date : 09.05.2022

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Sangeeta Saxena
Director
DIN:08739674

Place : Gurugram
Date : 09.05.2022

POWERGRID VEMAGIRI TRANSMISSION LIMITED

CIN:U40300DL2011GOI217975

Statement of Profit and Loss for the Year ended 31st March 2022

(₹ in Lakhs)

	Particulars	Note No.	For the year ended 31st March,2022 (Audited)	For the year ended 31st March,2021 (Audited)
I	Revenue From Operations		-	-
II	**EXPENSES**			
	Finance costs	9	0.01	0.01
	Other expenses	10	0.59	0.79
	Total expenses (II)		**0.60**	**0.80**
III	Profit/(loss) before tax from discontinued operations (I-II)		(0.60)	(0.80)
IV	Tax expense:			
	Current tax		-	-
	Deferred tax		-	-
V	Profit/(loss) for the period from discontinued operations (III-IV)		(0.60)	(0.80)
VI	Other Comprehensive Income		-	-
VII	Total Comprehensive Income for the period(V+VI)		(0.60)	(0.80)
	Earnings per equity share (Par Value ₹ 10 each)			
	Basic (in ₹)		**(1.20)**	**(1.60)**
	Diluted (in ₹)		**(1.20)**	**(1.60)**

The accompanying notes (1 to 28) form an integral part of financial statements

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

SUBHASH C BOSE BENDI

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Date: 2022.05.09 17:12:09 +05'30'

Subhash C Bose
Partner
Membership No. 029795

Place : Hyderabad
Date : 09.05.2022

For and on behalf of the Board of Directors

SUNIL AGARWAL

Digitally signed by SUNIL AGARWAL
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Date: 2022.05.09 16:55:11 +05'30'

Sunil Agrawal
Chairman
DIN: 09048015

Place : Gurugram
Date : 09.05.2022

SANGEETA SAXENA

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Date: 2022.05.09 16:51:30 +05'30'

Sangeeta Saxena
Director
DIN:08739674

Place : Gurugram
Date : 09.05.2022

POWERGRID VEMAGIRI TRANSMISSION LIMITED
CIN:U40300DL2011GOI217975
Statement of Cash flows for the Year ended 31st March 2022

(₹ in Lakhs)

Sl. No.	Particulars	For the Year ended 31st March 2022 (Audited)	For the Year ended 31st March 2021 (Audited)
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit Before Tax	**(0.60)**	**(0.80)**
	Operating profit before Changes in Assets and Liabilities	**(0.60)**	**(0.80)**
	Adjustment for Changes in Assets and Liabilities:		
	Increase/(Decrease) in Other current financial liabilities	**0.56**	0.83
	Increase/(Decrease) in Other current liabilities	**0.04**	(0.04)
		0.60	**0.79**
	Cash generated from operations	**0.00**	**(0.01)**
	Net Cash from Operating Activities	**0.00**	**(0.01)**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Net Cash used in Investing Activities	-	-
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Net Cash used in Financing Activities	-	-
D.	**Net change in Cash and Cash equivalents (A+B+C)**	**0.00**	**(0.01)**
E.	Cash and Cash equivalents (Opening balance)	0.14	0.15
F.	Cash and Cash equivalents (Closing balance) *	**0.14**	**0.14**

The accompanying notes (1 to 28) form an integral part of financial statements

Note:
i) Previous year figures have been re-grouped / re-arranged wherever required.

As per our report of even date
For SC BOSE & Co.
ICAI Firm Regn. No. 004840S
SUBHASH C BOSE BENDI
Subhash C Bose
Partner
Membership No. 029795

Place : Hyderabad
Date : 09.05.2022

For and on behalf of the Board of Directors

SUNIL AGARWAL
Sunil Agrawal
Chairman
DIN: 09048015

Place : Gurugram
Date : 09.05.2022

SANGEETA SAXENA
Sangeeta Saxena
Director
DIN:08739674

Place : Gurugram
Date : 09.05.2022

POWERGRID VEMAGIRI TRANSMISSION LIMITED
Statement of Changes in Equity for the Year ended 31st March 2022

A. Equity Share Capital

(₹ in Lakhs)

