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(This Placement Memorandum is neither a Prospectus nor a Statement in Lieu of Prospectus). This Placement Memorandum is prepared in conformity with Section 42 read with Rule 14 of Companies (Prospectus and Allotment of Securities) Rules 2014 and Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 issued vide circular No. SEBI/LAD-NRO/GN/2021/39 dated August 9, 2021, read with SEBI circular number SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021, as amended/modified/supplemented from time to time.

Dated: March 29, 2023



**पावरग्रिड**  
**POWERGRID**

**पावर ग्रिड कॉर्पोरेशन ऑफ इंडिया लिमिटेड**  
(भारत सरकार का उद्यम)  
**POWER GRID CORPORATION OF INDIA LIMITED**  
(A Government of India Enterprise)

**POWERGRID CORPORATION OF INDIA LIMITED****(A Government of India Enterprise)**

Registered Office: B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi- 110 016,

Corporate Office: "Saudamini", Plot No.2, Sector 29, Gurgaon (Haryana) - 122001;

CIN: L40101DL1989GOI038121; PAN: AAACP0252G; LEI No.: 3358009SHWZ3DZEQ4Z56

Date and Place of Incorporation: 23rd October 1989, New Delhi

Contact Person: Sh. Amit Kumar Jain, GM (Finance); Tel: 0124-2822453;

E-mail: pgbonds@powergrid.co.in; pgrmc@powergrid.in; Website: www.powergrid.in

Chief Financial Officer and Director Finance: Sh. G Ravisankar; Tel no.: 0124-2822402, E-mail: gravishankar@powergrid.in

Compliance Officer and Company Secretary: Sh. Mrinal Shrivastava, Tel no.: 0124-2822077, E-mail: mrinal@powergrid.in

**PRIVATE PLACEMENT OFFER LETTER FOR PRIVATE PLACEMENT OF 42,500 UNSECURED, RATED, REDEEMABLE, TAXABLE, NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF RS. 1 LAKH EACH ("DEBENTURES" / "BONDS") FOR CASH AT PAR WITH A BASE ISSUE SIZE OF RS. 100 CRORE AND AN OPTION TO RETAIN OVERSUBSCRIPTION OF RS. 325 CRORE AGGREGATING TO A TOTAL ISSUE SIZE RS. 425 CRORE ("ISSUE") BY POWERGRID CORPORATION OF INDIA LIMITED ("POWERGRID"/ "THE ISSUER").**

**GENERAL RISK**

Investment in debt and debt related securities involve a degree of risk and investors should not invest any funds in the debt instruments, unless they can afford to take the risks attached to such investments. Eligible Investors are advised to take informed decision before taking an investment decision in this offering. For taking an investment decision the investor must rely on their examination of the Issuer, the Issue, this Placement Memorandum including the risks involved. The Issue have not been recommended or approved by Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document.

**CREDIT RATING**

The Bonds proposed to be issued have been assigned a rating of "**CRISIL AAA/Stable**" by CRISIL Ratings Limited vide its letter dated 01.03.2023 and "**[ICRA] AAA**" by ICRA Limited vide its letter dated 03.03.2023 and "**CARE AAA/Stable**" by CARE Ratings Limited vide its letter dated 03.03.2023. The above ratings are not a recommendation to buy, sell or hold securities and investors should take their own decision. The ratings may be subject to revision or withdrawal at any time by the assigning rating agency and should be evaluated independently of any other ratings. Please refer to Annexure 2 for rating letters and press releases for the above ratings.

**PROMOTERS**

President of India, Acting through the Ministry of Power, Government of India

**LISTING**

The Bonds are proposed to be listed on the BSE and/or NSE. NSE is proposed to be the Designated Stock Exchange.

**ELIGIBLE INVESTORS**

The offer is made to QIBs, arranger (either on proprietary basis or otherwise as permitted under the BSE EBP Platform and any Non-QIB Investors. For details, please refer Summary Term Sheet. The current issue is not being underwritten. Neither the Issuer nor Directors of the Isser is a wilful defaulter. For further details pertaining to wilful defaulter, please refer to page no. 97 of this Placement Memorandum.

**Compliance Clause of EBP:** This Offer is made on the Electronic Book Building Mechanism of BSE Limited in compliance with SEBI Debt Regulations and circular issued by BSE. A draft of this Placement Memorandum has been uploaded on the EBP of BSE on March 27, 2023

Debtenture trustee		Registrar to the Issue		Credit Rating Agencies	
<b>IDBI Trustee Services Ltd</b> <b>IDBI Trusteeship Services Limited</b> Universal Insurance Building Ground Floor, Sir P.M. Road Fort, Mumbai - 400001 Tel: 022-40807000 Contact Person: Mr. Hemant Sundvesha Email: itsl@idbitrustee.com, subrat@idbitrustee.com, hemant.s@idbitrustee.com		<b>Beetal Financial &amp; Computer Services Pvt Ltd.</b> Beetal House, 3rd Floor, 99, Madangir, Behind LSC, New Delhi - 110062 Tel: 011-29961281-283, 26051061, 26051064 Fax No.: 011-29961284 Contact Person: Mr. Punit Mittal E-mail: beetalrta@gmail.com, beetal@beetalfinancial.com		<b>CRISIL</b> An S&P Global Company <b>CRISIL Ratings Limited</b> CRISIL House, Central Avenue, Hiranandani, Business Park, Powai, Mumbai-400075 Tel: 022-33423000, Fax: 022-33423001 Contact person: Ms. Akanksha Aggarwal Email: Akanksha.aggarwal@crisil.com	
<b>ICRA Limited</b> B-710, Statesman House, 148, Barakhamba Road, New Delhi 110001 Tel: 011-23357940-45 Contact person: Mr. Siddharth Kaushik, Email: siddhartha.kaushik@icraindia.com		<b>CARE Ratings Limited</b> 13th Floor, E-1 Block, Videocon Tower, Jhandewalan Extension, New Delhi-110055 Tel:011-45333200, 23716199 Fax: 011-45333238 Contact Person: Mr. Agnimitra Kar, Email: agnimitra.kar@careedge.in			
Bid Open/ Bid Close on		Issue Open/ Issue Close on		Deemed Date of Allotment	
March 29, 2023		March 29, 2023		March 31, 2023	
Coupon Rate		Coupon Payment Frequency		Redemption Date	
7.56%		Quarterly		10 Years from the Deemed Date of Allotment with equal quarterly redemption payments starting from August 17, 2023 except for last redemption installment which shall be paid on the maturity date.	
				At Par (Rs. 1 Lakh per Debenture)	

The Issue of Bonds shall be subject to the provisions of the Companies Act, 2013, as amended (the "**Companies Act**"), the rules notified thereunder, the Memorandum and Articles of Association of the Issuer, SEBI Debt Regulations, SEBI LODR Regulations, the terms and conditions of this Placement Memorandum filed with the Designated Stock Exchange, the Application Form, the Debenture Trust Deed and the Transaction Documents in relation to the Issue. Capitalized terms used here have the meaning ascribed to them in this Placement Memorandum.

\* Since March 30, 2023 is a trading holiday therefore T+1 date is next working day, being March 31, 2023

The Issuer reserves its sole and absolute right to modify (pr -pone/ postpone) the above issue schedule without giving any reasons or prior notice. The issuer also reserves its sole and absolute right to change the Deemed Date of Allotment/Pay in date of the above issue without giving any reasons or prior notice.

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## **PRIVATE PLACEMENT MEMORANDUM CUM APPLICATION LETTER**

THIS PLACEMENT MEMORANDUM IS NEITHER A PROSPECTUS NOR A STATEMENT IN LIEU OF A PROSPECTUS AND DOES NOT CONSTITUTE AN OFFER TO THE PUBLIC GENERALLY TO SUBSCRIBE FOR OR OTHERWISE ACQUIRE THE DEBENTURES TO BE ISSUED UNDER THE ISSUE.

THIS PLACEMENT MEMORANDUM IS PREPARED AND ISSUED IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021, ISSUED VIDE CIRCULAR NUMBER SEBI/LAD-NRO/GN/2021/39 DATED 09<sup>TH</sup> AUGUST 2021, AS AMENDED FROM TIME TO TIME, READ WITH THE CIRCULARS ISSUED THEREUNDER; THE OPERATIONAL CIRCULAR FOR ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES, SECURITISED DEBT INSTRUMENTS, SECURITY RECEIPTS, MUNICIPAL DEBT SECURITIES AND COMMERCIAL PAPER ISSUED BY SECURITIES AND EXCHANGE BOARD OF INDIA, ISSUED VIDE OPERATIONAL CIRCULAR NO. SEBI/HO/DDHS/P/CIR/2021/613 DATED 10<sup>TH</sup> AUGUST, 2021, AS AMENDED FROM TIME TO TIME, THE PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER PURSUANT TO SECTION 42 OF THE COMPANIES ACT, 2013 READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014 AND PURSUANT TO SECTION 71 OF THE COMPANIES ACT, 2013 READ WITH RULE 18 OF THE COMPANIES (SHARE CAPITAL AND DEBENTURES) RULES, 2014 FOR ISSUE OF NON-CONVERTIBLE DEBENTURES ON A PRIVATE PLACEMENT BASIS.

PLACEMENT MEMORANDUM FOR PRIVATE PLACEMENT OF 42,500 UNSECURED NON-CONVERTIBLE NON-CUMULATIVE TAXABLE REDEEMABLE BONDS OF FACE VALUE OF RS.1,00,000.00 (RUPEES ONE LAKH) EACH IN THE NATURE OF DEBENTURES (**POWERGRID BOND LXXII ISSUE [72<sup>nd</sup> Issue]**) (COLLECTIVELY REFERRED TO AS THE “BONDS”) AT PAR AGGREGATING TO TOTAL SIZE RS. 425 CRORE WITH A BASE ISSUE SIZE OF RS. 100 CRORE AND GREEN SHOE OPTION TO RETAIN OVERSUBSCRIPTION OF RS. 325 CRORE, BY POWER GRID CORPORATION OF INDIA LIMITED “POWERGRID” OR THE “ISSUER” OR THE “COMPANY”)

### **AUTHORITY TO THE ISSUE**

The present issue of bonds is being made pursuant to:

- a. Resolution passed by the Committee of Directors of the Board under Section 42, 71 of the Companies Act, 2013 at in its 220<sup>th</sup> meeting held on 24<sup>th</sup> March, 2023 in respect of issue of unsecured non-convertible non-cumulative taxable redeemable bonds.
- b. Board resolution passed at the meeting of Board of Directors held on 17<sup>th</sup> June, 2021 under Sections 179, 42 and 71 of Companies Act, 2013 to borrow funds upto Rs. 6,000 Crores
- c. Special resolution passed in 32<sup>nd</sup> Annual General Meeting held on 24<sup>th</sup> September, 2021 under Sections 42 and 71 of Companies Act, 2013 read with Rule 14(2) of Companies (Prospectus and Allotment of Securities) Rules, 2014 and other applicable provisions of Companies Act, 2013 and Securities and Exchange Board of India, including the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended, or provisions of any other applicable law, and the Memorandum and Articles of Association of the Company to raise up to Rs. 6,000 Crore in domestic market during the financial year 2022-23 for financing of capital expenditure, providing Inter Corporate Loan(s) to wholly owned subsidiaries and for general corporate purposes, in one or more tranches but not exceeding

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- twenty tranches / offers through issue of secured/unsecured, non-convertible, cumulative/non-cumulative, redeemable, taxable / tax-free debentures (“Bonds”) under Private Placement.
- d. Shareholders resolution passed in 28<sup>th</sup> Annual General Meeting held on 19<sup>th</sup> September, 2017 under Section 180(1)(a) & 180(1)(c) of the Companies Act, 2013 and other applicable provisions, if any, for enhancing the overall borrowing limits of POWERGRID from Rs. 1,50,000 Crore to Rs. 1,80,000 Crore

**Note: Further issuances may be made by the Issuer under the ISIN allotted for the present Issue.**

### **1. Issuer’s Absolute Responsibility**

*The issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this placement memorandum contains all information with regard to the issuer and the issue which is material in the context of the issue, that the information contained in the placement memorandum is true and correct in all material aspects and is not misleading, that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading.*

### **2. Disclaimer Clause**

This Placement Memorandum (“**Disclosure Document**”/ “**Private Placement Memorandum**”) is neither a Prospectus nor a Statement in Lieu of Prospectus. The proposed resource raising through Unsecured, non-convertible, non-cumulative, redeemable, Taxable Bonds to be listed on the BSE Limited (“**BSE**”) and/or National Stock Exchange of India Ltd (“**NSE**”) (hereinafter referred to as “**Bonds**”) is being made strictly on a Private Placement basis. It is not, and should not be deemed to constitute an offer or an invitation to subscribe to Bonds issued by Power Grid Corporation of India Limited (the “**Company**”/ the “**Issuer**” / “**Corporation**” / “**POWERGRID**”) by or on behalf of the Company to subscribe for or purchase, any of the Bonds in any jurisdiction or under any circumstances in which such offer or invitation is unauthorized or unlawful. The contents of this disclosure document are intended to be used by the person to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced. Potential investors are required to make their independent evaluation and judgment before making the investment.

