Independent Auditors' Report

To the Members of **M/s POWERGRID BHIND GUNA TRANSMISSION LIMITED**

Report on the Standalone IND AS Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS Financial Statements of **M/s POWERGRID BHIND GUNA TRANSMISSION LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the statement of cash flows and the statement of changes in equity for the year then ended, and notes to standalone Ind AS financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 as amended ("the act") the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its Loss (including Other Comprehensive Income), its Cash Flows and the changes in equity and for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standard on Auditing (SAs) as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone Ind AS 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 standalone Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

Responsibilities of Management and Those Charged with Governance for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act, with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other Comprehensive Income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards Rules, 2015) as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding of 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 Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Ind As financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS 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 out 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 Standalone Ind AS financial statements.

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

- Identify and assess the risk of material misstatement of the Standalone Ind AS 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 understating of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial control system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS Financial Statements, including the disclosures, and whether the standalone Ind AS Financial Statements represent the underlying transactions and events in a manner that achieve fair presentation.

Materiality is the magnitude of misstatements in the standalone Ind AS Financial Statements that individually or in aggregate makes it probable that the economic decisions of a reasonable knowledgeable user of the standalone Ind AS Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work and (ii) To evaluate the effect of an identified misstatements in the standalone Ind AS 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 Standalone Ind AS 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. Pursuant to the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the **Annexure "A"** a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. In terms of sub section (5) of section 143 of the Companies Act, 2013, we give in the **Annexure "B"** 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 purposes of our audit;

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

c. The Balance Sheet, the Statement of Profit and Loss, (including other comprehensive income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

d. In our opinion, the aforesaid standalone Ind AS Financial Statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015 as amended;

e. Being a Subsidiary of a Government Company, Section 164(2) of the Act pertaining to disqualification of Directors are not applicable to the Company;

f. With respect to the adequacy of the Internal Financial Controls over financial reporting of the Company with reference to these Standalone Ind AS Financial Reporting of the Company and the Operating Effectiveness of such Controls, refer to our separate report in **Annexure "C"**; and

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. The Company does not have any pending litigations which would impact its Financial Position;

   ii. The Company did not have any Long-Term Contracts including Derivative Contracts for which there were any material foreseeable losses;

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

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. Further, no dividend is declared or paid during the year by the company, hence compliance with section 123 of the Companies Act, 2013 is not required.

For **P D M And Company**
Chartered Accountants
FRN : 007966N

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CA. Man Mohan Sharma

Partner
M. No : 091418
UDIN: 22091418AITPLR2305
Place: New Delhi
Date : 11/05/2022

Annexure 'A' to Independent Auditors' Report

As referred to in our Independent Auditors' Report to the Members of the **M/s POWERGRID Bhind Guna Transmission Limited ('The Company')**, on the Standalone Ind AS Financial Statements for the Year Ended 31st March 2022, we report that:

(i) (a) (A) There is only one leasehold land capitalized under property plant & Equipment as on 31/03/2022, for which the Company has generally maintained records, showing full particulars including quantitative details and its situation.

(B) There is no intangible asset as at date held by the company, hence clause 3(i)(a)(B) of the order is not applicable to the company

(b) Lease hold land is the only capitalization done under Property, Plant & Equipment which is physically verified by the management at reasonable intervals. No discrepancies were noticed on such verification by the management.

(c) The Company is having leasehold land of 22.40 hectares valuing Rs. 103.00 only for which lease deed is already executed in the name of the company.

(d) As per information and explanations given to us by the management, the company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Accordingly, clause 3(i)(d) of the order is not applicable to the company.

(e) As per information and explanations given to us by the management, 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. Accordingly, clause 3(i)(e) of the order is not applicable to the company.

(ii) (a) As per information and explanations given to us by the management, the Company doesn't hold any inventory. Accordingly, clause 3(ii)(a) of the order is not applicable to the company.

(b) As per information and explanations given to us by the management, During the year Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks or financial institution on the basis of security of current assets. Accordingly, clause 3(ii)(b) of the order is not applicable to the company.

(iii) As per information and explanations given to us by the management, 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, clauses 3(iii)(a) to 3(iii)(f) of the order is not applicable to the company.

(iv) As per information and explanations given to us by the management, the company has not given any loans, investments, guarantees, and security for which compliance under the provisions of section 185 and 186 of the Act is required to be done. Accordingly, clause 3(iv) of the order is not applicable to the company.

(v) As per information and explanations given to us by the management, the company has not accepted any deposit from the public and 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, clause 3(v) of the order is not applicable to the company.

(vi) In our opinion and as per information and explanations given to us by the management, company is currently in its commissioning phase and not yet started its commercial production during the year. Accordingly, clause 3(vi) of the order related to cost records are not applicable to the company.

(vii) (a) In our opinion and as per information and explanations given to us by the management, the Company is generally regular in depositing undisputed statutory dues with appropriate authorities including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to the Company and that there are no undisputed statutory dues outstanding as at 31 March 2022 for a period of more than six months from the date they became payable.

(b) In our opinion and as per information and explanations given to us by the management, there are no statutory dues referred to in sub- clause 3(vii)(a) above which have not been deposited on account of any dispute.

(viii) As per information and explanations given to us by the management, the Company does not surrendered or disclosed any income during the year in tax assessment under Income Tax Act, 1961, which required to be recorded in books of account during the year. Accordingly, clause 3(viii) of the order is not applicable to the company.

(ix) (a) As per information and explanations given to us by the management, company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) As per information and explanations given to us by the management, the company was not declared wilful defaulter by any bank or financial institution or other lender. Accordingly, clause 3(ix)(b) of the order is not applicable to the company.

(c) In our opinion and as per information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(d) In our opinion and as per information and explanations given to us by the management, no short term loans has been taken by the company. Accordingly, clause 3(ix)(d) of the order is not applicable to the company.

(e) As per information and explanations given to us by the management, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures. Accordingly, clause 3(ix)(e) of the order is not applicable to the company.

(f) As per information and explanations given to us by the management, the company does not have any subsidiary, joint ventures or associate companies. Accordingly, clause 3(ix)(f) of the order is not applicable to the company.

(x) (a) In our opinion and as per information and explanations given to us by the management, the company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3(x)(a) of the order is not applicable to the company.

(b) In our opinion and as per information and explanations given to us by the management, the Company has issued equity share capital of Rs. 40.10 crores to its holding company during the year after complying the provision of section 42 and 62 of the Companies Act, 2013 and the funds raised have been used for the purposes for which the funds were raised.

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

(b) As no fraud has been noticed or reported 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 required to be submitted.

(c) According to the information and explanations given to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, clause 3(x)(c) of the order is not applicable to the company.

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

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

(xiv) (a) In our opinion and according to the information and explanations given to us by the management, the company has an internal audit system commensurate with the nature of its business.

(b) We have considered the internal audit reports of the company issued till date, for the period under audit.

(xv) According to the information and explanations given to us by the management 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, clause 3(xv) is not applicable to the company.

(xvi) According to the information and explanations given to us by the management, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Accordingly, clauses 3(xvi) (a) to 3(vi)(d) are not applicable to the company.