As at 1st April, 2020	5.00
Changes in equity share capital	-
As at 31st March, 2021	5.00
Changes in equity share capital	-
As at 31st March, 2022	5.00

B. Other Equity

(₹ in Lakhs)

Particulars	**Reserves & Surplus**	**Total**
	Retained Earnings	
Balance at 1st April,2021	(1946.23)	(1946.23)
Total Comprehensive Income for the year	(0.60)	(0.60)
Balance at 31st March, 2022	**(1,946.83)**	**(1,946.83)**

(₹ in Lakhs)

Balance at 1st April,2020	(1945.43)	(1945.43)
Total Comprehensive Income for the year	(0.80)	(0.80)
Balance at 31st March, 2021	**(1,946.23)**	**(1,946.23)**

The accompanying notes (1 to 28) form an integral part of financial statements
Refer Note 6 for movement in Other Equity

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

SUBHASH C BOSE BENDI

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Date: 2022.05.09 17:13:26 +05'30'

Subhash C Bose
Partner
Membership No. 029795

Place : Hyderabad
Date : 09.05.2022

For and on behalf of the Board of Directors

SUNIL AGARWAL

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Date: 2022.05.09 16:52:11 +05'30'

Sangeeta Saxena
Director
DIN:08739674

Place : Gurugram
Date : 09.05.2022

POWERGRID VEMAGIRI TRANSMISSION LIMITED

Note 4/Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balance with banks		
-In Current accounts	0.14	0.14
Total	**0.14**	**0.14**

POWERGRID VEMAGIRI TRANSMISSION LIMITED

Note 5/Equity Share capital

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March,2021
Equity Share Capital		
Authorised		
50,000 (Previous year 50000) equity shares of ₹ 10/- each at par	5.00	5.00
Issued, subscribed and paid up		
50,000 (Previous year 50000) equity shares of ₹ 10/-each at par fully paid up	5.00	5.00
Total	5.00	5.00

Further Notes:

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

Particulars	As at 31st March, 2022		As at 31st March,2021	
	No.of Shares	**₹ in Lakhs**	**No.of Shares**	**₹ in Lakhs**
Shares outstanding at the beginning of the year	50,000	5.00	50,000	5.00
Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	50,000	5.00	50,000	5.00

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

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

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

Particulars	As at 31st March, 2022		As at 31st March,2021	
	No.of Shares	**% of holding**	**No.of Shares**	**% of holding**
Power Grid Corporation of India Limited (Holding Company) #	50,000	100	50,000	100

5) Shareholding by Promoters

Particulars	As at 31st March,2022			As at 31st March,2021		
	No.of Shares	**% of holding**	**% Change during the year**	**No.of Shares**	**% of holding**	**% Change during the year**
Power Grid Corporation of India Limited(Holding Company)#	50,000	100%	-	50,000	100%	-

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

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 VEMAGIRI TRANSMISSION LIMITED

Note 6/Other Equity

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March,2021
Reserves and Surplus		
Retained Earnings		
As per last balance sheet	(1,946.23)	(1,945.43)
Add:		
Profit after tax as per Statement of Profit & Loss	(0.60)	(0.80)
TOTAL	**(1,946.83)**	**(1,946.23)**

POWERGRID VEMAGIRI TRANSMISSION LIMITED

Note 7/Other Current Financial Liability

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March,2021
Related Party (M/s Power Grid Corporation of India Ltd.,)	1,941.50	1,940.93
Others	0.43	0.44
Total	**1,941.93**	**1,941.37**

Further Notes:

Others represents Audit Fees payable

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

Refer note 15 for related party transactions

POWERGRID VEMAGIRI TRANSMISSION LIMITED

Note 8/Other current liabilities

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March,2021
Statutory dues	0.04	-
Total	**0.04**	**-**

POWERGRID VEMAGIRI TRANSMISSION LIMITED

Note 9/Finance costs

(₹ in Lakhs)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Other finance charges	0.01	0.01
Total	**0.01**	**0.01**

POWERGRID VEMAGIRI TRANSMISSION LIMITED

Note 10/Other expenses

(₹ in Lakhs)

Particulars	**For the year ended 31st March 2022**	**For the year ended 31st March 2021**
Legal Expenses	-	0.05
Professional charges (Including TA/DA)	0.12	0.27
Payments to Statutory Auditors		
Audit Fees	0.47	0.47
Total	**0.59**	**0.79**

Notes to Financial Statements

1. Corporate and General Information

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

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

The Financial Statements of the Company for the year ended 31st March, 2022 were approved for issue by the Board of Directors on 09th May, 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 are not prepared on the assumption of going concern and the company will not be able to do further any activity in near future. The reasons are disclosed at note no. 12.