This Private Placement Memorandum has not been submitted, cleared or approved by SEBI and has been prepared to facilitate investors to take a well-informed decision for making investment in the proposed issue. It should be clearly understood that the Company is primarily responsible for the correctness, adequacy and disclosure of all relevant information in this document.

No person is authorized in connection with the issuance and sale of the Bonds, to give any information or to make any representation not contained in this Private Placement Memorandum, and, if given or made, any information or representation not contained herein must not be relied upon as having been authorized by the Company.

The Bonds will be issued solely and sold on a private placement basis. This Private Placement Memorandum cannot be acted upon by any person other than to whom it has been specifically addressed. Multiple copies hereof given to the same entity shall be deemed to be given to the same person and shall be treated as such. This Private Placement Memorandum has been prepared by the Company solely for use in connection with the issue and sale of the Bonds. Each prospective purchaser, by accepting delivery of this Private Placement Memorandum, agrees to the foregoing and

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to make no copies of this Private Placement Memorandum.

The Company believes that the information contained in this Private Placement Memorandum is accurate in all respects as of the date hereof.

This Private Placement Memorandum should not be construed as a recommendation by the Company to any person to subscribe /purchase the Bonds. Potential investors should make their own independent investigation of the financial condition or otherwise of the Company and the terms of this private placement and the Bonds, including the merits and risks involved.

This Private Placement Memorandum is issued by the Company and signed by its authorized signatories.

### **Disclaimer Statement from the Issuer**

POWERGRID accepts no responsibility for statements made otherwise than in the Private Placement Memorandum or any other material issued by or at the instance of POWERGRID and anyone placing reliance on any other source of information would be doing so at his own risk.

### **Disclaimer of the Stock Exchange**

As required, a copy of this Placement Memorandum will be submitted to BSE and/or NSE. It is to be distinctly understood that such submission or in-principle approval given by BSE vide letter DCS/COMP/RM/IP-PPDI/720/22-23 dated March 24, 2023 and NSE vide letter ref no. NSE/LIST/6164 dated March 24, 2023 or hosting the same on its website in terms of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended from time to time, should not in any way be deemed or construed that the document has been cleared or approved by BSE and/or NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Placement Memorandum; nor does it warrant that this Issuer's securities will be listed or continue to be listed on the Exchange; nor does it take responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of the POWERGRID.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

### **Disclaimer of the Rating Agencies**

#### **Disclaimer of CARE:**

The ratings issued by CARE Ratings Limited are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings Limited has based its ratings/outlooks based on information obtained from reliable and credible sources. CARE Ratings Limited does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings Limited have paid a credit rating fee, based on the amount and type of bank



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facilities/instruments. CARE Ratings Limited or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating/outlook assigned by CARE Ratings Limited is, inter-alia, based on the capital deployed by the partners/proprietor and the current financial strength of the firm. The rating/outlook may undergo a change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE Ratings Limited is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE Ratings Limited's rating.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

#### **Disclaimer of CRISIL:**

A rating by CRISIL Ratings reflects CRISIL Ratings' current opinion on the likelihood of timely payment of the obligations under the rated instrument, and does not constitute an audit of the rated entity by CRISIL Ratings. Our ratings are based on information provided by the issuer or obtained by CRISIL Ratings from sources it considers reliable. CRISIL Ratings does not guarantee the completeness or accuracy of the information on which the rating is based. A rating by CRISIL Ratings is not a recommendation to buy / sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. CRISIL Ratings has a practice of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. CRISIL Ratings is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of its ratings. CRISIL Ratings' criteria are available without charge to the public on the web site, [www.crisilratings.com](http://www.crisilratings.com). CRISIL Ratings or its associates may have other commercial transactions with the company/entity. For the latest rating information on any instrument of any company rated by CRISIL Ratings, please visit [www.crisilratings.com](http://www.crisilratings.com) or contact Customer Service Helpdesk at [CRISILratingdesk@crisil.com](mailto:CRISILratingdesk@crisil.com) or at 1800-267-1301.

#### **Disclaimer of ICRA:**

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website [www.icra.in](http://www.icra.in) or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.

**Disclaimer of the Trustee**

Investors should carefully read and note the contents of the Placement Memorandum. Each prospective investor should make its own independent assessment of the merit of the investment in Bonds and the Bank. Prospective investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the Bonds and should possess the appropriate resources to analyze such investment and suitability of such investment to such investor's particular circumstance. Prospective investors are required to make their own independent evaluation and judgement before making the investment and are believed to be experienced in Investing in debt markets and are able to bear the economic risk of investing in such instruments. The Debenture Trustee does not guarantee the terms of payment regarding the issue as stated in this Placement Memorandum and shall not be held liable for any default in the same. The Debenture Trustee ipso facto does not have the obligations of a borrower or a principal debtor or a guarantor as to the monies paid/invested by the subscribers to the Debentures.

**3. Definitions/Abbreviations**

<b>Term</b>	<b>Description</b>
“POWERGRID” / “Company” / “Corporation” / “Issuer”	“Power Grid Corporation of India Limited, a public limited company incorporated under Companies Act, 1956,
APDRP	Accelerated Power Development and Reform Programme
Articles of Association or Articles	The articles of association of the Company, as amended from time to time
Board or Board of Directors	The board of directors of the Company
Bondholder / Debenture holder	The holder of the Bonds
BSE	BSE Limited
Bonds	Unsecured, Non-Convertible, Non-Cumulative, Redeemable, Taxable Bonds in the nature of Debentures
BOOM	Built, Own, Operate and Maintain
BRR/DRR	Bond Redemption Reserve/ Debenture Redemption Reserve
CARE	Credit Analysis and Research Limited
CDSL	Central Depository Services (India) Limited
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission
CMD	Chairman and Managing Director of POWERGRID
CRISIL	CRISIL Rating Limited
Companies Act	The Companies Act, 2013, as amended.
CTUIL	Central Transmission Utility of India Limited
DDUGJY	Deen Dayal Upadhyaya Gram Jyoti Yojana
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository/ies	National Securities Depository Limited (NSDL); and Central Depository Services (India) Limited (CDSL)
Directors	The directors of the Company

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<b>Term</b>	<b>Description</b>
DP	Depository Participant
Electricity Act	Electricity Act, 2003 as amended from time to time
EBP Guidelines	Guidelines for Electronic Bidding Platform issued by BSE and/or NSE, as amended and modified from time to time.
FII's / FPIs	Foreign Institutional Investors / Foreign Portfolio Investors
Fiscal	Period of twelve months period ending March 31 of that particular year unless otherwise stated
FY	Financial Year
GoI or Government	Government of India
Green shoe Option	Right to retain over subscription
HVDC	High Voltage Direct Current
ICRA	ICRA Limited
I.T. Act	The Income-tax Act, 1961 as amended from time to time.
InvIT	Infrastructure Investment Trust
Issue	Private Placement of POWERGRID Bonds
ISTS	Inter State Transmission System
Memorandum of Association or Memorandum	The memorandum of association of the Company, as amended from time to time
MoP	Ministry of Power, Government of India
MoU	Memorandum of Understanding
NLDC	National Load Dispatch Centre
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
PAN	Permanent Account Number allotted under the I.T. Act
Placement Memorandum/Private Placement Memorandum cum Application Letter / Offer Document	This placement memorandum dated March 29, 2023 issued by POWERGRID
PGINVIT	POWERGRID's Infrastructure Investment Trust
PNMTL	POWERGRID NM Transmission Limited
PUTL	POWERGRID Unchahar Transmission Limited
PSITSL	POWERGRID Southern Interconnector Transmission System Limited
PMJTL	POWERGRID Medinipur-Jeerat Transmission Limited
PVeTL	POWERGRID Vemagiri Transmission Limited
PMTL	POWERGRID Mithilanchal Transmission Ltd
PVTSL	POWERGRID Varanasi Transmission System Ltd
PJFTL	POWERGRID Jawaharpur Firozabad Transmission Limited
PKTL	POWERGRID Khetri Transmissin System Limited
PBGTL	POWERGRID Bhind Guna Transmission Limited
PAPTL	POWERGRID Ajmer Phagi Transmission Limited

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<b>Term</b>	<b>Description</b>
PFTL	POWERGRID Fatehgarh Transmission Limited
PBTL	POWERGRID Bhuj Transmission Limited
PRSTL	POWERGRID Rampur Sambhal Transmission Limited
PMSTL	POWERGRID Meerut Simbhavali Transmission Limited
PRTL	POWERGRID Ramgarh Transmission Limited
PBTSL	POWERGRID Bikaner Transmission System Limited
PBTL	POWERGRID Bhadla Transmission Limited
PSTL	POWERGRID Sikar Transmission Limited
PASTL	POWERGRID Aligarh Sikar Transmission Limited
PHTL	POWERGRID Himachal Transmission Limited
PTSL	POWERGRID Teleservices Limited
PNTL	POWERGRID Narela Transmission Limited
PESL	POWERGRID Energy Services Limited
PGYTL	POWERGRID Gomti Yamuna Transmission Limited
PNTSL	POWERGRID Neemuch Transmission System Limited
PENTL	POWERGRID ER NER Transmission Limited
Promoter	The President of India, acting through the Ministry of Power, Government of India
₹/ INR	Indian Rupee
RTGS	Real Time Gross Settlement
Registrar	Registrar to the Issue, in this case being BEETAL Financial & Computer Services (P) Ltd.
RBI	The Reserve Bank of India
REC	Rural Electrification Corporation
Registered Office	The registered office of the Company, which, is B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi 110 016, India
RGGVY	Rajiv Gandhi Grameen Vidyutikaran Yojana
RLDC	Regional Load Dispatch Centre
SEB	State Electricity Board
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI EBP Circular	Refers to Chapter VI of SEBI Operational Circular as amended from time to time and read with SEBI Circular having Reference No. SEBI/HO/DDHS/ DDHS_Div1/P/CIR/2022/00139 dated October 10, 2022
SEBI NCS Regulations/ SEBI Debt Regulations	SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 issued vide Notification No. SEBI/LAD-NRO/GN/2021/39 dated 9 August 2021, as amended from time to time and such other circulars applicable for issue of Non-Convertible Securities issued by SEBI from time to time
SEBI LODR/LODR	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015



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Term	Description
SEBI Operational Circular	SEBI operational circular dated August 10, 2021 bearing reference SEBI/HO/DDHS/P/CIR/2021/613 as amended from time to time.
STRPPs	Separately Transferable Redeemable Principal Parts
Stock Exchange(s)	BSE and/or NSE as the Company may decide for listing the Debentures
SPUs	State Power Utilities
TDS	Tax Deducted at Source
TBCB	Tariff Based Competitive Bidding
Trustees	Trustees for the Bondholders
The Issue/ The Offer/ Private Placement	Private placement of unsecured, non-cumulative, non convertible, redeemable, taxable debentures
TPA(s)/ Tripartite Agreement(s)	Tripartite Agreements executed by the Government, Reserve Bank of India and the respective State Governments
ULDC	Unified Load Dispatch Centre

