

CIN: L40101DL1989GOI038121

9th September, 2022

The General Manager (Listing),
National Stock Exchange of India Limited,
Exchange Plaza, C 1/G Block,
Bandra-Kurla Complex,
Bandra (East), Mumbai.

The General Manager, (Listing)
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai.

Reference: **NSE-SCRIP ID: POWERGRID; BSE Scrip Code: 532898 EQ – ISIN INE752 E01010**

Sub: Appointment of Statutory Auditors of the Company by C&AG.

In terms of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to inform that Comptroller & Auditor General of India vide letter dt. 26.08.2022 (copy enclosed at Annexure-A) has appointed the following joint statutory auditors of the Company for the Financial Year 2022-23 (information received on 08.09.2022):

| Auditors Name | Term of Appointment | Brief Profile |
|--|--|-------------------|
| 1. M/s. S Ramanand Aiyar & Co., New Delhi* | Annexure I of the letter dated 26.08.2022 of C&AG. | As per Annexure-B |
| 2. M/s. Umamaheswara Rao & Co., Hyderabad* | | |
| 3. M/s. B M Chatrath & Co., LLP, Kolkata* | | |
| 4. M/s. P S D & Associates, Mumbai* | | |
| None of the Partners of the aforesaid firms are concerned or interested with the Directors or Key Managerial Personnel of the Company. | | |

* Annexure II of the letter dated 26.08.2022 of C&AG.

Thanking You,

Yours faithfully,

(Mrinal Shrivastava)
Company Secretary &
Compliance Officer

19-90

OFFICE OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
10, BAHADUR SHAH ZAFAR MARG, NEW DELHI - 110 124

No./CA. V/ COY/CENTRAL GOVERNMENT,POGRID(4)/88

Dated :26/08/2022

To
THE MANAGING DIRECTOR
POWER GRID CORPN OF INDIA LTD
SAUDAMINI, PLOT NO.2,
IFFICO CHOWK,
GURUGRAM-122 00

Subject : Appointment of Auditors under section 139 of the Companies Act, 2013 for the financial year 2022-2023

Sir/Madam,

I am directed to state that in exercise of the powers conferred by section 139 of the Companies Act 2013, the Comptroller and Auditor General of India is pleased to appoint the Chartered Accountant firms/Limited Liability Partnerships As per Annexure - II as the Statutory/Joint Statutory/ Branch Auditors of the company for the year(s) : 2022-2023. Statutory/Joint Statutory Auditor (s) of holding company shall also be the auditors of Consolidated Financial Statements under section 139 read with section 129(4) of the Companies Act, 2013.

2. You are requested to contact the concerned auditors individually under intimation to this office

3. The supplementary/test audit under sections 143 (6) & (7) of the Companies Act, 2013 of your company is entrusted to

PRINCIPAL DIRECTOR OF AUDIT (ENERGY)
4th & 5th FLOOR, ANNEXE BLDG
10, BAHADUR SHAH MARG
NEW DELHI-110124

The remuneration and other allowances payable to the auditors may be regulated as per the provisions of section 142 of the Companies Act 2013 read with guidelines issued by the Department of Company Affairs vide no. 7/76 dated 8th April, 1976 and no. 8/6/83 dated 07th June, 1984.

5. The audit fees paid/payable to the auditors as intimated by the Company has been indicated in Annexure-II. Any revision in the audit fees payable (including fees for consolidation) for the year 2022-2023 and item-wise details of all remuneration paid to the auditors for other services (other than statutory audit) along with the amount of TA/DA paid for 2021-2022 may be intimated.

The said information may be provided as soon as the Accounts for the year 2021-2022 is finalised so as to enable this office to review the appointment/ re-appointment of the appointed auditors.

6. The above appointment is subject to the other conditions stipulated in Annexure-I(available on the CAG's website <http://care.cag.gov.in/policy/terms.pdf>).

Yours faithfully,

(Rajesh Rajpal)

Sr. Administrative Officer

G. Ram Mohan
26/8/2022

OFFICE OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA
10, BAHADUR SHAH ZAFAR MARG, NEW DELHI-110 002

Appointment of auditors of Government Company/Government controlled other company under Section 139 (5 & 7) of the Companies Act, 2013.