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.

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

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

Mobile phones are charged off in the year of purchase.

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

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

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

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

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

Right of Use Assets:

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

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

Intangible Assets

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

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

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

The amortization period and the amortization method for intangible assets 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 Earnings per Share

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

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

2.20 Statement of Cash Flows

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

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

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

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

The areas involving critical estimates or judgments are:

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.

11. Based on information available with the company, there are no supplier's/service providers who are registered as micro, small or medium enterprise under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006). Information in respect of micro and small enterprises as required by Companies Act 2013 and MSMED Act, 2006 is given as under:

(₹ in Lakhs)

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	-	-	-	-
	Interest	-	-	-	-
2	The amount of Interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-	-	-
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-	-	-
4	The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-	-	-
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-	-	-

12. GOING CONCERN ASSUMPTION

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

The CERC vide its order dated 06th April 2015, had withdrawn their earlier regulatory approval given vide its order dated 13-Dec-2011 since the transmission project is not required to be implemented as there was no enough gas in the KG Basin to supply to the beneficiaries M/s Samalkot Power Ltd., and M/s Spectrum Power generation Limited. CERC further directed that 80% of the acquisition price incurred by M/s Powergrid Vemagiri Transmission Ltd shall be reimbursed by M/s Samalkot Power Ltd and M/s Spectrum Power Generation Limited to POWERGRID in proportion to the LTA granted to them. The balance 20% and the expenditure incurred by Powergrid Vemagiri Transmission Limited from the date of acquisition till the liquidation of the company shall be borne by POWERGRID. Order further stated that in case there is any realization from the assets of M/s Powergrid Vemagiri Transmission Ltd in future, the same shall be apportioned between LTTCs and PGCIL in the ratio of 80:20.

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

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

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

14. Fair Value Measurements

(₹ in Lakhs)

Financial instruments by category	**31st March 2022**	**31st March 2021**
	Amortised cost	**Amortised cost**
Financial Assets		
Cash & Cash Equivalents	0.14	0.14
Total Financial Assets	**0.14**	**0.14**
Financial Liabilities		
Other current financial liabilities	1941.93	1941.37
Total Financial Liabilities	**1941.93**	**1941.37**

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. Since there is nothing Non-Current as at 31st Mar 2022 and 31st Mar 2021, nothing has been categorised as Level 1 or Level 2 or Level 3.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity 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.

The carrying amount of cash & cash equivalent and other financial liabilities are considered to be the same as their fair values, due to their short term nature.

15. Related party Transactions

(a) Holding Company

		Proportion of Ownership Interest	
Name of entity	**Place of business/country of incorporation/Relationship**	**31-Mar-2022**	**31- Mar- 2021**
Powergrid Corporation of India Limited	India	100%	100%

(b) Subsidiaries of Holding Company

Name of entity	**Place of business/ Country of incorporation**
POWERGRID NM Transmission Limited	India
POWERGRID Unchahar Transmission Limited	India
POWERGRID Southern Interconnector Transmission System Limited	India
POWERGRID Medinipur Jeerat Transmission Limited	India
POWERGRID Mithilanchal Transmission Limited	India
POWERGRID Varanasi Transmission System Limited	India
POWERGRID Jawaharpur Firozabad Transmission Limited (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)[1]	India
POWERGRID Bhadla Transmission Limited (Erstwhile Fatehgarh Bhadla Transco Limited)[1]	India
POWERGRID Aligarh Sikar Transmission Limited (Erstwhile Sikar II Aligarh Transmission Limited)[2]	India
POWERGRID Teleservices Limited[3]	India
POWERGRID Energy Services Limited[4]	India
[1]100% equity acquired by POWERGRID from REC Power Development and Consultancy Limited (erstwhile REC Power Distribution Company Limited) on 04.06.2021	
[2]100% equity acquired by POWERGRID from PFC Consulting Limited on 08.06.2021	
[3] Incorporated on 25.11.2021	
[4] 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[1]	India
Cross Border Power Transmission Company Limited	India
RINL POWERGRID TLT Private Limited[2]	India
Power Transmission Company Nepal Limited	Nepal
[1] 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.	
[2] 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[1]	India
POWERGRID Jabalpur Transmission Limited[1]	India
POWERGRID Vizag Transmission Limited[1]	India
POWERGRID Warora Transmission Limited[1]	India
POWERGRID Parli Transmission Limited[1]	India

[1] 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.