(xvii) The company has incurred cash loss of Rs. 2.83 Lakhs in the current Financial Year. However, no cash loss has been incurred in immediately preceding Financial Year.

(xviii) There has not been any resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) is not applicable to the company.

(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 standalone Ind AS financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the records of the company, we are of the opinion that no material uncertainty exists as on the date of the audit report and the company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

xx) According to the information and explanations given to us and based on our examination of the records, the Company is not required to spend the amount required as per section 135(5) of the Companies Act during the financial year. Accordingly, paragraph 3(xx)(a) & 3(xx)(b) are not applicable to the company.

xxi) This is the standalone Ind AS Financial Statement, hence the clause 3(xxi) is not applicable to the company.

For **P D M And Company**
Chartered Accountants
FRN : 007966N

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CA. Man Mohan Sharma
Partner
M. No : 091418
UDIN: 22091418AITPLR2305
Place: New Delhi
Date : 11/05/2022

Annexure – "B" to Independent Auditors' Report

As referred to in our Independent Auditors' Report to the Members of the **M/s Powergrid Bhind Guna Transmission Limited ('The Company')**, on the Standalone Ind As Financial Statements for the Year Ended 31st March 2022, we report that:

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

For **P D M And Company**
Chartered Accountants
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CA. Man Mohan Sharma
Partner
M. No : 091418
UDIN: 22091418AITPLR2305
Place: New Delhi
Date : 11/05/2022

Annexure-B - II

Compliance Certificate

We have conducted the audit of annual accounts of Powergrid Bhind Guna Transmission Ltd for the year ended 31st March 2022 in accordance with the directions/sub-directions issued by the C&AG of India under Section 143(5) of the Companies Act, 2013 and certify that we have complied with all the Directions/Sub-directions issued to us.

For **P D M And Company**
Chartered Accountants
FRN : 007966N

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CA. Man Mohan Sharma
Partner
M. No : 091418
UDIN: 22091418AITPLR2305
Place: New Delhi
Date : 11/05/2022

ANNEXURE – "C" to the Independent Auditors' Report

As referred to in our Independent Auditors' Report to the members of the **M/s POWERGRID Bhind Guna Transmission Limited** ("the Company"), on the Standalone Ind AS 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 31st March 2022 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Control over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, 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 standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the company; and

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

Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, with reference to these standalone Ind AS Financial Statement, 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 with reference to these standalone Ind AS Financial Statements 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 with reference to these standalone Ind AS Financial Statements 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 **P D M And Company**
Chartered Accountants
FRN : 007966N

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CA. Man Mohan Sharma

Partner
M. No : 091418
UDIN: 22091418AITPLR2305
Place: New Delhi
Date : 11/05/2022

Notes to Financial Statements

1. Corporate and General Information

POWERGRID Bhind Guna 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 11th 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 have been prepared on accrual basis and under the historical cost convention except certain financial assets and liabilities measured at fair value (Refer Note no. 2.11 for accounting policy regarding financial instruments).

iii) Functional and presentation currency

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

iv) Use of estimates

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

v) Current and non-current classification

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

An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

The Company recognizes twelve months period as its operating cycle.

2.2 Property, Plant and Equipment

Initial Recognition and Measurement

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

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

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

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

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

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

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

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

Subsequent costs

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

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

Derecognition

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

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

2.3 Capital Work-In-Progress (CWIP)

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

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

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

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

2.4 Intangible Assets and Intangible Assets under development

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

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

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

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

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

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

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

2.5 Depreciation / Amortisation

Property, Plant and Equipment

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

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 MPERC 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 MPERC tariff order and falls under essential services and based on the current indicators of future economic conditions, the company expects to recover the carrying amount of these assets.

Income Taxes:

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

POWERGRID Bhind Guna Transmission Ltd

(Erstwhile Bhind Guna Transmission Limited)

CIN : U40300DL2018GOI338734

B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110016

Balance Sheet As at 31st March,2022

(₹ in Lakh)

Particulars	Note No	As at 31st March,2022	As at 31st March,2021
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	4	0.00	0.00
(b) Capital work-in-progress	5	50,212.66	37,402.18
(c) Intangible assets under development	6	693.76	-
(d) Deferred Tax Assets	7	23.79	26.54
(e) Other Non-current Assets	8	18.00	10.28
		50,948.21	**37,439.00**
Current assets			
(a) Financial Assets			
(i) Cash and cash equivalents	9	20.74	14.48
(ii) Other current Financial Assets	10	2.66	-
(b) Other current assets	11	-	1.00
		23.40	**15.48**
Total Assets		**50,971.61**	**37,454.48**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	12	9,015.00	5,005.00
(b) Other Equity	13	(71.98)	(64.60)
		8,943.02	**4,940.40**
Liabilities			
Non-current liabilities			
(a)Financial Liabilities			
(i) Borrowings	14	36,397.12	24,190.23
(ii) Other Non current financial liabilities	15	-	3,759.27
		36,397.12	**27,949.50**
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	267.65	-
(ii) Other current financial liabilities	17	5,294.32	4,476.85
(b) Other current liabilities	18	69.50	87.73
		5,631.47	**4,564.58**
Total Equity and Liabilities		**50,971.61**	**37,454.48**

The accompanying notes (1 to 42) form an integral part of financial statements

For and on behalf of the Board of Directors

Anantha Sarma Boppudi

ARUMUGAN AINAR SURENDIRAN

B Anantha Sarma
Chairperson
DIN: 08742208
Place: Hyderabad
Date: 11/05/2022

Surendiran A
Director
DIN: 09435466
Place: Vadodara
Date: 11/05/2022

As per our report on even date
For P D M And Company
Chartered Accountants

MAN MOHAN SHARMA

Digitally signed by MAN MOHAN SHARMA DN: cn=MAN MOHAN SHARMA, c=IN, st=Delhi, o=Personal, serialNumber=6c91da33854ed8cb907234038811f756e9f2c4aa9cea616309887fcaedec51d6 Date: 2022.05.11 17:33:23 +05'30'

MANTHAN DAVE

Digitally signed by MANTHAN DAVE Date: 2022.05.11 16:57:44 +05'30'

ANAMIKA THAKUR

CA Man Mohan Sharma
Partner
M. No : 091418
UDIN : 22091418AITPLR2305
Place : New Delhi
Date: 11/05/2022

Manthan Dave
Chief Financial Officer
PAN - ASXPD0882A
Place: Vadodara
Date: 11/05/2022

Anamika Thakur
Company Secretary
M. No. A59020
Place: Gurugram
Date: 11/05/2022

POWERGRID Bhind Guna Transmission Ltd

(Erstwhile Bhind Guna Transmission Limited)

CIN : U40300DL2018GOI338734

B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110016

Statement of Profit and Loss For the year ended 31st March,2022

(₹ in Lakh)