#### 4. General Information

##### a. Issuer Information:

Particulars	Details
<b>Name of the Company</b>	Power Grid Corporation of India Limited
<b>CIN No.</b>	L40101DL1989GOI038121
<b>LEI No.</b>	33580095SHWZ3DZEQ4Z56
<b>Website</b>	<a href="http://www.powergrid.in">www.powergrid.in</a>
<b>Email</b>	<a href="mailto:pgbonds@powergrid.co.in">pgbonds@powergrid.co.in</a> <a href="mailto:mrinal@powergrid.in">mrinal@powergrid.in</a>
<b>Registered Office</b>	B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi – 110 016
<b>Corporate Office</b>	‘Saudamini’ Plot No.2, Sector 29, Gurgaon – 122 001
<b>Telephone Nos.</b>	R.O. 011-26560112, 26560121, 26564892 Corp. Office: (0124) 2822484, 2822485, 2422433 (Gurgaon) Fax. (0124) 2571896, 2571891 (Gurgaon)
<b>Date of Incorporation</b>	23 <sup>rd</sup> October, 1989

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Particulars	Details
<b>Compliance Officer of the Issue</b>	Shri Mrinal Shrivastava Company Secretary & Compliance Officer Power Grid Corporation of India Ltd., Email - <a href="mailto:mrinal@powergrid.in">mrinal@powergrid.in</a>
<b>CFO of the Issuer</b>	Director (Finance) Power Grid Corporation of India Ltd.,

## 5. Details of Promoters of the Issuer Company

<b>President of India, Acting through the Ministry of Power, Government of India</b>						
Sr No	Name of the shareholders	Total No of Equity Shares*	No of shares in demat form	Total shareholding as % of total no of equity shares	No of Shares Pledged	% of Shares pledged with respect to shares owned.
1.	President of India	3581163210	3581163210	51.34	-	-

\* As on December 31, 2022

Note: Permanent Account Number, Aadhaar Number, Driving License Number, Bank Account Number(s) and Passport Number of the promoters is not mentioned being not applicable as promoter is President of India.

### Declaration by the Issuer:

The Issuer declares that the Permanent Account Number of Directors will be submitted to the stock exchanges where the listing is proposed, at the time of seeking in-principle approval.

## 6. Details of credit rating by the rating agencies in relation to the Issue:

Name of Rating Agencies	Credit Ratings	Date of Credit Rating
CRISIL Rating Limited	CRISIL AAA/Stable	01-03-2023
ICRA Ltd.	[ICRA] AAA (Stable)	03-03-2023
CARE Ratings Ltd.	CARE AAA; Stable	03-03-2023

The Issuer confirms that the above ratings are valid as on date and will remain valid till the date of issuance and listing of the bonds.

Link for Credit rating press release:

### 1. CRISIL:

[https://www.crisil.com/mnt/winshare/Ratings/RatingList/RatingDocs/PowerGridCorporationofIndiaLimited\\_June%2003,%202022\\_RR\\_294824.html](https://www.crisil.com/mnt/winshare/Ratings/RatingList/RatingDocs/PowerGridCorporationofIndiaLimited_June%2003,%202022_RR_294824.html)

**2. ICRA:**

<https://www.icra.in/Rationale/ShowRationaleReport?Id=117220>

**3. CARE:**

[https://www.careratings.com/upload/CompanyFiles/PR/01072022075817\\_Power\\_Grid\\_Corporation\\_of\\_India\\_Limited.pdf](https://www.careratings.com/upload/CompanyFiles/PR/01072022075817_Power_Grid_Corporation_of_India_Limited.pdf)



**7. Name(s) of the stock exchange(s) where the non-convertible securities are proposed to be listed and the details of in-principle approval for listing:**

The bond issue is proposed to be listed on BSE and/or NSE. The Issuer has obtained the “in-principle” approval vide letter DCS/COMP/RM/IP-PPDI/720/22-23 dated March 24, 2023 and NSE vide letter ref no. NSE/LIST/6164 dated March 24, 2023 from BSE and NSE respectively and for listing of the Bonds offered under this Placement Memorandum. NSE is the designated stock exchange for the issue and recovery expense fund has already been created with NSE.

**8. Issue Schedule:**

Particulars	Date
Issue Opening Date	March 29, 2023
Issue Closing Date	March 29, 2023
Pay-In Date	March 31, 2023 (Since March 30, 2023 is a trading holiday therefore T+1 date is next working day, being March 31, 2023)
Deemed Date of Allotment	March 31, 2023


**9. Name and details of the Trustee, Credit Rating Agencies, Registrar, Arrangers etc.:**

<b>Trustee of the Issue</b>  	IDBI Trusteeship Services Limited, Universal Insurance Building Ground Floor, Sir P.M. Road Fort, Mumbai - 400001 Contact Person: Mr. Hemant Sundvesha Ph : 022- 40807050; Mo. 8097474632 Fax : 022-66311776 Email : <a href="mailto:hemant.s@idbitrustee.com">hemant.s@idbitrustee.com</a> ; itsl@idbitrustee.co.in Website: <a href="http://www.idbitrustee.com">www.idbitrustee.com</a>
<b>Registrar of the Issue</b>  	M/s BEETAL Financial & Computer Services Pvt Ltd Beetal House, 3rd Floor, 99, Madangir, Behind LSC, New Delhi - 110062 Contact Person: Mr. Punit Mittal Ph. 011-29961281-283, 26051061, 26051064 Fax 011-29961284 Email: <a href="mailto:beetalrta@gmail.com">beetalrta@gmail.com</a> , <a href="mailto:beetal@beetalfinancial.com">beetal@beetalfinancial.com</a>

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	Website: <a href="http://www.beetalfinancial.com">www.beetalfinancial.com</a>
<b>Credit Rating Agencies of the Issue</b>      	<p>i) ICRA Limited Building no.8, 2nd floor Tower A, DLF cyber city Phase II Gurgaon 122002 Tel: 011-23357940-45 Contact person: Mr. Siddharth Kaushik, Email: <a href="mailto:siddhartha.kaushik@icraindia.com">siddhartha.kaushik@icraindia.com</a> Website - <a href="http://www.icra.in">www.icra.in</a></p> <p>ii) CRISIL Limited Plot No. 46, Sector 44 Opposite PF Office, Gurgaon-122003 Tel:022-33423000, Contact person: Ms. Akanksha Aggarwal, Email: <a href="mailto:Akanksha.Aggarwal@crisil.com">Akanksha.Aggarwal@crisil.com</a> Website: <a href="http://www.crisil.com">www.crisil.com</a></p> <p>iii) CARE Ratings Limited 13<sup>th</sup> Floor, E-1 Block, Videocon Tower, Jhandewalan Extension, New Delhi- 110055 Tel: -011-45333200, 23716199 Contact person: Mr. Agnimitra Kar, Email: <a href="mailto:agnimitra.kar@careedge.in">agnimitra.kar@careedge.in</a> Website: <a href="http://www.careratings.com">www.careratings.com</a></p>






**Transaction Advisor:**

<b>Logo</b>	
<b>Name</b>	SBI Capital Markets Limited
<b>Address</b>	202, Maker Tower 'E', Cuffe Parade, Mumbai 400 005
<b>Website</b>	<a href="http://www.sbicaps.com">www.sbicaps.com</a>
<b>Email</b>	<a href="mailto:dcm@sbicaps.com">dcm@sbicaps.com</a>
<b>Telephone</b>	+91-22-2217 8300
<b>Contact Person</b>	Mandeep Singh



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**Arrangers to the Issue**

	
<b>Name</b>	: Kotak Mahindra Bank
<b>Address</b>	: Kotak Mahindra Bank Ltd Kotak Aerocity city, Asset area 9 , 3rd Floor, IBIS Commercial Block Hospitality District, IGI Airport New Delhi-110037
<b>Website</b>	: <a href="http://www.kotak.com">www.kotak.com</a>
<b>Email</b>	: <a href="mailto:Ahmedwiqar.rahim@kotak.com">Ahmedwiqar.rahim@kotak.com</a>
<b>Telephone</b>	: 011-41276001
<b>Contact Person</b>	: Ahmed Wiqar Rahim
	
<b>Name</b>	: PRP Professional Edge Associates Private Limited
<b>Address</b>	: 508, 5th Floor, Eros City Square, Rosewood City, Sector - 49-50, Gurugram - 122018, Haryana
<b>Website</b>	: <a href="http://www.prpedge.com">www.prpedge.com</a>
<b>Email</b>	: <a href="http://www.prpedge.com">www.prpedge.com</a>
<b>Telephone</b>	: 0124-4249000
<b>Contact Person</b>	: Sachin Negi
	
<b>Name</b>	: YES Bank Limited
<b>Address</b>	: 5th Floor, Max Towers, Sector 16B, Noida (UP) - 201301
<b>Website</b>	: <a href="mailto:ankush.siddhu@yesbank.in">ankush.siddhu@yesbank.in</a>
<b>Email</b>	: <a href="http://www.yesbank.in">www.yesbank.in</a>
<b>Telephone</b>	: +91-8826311225, 0120-6791611
<b>Contact Person</b>	: Mr. Ankush Siddhu
	
<b>Name</b>	: Axis Bank Limited
<b>Address</b>	: Axis House, 4th Floor, Tower 4, Sector-128, Noida-201304
<b>Website</b>	: <a href="http://www.axisbank.com">www.axisbank.com</a>
<b>Email</b>	: <a href="mailto:vikrant5.verma@axisbank.com">vikrant5.verma@axisbank.com</a>
<b>Telephone</b>	: 0120-6210860 (D) 9811616269 (M)
<b>Contact Person</b>	: Mr. Vikrant Verma
	
<b>Name</b>	: PNB Gilts Limited
<b>Address</b>	: 4th Floor, PNB House, Sir P.M. Road, Fort, Mumbai - 400 001
<b>Website</b>	: <a href="http://www.pnbgilts.com">www.pnbgilts.com</a>
<b>Email</b>	: <a href="mailto:mumbai@pnbgilts.com">mumbai@pnbgilts.com</a>
<b>Telephone</b>	: 022-2269 1809 / 10
<b>Contact Person</b>	: Mr. Uttam Kumar Saha

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**10. Details of Statutory Auditors of the Company**

<b>Name of Auditor</b>	<b>Address</b>	<b>Auditor since</b>
S Ramanand Aiyar & Co. Chartered Accountants	708, Surya Kiran Building, 19, Kasturba Gandhi Marg, New Delhi-110001, Delhi Contact Person: Mr Bala Subramanian, Partner Contact No.: 9811079732 E-mail: <a href="mailto:bala@sraco.in">bala@sraco.in</a>	FY 2022-23
Umamaheswara Rao & Co. Chartered Accountants	Unit No. 1205, 11 <sup>th</sup> Floor, Vasavi MPM Grand, Ameerpet, Hyderabad Telangana-500073 Contact Person: Mr. G. Krishna Sai, Partner Contact No.: 040-23751833 E-mail: <a href="mailto:krishnasai@umrcas.com">krishnasai@umrcas.com</a>	FY 2019-20
B M Chartrath & Co. LLP Chartered Accountants	#Centre Point# ,4th floor, Room No-440, 21, Hemanta Basu Sarani, Kolkata West Bengal-700001 Contact Person: Mr. Sanjay Sarkar, Partner Contact No.: 033-22484575 E-mail: <a href="mailto:cassarkar@gmail.com">cassarkar@gmail.com</a>	FY 2019-20
PSD & Associates Chartered Accountants	808, Tower – A, Omkar Alta Monte, Pathanwadi Malad East, Mumbai-400097 Contact Person: Mr. Prakash Sharma, Partner Contact No.: 0141-2389181 E-mail: <a href="mailto:sharmapsd@yahoo.com">sharmapsd@yahoo.com</a>	FY 2019-20

Being a Government Company, the statutory auditors of the Issuer are appointed by the Comptroller and Auditor General of India (“CAG”). The annual accounts of the issuer are reviewed by CAG and a report is published.