(e) Key Management Personnel

No.	Name	Designation	Date of Appointment	Date of Cessation
1	Shri Sunil Agrawal	Chairman & Additional Director (Part Time)	01/06/2021	Continuing
2	Shri Upendra Gunawat Pande	Chairman & Additional Director (Part Time)	08/12/2020	31/05/2021
3	Shri Anoop Kumar	Director (Part Time)	27/02/2020	Continuing
4	Shri Ramamurthy Rajagopalan	Director (Part Time)	01/08/2020	30/04/2022
5	Smt Sangeeta Saxena	Director (Part Time)	28/04/2022	Continuing

(f) Government Related Entities

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

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

The above transactions are in the course of normal day-to-day business operations

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

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

(₹ in Lakhs)

Particulars	31 March, 2022	31 March, 2021
Amount payable (purchases of goods and services)		
Holding Company		
Power Grid Corporation of India Ltd.	1941.50*	1940.93
Total payables to related parties	**1941.50**	**1940.93**

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

(h) Transactions with related parties

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

(₹ in Lakhs)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Power Grid Corporation of India Ltd. (Holding Company)		
Expenses of the company paid by POWERGRID	0.56	0.82

16. Segment Information

Business Segment

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

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

17. Capital and other Commitments

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	NIL	NIL

18. Contingent Liabilities and Contingent assets

a. Contingent Liabilities

No contingent liability exists as on 31st Mar 2022. (As on 31st Mar 2021 is NIL).

b. Contingent Assets

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

19. Capital management

Risk Management

For the purpose of the company's capital management, equity capital includes issued equity capital, and all other equity reserves attributable to the equity holders of the company. The company will not be able to do further any activity and ceased to be a going concern.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2022 and 31 March 2021.

20. Earnings per share

(Amount in ₹)

(a) Basic and diluted earnings per share attributable to the equity holders of the company	31 March, 2022	31 March, 2021
Total basic & diluted earnings per share attributable to the equity holders of the company from Discontinued Operations	(1.20)	(1.60)

(₹ in Lakhs)

(b) Reconciliation of earnings used in calculating earnings per share	31 March, 2022	31 March, 2021
Earnings attributable to the equity holders of the company	(0.60)	(0.80)

(c) Weighted average number of shares used as the denominator	31 March, 2022 No. of shares	31 March, 2021 No. of Shares
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	50,000	50,000

21. Financial Risk Management:

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

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

The Company held cash and cash equivalents of ₹ 0.14 Lakhs as on 31st March, 2022 (31st March, 2021 ₹ 0.14 Lakhs). The cash and cash equivalents are held with public sector bank and do not have any significant risk. The company will not be able to do further any activity and ceased to be a going concern.

22. Employee Benefit Obligations

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

23. Corporate Social Responsibility (CSR) Expense

As per Section 135 of the Companies Act, 2013, every Company having net worth of Rs. 500 Crore or more, or Turnover of Rs. 1000 Crore or more or a Net Profit of Rs. 5 Crore or more during immediately preceding Financial Year, is required to spend, atleast 2% of the Average Net Profits of the Company made during the three immediately preceding Financial Years, in pursuance of its Corporate Social Responsibility Policy. Since, the Company has not satisfied any of the above criteria during the FY 2021-22, the provisions of Section 135 requiring to incur expenditure on CSR were not applicable to the Company for the Financial Year 2021-22.

24. Disclosure of material impact of COVID-19 pandemic

Since the company has already ceased to be a going concern as explained in Note 12, there is no material impact of COVID-19 pandemic on the business of the company.