I CONDITIONS FOR THE COMPANY

1. The Company may send a list of Directors and the previous Auditors of the Company giving their names and addresses to the newly appointed Auditors immediately on receipt of this letter.
2. While the auditor is responsible for forming and expressing an independent opinion on the financial statements, the responsibility for their preparation is that of the management of the enterprise. The audit of the financial statements does not relieve the management of its responsibilities relating to the maintenance of adequate accounting records, internal controls and safeguarding of the assets of the enterprise. As provided in Section 134 of the Act, the Company should submit to the auditors the Financial Statements/Consolidated Financial Statements duly approved by the Board of Directors for their report thereon.
3. According to Section 143 (1) of the Act, the books of accounts and vouchers may be made available to the Auditors. A suitable program of audit in consultation with the statutory auditors and the concerned MAB/AG be drawn up so as to complete the audit within the prescribed time schedule. Details of transactions or explanation called for by the Statutory Auditors must be furnished expeditiously.
- 4 (i). The remuneration payable to the Auditors fixed by the Company in accordance with section 142 of the Companies Act, 2013 may be intimated immediately to this office and to the auditors.
(ii) While fixing the auditor's remuneration, due consideration might be given to the volume of work involved, amount of time normally spent by the partners/chartered accountant employees and the audit clerks of the firm/LLP.
(iii) While fixing audit fee due consideration might also be given to the notification No 1-CA (7)/93/2006 dated 18th September 2006 and any subsequent recommendations issued from time to time by the Institute of Chartered Accountants of India prescribing minimum audit fee. It has been clarified that city/town referred to in the Notification refers to city/town of the Head office or Branch office of the auditor to which the audit is actually allotted.
(iv) In cases where audits are allotted to the Branch office of the Firm/LLP no TA/DA should be paid for the audit of the Company/Units located at the same station of the branch.
5. In the interest of maintaining the independence of auditors, no assignment for consultancy, Directorship or other services including those specified in section 144 of the Companies Act, 2013 and Non-audit assignments that involve performing management functions or making management decisions will be provided to the firm/LLP or its Partners, directly or indirectly as per explanation given under section 144 of the Companies Act, 2013, of the Company or its holding company or partly owned subsidiaries of the Company (irrespective of the shareholding) or joint ventures of the company whether under production sharing contract or otherwise, during the year of audit and for one year (to be counted from the date of conclusion of the relevant Annual General Meeting of the Company) after the firm/LLP ceases to be auditor. The above restriction will also be applicable to audit of annual accounts of subsidiary companies /Joint Ventures/Associates except where auditors of such subsidiary companies /Joint Ventures/Associates are appointed by CAG. This condition would not apply in case of auditors being entrusted assignments for the tax audit under Income Tax Act, review of Quarterly/ half yearly

accounts as per SEBI guidelines, VAT audit required under various State Legislations and other statutory certificates related to the audit assignment

6(a) The Company should confirm past audit details including audit fees. The changes in details including the fees in the future may be intimated to this office from time to time. Any other remuneration like TA/DA, Certification fees, tax audit fees, quarterly/half yearly review fees, VAT audit etc. paid to the Statutory/Branch Auditors in addition to the audit fees in the last three years and in future may also be intimated. The remuneration for other work like review of quarterly accounts as per SEBI guidelines, fees for tax audit, other statutory certificates etc should be restricted to a reasonable the percentage of the total audit fee payable to the auditors and which in total should not exceed the fee payable for carrying out the statutory audit. The details of such remuneration may also be intimated to this office for record.

6(b) The Auditors have to comply with the directions issued by this office under Section 143 (5) of the Companies Act, 2013 and for this purpose the auditors have to attend meetings called by the concerned DG/PAG/MAB/AG. For attending such meetings, reasonable expenditure on TA/DA incurred by the auditors may be reimbursed by the company.

7. Proposals for re-organisation of units in the future may be sent to this Office well before the beginning of the financial year the accounts of which are to be audited.

8. The Company may also intimate to this office (i) the date of commencement of audit; and the date on which the comments of the C&AG of India along with the Auditors Report is placed in AGM as per the provisions of 143 (6) of the Companies Act, 2013.

9. To reduce the arrears, *in case of Companies whose accounts are in arrears*, and to avoid delays in appointing auditors for the past few accounting years in arrears, the Company may initiate action for appointment of auditors for the subsequent years soon after the completion of audit of the preceding years. A copy of such certified accounts may be made available direct to the Principal Director (Commercial) in this Office. If the process is repeated in succession, the Company can hold a series of meetings of the shareholders and present the accounts. It can thus clear the accounts for 3-4 years within a period of one year.