**11. Details of changes in Auditor since last three years**

<b>Name of the Auditor</b>	<b>Address</b>	<b>Date of Appointment</b>	<b>Date of Cessation, if applicable</b>	<b>Date of Resignation</b>	<b>Remarks</b>
T R Chadha & Co. LLP Chartered Accountants	B-30, Kuthiala Building, Connaught Circus New Delhi-110001	27 <sup>th</sup> August, 2019	25 <sup>th</sup> September, 2022	NA	Appointed by C&AG of India

## 12. Brief Summary of Business/Activities of Issuer and its line of Business

### Overview of Our Business/activities:

We are India's principal Electric Power Transmission Company. As on 31<sup>st</sup> December, 2022, we own and operate about 173,790 circuit kilometers of extra high voltage transmission lines and 270 extra high voltage AC & HVDC substations with a total transformation capacity of more than 493,042 MVA.

We were entrusted with the statutory role of CTU in 1998 by the GOI and continued as CTU under Section 38 of the Electricity Act as amended in 2003. Now, Central Transmission Utility of India Ltd has been incorporated as 100% subsidiary of POWERGRID on 28.12.2020 for discharging the function of Central Transmission Utility.

### We were conferred the status of “Maharatna” by the GoI on October 23, 2019.

We commenced our operations in Fiscal 1991 as National Power Transmission Corporation Limited and changed our name to Power Grid Corporation of India Limited in Fiscal 1993 as part of an initiative of the GoI to consolidate all the ISTS assets of the country in a single entity. Accordingly, from Fiscal 1992 to Fiscal 1994 the transmission assets, including transmission lines and substations, of all central electricity generation utilities that operated on an inter-State or inter-regional basis were transferred to us in a phased manner. Our Equity Shares are currently listed on the BSE and the NSE. We have been receiving the highest annual performance rating of “Excellent” from the GoI in each year since signing MoU Fiscal 1994.

The tariff for transmission projects assigned to us by the GoI under Regulated Tariff Mechanism (RTM) are based on cost-plus-tariff structure. The tariff based on a cost-plus-tariff structure, is determined by the CERC, in accordance with the CERC (terms and conditions of tariff) Regulations 2019. The return on equity of 15.5%, to be grossed up by effective tax rate as applicable for the respective year. Under our tariffs on a cost-plus basis, the operating and maintenance expenses are being reimbursed at normative rates escalated for each FY in a five-year tariff block rather than actual expenses incurred. Pursuant to the Tariff Policy, 2006 notified on January 6, 2006, and the revised Tariff Policy, notified in January, 2016, all future inter-State transmission projects shall, ordinarily, be developed through Tariff Based Competitive Bidding (TBCB) process except for some specifically identified projects exempted by the MoP, on a case-to-case basis, from such competitive bidding process. Under TBCB, tariff for projects is not on cost-plus basis and bidders are required to quote tariff for a period of 35 years for establishing transmission projects on BOOM (Build, Own, Operate and Maintain) or quote single tariff for a period of 35 years for establishing transmission projects on BOOT (Build, Own, Operate and Maintain) basis. The successful bidder would be the one whose bid is evaluated as having the lowest levelized tariff/single tariff. In the period from January 6, 2011 to December 31, 2022 in addition to specifically assigned projects by the GoI under Regulated Tariff Mechanism, we have secured twenty-four inter-State transmission projects and five intra-State transmission projects through TBCB process, each of which are executed by our wholly owned subsidiaries. As of 31.12.2022, seventeen TBCB projects have been completed (inclusive of five subsidiaries which were monetized), one cancelled and the rest are under implementation and are scheduled to be progressively completed by FY2024. Four intra-state transmission projects won through TBCB are in the state of Uttar Pradesh and one in Madhya Pradesh.

We seek to operate our transmission system at high levels of efficiency. In Fiscal 2023, for the period Apr'22-Dec'22, we have maintained system availability of our transmission system at 99.82%.

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The following table presents certain company-wide operating parameters for the periods indicated on a standalone basis:

	As of March, 31					
Particulars	2018	2019	2020	2021	2022	Dec 2022
Transmission Network (circuit kilometers)	148,149	153,074	163,282	168,256	1,72,437	173,790
Substations (number)	234	242	248	259	265	270
Transformation Capacity (MVA)	331,163	365,282	409,899	>438,100	>474,457	>493,042
	For Fiscal					
Particulars	2018	2019	2020	2021	2022	Dec 2022
Transmission System Availability (%)	99.81%	99.71%	99.82%	99.76%	99.83%	99.82%
No of Trippings per line per year (unplanned)	0.60	0.46	0.39	0.36	0.33	0.20

Leveraging on our strength as India's principal power transmission company, and expertise in core areas such as power transmission projects, subtransmission system, distribution management, load dispatch & communications, we have entered into the consultancy business, in India and abroad. In our consultancy role, we have been facilitating the implementation of the GoI-funded projects for the distribution of electricity to end users through "Rural Electrification Schemes" in rural areas in the past; and have further taken up other projects funded by GoI in J&K, North-Eastern States and Sikkim.

We have also entered into the telecommunications bandwidth business since 2001. We have been utilizing our nationwide transmission system to create an overhead fibre optic telecommunication cable network using OPGW on power transmission lines. We believe we are one of the few providers of telecommunications infrastructure with a significant presence in remote and rural areas. We have also facilitated telecom connectivity to our neighboring country Bhutan & Nepal through our OPGW links and by providing domestic bandwidth to International Long Distance ("ILD") operator. We are also one of the implementing agencies for the National Knowledge Network ("NKN") and National Optical Fibre Network ("NOFN"), each a project of GoI. We are certified for PAS 99:2012, which integrates the requirements of ISO 9001 for quality management, ISO 14001 for environment management and OHSAS 18001 for occupational health and safety management systems. We are also accredited with SA 8000 certificate for social accountability system and certified for information security management system as per ISO 27001 which is implemented for all our facilities. Our Corporate Office building is also certified for energy management system as per ISO 50001 requirements.



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POWERGRID has monetised 05 of its TBCB SPVs viz. POWERGRID Vizag Transmission Limited (PVTL), POWERGRID Kala Amb Transmission Limited (PKATL), POWERGRID Parli Transmission Ltd (PPTL), POWERGRID Warora Transmission Limited (PWTL) and POWERGRID Jabalpur Transmission Ltd (PJTL), through POWERGRID Infrastructure Investment Trust (PGInvIT) in FY21-22.

Through this transaction POWERGRID monetised transmission assets held in above mentioned 5 SPVs by transferring 74% equity holding in each of the SPVs to PGINVIT. In consideration for the transfer, POWERGRID received ₹7,735 crore and 13.65 crore units, amounting to 15% of the total post offer units which it is mandatorily required to be held for a minimum period of three years as per SEBI InvIT Regulations.

Upon expiry of lock-in period, the balance residual 26% shareholding in PVTL has been transferred to PGINVIT in March'22. The balance 26% shareholding in each of the remaining SPVs is to be transferred progressively after completion of the respective lock-in period in terms of the Transmission Service Agreement.

The Units issued by PGINVIT were listed on the NSE and BSE on May 14, 2021.

**Our main objects as contained in our Memorandum of Association are:**

1. To plan, promote and develop an integrated and efficient power transmission system network in all its aspects including planning, investigation, research, design and engineering, preparation of preliminary, feasibility and definite project reports, construction, operation and maintenance of transmission lines, sub-stations, load dispatch stations and communication facilities and appurtenant works, coordination of integrated operation of regional and national grid system, providing consultancy services in power systems field, execution of turnkey jobs for other utilities/organizations, wheeling of power, purchase and sale of power in accordance with the policies, guidelines and objectives laid down by the Central Government from time to time.
2. To act as an agent of Government/Public Sector Financial institutions, to exercise all the rights and powers exercisable at any meeting of any company engaged in the planning, investigation, research, design and preparations of preliminary, feasibility and definite project reports, manufacture of power plant and equipment, construction, generation, operation and maintenance of power transmission system from power generating stations and projects, transmission, distribution and sale of power in respect of any shares held by the Government, public financial institutions, nationalized banks, nationalized insurance companies with a view to secure the most effective utilization of the financial investments and loans in such companies and the most efficient development of the concerned industries.
3. To carry on the business of purchasing, manufacturing, selling, importing, exporting, producing, trading, manufacturing plant, equipment and otherwise dealing in all aspects of planning, investigation, research, design, engineering and construction and establishment, operation and maintenance of power transmission systems, distribution systems, generating stations, consultancy and execution of turnkey jobs for other utilities/ organizations and purchase and sale of power, power system development, ancillary and other allied industries and for that purpose to install, operate and manage generating stations and all necessary transmission & distribution lines, sub-stations, switchyards, load dispatch stations and communication facilities, establishments and allied works.

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4. To plan, promote, develop, erect and maintain, operate and otherwise deal in telecommunications networks and services Data Centre, Mobile Tower Infrastructure services, etc. signaling & telecommunication system in all its aspects in India and abroad including for railway works, planning, investigation, research, design and engineering, preparation of preliminary, feasibility and definite project reports; to purchase, sell, import, export, assemble, manufacture, install, commission, maintain, operate commercially whether on own or along with others, on lease or otherwise, these networks and for such purposes to set up and/or install all requisite communications facilities and other facilities including fibre optic links, digital microwave links, communication cables, other telecommunication means, telephone and other exchanges, coaxial stations, microwave stations, repeater stations, Network / Security Operation Centre, Network Control Center, security system databases, billing systems, subscriber management systems and other communication systems whether consisting of sound, visual impulse, or otherwise, existing or that may be developed or invented in the future and to manufacture, purchase, sell, import, export, assemble, take or give on lease/rental/ subscription basis or by similar means or otherwise deal in components and other support and ancillary hardware and software systems, accessories, parts and equipments etc. used in or in connection with the operation of the above communication systems and networks including to deal with telecommunication operators or directly with the general public, commercial companies or otherwise; to obtain the required Telecom Licenses and acknowledge compliance with the terms and conditions of the License Agreement entered into with Department of Telecommunications (DOT).
5. To invest and/or act as Project Management Consultant including energy efficiency, energy conservation etc. and also renewable energy projects, in India and abroad, in the areas of agriculture pump sets installation / replacements, municipal pumping, space cooling / heating, buildings, lift irrigation, waste heat recovery, waste to gas and other related projects
6. To plan, design, develop, procure, implement, operate, maintain and otherwise deal in the business of Smart Grid for the utilities/ customers in all aspects like Advance Metering Infrastructure (AMI) / Supervisory Control And Data Acquisition (SCADA) / Outage Management System (OMS) / Distribution Management System (DMS) hardware and software along with electrical / communication infrastructure, purchase of equipment, import, export, preparation of reports, assembly, manufacture, testing, validation, turnkey implementation, energy storage and other ancillary services, operation, maintenance, lease, undertaking turnkey projects / EPC / consultancy, invest in Smart Grid related projects under BOOT or any other model.
7. To plan, design, develop, invest, install, operate and maintain electric charging infrastructure, leasing, procurement of vehicles, batteries, import, export, preparation of reports, agreement with bulk users or any others for business, building infrastructure, owning, leasing, outsourcing activities, service contracts, undertaking all types of contracts/ consultancy, development of software/ App, hardware, procurement of electricity for charging of electric vehicles batteries and swapping against discharged batteries, EV to grid for grid stability and designing business model.

## Details of Branches

Power Grid has a vast transmission network, spread over the length and breadth of the country. Our network can be assessed at the following link:

<https://www.powergrid.in/>

### **13. Business carried out by Subsidiaries**

Our Company has twenty-eight subsidiaries as on 31<sup>st</sup> December, 2022 and none of which are listed on any stock exchange in India or overseas. Our subsidiaries have not been declared as sick companies under the Sick Industrial Companies (Special Provisions) Act, 1985, as amended.