	Particulars	Note No.	For the year ended 31st March,2022	For the year ended 31st March,2021
I	Revenue From Operations		-	-
II	Other Income	19	0.66	-
III	Total Income (I+II)		**0.66**	**-**
IV	**EXPENSES**			
	Finance costs	20	0.19	-
	Other expenses	21	5.10	-
	Total expenses (IV)		**5.29**	**-**
V	Profit/(loss) before tax(III-IV)		(4.63)	-
VI	Tax expense:			
	(1) Current tax - Current year		-	-
	- Earlier years		-	-
	(2) Deferred tax		2.75	-
	Total Tax expense (VI)		**2.75**	-
VII	Profit/(loss) for the period (V-VI)		**(7.38)**	**-**
VIII	Other Comprehensive Income		-	-
IX	Total Comprehensive Income for the period (VII+VIII)		**(7.38)**	**-**
X	Earnings per equity share		-	-
	(1) Basic (Par value of ₹ 10 each)		(0.01)	-
	(2) Diluted (Par value of ₹ 10 each)		(0.01)	-

The accompanying notes (1 to 42) form an integral part of financial statements

For and on behalf of the Board of Directors

Anantha Sarma Boppudi — Digitally signed by Anantha Sarma Boppudi, Date: 2022.05.11 17:11:09 +05'30'

ARUMUGANAINAR SURENDIRAN — Digitally signed by ARUMUGANAINAR SURENDIRAN, Date: 2022.05.11 17:13:42 +05'30'

B Anantha Sarma
Chairperson
DIN: 08742208
Place: Hyderabad
Date: 11/05/2022

Surendiran A
Director
DIN: 09435466
Place: Vadodara
Date: 11/05/2022

As per our report on even date
For P D M And Company
Chartered Accountants

MAN MOHAN SHARMA — Digitally signed by MAN MOHAN SHARMA, DN: cn=MAN MOHAN SHARMA, c=IN, st=Delhi, o=Personal, serialNumber=6c91da33854ed8cb907234038811f756e9f2c4aa9cea616309887fcaedec51d6, Date: 2022.05.11 17:36:31 +05'30'

CA Man Mohan Sharma
Partner
M. No : 091418
UDIN : 22091418AITPLR2305
Place : New Delhi
Date : 11/05/2022

MANTHAN DAVE — Digitally signed by MANTHAN DAVE, Date: 2022.05.11 16:58:12 +05'30'

Manthan Dave
Chief Financial Officer
PAN - ASXPD0882A
Place: Vadodara
Date: 11/05/2022

ANAMIKA THAKUR — Digitally signed by ANAMIKA THAKUR, Date: 2022.05.11 17:17:02 +05'30'

Anamika Thakur
Company Secretary
M. No. A59020
Place: Gurugram
Date: 11/05/2022

POWERGRID Bhind Guna Transmission Ltd

(Erstwhile Bhind Guna Transmission Limited)

CIN : U40300DL2018GOI338734

B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110016

Statement of Cash Flow For the year ended 31st March,2022

(₹ in Lakh)

Particulars	For the year ended	
	31st March,2022	**31st March, 2021**
(A) Cash Flow from Operating Activities:		
Net Profit/(Loss) before tax	**(4.63)**	**0.00**
Cash generated from Operations	**(4.63)**	**0.00**
Income Tax refund received	0.00	0.00
Income Tax paid	0.00	0.00
Net Cash Flow from Operating Activities	**(4.63)**	**0.00**
(B) Cash Flow from Investing Activities:		
- Property Plant & Equipment & Capital Work in Progress including Advance for capital expnediture	(11,223.64)	(30,744.46)
- Adjustment for Changes in Assets and Liabilities	(3,192.58)	6,875.25
Net Cash used in Investing Activities	**(14,416.22)**	**(23,869.21)**
(C) Cash Flow from Financing Activities:		
- Share Capital raised during the period	4,010.00	5,000.00
- Loans raised during the period	12,474.55	19,385.27
- Interest Paid During the period	(2,057.44)	(529.21)
Net Cash from Financing Activities	**14,427.11**	**23,856.06**
(D) Net change in Cash & Cash equivalents(A+B+C)	**6.26**	**(13.14)**
(E) Cash and Cash Equivalents at the beginning of the period	14.48	27.63
(F) Cash and Cash Equivalents at the end of the period (Refer Note 9)	**20.74**	**14.48**

Note:
1.Previous period figures have been re-grouped/ re-arranged wherever necessary
2. The accompanying notes (1 to 42) form an integral part of financial statements

For and on behalf of the Board of Directors

Anantha Sarma Boppudi (Digitally signed by Anantha Sarma Boppudi, Date: 2022.05.11 17:11:30 +05'30')

ARUMUGANAINAR SURENDIRAN (Digitally signed by ARUMUGANAINAR SURENDIRAN, Date: 2022.05.11 17:14:11 +05'30')

As per our report on even date
For P D M And Company
Chartered Accountants

	B Anantha Sarma	**Surendiran A**
	Chairperson	Director
	DIN: 08742208	DIN: 09435466
	Place: Hyderabad	Place: Vadodara
	Date: 11/05/2022	Date: 11/05/2022

MAN MOHAN SHARMA
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DN: cn=MAN MOHAN SHARMA, c=IN, st=Delhi, o=Personal, serialNumber=6c91da33854ed8cb907234038811f756e9f2c4aa9cea616309887fcaedec51d6
Date: 2022.05.11 17:36:52 +05'30'

MANTHAN DAVE
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Date: 2022.05.11 16:58:36 +05'30'

ANAMIKA THAKUR (Digitally signed by ANAMIKA THAKUR, Date: 2022.05.11 17:17:33 +05'30')

CA Man Mohan Sharma	**Manthan Dave**	**Anamika Thakur**
Partner	Chief Financial Officer	Company Secretary
M. No : 091418	PAN - ASXPD0882A	M. No. A59020
UDIN : 22091418AITPLR2305	Place: Vadodara	Place: Gurugram
Place : New Delhi	Date: 11/05/2022	Date: 11/05/2022
Date : 11/05/2022		

POWERGRID Bhind Guna Transmission Ltd

(Erstwhile Bhind Guna Transmission Limited)

CIN : U40300DL2018GOI338734

B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110016

Statement of Changes in Equity For the year ended 31st March,2022

A. Equity Share Capital

Particulars	Amount (₹ in Lakh)
As at 1st April, 2021	5,005.00
Changes in equity share capital	4,010.00
As at 31st March,2022	9,015.00
As at 1st April, 2020	5.00
Changes in equity share capital	5,000.00
As at 31st March,2021	5,005.00

B. Other Equity

(₹ in Lakh)

Particulars	Reserves and Surplus	Total
	Retained Earnings	
Balance at 1st April,2021	**(64.60)**	**(64.60)**
Total Comprehensive Income for the period	(7.38)	(7.38)
Balance at 31st March,2022	**(71.98)**	**(71.98)**
Balance at 1st April,2020	(64.60)	(64.60)
Total Comprehensive Income for the period	-	-
Balance at 31st March,2021	**(64.60)**	**(64.60)**

Refer to Note No. 13 for Nature & movement of Reserve & Surplus
The accompanying notes (1 to 42) form an integral part of financial statements