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

a. The company does not hold any immovable property.

b. There is no Capital-work-in-progress (CWIP) or Intangible assets under development as on 31.03.2022.

c. 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.

d. The Company is not sanctioned any working capital limit secured against current assets by any Finance Institutions.

e. The company was not declared as a wilful defaulter by any bank or financial Institution or other lender during the financial year.

f. The company does not have any transactions, balances or relationship with Struck off Companies.

g. The Company does not have any Charges on the Assets of the Company.

h. 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.

i. Ratios

Ratio	**Numerator**	**Denominator**	**Current Year**	**Previous Year**	**Variance**	**Reason for variance >25%**
(a) Current Ratio	Current Assets	Current Liabilities	0.00	0.00	-	-
(b) Debt-Equity Ratio	Total Debt	Shareholder's Equity	NA	NA	-	-
(c) Debt Service Coverage Ratio	Profit for the period + Depreciation and amortization expense + Finance costs + FERV +Loss on Sale of Fixed Assets	Interest & Lease Payments + Principal Repayments	NA	NA	-	-
(d) Return on Equity Ratio	Profit for the period	Average Shareholder's Equity	NA	NA	-	-
(e) Inventory turnover ratio	Revenue from Operations	Average Inventory	NA	NA	-	-
(f) Trade Receivables turnover ratio	Revenue from Operations	Average Trade Receivables (before deducting provision)	NA	NA	-	-
(g) Trade payables turnover ratio	Gross Other Expense (–) FERV, Provisions, Loss on disposal of PPE	Average Trade payables	NA	NA	-	-
(h) Net capital turnover ratio	Revenue from Operations	Current Assets - Current Liabilities	NA	NA	-	-
(i) Net profit ratio	Profit for the period	Revenue from Operations	NA	NA	-	-
(j) Return on Capital employed	Earnings before interest and taxes	Tangible Net Worth + Total Debt + Deferred	NA	NA	-	-

		Tax Liability				
(k) Return on investment	Income from Investment + Capital Appreciation	Average Investments	NA	NA	-	-

j. 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.

k. 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.

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

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

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

b) Disclosure on Ind AS 116 "Leases."

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

27. Recent Pronouncements

On 23.03.2022, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2022 applicable from 01.04.2022. The Company will assess and implement the amendments to Division II in the FY 2022-23, as applicable.

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

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

SUBHASH C BOSE BENDI

Digitally signed by SUBHASH C BOSE BENDI
DN: c=IN, o=Personal,
2.5.4.20=df552bccfd4d8792ca38a8be1fd8c668d226fc942689ae2e87c3905996f2a5e4,
postalCode=500081, st=Telangana,
serialNumber=52357d3568ee556014e0cf764a1ef12a134af7e449acbeb1a9b3469dd7415a45, cn=SUBHASH C BOSE BENDI
Date: 2022.05.09 17:14:50 +05'30'

Subhash C Bose
Partner
Mem No. 029795

Place: Hyderabad
Date: 09.05.2022

For and on behalf of Board of Directors

SUNIL AGARWAL

Digitally signed by SUNIL AGARWAL
DN: c=IN, st=Haryana,
2.5.4.20=894030d000995d36ac7361892fc05db7cedd9d0d9c0fee8234a04f12d228fd56,
postalCode=122002, street=B-1, 801, PWO Sector 43,
serialNumber=97580d592f755c1beae38fd197b7f357bd9f433a71e9d42d88a896e3ca0ed6e6, o=Personal,
cn=SUNIL AGARWAL,
pseudonym=762451f38dcb51a55b5a69e9c095bd75
Date: 2022.05.09 16:56:59 +05'30'

Sunil Agrawal
Chairman
DIN: 09048015

Place: Gurugram
Date: 09.05.2022

SANGEETA SAXENA

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DN: c=IN, st=Haryana,
2.5.4.20=8568173dec309db24337d6d745abbc19bb5151d528b2203a8c706078feda816a,
postalCode=122002, street=Gurgaon,
pseudonym=f4723ce72316767eb22285c0bfafb56a,
serialNumber=5fb6c2fc2eeaa6f6c7d5a6b1e679faaece504f1a79705d52764487417e48e2fc, o=Personal,
cn=SANGEETA SAXENA
Date: 2022.05.09 16:52:57 +05'30'

Sangeeta Saxena
Director
DIN: 08739674

Place: Gurugram
Date: 09.05.2022