#### **1. POWERGRID NM TRANSMISSION LIMITED (“PNMTL”)**

POWERGRID NM Transmission Limited (PNMTL), was acquired by POWERGRID on 29<sup>th</sup> March, 2012 under Tariff Based Competitive Bidding for establishing Transmission System associated with IPPs of Nagapattinam / Cuddalore Area (Package A) from PFC Consulting Ltd (the Bid Process Co-coordinator). Consequent to such acquisition, PNMTL became the wholly owned subsidiary of POWERGRID. The transmission system comprising 765kV D/C and 765kV S/C traverses the States of Tamil Nadu and Karnataka. As on 31<sup>st</sup> December, 2022, PNMTL has an Authorized capital of Rs.496.25 crore and Paid up share capital of Rs.488.95 Crore. Nagapattinam-Salem 765 kV D/C line is commissioned on 23<sup>rd</sup> October, 2016 and Salem Madhugiri 765 kV S/C line is commissioned on 26<sup>th</sup> January, 2019.

#### **2. POWERGRID UNCHAHAR TRANSMISSION LIMITED (“PUTL”)**

POWERGRID Unchahar Transmission System Limited (PUTL) was acquired by POWERGRID on 24<sup>th</sup> March, 2014 under Tariff Based Competitive bidding from REC Transmission Projects Company Limited (the Bid Process Co-ordinator) to establishment Transmission System for ATS of Unchahar TPS. Consequent to such acquisition, PUTL became wholly owned subsidiary of POWERGRID. As on 31<sup>st</sup> December, 2022, PUTL has an Authorized Share Capital of Rs.14 crore and Paid-up share capital of Rs.12.96 crore. The Project is declared commissioned on 1<sup>st</sup> October, 2016.

PUTL is also operating as the Investment Manager to POWERGRID’s infrastructure investment trust, ‘PGInvIT.

#### **3. POWERGRID SOUTHERN INTERCONNECTOR TRANSMISSION SYSTEM LIMITED (“PSITSL”)**

POWERGRID Southern Interconnector Transmission System Limited (PSITSL) was acquired by POWERGRID on 4<sup>th</sup> December, 2015 under Tarrif based Competitive bidding from REC Transmission Projects Company Limited (the Bid Process Co-ordinator) to establish transmission system for Strengthening of Transmission System Beyond Vemagiri. Consequent to such acquisition, PSITSL became wholly owned subsidiary of POWERGRID. The transmission project comprising of 765 kV & 400 kV, D/C transmission lines traverses the states of Andhra Pradesh, Telangana & Karnataka and include establishment of one 765/400 kV Substation as well as 400kV bay extension at two existing sub-stations in the state of Andhra Pradesh. As on 31<sup>st</sup> December, 2022, PSITSL has an Authorized share capital of ₹731 Crore and Paid-up Share Capital of ₹709.00 Crore. The project has been commissioned on 18<sup>th</sup> January, 2020.

#### **4. POWERGRID MEDINIPUR-JEERAT TRANSMISSION LIMITED (“PMJTL”)**

POWERGRID Medinipur-Jeerat Transmission Limited (PMJTL) was acquired by POWERGRID on 28<sup>th</sup> March, 2017 under Tariff based competitive bidding from PFC

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Consulting Limited (the Bid Process Coordinator) to establish Transmission System for 765KV System Strengthening in Eastern Region (ERSS-XVIII). Consequent to such acquisition, PMJTL became wholly owned subsidiary of POWERGRID. The transmission system includes establishment of 765kV and 400kV Transmission lines which traverses the states of West Bengal and Jharkhand including establishment of two new 765/400kV Substations in West Bengal. As on 31st December, 2022, PMJTL has an Authorised capital of ₹682.00 crore and paid up share capital of Rs. 643.00 Crore. The Company has been granted transmission license by CERC in 20<sup>th</sup> June, 2017. The project has been successfully commissioned progressively on 26<sup>th</sup> August, 2022.

#### **5. POWERGRID VEMAGIRI TRANSMISSION LIMITED (“PVTL”)**

POWERGRID Vemagiri Transmission Limited was acquired by POWERGRID on April 18, 2012 under Tariff Based Competitive bidding for establishing Transmission system associated with IPPs of Vemagiri Area (Package A) from REC Transmission Projects Company Limited (the Bid Process Co-ordinator). Consequent to such acquisition, POWERGRID Vemagiri Transmission Ltd. became wholly owned subsidiary of POWERGRID. The transmission system comprising 765kV D/C is to traverse the state of Andhra Pradesh and Telangana. As on 31st December, 2022, POWERGRID Vemagiri Transmission Ltd. has an Authorized and Paid-up share capital of Rs.5 Lakh. CERC vide Order dated 6<sup>th</sup> April, 2015 stated that Vemagiri-Khammam-Hyderabad 765 kV D/C lines under the project is neither required as an evacuation line nor as a system strengthening line, no useful purpose will be served by adopting the transmission charges and granting license to the petitioner for the said transmission line and has withdrawn the regulatory approval for the Transmission project.

#### **6. POWERGRID MITHILANCHAL TRANSMISSION LTD (“PMTL”)**

POWERGRID Mithilanchal Transmission Limited (PMTL) was acquired by POWERGRID on 12<sup>th</sup> January, 2018 under Tariff based competitive bidding from REC Transmission Projects Company Limited (the Bid Process Coordinator) for Transmission System associated with “Establish Transmission System for Eastern Region Strengthening Scheme – XXI (ERSS-XXI)”. Consequent to such acquisition, PMTL became wholly owned Subsidiary of POWERGRID. The transmission system includes establishment of 400kV Transmission lines in the state of Bihar including establishment of three new 400/220/132 kV Substations in Bihar. As on 31st December, 2022, PMTL has an authorised capital of ₹245.50 crore and Paid up Share Capital of Rs 233.20 Crore. The Company has been granted transmission license by CERC on 24<sup>th</sup> April, 2018. The project has been successfully commissioned progressively on 17<sup>th</sup> October, 2021.

#### **7. POWERGRID VARANASI TRANSMISSION SYSTEM LTD (“PVTSL”)**

POWERGRID Varanasi Transmission System Limited (PVTSL) was acquired by POWERGRID on 27<sup>th</sup> March, 2018 under Tariff Based Competitive Bidding to establish transmission system for New WR-NR 765 kV Inter-Regional Corridor. The transmission Line traverses the states of Madhya Pradesh and Uttar Pradesh (Northern Region). Consequent to such acquisition, PVTSL became wholly owned subsidiary of POWERGRID. As on 31st December, 2022, PVTSL has Authorized capital of ₹198.90 Crore and Paid Up Share Capital of ₹187.56 Crore. The Company has been granted transmission license by CERC on 27<sup>th</sup> August, 2018. The Project is commissioned on 01<sup>st</sup> August, 2021.

**8. POWERGRID Jawaharpur Firozabad Transmission Limited. (“PJFTL”)**

POWERGRID Jawaharpur Firozabad Transmission Limited (PJFTL) was acquired by POWERGRID on 21<sup>st</sup> December, 2018 under Tariff based competitive bidding from REC Transmission Project Company Limited (the Bid Process Coordinator) for establishing transmission System for Evacuation of Power from 2 X 660 MV Jawaharpur Thermal Power Project and construction of 400 kV Substation at Firozabad along with associated Transmission Lines and is an Intra-State project of Uttar Pradesh. Consequent to such acquisition, PJFTL become wholly owned subsidiary of POWERGRID. As on 31st December, 2022, PJFTL has an Authorized Share Capital of ₹93.70 crore and Paid-up share capital of 89.60 crore. The Company has been granted transmission license by UPERC on 5<sup>th</sup> July 2019. The project is commissioned on 2<sup>nd</sup> July 2021.

**9. POWERGRID Khetri Transmissin System Limited. (“PKTSL”)**

POWERGRID Khetri Transmission System Limited (PKTSL) was acquired by POWERGRID on 29<sup>th</sup> August, 2019 under Tariff based competitive bidding from REC Transmission Project Company Limited (the Bid Process Coordinator) to establish transmission system associated with LTA application from Rajasthan SEZ (Part -C). Consequent to such acquisition, PKTSL become wholly owned subsidiary of POWERGRID. As on 31st December, 2022, PKTSL has an Authorized Share Capital of ₹209 crore and Paid-up Share Capital of ₹198.25 crore. The Company has been granted transmission license by CERC on 19<sup>th</sup> December 2019. The project is commissioned on 04<sup>th</sup> October, 2021.

**10. POWERGRID Bhind Guna Transmission Limited. (“PBGTL”)**

POWERGRID Bhind Guna Transmission Limited (PBGTL) was acquired by POWERGRID on 11<sup>th</sup> September, 2019 under Tariff based competitive bidding from REC Transmission Project Company Limited (the Bid Process Coordinator) to establish transmission system for Intra-State Transmission Work associated with construction of 400 kV Substation near Guna (Distt.-Guna) & Intra-State Transmission Work associated with construction of 220 kV S/s near Bhind (Distt.-Bhind). It is an Intra-State project of Madhya Pradesh. Consequent to such acquisition, PBGTL become wholly owned subsidiary of POWERGRID. As on 31st December, 2022, PBGTL has an Authorized Share Capital of ₹120.42 crore and Paid-up Share Capital of ₹110.65 crore. The project is commissioned on 07<sup>th</sup> October, 2022.

**11. POWERGRID Ajmer Phagi Transmission Limited. (“PAPTL”)**

POWERGRID Ajmer Phagi Transmission Limited (PAPTL) was acquired by POWERGRID on 3<sup>rd</sup> October, 2019 under Tariff based competitive bidding from REC Transmission Project Company Limited (the Bid Process Coordinator) to establish transmission system for Construction of Ajmer (PG)-Phagi 765 kV D/C line along with associated bays for Rajasthan SEZ. Consequent to such acquisition, PAPTL become wholly owned subsidiary of POWERGRID. As on 31st December, 2022, PAPTL has an Authorized Share Capital of ₹125 crore and Paid-up Share Capital of ₹115.00 crore. The Company has been granted transmission license by CERC on 4<sup>th</sup> March, 2020. The project is commissioned on 06<sup>th</sup> May, 2021.



## **12. POWERGRID Fatehgarh Transmission Limited. (“PFTL”)**

POWERGRID Fatehgarh Transmission Limited (PFTL) was acquired by POWERGRID on 14<sup>th</sup> October, 2019 under Tariff based competitive bidding from PFC Consulting Limited (the Bid Process Coordinator) to establish transmission system associated with LTA applications from Rajasthan SEZ Part-B. Consequent to such acquisition, PFTL become wholly owned subsidiary of POWERGRID. As on 31st December, 2022, PFTL has an Authorized Share Capital of ₹141 crore and Paid-up Share Capital of ₹141 crore. The Company has been granted transmission license by CERC on 4<sup>th</sup> March, 2020. The project is commissioned on 01<sup>st</sup> September 2021.

## **13. POWERGRID Bhuj Transmission Limited. (“PBTL”)**

POWERGRID Bhuj Transmission Limited (PBTL) was acquired by POWERGRID on 16<sup>th</sup> October, 2019 under Tariff based competitive bidding from PFC Consulting Limited (the Bid Process Coordinator) to establish transmission system for providing connectivity to RE projects at Bhuj-II (2000MW) in Gujarat. Consequent to such acquisition, PBTL become wholly owned subsidiary of POWERGRID. As on 31st December, 2022, PBTL has an Authorized Share Capital of ₹236 crore and Paid-up Share Capital of ₹225.50 crore. The Company has been granted transmission license by CERC on 3<sup>rd</sup> March 2020. The project is commissioned on 16<sup>th</sup> November, 2022.