For and on behalf of the Board of Directors

Anantha Sarma Boppudi
Digitally signed by Anantha Sarma Boppudi
DN: c=IN, o=Personal, 2.5.4.20=84e0df24a838a4d5fe9053eb6538a11f1bc35da2fd6a1448251cfd53d2ee0860, postalCode=500061, st=Telangana, serialNumber=b62201e12eb0781cc697b9898101c04a39563ece2439ab345f3cb349b6ed9974, cn=Anantha Sarma Boppudi
Date: 2022.05.11 17:11:52 +05'30'

B Anantha Sarma
Chairperson
DIN: 08742208
Place: Hyderabad
Date: 11/05/2022

ARUMUGANAINAR SURENDIRAN
Digitally signed by ARUMUGANAINAR SURENDIRAN
DN: c=IN, st=Tamil Nadu, 2.5.4.20=c944d7b4c48a2f5d9d230bc6470f4873e66c19fecc827efc55ee4388e4fb295a, postalCode=600078, street=Chennai, pseudonym=53c139570d723a092f4a94af79a3d56f, serialNumber=d35a001b845ec4bee8c83a438df83cf7079929bc4c721751b2e2b83a5f5a2971, o=Personal, cn=ARUMUGANAINAR SURENDIRAN
Date: 2022.05.11 17:14:44 +05'30'

Surendiran A
Director
DIN: 09435466
Place: Vadodara
Date: 11/05/2022

As per our report on even date
For P D M And Company
Chartered Accountants

MAN MOHAN SHARMA
Digitally signed by MAN MOHAN SHARMA
DN: cn=MAN MOHAN SHARMA, c=IN, st=Delhi, o=Personal, serialNumber=6c91da33854ed8cb907234038811f756e9f2c4aa9cea616309887fcaedec51d6
Date: 2022.05.11 17:37:25 +05'30'

CA Man Mohan Sharma
Partner
M. No : 091418
UDIN : 22091418AITPLR2305
Place : New Delhi
Date : 11/05/2022

MANTHAN DAVE
Digitally signed by MANTHAN DAVE
Date: 2022.05.11 16:58:51 +05'30'

Manthan Dave
Chief Financial Officer
PAN - ASXPD0882A
Place: Vadodara
Date: 11/05/2022

ANAMIKA THAKUR
Digitally signed by ANAMIKA THAKUR
DN: c=IN, st=Delhi, 2.5.4.20=a46904483cb23a96de03a7e871e831a1f0ec5f3910fb99da034b14c913e4b67f, postalCode=110052, street=North West Delhi, pseudonym=8ce14c706f89c66b2c89e0425e762078, serialNumber=c4736b846ea98b6e7170fb00d7e93bc40272fc2ae3a36e69a8a0d4d1da23d3ca, o=Personal, cn=ANAMIKA THAKUR
Date: 2022.05.11 17:18:08 +05'30'

Anamika Thakur
Company Secretary
M. No. A59020
Place: Gurugram
Date: 11/05/2022

POWERGRID Bhind Guna Transmission Ltd

(Erstwhile Bhind Guna Transmission Limited)

Note 4/Property, Plant and Equipment

(₹ in Lakh)

Particulars	Cost					Accumulated Depreciation					Net Book Value	
	As at 1st April,2021	Additions during the period	Disposal	Adjustment during the period	As at 31st March,2022	As at 1st April,2021	Additions during the period	Disposal	Adjustment during the period	As at 31st March,2022	As at 31st March,2022	As at 31st March,2021
Land												
Right of Use - Leasehold	0.00	-	-	-	0.00	-	-	-	-	-	0.00	0.00
Grand Total	**0.00**	**-**	**-**	**-**	**0.00**	**-**	**-**	**-**	**-**	**-**	**0.00**	**0.00**

(₹ in Lakh)

Particulars	Cost					Accumulated Depreciation					Net Book Value	
	As at 1st April,2020	Additions during the period	Disposal	Adjustment during the period	As at 31st March,2021	As at 1st April,2020	Additions during the period	Disposal	Adjustment during the period	As at 31st March,2021	As at 31st March,2021	As at 31st March,2020
Land												
Right of Use - Leasehold	-	0.00	-	-	0.00	-	-	-	-	-	0.00	-
Grand Total	**-**	**0.00**	**-**	**-**	**0.00**	**-**	**-**	**-**	**-**	**-**	**0.00**	**-**

Further Note :

a) The Company owns 22.40 hectare (Previous Year 22.40 hectare) of land amounting to ₹ 103.00 (Previous Year ₹ 103.00) which has been classified into Right of Use - Leasehold land based on available documentation. The land is acquired for substation on perpetual lease basis and hence not amortised.

b) Refer note no. 26 for disclosure on Right of Use Assets as per Ind AS 116 - "Leases".

POWERGRID Bhind Guna Transmission Ltd
Note 5/Capital work in progress

(₹ in Lakh)

As At 1st April 2021	As at 1st April,2021	Additions during the period	Adjustments	Capitalised during the period	As at 31st March,2022
Plant & Equipments (including associated civil works)					
Transmission	4,403.83	23,090.74		-	27,494.57
Sub-Station	1,249.77	9,801.26		-	11,051.03
Expenditure during construction (net)	2,044.78	2,714.24	1.14		4,757.88
Construction Stores	29,703.79	8,140.15	30,934.76		6,909.18
Total	**37,402.18**	**43,746.38**	**30,935.90**	**-**	**50,212.66**

(₹ in Lakh)

Particulars	As at 1st April,2020	Additions during the period	Adjustments	Capitalised during the period	As at 31st March,2021
Plant & Equipments (including associated civil works)					
Transmission		4,403.83		-	4,403.83
Sub-Station		1,249.77		-	1,249.77
Expenditure during construction (net)	619.12	1,425.66			2,044.78
Construction Stores	4,982.41	27,084.33	2,362.95	-	29,703.79
Total	**5,601.53**	**34,163.59**	**2,362.95**	**-**	**37,402.18**

POWERGRID Bhind Guna Transmission Ltd
(Erstwhile Bhind Guna Transmission Limited)
Note 5/Capital work in progress (Details of Construction stores)

(₹ in Lakh)

Particulars	As at 31st March,2022	As at 31st March,2021
Construction Stores		
Towers	1,352.22	7,230.86
Conductors	2,572.69	13,771.45
Other Line Materials	220.18	1,398.89
Sub-Station Equipments	2,315.80	7,015.19
Unified Load Despatch & Communication(ULDC) Materials	446.86	271.51
Others	1.43	15.89
TOTAL	**6,909.18**	**29,703.79**
Construction Stores include:		
i) Material in transit		
Conductors	-	281.71
Sub-Station Equipments	-	3,111.41
Total	**-**	**3,393.12**
ii) Material with Contractors		
Towers	1,352.22	7,230.86
Conductors	2,572.69	13,489.74
Other Line Materials	220.18	1,398.89
Sub-Station Equipments	2,315.80	3,903.78
Unified Load Despatch & Communication(ULDC) Materials	446.86	271.51
Others	1.43	15.89
Total	**6,909.18**	**26,310.67**
Grand total	**6,909.18**	**29,703.79**

Further Note:-

a) Details of Expenditure during construction is given in Note 22

b) Adjustment in Expenditure during Construction includes Administrative expenses of preceding year charged back to Revenue from Capital work in progress

c) Adjustment in Construction Stores is for consumption during the year.