II. CONDITIONS FOR THE AUDITORS

1. The Firm/LLP may please intimate their acceptance as auditors of the Company within 3 weeks of receipt of this appointment letter (i) to the Company (ii) to this Office (iii) to the concerned DG/PAG/AG/MAB entrusted with the Supplementary Audit of the Company. If, for any reason the Auditors are not in a position to accept the appointment, they may intimate all the above-mentioned offices immediately along with the reasons for their decision.
2. The appointment / re-appointment of Firm/LLP is subject to its performance in the previous years' audit being adjudged as satisfactory by the DG/PAG/AG /MAB concerned.
3. The appointment/re-appointment of the auditors is subject to the Auditors making the following declarations/undertakings:
 - (i) That the firm/LLP is not disqualified under section 141 of the Companies Act, 2013
 - (ii) That no unreasonable TA/DA, out of pocket expenses will be claimed from the company. In case where audits are allotted to the Branch office of the Firm no TA/DA should be claimed by the firm from the company for the audit of the Company/Units located at the same station of the branch.
 - (iii) That during the year of audit, and for one year (to be counted from the date of conclusion of the relevant Annual General Meeting of the Company) after the Firm/LLP ceases to be Auditor, the Firm/LLP or its partner, cannot accept Directorship or any assignment for consultancy or other services including those specified in section 144 of the Companies act, 2013 and non-audit assignments that involve performing management functions or making management decisions, directly or indirectly (as per explanation given under section 144 of the Companies Act, 2013), of the company or its holding company / subsidiaries (irrespective of the shareholding) / joint ventures of the Company whether under production sharing contract or otherwise. The above restriction would also be applicable to audit of annual accounts of subsidiary companies /Joint Ventures/Associates except where auditors of such subsidiary companies /Joint Ventures/Associates are appointed by CAG. This condition would not apply to assignments for the tax audit under Income Tax Act, VAT audit required under various State Legislations, review of Quarterly/half yearly accounts as per SEBI guidelines and other statutory certificates related to the audit assignment
 - (iv) That no partner/chartered accountant employee of the firm /LLPs has been held guilty of professional misconduct by the Institute of Chartered Accountants of India during last year (in case any partner of the firm/LLP has been held guilty of professional misconduct by the Institute of Chartered Accountant of India, please furnish details thereof).
 - (v) The audit should not be conducted by a person (i) who is not a CA partner /CA employee/ CA article of the firm/LLP to which the audit has been allotted; (ii) who was earlier associated with the audit of the said PSU as a partner/employee of the retiring auditor.
 - (vi) No partner of the firm/LLP would hold post of Director (except in the case of financial companies) of any Private organization/ Company which is in the same line of business or having any business relation with that of the PSU. Further, no partner of the firm/LLP or firm/ LLP would undertake audit or any other job/assignment of any Private organization/ Company which is in the same line of business or having any business relation with that of the PSU.
- 4 The auditor may start the audit of the Company immediately on receipt of the accounts of the Company. However, they should certify the accounts for the year only after the audited accounts for the previous year has been laid before the AGM for their consideration. In case audited accounts of the previous years has been considered but finally not adopted by the shareholders, the auditor can certify the accounts of the succeeding year indicating the fact of the non-adoption of the previous years accounts in their report.

5 The time schedule for conducting the audit may be drawn up with scheduling of audit i.e indicating the period of audit of different departments/ units of the PSU and also the name of personnel & their qualification who will be deployed for audit of each unit. A copy of the time schedule so fixed may be sent to the concerned DG/PAG/AG/MAB so that they may also draw their time schedule for supplementary audit.

6 The Firm/LLP must complete the audit of the units/branches allotted to them within the time schedule stipulated by the management so that the statutory time schedule for placing the accounts in the AGM could be adhered to.

7 Record of audit work done in the form of working papers should be retained with sufficient information so as to support the auditors' significant conclusions and judgments.

8 The Auditors shall have to comply with the directions issued by this office under 143(5) of the Companies Act, 2013. The remuneration is inclusive of the fee on account of the additional work involved in this regard. Directions under section 143(5) is available at this office's official website i.e. [www. saiindia.gov.in](http://www.saiindia.gov.in) (CA Empanelment)

9. Statutory auditors of the companies who have adopted SAP should deploy at least one partner/employee having ISA/CISA qualification to conduct the audit. Auditors appointed for Listed PSU should have a valid peer review certificate issued by Peer Review Board of ICAI.

10. The Company/Auditors will have to comply with all the provisions of the Companies Act, 2013. as also all other applicable statutes including directions/guidelines issued by various Regulatory Bodies/ Authorities viz Securities & Exchange Board of India, Reserve Bank of India, Insurance Regulatory Development Authority etc.

11. The appointment as auditor of a Company can be withdrawn at any time if violation of any of the above conditions by the appointed auditor comes to the notice of this office.