## **14. POWERGRID Rampur Sambhal Transmission Limited. (“PRSTL”)**

POWERGRID Rampur Sambhal Transmission Limited (PRSTL) was acquired by POWERGRID on 12<sup>th</sup> December 2019 under Tariff based competitive bidding from REC Transmission Project Company Limited (the Bid Process Coordinator) to establish transmission system for Construction of 765/400/220kV GIS Substation, Rampur and 400/220/132kV GIS Substation, Sambhal with associated Transmission Lines and is an Intra-State project of Uttar Pradesh. Consequent to such acquisition, PRSTL became a wholly owned subsidiary of POWERGRID. As on 31st December, 2022, PRSTL has an Authorized Share Capital of ₹166 Crore and Paid-up Share Capital of Rs.142.10 Crore. The Company was granted transmission license by UPERC in September 2020. The project is partly commissioned and partly under implementation.

## **15. POWERGRID Meerut Simbhavali Transmission Limited. (“PMSTL”)**

POWERGRID Meerut Simbhavali Transmission Limited (PMSTL) was acquired by POWERGRID on 19<sup>th</sup> December, 2019 under Tariff based competitive bidding from PFC Consulting Limited (the Bid Process Coordinator) to establish transmission system for Construction of 765/400/220 KV GIS Substation, Meerut with associated lines and 400/220/132 kV GIS Substation, Simbhavali with associated Transmission lines and is an Intra-State project of Uttar Pradesh. Consequent to such acquisition, PMSTL became a wholly owned subsidiary of POWERGRID. As on 31st December, 2022, PMSTL has an Authorized Share Capital of ₹208 crore and Paid-up Share Capital of ₹190.93 crore. The Company was granted transmission license by UPERC in September 2020. The project is under implementation.



#### **16. POWERGRID Ramgarh Transmission Limited. (“PRTL”)**

POWERGRID Ramgarh Transmission Limited. (“PRTL”) was acquired by POWERGRID on 9<sup>th</sup> March, 2021 under Tariff based competitive bidding from REC Power Distribution Company Limited (the Bid Process Coordinator) to establish a new 400/220kV Substation, 400kV D/C Transmission lines and associated Substation extension works in Rajasthan and it is a Inter-State Transmission System. Consequent to such acquisition, PRTL became a wholly owned subsidiary of POWERGRID. As on 31<sup>st</sup> December, 2022, PRTL has an Authorized Share Capital of ₹20 crore and Paid-up Share Capital of ₹20 crore. The Company was granted transmission license by CERC on 31<sup>st</sup> May, 2021. The project is under implementation.

#### **17. POWERGRID Bikaner Transmission System Limited. (“PBTSL”)**

POWERGRID Bikaner Transmission System Limited. (“PBTSL”) was acquired by POWERGRID on 25<sup>th</sup> March, 2021 under Tariff based competitive bidding from PFC Consulting Limited (the Bid Process Coordinator) to establish a new 400/220kV Substation, STATCOM, and substation extension works in Rajasthan and also comprises 400kV D/C Transmission lines which traverse in Rajasthan and Haryana. The transmission system is a Inter-State Transmission System. Consequent to such acquisition, PBTSL became a wholly owned subsidiary of POWERGRID. As on 31<sup>st</sup> December, 2022, PBTSL has an Authorized Share Capital of ₹100 Crore and Paid-up Share Capital of ₹70 Crore. The Company was granted transmission license by CERC on 15<sup>th</sup> July, 2021. The project is under implementation.

#### **18. POWERGRID Bhadla Transmission Limited (“PBTL”)**

POWERGRID Bhadla Transmission Limited (“PBTL”) was acquired by POWERGRID on 4<sup>th</sup> June, 2021 under Tariff based competitive bidding from REC Power Distribution Company Limited (the Bid Process Coordinator) to establish a 765kV D/c transmission line from Fatehgarh-II PS to Bhadla-II PS along with 2 no. of 765kV bays at each end and associated extension works in Rajasthan and it is an Inter-State Transmission System. Consequent to such acquisition, PBTL became a wholly owned subsidiary of POWERGRID. As on 31<sup>st</sup> December, 2022, PBTL has an Authorized Share Capital of ₹40 crore and Paid-up Share Capital of ₹30.31 Lakh. The Company was granted transmission license by CERC on 25<sup>th</sup> November, 2022. The project is under implementation.

#### **19. POWERGRID Sikar Transmission Limited (“PSTL”)**

POWERGRID Sikar Transmission Limited (“PSTL”) was acquired by POWERGRID on 4<sup>th</sup> June, 2021 under Tariff based competitive bidding from REC Power Distribution Company Limited (the Bid Process Coordinator) to establish a new 765/400kV Substation, 765kV D/C Transmission lines and associated Substation extension works in Rajasthan and it is a Inter-State Transmission System. Consequent to such acquisition, PSTL became a wholly owned subsidiary of POWERGRID. As on 31<sup>st</sup> December, 2022, PSTL has an Authorized Share Capital of ₹80 crore and Paid-up Share Capital of ₹60.01 crore. The Company was granted transmission license by CERC on 27<sup>th</sup> May, 2022. The project is under implementation.

## **20. POWERGRID Aligarh Sikar Transmission Limited (“PASTL”)**

POWERGRID Aligarh Sikar Transmission Limited (“PASTL”) was acquired by POWERGRID on 8<sup>th</sup> June, 2021 under Tariff based competitive bidding from PFC Consulting Limited (the Bid Process Coordinator) to establish a new 765kV D/C Transmission lines and associated Substation extension works in Rajasthan and it is an Inter-State Transmission System. Consequent to such acquisition, PASTL became a wholly owned subsidiary of POWERGRID. As on 31<sup>st</sup> December, 2022, PASTL has an Authorized Share Capital of ₹100 crore and Paid-up Share Capital of ₹70 crore. The Company was granted transmission license on 28<sup>th</sup> May, 2022 by CERC. The project is under implementation.

## **21. Central Transmission Utility of India Limited. (“CTUIL”)**

Central Transmission Utility of India Limited (CTUIL), was incorporated as wholly owned subsidiary of Power Grid Corporation of India Limited on 28<sup>th</sup> December, 2020, which was notified by the Govt. of India as ‘Central Transmission Utility’ w.e.f. 01<sup>st</sup> April 2021 to undertake and discharge all functions of CTU. Your Company continues to be a deemed Transmission Licensee under the Electricity Act, 2003. As the CTU functions are not commercial oriented, the separation of CTU functions is not expected to have material impact on the business operations of the Company. As on 31<sup>st</sup> December, 2022, CTUIL has an Authorized and Paid-up Share Capital of Rs.1 Crore and ₹5 Lakh respectively.

## **22. POWERGRID Himachal Transmission Limited (PHTL)**

JPL [a Joint Venture Company of POWERGRID (26%) and Jaiprakash Power Ventures Limited (74%)] was incorporated in 5<sup>th</sup> October 2006 to evacuate power generated from 1000 MW Karcham Wangtoo Hydro Electric power project in Himachal Pradesh. The assets comprise two transmission lines of 449 ckm (400kV D/c Karcham-Wangtoo- Abdullapur transmission line and LILO of 400kV Baspa-Nathpa Jhakri transmission line at Wangtoo) which are under commercial operation since April 2012. POWERGRID acquired 74% stake of Jaiprakash Power Ventures Limited at an aggregate consideration of ₹354.50 crore resulting in JPL becoming a wholly own subsidiary of POWERGRID w.e.f. 25<sup>th</sup> March 2021. Consequent upon acquisition name of the Company has been changed from Jaypee POWERGRID Limited to POWERGRID Himachal Transmission Limited (PHTL). As on 31<sup>st</sup> December, 2022, the Authorized and Paid-up Share Capital of PHTL is Rs. 300 crore. The project has been commissioned on 1<sup>st</sup> April, 2012.

## **23. POWERGRID TELESERVICES LIMITED (PTSL)**

POWERGRID TELESERVICES LIMITED (A Wholly Owned Subsidiary of POWERGRID) was incorporated in 25<sup>th</sup> November 2021 to undertake Telecommunications and Digital Technology Business of POWERGRID. POWERGRID TELESERVICES LIMITED has obtained the Unified License on 11.05.2022 for National Long Distance, Internet Service Provider Category-A & International Long-Distance services authorizations from Department of Telecommunication (DoT) to carry-out the Telecommunication business. As on 31<sup>st</sup> December, 2022, POWERGRID TELESERVICES LIMITED has an Authorized Share Capital of Rs. 50 Crore and Paid-up Share Capital of Rs.9.00 Crore. Business Transfer Agreement (BTA) to be signed between POWERGRID and POWERGRID TELESERVICES LIMITED is under finalization.

#### **24. POWERGRID Narela Transmission Limited (PNTL)**

POWERGRID Narela Transmission Limited (PNTL) was acquired by POWERGRID on 11th May, 2022 under Tariff based competitive bidding from PFC Consulting Limited (the Bid Process Coordinator) to establish a new 765kV D/C Sub-station at Narela, 765kV D/C Transmission lines and associated works in Rajasthan and it is an Inter-State Transmission System. Consequent to such acquisition, PNTL became a wholly owned subsidiary of POWERGRID. As on 31<sup>st</sup> December, 2022, the Authorized and Paid-up Share Capital of PNTL is ₹1 Lakh. The Company was granted transmission license on 26<sup>th</sup> September, 2022 by CERC. The project is under implementation.

#### **25. POWERGRID Energy Services Limited (PESL)**

Pursuant to approval of the Board of Directors of POWERGRID, a Company was incorporated, as a wholly-owned Subsidiary, namely 'POWERGRID Energy Services Limited' on 14th March, 2022. This Subsidiary has been incorporated to undertake the Energy Management projects in India and Abroad. As on 31<sup>st</sup> December, 2022, the Authorised and paid-up Share Capital of PESL is ₹10 crore and ₹5 Lakh respectively.

#### **26. POWERGRID Gomti Yamuna Transmission Limited (PGYTL)**

POWERGRID Gomti Yamuna Transmission Limited (PGYTL) was acquired by POWERGRID on 30<sup>th</sup> May 2022 under Tariff based competitive bidding from PFC Consulting Limited (the Bid Process Coordinator) to establish transmission system for Construction of 400/220/132kV GIS Substation, Mohanlalganj (Lucknow) with associated 400kV lines, 765kV & 400kV LILO lines at 765kV GIS Substation Rampur and 400kV LILO (Quad Moose on Monopole) at 400kV GIS Substation Noida. **An Intra-State project of Uttar Pradesh.** Consequent to such acquisition, PGYTL became a wholly owned subsidiary of POWERGRID. As on 31<sup>st</sup> December, 2022, the Authorised and paid-up Share Capital of PGYTL is ₹1 Lakh. The Company was granted transmission license by UPERC in December 2022. The project is under implementation.

#### **27. POWERGRID Neemuch Transmission System Limited (PNTSL)**

POWERGRID Neemuch Transmission System Limited (PNTSL) was acquired by POWERGRID on 24<sup>th</sup> August 2022 under Tariff based competitive bidding from REC Power Development and Consultancy Limited (the Bid Process Coordinator) to establish a new 400kV D/C Sub-station at Neemuch, 400kV D/C Transmission lines and associated works in Rajasthan and Madhya Pradesh. It is an Inter-State Transmission System. Consequent to such acquisition, PNTSL became a wholly owned subsidiary of POWERGRID. As on 31<sup>st</sup> December, 2022, the Authorised and paid-up Share Capital of PNTSL is ₹5 Lakh. The Company has applied for grant for transmission license to CERC. The project is under implementation.

#### **28. POWERGRID ER NER Transmission Limited ("PENTL")**

POWERGRID ER NER Transmission Limited ("PENTL") was acquired by POWERGRID on 10<sup>th</sup> October 2022 under Tariff based competitive bidding from REC Power Development

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and Consultancy Limited (the Bid Process Coordinator) for upgradation of 132kV substation to 220kV substation, establishment of 220kV D/C Transmission lines passing through the states of Assam & Arunachal Pradesh and bays extension work. It is an Inter-State Transmission System. Consequent to such acquisition, PENTL became a wholly owned subsidiary of POWERGRID. As on 31<sup>st</sup> December, 2022, PENTL has an Authorized Share Capital and Paid-up Share Capital of ₹5 Lakh. The Company has applied for grant for transmission license to CERC. The project is under implementation.