POWERGRID Bhind Guna Transmission Ltd

(Erstwhile Bhind Guna Transmission Limited)

Note 6/Intangible assets under development

(₹ in Lakh)

Particulars	As At 1st April 2021	Additions	Adjustments	Capitalised during the year	As at 31st March,2022
Right of Way-Afforestation expenses	-	693.76		-	693.76
Total	**-**	**693.76**	**-**	**-**	**693.76**

(₹ in Lakh)

Particulars	As At 1st April 2020	Additions	Adjustments	Capitalised during the year	As at 31st March,2021
Right of Way-Afforestation expenses	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**

POWERGRID Bhind Guna Transmission Ltd

(Erstwhile Bhind Guna Transmission Limited)

Note 7/ Deferred tax Asset / liabilities (Net)

(₹ in Lakh)

Particulars	As at 31st March,2022	As at 31st March,2021
Deferred Tax Assets		
Unused Tax Losses(Income Tax Losses)	23.79	26.54
Deferred Tax Assets (B)	**23.79**	**26.54**

Movement in deferred tax assets

(₹ in Lakh)

Particulars	Unused Tax Losses	Total
At 31 March 2020	**26.54**	**26.54**
(Charged)/credited:		
- to profit or loss	-	-
- to other comprehensive income		
At 31 March 2021	**26.54**	**26.54**
(Charged)/credited:		
- to profit or loss	(2.75)	(2.75)
- to other comprehensive income		
At 31 March 2022	**23.79**	**23.79**

Amount taken to Statement of Profit and Loss

(₹ in Lakh)

Particulars	As at 31st March,2022	As at 31st March 2021
Increase / (Decrease) in Deferred Tax Liabilities	-	-
(Increase) / Decrease in Deferred Tax Assets	2.75	-
Net Amount taken to Statement of Profit and Loss	**(2.75)**	**-**

POWERGRID Bhind Guna Transmission Ltd

(Erstwhile Bhind Guna Transmission Limited)

Note 8/Other non-current Assets

(Unsecured considered good unless otherwise stated) **(₹ in Lakh)**

Particulars	**As at 31st March,2022**	**As at 31st March,2021**
Advances recoverable in kind or for value to be received		
Advance tax and Tax deducted at source	18.00	10.28
TOTAL	**18.00**	**10.28**

POWERGRID Bhind Guna Transmission Ltd

(Erstwhile Bhind Guna Transmission Limited)

Note 9/Cash and Cash Equivalents

(₹ in Lakh)

Particulars	As at 31st March,2022	As at 31st March,2021
Balance with banks-		
-In Current accounts	20.74	14.48
Total	**20.74**	**14.48**

POWERGRID Bhind Guna Transmission Ltd

(Erstwhile Bhind Guna Transmission Limited)

Note 10/Other Current Financial Assets

(Unsecured considered good unless otherwise stated) **(₹ in Lakh)**

Particulars	**As at 31st March,2022**	**As at 31st March,2021**
Interest accrued on Income tax refund	0.66	
Others - Considered Good*	2.00	-
Total	**2.66**	**-**

*Others include Refundable Security Deposit to BPCL for Oil pipe line crossing

POWERGRID Bhind Guna Transmission Ltd

(Erstwhile Bhind Guna Transmission Limited)

Note 11/Other Current Assets

(Unsecured considered good unless otherwise stated) **(₹ in Lakh)**

Particulars	As at 31st March,2022	As at 31st March,2021
Others - Considered Good*	-	1.00
Total	**-**	**1.00**

*Others include Advance Licence Fees paid to MPERC for FY 2021-22

POWERGRID Bhind Guna Transmission Ltd

(Erstwhile Bhind Guna Transmission Limited)

Note 12/Equity Share capital

(₹ in Lakh)

Particulars	As at 31st March,2022	As at 31st March,2021
Equity Share Capital		
Authorized		
10,70,00,000 (31st March 2021, 7,00,00,000) equity shares of ₹10/- each at par	10,700.00	7,000.00
Issued, subscribed and paid up		
9,01,50,000 (31st March 2021, 5,00,50,000) equity shares of ₹10/-each at par fully paid up	9,015.00	5,005.00
Total	**9,015.00**	**5,005.00**

Further Notes:

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

Particulars	For the year ended 31st March,2022		For the year ended 31st March, 2021	
	No.of Shares	Amount (₹ in Lakh)	No.of Shares	Amount (₹ in Lakh)
Shares outstanding at the beginning of the period	**50,050,000**	**5,005.00**	**50,000**	**5.00**
Shares Issued during the period	40,100,000	**4,010.00**	50,000,000	5,000.00
Shares bought back during the period	-	-	-	-
Shares outstanding at the end of the period	**90,150,000**	**9,015.00**	**50,050,000**	**5,005.00**

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) Shareholding by holding 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)#	90,150,000	100%	50,050,000	100%

Out of 9,01,50,000 Equity Shares (Previous Year 5,00,50,000 Equity Shares), 6 Equity Shares are Held by 6 Nominees of M/s Power Grid Corporation of India Limited (POWERGRID) jointly with POWERGRID.

5) 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)#	90,150,000	100%	50,050,000	100%

Out of 9,01,50,000 Equity Shares (Previous Year 5,00,50,000 Equity Shares), 6 Equity Shares are Held by 6 Nominees of M/s Power Grid Corporation of India Limited (POWERGRID) jointly with POWERGRID.

6) Shareholding by Promoters

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)#	90,150,000	100%	50,050,000	100%

Out of 9,01,50,000 Equity Shares (Previous Year 5,00,50,000 Equity Shares), 6 Equity Shares are Held by 6 Nominees of M/s Power Grid Corporation of India Limited (POWERGRID) jointly with POWERGRID. There is no change in % holding from Previous year

POWERGRID Bhind Guna Transmission Ltd

(Erstwhile Bhind Guna Transmission Limited)

Note 13/Other Equity

(₹ in Lakh)

Particulars	As at 31st March,2022	As at 31st March,2021
Retained Earnings		
Balance at the Beginning of the period	(64.60)	(64.60)
Addition during the period:		
Net Profit/(Loss) for the period	(7.38)	-
Balance at the end of the period	**(71.98)**	**(64.60)**

POWERGRID Bhind Guna Transmission Ltd

(Erstwhile Bhind Guna Transmission Limited)

Note 14/ Borrowings

(₹ in Lakh)

Particulars	As at 31st March,2022	As at 31st March,2021
Unsecured Loan from Related Party - Power Grid Corporation of India Ltd(Holding Co.)	37,435.82	24,738.12
Less : Current maturities of unsecured Loan from Related Party - Power Grid Corporation of India Ltd(Holding Co.)	(267.65)	-
Less : Interest Accrued on borrowings - Loan from Related Party - Power Grid Corporation of India Ltd.	(771.05)	(547.89)
Total	**36,397.12**	**24,190.23**

1. The various sources of Loans being extended to the company by Holding Company are Fixed Interest and floating interest rate which get reset periodically. The present rate of interest on the loan is 6.55% p.a. Loan is repayable in Quarterly Installments of equal amount over the period of 35 Years from commissioning of the Project Assets with prepayment facility without any additional charges.