ANNEXURE - I I

LIST OF CHARTERED ACCOUNTANT FIRMS FOR THE YEAR 2022-2023

| Sl. No. | Firm Name | PSU Code / Unit Code | Station | Audit Details | Fees per annum in Rs (As intimated by the PSU) |
|--------------------------|--|---------------------------|-----------|--------------------------------|--|
| STATUTORY AUDITOR | | | | | |
| 1 | S RAMANAND AIYAR & CO (DE0131) 708 SURYA KIRAN 19 KASTURBA GANDHI MARG NEW DELHI NEW DELHI - 110001, DELHI | POGRID NEWDELHI (1) | NEW DELHI | JOINT STATUTORY AUDITORS | 3032000 |
| 2 | UMAMAHESWARA RAO & CO (HY0235) FLAT NO.5-H, D BLOCK, 8-3-324, YELLAREDDYGUDA LANE, AMEERPET X ROADS, HYDERABAD HYDERABAD - 500073, TELANGANA | POGRID HYDERABD (4) | HYDERABAD | JOINT STATUTORY AUDITORS | 3032000 |
| 3 | B M CHATRATH & CO (CA0008) #CENTRE POINT#, 4TH FLOOR, ROOM NO-440 21, HEMANTA BASU SARANI KOLKATA KOLKATA - 700001, WEST BENGAL | POGRID CALCUTTA (4) | KOLKATA | JOINT STATUTORY AUDITORS | 3032000 |
| 4 | P S D & ASSOCIATES (CR0616) 808, TOWER - A, OMKAR ALTA MONTE, PATHANWADI MALAD EAST, MUMBAI MUMBAI - 400097 | POGRID MUMBAI (4) | MUMBAI | JOINT STATUTORY AUDITORS | 3032000 |

Any change/revision in the audit fee payable to each of the auditor (s) mentioned above should be immediately intimated to this office for record and reference as the selection of auditors is based on the audit fees paid/payable.

1. S. RAMANAND AIYAR & CO.

S. Ramanand Aiyar & Co. is a Chartered Accountancy firm established in the year 1950. The firm operates from its offices in Delhi, Mumbai, Kolkata, Indore, Bhopal, Gurugram, Hyderabad, Bangalore, Ernakulum, Ahmedabad and Korba and offers its clients a full range of services, including audit and assurance, financial and business advisory, tax and regulatory, risk advisory services, start-up consultancy, accountancy, FEMA and other Services. The firm's clientele includes industry houses and banks in the country, public and private enterprises, law firms, domestic and foreign businesses, charitable organizations and other manufacturing, trading and financial services companies. Each area of practice is monitored and supervised by the partner- in-charge having an in- depth knowledge in the specific area and is ably supported by a highly motivated and enthusiastic pool of professionals. The firm consists of 19 partners which are supported by a full complement of qualified staff consisting of Chartered Accountants, Ex-bankers and DISA professionals and article interns.

2. UMAMAHESWARA RAO & CO.

UMAMAHESWARA RAO & CO, Chartered Accountants established in 1968 having head office at Hyderabad and 5 branches across Andhra Pradesh and Telangana. The firm has 15 F.C.A partners with interdisciplinary qualification namely I.S.A, I.F.R.S, C.M.A, L.L.B etc., The firm with its 61 years of standing conducted the statutory audits of NTPC Limited, ECIL Limited, NMDC Limited, and were also the auditors of Power Grid Corporation of India Limited (PGCIL) for 2 terms during 1995-1998 and, 2007 to 2011. The firm has also carried out the Central Statutory audit of various banks including State Bank of India, Indian Bank, Oriental Bank of Commerce and Andhra Bank etc.

3. BM CHATRATH & CO LLP

B M Chatrath & Co LLP a more than 95 Year old Firm of Chartered Accountants founded in 1923 by late Mr B. M. Chatrath in Lahore. In the year 1955, Mr. M. M. Chatrath (Son of Late B. M. Chatrath) became a partner of the firm. He is currently a Guiding Force to the firm with his vast experience of over Sixty years. It is continuing as a Partnership Firm from 01.09.1955. Over a period of time the size of the Firm has increased significantly. With effect from 05.04.2017 the Firm has been converted into

Limited Liability Partnership (LLP). Mr. Anand Chatrath is now the Managing Partner of the Firm. Over the years the firm has received numerous Internal/Management Audit assignments of various Corporates. At present the Firm has 19 Partners including 5 DISA qualified Partners and apart from Head Office at Kolkata, it has branches at Delhi, Noida, Mumbai, Hyderabad, Jaipur and Bengaluru.

4. P S D & ASSOCIATES

PSD & Associates, Chartered Accountants commenced operations in 1988. It has Twenty FCA and Four ACA partners, five Qualified Assistants, four Post Graduates and around Ninety Unqualified Assistants. It is a professionally managed, service oriented and knowledge based CA Firm. It has Head Office at Jaipur and has branches in five other cities namely Mumbai, Delhi, Ahmadabad, Kolkata and Jodhpur.