**Details of Joint Ventures:** <https://www.powergrid.in/joint-ventures>

<b>Existing JVs</b>			
<b>SNo.</b>	<b>Name</b>	<b>Equity Partners</b>	<b>Purpose</b>
1	Powerlinks Transmission Limited	POWERGRID (49%), Tata Power Ltd. (51%)	Transmission system associated with Tala HEP in Bhutan – Progressively Commissioned in Aug'06.
2	Torrent POWERGRID Limited	POWERGRID (26%), Torrent Power Limited (74%)	Transmission System associated with 1100 MW Sugan generating project at Surat – progressively commissioned in Mar'11.
3	North-East Transmission Company Limited	POWERGRID (26%), ONGC Tripura Power Company Limited (26%), Govt. of Tripura (10%), AEGCL (13%), Govt. of Mizoram (10%), Govt. of Manipur (6%), Govt. of Meghalaya (5%) & Govt. of Nagaland (4%)	Transmission system associated with 726.6 MW Gas Based Combined Cycle Power Project at Pallatana in Tripura. - Progressively commissioned in Feb'15.
4	Parbati- Koldam Transmission Company Limited	POWERGRID (26%), India Grid Trust (74%)	Transmission Lines associated with Parbati-II (800 MW) and Koldam (800 MW) HEPs. - Progressively commissioned in Nov'15.
5	Teesta Valley Power Transmission Limited	POWERGRID (30.92%), Teesta Urja Limited (69.08%)	Transmission System associated with 1200 MW Teesta – III HEP in Sikkim. Progressively commissioned in Feb'19.
6	National High Power Test Laboratory Pvt. Limited	POWERGRID (20%), NTPC (20%), NHPC (20%), DVC (20%) and CPRI (20%)	To create high power short circuit test Facility. High Voltage Transformer section Commissioned.

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7	Energy Efficiency Services Ltd	POWERGRID (33.33%), NTPC (33.33%), PFC (17.65%), REC (15.68%)	To carry out and promote business related to Energy Efficiency, Energy Conservation and Climate change.
8	Cross Border Power Transmission Company Ltd.	POWERGRID (26%), IL&FS Energy Development Company Ltd (38%), Satluj Jal Vidyut Nigam Ltd (26%) and NEA (10%)	Establishment of Indian Portion of Indo-Nepal Cross Boarder Transmission Line from Muzaffarpur to Sursand. Progressively commissioned in Feb'16.
9	Bihar Grid Company Limited	POWERGRID (50%), Bihar State Power (Holding) Company Limited (50%)	Establishment of Intra-State Transmission system in the State of Bihar.
10	Power Transmission Company Nepal Ltd. (PTCN)	POWERGRID (26%), NEA (50%), Financial Institutes of Nepal (14%) and IL&FS Energy Development Company Ltd (10%) (IEDCL)	Establishment of Nepal Portion of Indo-Nepal Cross Boarder Transmission Line from Dhalkebar to Bittamod. Progressively commissioned in Feb'16.
11	RINL POWERGRID TLT Private Ltd. (RPTPL)	POWERGRID (50%), Rashtriya Ispat Nigam Ltd (50%)	Establishment of manufacturing of Transmission Line Tower parts plant.
12	Butwal - Gorakhpur Cross Border Power Transmission Limited	POWERGRID (50%), Nepal Electricity Authority (50%)	Building, maintaining and operating transmission systems between India and neighboring countries like Nepal, Bhutan, Bangladesh, Myanmar, Sri Lanka & Pakistan for the purpose of export and import of electricity.

#### 14. Management of the Company

Under our Articles of Association, we are required to have not less than four directors and not more than 18 Director. Our Board presently comprises 10 Directors out of which 05 are whole-time Directors, 02 Directors are nominee of the GoI and 03 are Independent Directors. The following table sets out the details regarding our Board of Directors. The following table sets out the details regarding our Board of Directors.

S No	Name / Designation / DIN and Occupation	Age	Address	Date of Appointment (Director of the Company since)	Other Directorships	Whether wilful defaulter (Yes/No)
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1.	Shri. K. Sreekant, Chairman & Managing Director <b>Occupation:</b> Service <b>DIN:</b> 06615674	59	Bungalow No. FF-1, Power Grid Residential Township Complex, Sector-43, Gurgaon, Haryana- 122002.	01.09.2016 (Appointed as CMD w.e.f 05.08.2019)	1. Bihar Grid Company Limited 2. POWERGRID Energy Services Limited 3. North East Transmission Company Limited 4. Cross Border Power Transmission Company Limited 5. Powerlinks Transmission Limited 6. Teestavalley Power Transmission Limited 7. Energy Efficiency Services Limited 8. POWERGRID Teleservices Limited	No
2.	Dr. V K Singh Director (Personnel) <b>Occupation:</b> Service <b>DIN:</b> 08679313	59	House No-70, 2 <sup>nd</sup> Floor Whitewood Malibu Town, Gurgaon -122001 Haryana.	01.02.2020	1. PTC India Limited 2. POWERGRID Energy Services Limited 3. Torrent Power Grid Limited 4. POWERGRID Bhadla Transmission Limited 5. Parbati Koldam Transmission Company Limited 6. POWERGRID Medinipur Jeerat Transmission Limited 7. POWERGRID Bikaner Transmission System Limited	No
3.	Shri Abhay Choudhary Director (Project) <b>Occupation:</b> Service <b>DIN:</b> 07388432	58	GG-3, POWERGRID Residential Township Complex, Sector-43, Gurgaon Haryana– 122002.	01.11.2020	1. RINL POWERGRID TLT Private Limited 2. Central Transmission Utility of India Limited 3. Powergrid Narela Transmission Limited 4. POWERGRID Aligarh Sikar Transmission Limited 5. POWERGRID Sikar Transmission Limited 6. Powergrid Gomti Yamuna Transmission Limited 7. Powergrid Neemuch Transmission System Limited 8. Energy Efficiency Services Limited	No



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					9. Butwal-Gorakhpur Cross Border Power Transmission Limited 10. Powergrid Unchahar Transmission Limited	
4.	Shri R. K. Tyagi, Director (Operations) <b>Occupation:</b> Service <b>DIN:</b> 09632316	56	D - 2, 604, The Legend, Sector - 57, Tighara Farrukhnagar, Gurgaon, Haryana India-122003.	12.08.2022	1. POWERGRID Energy Services Limited 2. Cross Border Power Transmission Company Limited. 3. Butwal-Gorakhpur Cross Border Power Transmission Limited 4. POWERGRID Teleservices Limited 5. Energy Efficiency Services Limited 6. Convergence Energy Services Limited	No
5.	Shri G Ravisankar Director (Finance) <b>Occupation:</b> Service <b>DIN:</b> 08816101	56	Flat No. E-501 POWERGRID Residential Township Complex, Sector-43, Gurgaon Haryana–122002.	21.09.2022	1. Central Transmission Utility of India Limited 2. POWERGRID Teleservices Limited	No
6.	Mr. Mohammad Afzal Joint Secretary, (Transmission) MoP Govt. Nominee Director <b>Occupation:</b> Service <b>DIN:</b> 09762315	51	102 Type V, Babu Dham, San Martin Marg, Chanakyapuri, Delhi 110021.	11.10.2022	1. NHPC Limited 2. PTC India Limited 3. Grid Controller of India Limited	No
7.	Shri Dilip Nigam, Scientist G, Ministry of New and Renewable Energy, Govt. Nominee Director <b>Occupation:</b> Advisor <b>DIN :</b> 02990661	62	Flats No. 11, D-2, Shahajahan Road, NirmanBhawan, New Delhi – 110011.	06.06.2022	Nil	No
8.	Shri Chetan Bansilal Kankariya Independent Director <b>Occupation:</b> Service <b>DIN:</b> 09402860	46	Kalpataru Vardhaman Nagar, Camp Road, Malegaon, Nashik, Maharashtra- 423203.	17.11.2021	Nil	No
9.	Shri Onkarappa K. N. Independent Director <b>Occupation:</b> Educationalist <b>DIN :</b> 09403906	60	560/23, Lakshmivenkatesha Nilaya, Shivakumara Swamy Layout, Second Stage, Davanagere, Bapuji	17.11.2021	1. POWERGRID Unchahar Transmission Limited	No

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			Vidyanagara Davangere, Karnataka-5077005.			
10.	Shri Ram Naresh Tiwari Independent Director <b>Occupation:</b> Agriculturist <b>DIN :09405377</b>	41	H. No- 99, Near Shiv Mandir, Village KairokharPost-SiyaKharkha, Tehsil-Garautha, Jhansi, Uttar Pradesh-284203.	18.11.2021	1. POWERGRID Unchahar Transmission Limited	No

**15. Details of change in the Directors since last three years**

Name	Date of Appointment	Date of Cessation, if applicable	Date of Resignation, if applicable	Remarks
Shri K. Sreekant	September 01, 2016 (appointed as Director-Finance)	-	-	Appointed as Chairman & Managing Director as per the order of the MOP dated August 05, 2019
Shri Vinod Kumar Singh	February 01, 2020	-	-	Appointed as Director (Personnel) as per the order of the MOP dated January 6, 2020.
Shri AbhayChoudhary	November 01, 2020	-	-	Appointed as Director (Projects) as per the order of the MOP dated October22, 2020.
Shri R. K. Tyagi	August 12, 2022	-	-	Appointed as Director (Operations) as per the order of the MOP dated August 12, 2022.
Shri G. Ravisankar	September 21, 2022	-	-	Appointed as Director (Finance) as per the order of the MOP dated September 21, 2022.
Shri Dilip Nigam	June 6, 2022	-	-	Appointed as Govt. Nominee Director as per the order of the MOP dated June 06, 2022.
Mr. Mohammad Afzal	October 11, 2022	-	-	Appointed as Govt. Nominee Director as per the order of the MOP dated October 10, 2022.
Shri Onkarappa K. N.	November 17, 2021	-	-	Appointed as Independent Director as per the order of the MOP dated November 15, 2021.
Shri Chetan Bansilal Kankariya	November 17, 2021	-	-	Appointed as Independent Director as per the order of the MOP dated November 15, 2021.

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Name	Date of Appointment	Date of Cessation, if applicable	Date of Resignation, if applicable	Remarks
Shri Ram Naresh	November 18, 2021	-	-	Appointed as Independent Director as per the order of the MOP dated November 15, 2021.
Shri M. Taj Mukarrum	July 04, 2020	July 31, 2022		Ceased to be Director (Finance) on attaining the age of Superannuation on July 31, 2022.
Ms. Seema Gupta	March 01, 2018	May 31, 2022		Ceased to be Director (Operation) on attaining the age of Superannuation on May 31, 2022.
Shri Raghuraj Madhav Rajendran	August 05, 2022	October 11, 2022	-	Ceased to be Govt. Nominee Director as per the order of the MOP dated October 10, 2022.
Shri Ghanshyam Prasad	December 21, 2021	July 14, 2022	-	Ceased to be Govt. Nominee Director as per the order of the MOP dated July 14, 2022.
Shri Dilip Nigam	January 04, 2021	April 30, 2022	-	Ceased to be Govt. Nominee Director on April 30, 2022 in terms of Order of MOP, dated January 04, 2021.
Shri M. N. Venkatesan	July 11, 2019	July 10, 2022	-	Ceased to be Non Official Part Time Director on completion of tenure on July 10, 2022.
Shri Mritunjay Kumar Narayan	November 05, 2020	December 06, 2021	-	Ceased to be Govt. Nominee Director as per the order of the MOP dated December 06, 2021.
Shri Sunil Kumar Sharma	July 23, 2018	July 22, 2021	-	Ceased to be Non Official Part Time Director on completion of tenure on July 22, 2021.
Smt. A. R. Mahalakshmi	July 26, 2018	July 25, 2021	-	Ceased to be Non Official Part Time Director on completion of tenure on July 25, 2021.
Shri Tanmay Kumar	March 18, 2020	November 05, 2020	-	Ceased to be Govt. Nominee Director as per the order of the MOP dated November 05, 2020.
Shri Rajeev Kumar Chauhan	August 23, 2018	October 31, 2020	-	Ceased to be Director (Projects) on attaining the age of Superannuation on October 31, 2020.
Shri Manoj Kumar Mittal	September 12, 2017	September 11, 2020	-	Ceased to be Non Official Part Time Director on