2.There has been no default in repayment of loan or payment of interest thereon as at the end of the period.

3.Disclosure with regard to related party is under Note no.30

POWERGRID Bhind Guna Transmission Ltd

(Erstwhile Bhind Guna Transmission Limited)

Note 15/Other Non Current Financial Liabilities

(₹ in Lacs)

Particulars	As at 31st March 2022	As at 31st March 2021
Deposits/Retention money from contractors and others	-	3,759.27
Total	**-**	**3,759.27**

POWERGRID Bhind Guna Transmission Ltd

(Erstwhile Bhind Guna Transmission Limited)

Note 16/Borrowings

(₹ in Lacs)

Particulars	As at 31st March 2022	As at 31st March 2021
Current maturities of unsecured Loan from Related Party - Power Grid Corporation of India Ltd(Holding Co.)	267.65	-
	267.65	-

Further Note :

1.The various sources of Loans being extended to the company by Holding Company are Fixed Interest and floating interest rate which get reset periodically. The present rate of interest on the loan is 6.55% p.a. Loan is repayable in Quarterly Installments of equal amount over the period of 35 Years from commissioning of the Project Assets with prepayment facility without any additional charges.

2.There has been no default in repayment of loan or payment of interest thereon as at the end of the period.

3.Disclosure with regard to related party is under Note no.30

POWERGRID Bhind Guna Transmission Ltd

(Erstwhile Bhind Guna Transmission Limited)

Note 17/Other Current Financial Liabilities

(₹ in Lacs)

Particulars		As at 31st March 2022	As at 31st March 2021
A) Interest accrued on borrowings from			
Related Parties - M/s Power Grid Corp. of India Ltd.		771.05	547.89
	Total (A)	771.05	547.89
B) Others			
i) Dues for Capital Expenditure		420.24	3,752.44
ii) Deposits/Retention money from contractors and others		4,074.74	-
iii) Dues to Related parties		28.29	176.52
	Total (B)	4,523.27	3,928.96
Total	Total (A+B)	**5,294.32**	**4,476.85**

Further Note :

1. Disclosure with regard to Micro and Small Enterprises as required under “The Micro, Small and Medium Enterprises Development Act, 2006” is given in Note 26

2.Breakup of Related Parties is provided in Note 30

POWERGRID Bhind Guna Transmission Ltd

(Erstwhile Bhind Guna Transmission Limited)

Note 18/Other current liabilities

(₹ in Lakh)

Particulars	As at 31st March,2022	As at 31st March,2021
Statutory dues	69.50	87.73
Total	**69.50**	**87.73**

POWERGRID Bhind Guna Transmission Ltd

(Erstwhile Bhind Guna Transmission Limited)

Note 19/Other income

(₹ in Lakh)

Particulars	For the year ended 31st March,2022	For the year ended 31st March,2021
Interest from Income tax refund	0.66	-
FV gain on initial recognition of Financial Liabilities	-	220.73
Total	**0.66**	**220.73**
Less: Transferred to expenditure during construction(Net)	-	220.73
TOTAL	**0.66**	**-**

POWERGRID Bhind Guna Transmission Ltd

(Erstwhile Bhind Guna Transmission Limited)

Note 20/Finance costs

(₹ in Lakh)

Particulars	For the year ended 31st March,2022	For the year ended 31st March,2021
A) Interest and finance charges on financial liabilities at amortised cost		
i) Loan from Holding Co. (Power Grid Corporation of India Limited)	2,090.13	926.77
ii) Unwinding of discount on financial liabilities	190.45	129.30
iii) Others	0.20	0.12
Total	**2,280.78**	**1,056.19**
Less: Transferred to Expenditure during Construction(Net)	2,280.59	1,056.19
TOTAL	**0.19**	**-**

1.Disclosure with regard to related party is under Note no. 30

POWERGRID Bhind Guna Transmission Ltd

(Erstwhile Bhind Guna Transmission Limited)

Note 21/Other expenses

(₹ in Lakh)

Particulars	For the year ended 31st March,2022	For the year ended 31st March,2021
Legal expenses	27.76	-
Professional charges(Including TA/DA)*	0.83	0.39
Consultancy expenses(Including TA/DA)	396.12	523.68
Payments to Statutory Auditors		
- Statutory Audit Fees*	1.00	0.35
- In Other Capacity*	0.26	0.24
Internal Audit fees	0.30	-
Physical verification fees*	0.50	0.16
Miscellaneous expenses	2.63	64.16
Advertisement & Publicity	2.22	-
Rates and taxes	0.58	0.22
Stamp duty expenses	5.55	-
MPERC Fees	1.00	1.00
Total	**438.74**	**590.20**
Less:Transferred to Expenditure during Construction(Net)	433.64	590.20
TOTAL	**5.10**	**-**

*Includes Administrative expenses of preceding year amounting to ₹ 1.14 lakh charged back to revenue from Capital work in progress

1.Disclosure with regard to related party is under Note no. 30

POWERGRID Bhind Guna Transmission Ltd

(Erstwhile Bhind Guna Transmission Limited)

Note 22/Expenditure during Construction(Net)

(₹ in Lakh)

Particulars	For the year ended 31st March,2022	For the year ended 31st March,2021
A. Other Expenses		
Legal expenses	27.76	-
Professional charges(Including TA/DA)	-	0.39
Consultancy Charges	396.12	523.68
Payment to Auditors	-	0.59
Physical verification fees	-	0.16
Miscellaneous expenses	2.63	64.16
Rates & Taxes	0.58	0.22
Stamp Duty Expenses	5.55	-
MPERC Fees	1.00	1.00
Total(A)	**433.64**	**590.20**
B. Finance Costs	2,280.59	1,056.19
C. Other income	-	(220.73)
Total(A+B+C)	**2,714.24**	**1,425.66**

23. Exceptional and Extraordinary items

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

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

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

25. Borrowing cost incurred during the year is ₹2,280.59 Lakh (Previous Year ₹1,056.19 Lakh) has been transferred to Capital work in Progress (CWIP) as per Ind AS 23 'Borrowing Costs'.

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

(₹ in Lakh)

Sr. No	Particulars	Trade Payables		Others	
		As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
1	Principal amount and interest due thereon remaining unpaid to any supplier as at end of each accounting year:				
	Principal	NIL	NIL	10.63	NIL
	Interest	NIL	NIL	NIL	NIL
2	The amount of Interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	NIL	NIL	NIL	NIL
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	NIL	NIL	NIL	NIL
4	The amount of interest accrued and remaining unpaid at the end of each accounting year	NIL	NIL	NIL	NIL
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	NIL	NIL	NIL	NIL

27. Disclosure as per Ind AS 116 - "Leases"

a) As a Lessor :

The company does not have any lease arrangements as a lessor

b) As a Lessee:

The company has taken land of 22.40 hectares on perpetual lease from MP Govt at nominal value. Additions, termination/disposal and depreciation charge on right of use assets for the year and carrying amount of the same as at the end of the financial year by class of underlying asset is been disclosed in note no. 4 as a separate line item.

