

C/COS/Listing/

Dt. 24.01.2020

The GM (Listing)
National Stock Exchange of India Ltd.,
Exchange Plaza,
Plot No. C/1, G Block,
Bandra Kurla Complex,
Bandra (East), Mumbai

Ref: Symbol: POWERGRID; Series: EQ; ISIN: INE752E01010

Dear Sir,

Sub: **Sub: Clarifications on demand notices received from DoT**

In terms of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the following is informed:

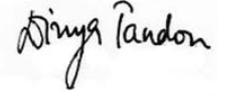
1. Power Grid Corporation of India Limited (POWERGRID), a Govt. of India Enterprise is the largest Power Transmission Company of India and the Central Transmission Utility (CTU). Core business of POWERGRID is Power Transmission. POWERGRID has laid Optical Fibre Ground Wire (OPGW) over its Transmission lines for the purpose of grid monitoring and control. In order to utilize the spare capacity available in the OPGW, POWERGRID entered into limited Telecom activity after prior intimation to the Central Electricity Regulatory Commission (CERC) in terms of Section 41 of the electricity Act, 2003. Non-Telecom revenue of POWERGRID i.e. Power Transmission and its related Consultancy business constitutes 98% of revenue whereas Revenue from Telecom segment is only about 2%.
2. POWERGRID is National Long distance (NLD) and Internet Service Provider (ISP) licensee and is regularly paying the applicable license fee on Adjusted Gross Revenue (AGR) to DoT in line with terms & conditions of respective license Agreements and have also been assessed by DoT up to FY 2013-14.
3. DoT has done provisional assessments for the FY 2014-15 to 2017-18 and also re-assessed for the FY 2012-13 and 2013-14 and raised additional demand to the tune of Rs.21,954 Crore in the past 1 year by addition of non-telecom revenue as Miscellaneous Income in AGR. POWERGRID has contested the Demands before DoT and requested for its withdrawal, as the definition of the AGR under NLD and ISP license agreements does not include such non-telecom revenue. Moreover, DoT has recently completed the assessment of NLD and ISP licenses for the FY 2018-19 without addition of Miscellaneous income and in fact assessed a refund to POWERGRID.
4. The dispute, regarding interpretation of AGR pending before Hon'ble Supreme Court, was between DoT and Telecom Service Operators (TSPs), who were holding Unified Access Service License (UASL) and migrated from National Telecom Policy (NTP)-1994 to NTP-1999. Recent judgment dated 24.10.2019, of Hon'ble Supreme

Court, is not applicable/binding on POWERGRID as POWERGRID was not licensee prior to 2001 and never held UASL. Further, definition of AGR as per NLD and ISP license agreements as well as nature of limited Telecom activity of POWERGRID is completely different and distinct from that relating to the TSPs, which were before the Hon'ble Court.

5. On 23rd January 2020, POWERGRID has filed an Application before the Hon'ble Supreme Court for clarification /modification of its order dt. 24th October 2019 and next course of action will be based on the outcome of the Application.

Thanking you,

Yours faithfully,



(Divya Tandon)

Executive Director - Company Secretary &
Compliance Officer