The company does not have any short-term lease arrangements.

28. Corporate Social Responsibility (CSR) Expenses

As per Section 135 of the Companies Act, 2013 along with Companies (Corporate Social Responsibility Policy) Rules, 2014 read with DPE guidelines no F.No.15 (13)/2013-DPE (GM), Companies are required to spend, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years in accordance with its CSR Policy. Since, company has not satisfied any of the criteria provided in Section 135 of the Companies Act, 2013, the Company is not required to spend any amount for CSR activities.

29. Fair Value Measurement

(₹ in lakh)

Financial Instruments by category	As at 31.03.2022	As at 31.03.2021
	Amortised cost	**Amortised cost**
Financial Assets		
Cash & cash Equivalents	20.74	14.48
Other Current Financial Assets	2.66	-
Total Financial assets	**23.40**	**14.48**
Financial Liabilities		
Borrowings	37,435.82	24,738.12
Other Financial Liabilities		
Current	4,523.27	3,928.96
Non-Current	-	3,759.27
Total financial liabilities	**41,959.09**	**32,426.35**

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

Financial instruments that are measured at Amortised Cost:

(₹ in lakh)

Particulars	Level	As at 31.03.2022		As at 31.03.2021	
		Carrying Amount	**Fair value**	**Carrying Amount**	**Fair value**
Financial Assets		-	-	-	-
Total Financial Assets		-	-	-	-
Financial Liabilities					
Borrowings	2	37,435.82	35,243.66	24,738.12	23,873.77
Deposits/retention money from contractors and others	2	-	-	3,759.27	3,759.27
Total financial liabilities		**37,435.82**	**35,243.66**	**28,497.39**	**27,633.04**

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

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

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

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

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

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

Valuation technique used to determine fair value:

Specific valuation techniques used to value financial instruments includes:

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

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

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

(a) Holding Company

Name of entity	Place of business/ Country of incorporation	Proportion of Ownership Interest	
		As at 31.03.2022	As at 31.03.2021
Power Grid Corporation of India Limited	India	100%	100%

(b) Subsidiaries of Holding Company

Name of entity	Place of business/ Country of incorporation
POWERGRID Vemagiri Transmission Limited	India
POWERGRID NM Transmission Limited	India
POWERGRID 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 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.ef. 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 Managerial Personnel

Name	**Designation**	**Date of Appointment**	**Date of Separation**
Shri B. Anantha Sarma	Chairman (Part Time)	25/03/2021	Continuing
Shri Kishore Kumar Srivastava	Director	08/02/2021	Continuing
Shri Prakash Chand Garg	Director	01/03/2021	16/12/2021
Shri R. Rajagopalan	Director	11/09/2019	Continuing
Shri Arumuganainar Surendiran	Additional Director	15/12/2021	Continuing
Smt. Neela Das	Additional Director	22/10/2021	Continuing
Manthan Dave	Chief Financial Officer	31/05/2021	Continuing
Anamika Thakur	Company Secretary	28/12/2021	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 and are not considered to be significant keeping in view the size, either individually or collectively.

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

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

(₹ in lakh)

Particulars	As at 31.03.2022	As at 31.03.2021
Amounts payable		
Power Grid Corporation of India Ltd. (Holding Company)		
Purchases of goods and services – O&M Maintenance / Consultancy	28.28	176.52
Loans from Holding Company	36,664.77	24,190.23
Interest Accrued on Loan	771.05	547.89

(h) Transactions with related parties

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

(₹ in lakh)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Power Grid Corporation of India Ltd. (Holding Company)		
Purchase of Goods or Services – O&M Maintenance / Consultancy Expense	335.69	443.79
Additional Loan obtained during the year	12,474.54	19,385.00
Investments Received during the year (Equity/Share application Money)	4,010.00	5,000.00
Interest paid on Loan	2,090.13	926.77
Reimbursement of Bank Guarantee charges	2.21	-

31. Segment Information

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

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

32. Capital and other Commitments

(₹ in lakh)

Particulars	As at 31.03.2022	As at 31.03.2021
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	4,403.68	15,939.40

33. Contingent Liabilities and contingent assets

Contingent Liabilities

Claims against the Company not acknowledged as debts – NIL

34. Capital management

Risk Management

The company's objectives when managing capital are to

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

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

The debt –equity ratio of the Company is as follows: -

Particulars	**As at 31.03.2022**	**As at 31.03.2021**
Long term debt (₹ in lakh)	36,664.77	24,190.23
Equity (₹ in lakh)	8,943.31	4,940.40
Long term debt to Equity ratio	80:20	83.17

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

35. Earnings per share

(Amount in ₹)

Particulars	**For the year ended 31.03.2022**	**For the year ended 31.03.2021**
(a) Basic and diluted earnings per share attributable to the equity holders of the company	(0.01)	-
(b) Total Earnings attributable to the equity holders of the company	(7,37,720)	-
(c) Weighted average number of shares used as the denominator	67,494,658	8,077,397

36. Financial Risk Management

The Company's principal financial liabilities comprise loans and borrowings denominated in Indian rupees or foreign currencies, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's capital investments and operations.
The Company's principal financial assets include loans and advances, trade and other receivables, and cash and cash equivalents that are generated from its operations.

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

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

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

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

(A) Credit Risk:

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

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

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

(i) Trade Receivables and Contract Assets

The Company primarily provides transmission facilities to intra-state transmission service customers (DICs) comprising mainly state utilities owned by State Governments and the main revenue is from transmission charges. Transmission Service Agreement signed with LTTCs allow payment against monthly bills towards transmission charges within due date i.e., 30 days from the date of presentation of the bill and levy of surcharge on delayed payment beyond 30 days from Due date. However, in order to improve the cash flows of company, a graded rebate is provided for payments made within due date.

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

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

- **Cash and cash equivalents**

  The Company held cash and cash equivalents of ₹20.74 lakh (Previous Year ₹14.48 lakh). The cash and cash equivalents are held with public sector banks and do not have any significant credit risk.

- **Other Current Financial Assets**

  a) The Company has interest recoverable on Income Tax refund due of ₹ 0.66 lakh (Previous Year Nil). This interest is recoverable from a government authority and do not have any significant credit risk.

  b) The Company held refundable security deposit of ₹ 2 lakh (Previous Year Nil) with BPCL. The security deposit is held with public sector undertaking and do not have any significant credit risk.

(iii) Exposure to credit risk

(₹ in lakh)

Particulars	As at 31.03.2022	As at 31.03.2021
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Cash and cash equivalents	20.74	14.48
Other Current Financial Assets	2.66	-
Total	**22.74**	**14.48**

(iv) Provision for expected credit losses

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

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

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

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

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

(B) Liquidity Risk

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

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

Maturities of financial liabilities

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

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

(₹ in lakh)

Contractual maturities of financial liabilities	Within a year	Between 1-5 years	Beyond 5 years	Total
As at 31.03.2022				
Borrowings (including interest outflows)	867.58	16,431.92	60,756.19	78,055.68
Other Current financial liabilities	4,523.27	-	-	4,523.27
Total	**5,390.85**	**16,431.92**	**60,756.19**	**82,578.95**
As at 31.03.2021				
Borrowings (including interest outflows)	1,576.96	8,802.10	43,773.42	54,152.48
Other Non current financial liabilities	-	3,949.71	-	3,949.71
Other Current financial liabilities	3,928.96	-	-	3,928.96
Total	**5,505.92**	**12,751.81**	**43,773.42**	**62,031.15**

(C) MARKET RISK

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

(i) Currency risk
(ii) Interest rate risk

(i) Currency risk

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

(ii) Interest rate risk

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

37. Income Tax expense

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

(a) Income tax expense

(₹ in lakh)

Particulars	**For the year ended 31.03.2022**	**For the year ended 31.03.2021**
Current Tax	-	-
Current tax on profits for the year	-	-
Adjustments for current tax of prior periods	-	-
Total current tax expense (A)	-	-
Deferred Tax expense	-	-
Origination and reversal of temporary differences	(2.75)	-
Total deferred tax expense /(benefit) (B)	**2.75**	-
Income tax expense (A+B)	**2.75**	-
Pertaining to regulatory deferral account balances	**-**	-
Total tax expense including tax on movement in regulatory deferral account balances	**2.75**	-

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

(₹ in lakh)

Particulars	**For the year ended 31.03.2022**	**For the year ended 31.03.2021**
Profit/(Loss) before income tax expense including movement in Regulatory Deferral Account Balances	(4.63)	-
Deferred Tax Income for current year at the Company's domestic tax rate of 25.168 %	**(0.87)**	-
Tax effect of:		-
Deferred Tax Expense on unabsorbed losses of previous year(s) due to re-instate on current tax rate	3.62	-
Net Deferred Tax Expenses for the year ended 31/03/2022	**2.75**	-

38. Employee Benefits

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

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

a) The Company do not have any immovable properties where title deeds are not in the name of the company.

b) Aging of Capital Work in Progress is as follows:

(₹ in lakh)

Particulars	Amount for a period of				
	<1 Year	1-2 Years	2-3 Years	>3 Years	Total
As at 31.03.2022					
Projects in Progress - Construction of 400 kV Substation near Guna & 220 kV S/s near Bhind	12,810.48	31,800.64	5,597.43	4.11	**50,212.66**
Total	12,810.48	31,800.64	5,597.43	4.11	**50,212.66**
As at 31.03.2021					
Projects in Progress - Construction of 400 kV Substation near Guna & 220 kV S/s near Bhind	31,800.64	5,597.43	4.11	0.00	**37,402.18**
Total	31,800.64	5,597.43	4.11	0.00	**37,402.18**

c) For capital-work-in progress (CWIP), the completion of Project is neither overdue, nor has exceeded its cost compared to its original plan.

d) Aging of Intangible assets under development is as follows:

(₹ in lakh)

Particulars	Amount for a period of				
	<1 Year	1-2 Years	2-3 Years	>3 Years	Total
As at 31.03.2022					
Project in progress – Construction of 400 kV Substation near Guna & 220 kV S/s near Bhind	693.76	0.00	0.00	0.00	**693.76**

Total	**693.76**	**0.00**	**0.00**	**0.00**	**693.76**
As at 31.03.2021					
Project in progress - Construction of 400 kV Substation near Guna & 220 kV S/s near Bhind	0.00	0.00	0.00	0.00	0.00
Total	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**

e) For Intangible assets under development, completion of Project is neither overdue, nor has exceeded its cost compared to its original plan.

f) 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.

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

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

i) The Company do not have any transactions or Outstanding balance with Struck off Companies.

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

k) 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.

l) 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	4	4.88	22%	
(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	0.00	0.00	-	-
(d) Return on Equity Ratio	Profit for the period	Average Shareholder's Equity	(0.00)	0.00	-	-
(e) Inventory turnover ratio	Revenue from Operations	Average Inventory	N.A	N.A	-	-

(f) Trade Receivables turnover ratio	Revenue from Operations	Average Trade Receivables (before deducting provision)	N.A	N.A	-	-
(g) Trade payables turnover ratio	Gross Other Expense (–) FERV, Provisions, Loss on disposal of PPE	Average Trade payables	N.A	N.A	-	-
(h) Net capital turnover ratio	Revenue from Operations	Current Assets - Current Liabilities	N.A	N.A	-	-
(i) Net profit ratio	Profit for the period	Revenue from Operations	(0.00)	(0.00)	-	-
(j) Return on Capital employed	Earnings before interest and taxes	Tangible Net Worth + Total Debt + Deferred Tax Liability	(0.00)	(0.00)	-	-
(k) Return on investment	Income from Investment + Capital Appreciation	Average Investments	(0.00)	(0.00)	-	-

m) 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.

n) 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.

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

40. Disclosure of material impact of COVID–19 pandemic

The Company is mainly engaged in the business of transmission of electricity and the tariffs for the transmission services are regulated in terms of the Transmission Service Agreements signed with LTTCs which provide for recovery of the annual transmission charges based on system availability.

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

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

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

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

41. 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.

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

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

As per our report on even date

For P D M And Company

Chartered Accountants

MAN MOHAN SHARMA

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DN: cn=MAN MOHAN SHARMA, c=IN, st=Delhi, o=Personal, serialNumber=6c91da33854ed8cb907234038811f756e9f2c4aa9cea616309887fcaedec51d6
Date: 2022.05.11 17:38:28 +05'30'

CA Man Mohan Sharma
Partner
M. No : 091418
UDIN : 22091418AITPLR2305
Place : New Delhi
Date : 11/05/2022

For and on behalf of the Board of Directors

Anantha Sarma Boppudi

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DN: c=IN, o=Personal, 2.5.4.20=84e0df24a838a4d5fe9053eb6538a11f1bc35da2fd6a1448251cfd53d2ee0860, postalCode=500061, st=Telangana, serialNumber=b62201e12eb0781cc697b9898101c04a39563ece2439ab345f3cb349b6ed9974, cn=Anantha Sarma Boppudi
Date: 2022.05.11 17:12:21 +05'30'

B Anantha Sarma
Chairperson
DIN: 08742208

Place: Hyderabad
Date : 11/05/2022

ARUMUGAN AINAR SURENDIRAN

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Date: 2022.05.11 17:15:13 +05'30'

Surendiran A
Director
DIN: 09435466

Place: Vadodara
Date : 11/05/2022

MANTHAN DAVE

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Date: 2022.05.11 16:59:10 +05'30'

Manthan Dave
Chief Financial Officer
PAN – ASXPD0882A
Place: Vadodara
Date : 11/05/2022

ANAMIKA THAKUR

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Date: 2022.05.11 17:18:46 +05'30'

Anamika Thakur
Company Secretary
M. No – A59020
Place: Gurugram
Date : 11/05/2022