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Name	Date of Appointment	Date of Cessation, if applicable	Date of Resignation, if applicable	Remarks
				completion of tenure on September 11, 2020.
Shri Dilip Nigam	December 28, 2019	April 30, 2020	-	Ceased to be Govt. Nominee Director on attaining age of superannuation as per the order of the MOP dated December 20, 2019.
Shri Sanjay Malhotra	January 31, 2020	March 16, 2020	-	Ceased to be Govt. Nominee Director as per the order of the MOP dated March 16, 2020.
Shri Tse Ten Dorji	February 16, 2017	February 15, 2020	-	Ceased to be Non Official Part Time Director on completion of tenure on February 15, 2020.
Shri Sudhir Kumar Gangadhar Rahate	September 27, 2019	January 31, 2020	-	Ceased to be Govt. Nominee Director as per the order of the MOP dated March 16, 2020 & May 28, 2020.
Shri Ravi P. Singh	April 1, 2012	January 31, 2020	-	Ceased to be Director (Personnel) on attaining the age of Superannuation on January 31, 2020.
Shri Jagdish Ishwarbhai Patel	November 17, 2015	September 26, 2019		Ceased to be Non Official Part Time Director as per resignation dated September 26, 2019.
Shri Ghanshyam Prasad	March 01, 2019	September 23, 2019	-	Ceased to be Govt. Nominee Director as per the order of the MOP dated September 23, 2019.
Shri Anurag Agarwal	June 27, 2019	July 12, 2019	-	Ceased to be Govt. Nominee Director as per the order of the MOP dated July 16, 2019.
Shri Vivek Kumar Dewangan	April 26, 2018	June 07, 2019	-	Ceased to be Govt. Nominee Director as per the order of the MOP dated June 07, 2019.
Ms. Bharati	August 31, 2017	February 13, 2019	-	Ceased to be Govt. Nominee Director on the Board on completion of tenure on February 12, 2019 as per the order of MOP dated February 12, 2019.
Shri I.S. Jha	September 1, 2009	January 21, 2019	-	Consequent on his appointment as Member, Central Electricity Regulatory Commission (CERC), has been released by Ministry of Power w.e.f. January 21, 2019 (AN).

## CORPORATE STRUCTURE



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Abbreviation	Description
Admin.	Administration
Alt. CISO	Alternate CISO
AM	Asset Management
AP Comp. T&D Scheme	Arunachal Pradesh Comprehensive T&D Scheme
BDD	Business Development Department
CE	Cost Engineering
CFO	Chief Financial Officer
CGM	Chief General Manager
CISO	Chief Information Security Officer
CMD	Chairman and Managing Director
CMG	Corporate Monitoring Group
Comm.	Commercial
Company Secy	Company Secretary
Consul.	Consultancy
COO	Chief Operating Officer
Corp. Comm.	Corporate Communications
CP	Corporate Planning
CSR	Corporate Social Responsibility
CTUIL	Central Transmission Utility of India Limited
CVO	Chief Vigilance Officer
DVC	Damodar Valley Corporation
DWC	Diversion works coordination cell
Dy CVO	Deputy Chief Vigilance Officer
ED	Executive Director
EESL	Energy Efficiency Services Limited
Engg	Engineering
Engg-SS/TL/Civil	Engineering - Sub station/Transmission Line/Civil
ER-I	Eastern Region - I
ER-II	Eastern Region - II
ERP	Enterprise Resource Planning
ESMD	Environment and Social Management Department
F&A	Finance and Accounts
FQA	Field Quality Assurance
GA&C	Grid Automation & Communication
GETCO	Gujarat Energy Transmission Corp. Ltd.
HR	Human Resource
HVDC	High Voltage Direct Current
I/c	In-charge
IA	Internal Audit
IB	International Business
IR	Industrial Relations
ISD	Information Security Dept.
IT	Information Technology
JV	Joint Venture



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Abbreviation	Description
Mgmt.	Management
MM	Material Management
NER	North Eastern Region
NERPSIP	North East Region Power System Improvement Project
NR-I	Northern Region - I
NR-II	Northern Region - II
NR-III	Northern Region - III
NSGM-PMU	National Smart Grid Mission-Project Management Unit
NTAMC	National Transmission Asset Management Centre
PESL	POWERGRID Energy Services Limited
PESM	Project, Environment and Social Mgmt.
PHTL	POWERGRID Himachal Transmission Ltd.
POWERGRID	Power Grid Corporation of India Limited
Proj.	Projects
PUTL	POWERGRID Unchahar Transmission Limited
QA & I	Quality Assurance & Inspection
RB	Rajbhasha
RC	Regulatory Cell
SGKC	Smart Grid Knowledge Centre
SR-I	Southern Region - I
SR-II	Southern Region - II
TBCB Cell	Tariff Based Competitive Bidding Cell
Tech. Dev.	Technology Development Department
TL	Transmission Line
TPTL	Teestavalley Power Transmission Ltd.
Trans. System	Transmission System
WR-I	Western Region - I
WR-II	Western Region - II

## 16. Management's Perception of Risk Factors

### Risks Relating to the Issuer's Business

***1. Most of the Issuer's revenue is derived from the transmission of power to state power utilities (SPUs), and many of these entities have had weak credit histories in the past.***

In accordance with the terms of allocation letters issued by the Government, the Issuer is obliged to undertake the transmission of electricity to SPUs from central sector power generation stations and IPPs through the Issuer's transmission system. Revenues from transmission charges accounted for 97.10 percent. And 97.47 percent of the Issuer's consolidated total revenue from operations for Fiscal 2020-21 and Fiscal 2021-22, respectively. The SPUs, which are the Issuer's largest customers, represent substantially all of the Issuer's sundry debtors.

The SPUs include certain SEBs, as well as the entities that have been created by the unbundling of the remaining SEBs. The SEBs had weak credit histories in the past. The financial performance of the SEBs deteriorated significantly during the decade prior to the one time settlement of their past-due amounts under a "securitisation scheme" in 2003. Under the one time settlement, the Government, on behalf of the central sector power utilities (CSPUs), including the Issuer, executed "Tripartite Agreements" with the RBI and the respective state governments, in order to effectuate a settlement of overdue payments owed to the CSPUs by the SEBs. Under the Tripartite Agreements, each SEB (and, in the case of SEBs that have been unbundled, each of their successor entities) is required to establish and maintain a letter of credit in the Issuer's favour with a commercial bank. The letter of credit is required to cover 105 per cent. Of the preceding twelve months' average monthly billing in respect of SPUs where tripartite agreement is available and 210 percent in respect of IPPs where tripartite agreement is not available and is required to be updated twice every year. If the letter of credit for the required amount is not in place, the Issuer has the right to regulate the power supply to the concerned SPU/IPP in accordance with the Electricity (Late Payment Surcharge and Related Matters) Rules, 2022 (LPS Rules, 2022) notified by Ministry of Power on 03.06.2022 and regulatory provisions of the relevant Tripartite Agreement. These Tripartite Agreements expired in October 2016 and have been extended by the Government for 10 to 15 year. As of the date of this Offering Circular, All the States/Union Territories have executed the agreements for extension of TPAs except Maharashtra, Punjab, Chandigarh and Puducherry and matter is being pursued with the remaining States/ Union Territories. PFC Limited has been designated as the Nodal Agency for implementation of LPS Rules, 2022 for all States/Uts and Issuer's dues is being updated by CTU on Payment Ratification And Analysis in Power procurement for bringing Transparency in Invoicing (PRAAPTI) portal controlled by PFC. In case of non payment of Issuer's dues within allowed time by SPU/IPP, applicable action for regulation of power supply and access to power against respective SPU/IPP shall be taken by the POSOCO. 07 nos SPUs has opted for Liquidation of arrears i.e. payment in equated monthly installments of the issuer's dues upto the notification of the LPS Rules, 2022.

In addition, in 2015 the Government launched Ujwal DISCOM Assurance Yojana to enable the turnaround of the State Discoms and ensure their long term viability. The scheme contains measures to be taken by the State Discoms and state governments for achieving financial turnaround by restructuring their debt with support through a transitional finance mechanism provided by the Government. There can be no assurance that as a result of the one time settlement and the restructuring scheme, the creditworthiness of the SPUs will improve or remain strong. Nor can there be any assurance that the Issuer will be able to recover all the outstanding amounts due to it from SPUs if their creditworthiness were to deteriorate again. In any such case, the Issuer's financial position could be adversely affected.

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***2. Transmission projects require a substantial capital outlay and time before any benefits or returns on investments are realised and the Issuer's returns on investment in transmission projects may be reduced in the event of delays.***

As India's principal electric power transmission company, the Issuer generates revenue primarily through tariffs charged for its transmission network implemented for transfer of electric power from power generation sources to state power utilities. The Issuer is constantly upgrading and expanding its transmission network to meet increased demand. Its transmission projects typically require substantial capital outlays and time before the commencement of commercial operation. Under CERC regulations, the Issuer generally begins generating a return on its investment in the transmission project through collecting tariffs immediately after the commencement of commercial operation, which may however be delayed due to various reasons.

In particular, the Issuer's failure to complete a generation-linked transmission project in accordance with the project's agreed schedule might require the Issuer to arrange alternative mechanism for the evacuation of electric power from the generating station at its own cost or pay transmission charges to generating station until the associated transmission system is commissioned. Conversely, if a new transmission project is linked to a new generation project, and the generation project is delayed, return on the Issuer's investment in the project may be subject to receipt of bilateral billing dues as per CERC Sharing Regulations/ orders in this regard. Similarly, in case of delay in implementation of Issuer's transmission project associated with upstream/ downstream element of other transmission licensee, or vice versa, the defaulting entity has to pay applicable transmission charges to other entity. As a result of any such delays the Issuer's return on investment on the affected transmission project may be lower than originally expected.

The time and costs required to complete a transmission project may be subject to substantial increases due to many factors, including right of way issues in the construction of transmission lines, issues relating to land acquisition for substations, shortages of materials, equipment, technical skills or labour, adverse weather conditions, natural disasters, labour disputes, disputes with contractors, accidents, changes in government priorities and policies, changes in market conditions, delays in obtaining the requisite permits and approvals from the relevant authorities and other unforeseeable problems, change in law and other circumstances etc. Any of these or other unanticipated factors may lead to delays in, or prevent the completion of, the Issuer's projects. It is possible that in certain circumstances CERC may not approve the increased capital expenditure brought about by a delay on a project while determining the tariff for that project, which would result in a reduction of the return on the Issuer's investment in that project.

CERC may, under the CERC (Terms and Conditions of Tariff) Regulations, 2019 (the **CERC 2019 Tariff Regulations**), approve the commercial operation of the Issuer's completed transmission systems prior to commissioning of associated generation or upstream/downstream network and thereby authorise the Issuer to receive tariffs of a project from the associated generation or entity implementing upstream/downstream network irrespective of the actual transmission of power. However, there can be no assurance that the Issuer will be able to generate tariffs on these projects prior to the completion of the associated generation projects or upstream/downstream network, that it will receive specified indemnity from owners of a delayed power generation project/ or entity implementing upstream/downstream network that it will be able to demonstrate to CERC that certain delays are not attributable to the Issuer, its contractors or its supplier. Any delays in the commissioning of a transmission project may have an adverse effect on the return on investment for such project.

***3. The Issuer's new projects and expansion plans are subject to a number of contingencies.***

The Issuer's new projects and expansion plans are subject to a number of contingencies, including changes in laws and regulations, governmental action or inaction, delays in obtaining permits or approvals, accidents, natural calamities and other factors beyond the Issuer's control. In addition, the Issuer must obtain right of way to construct its transmission lines and find suitable, available land to

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construct substations. Further, most of the Issuer's projects are dependent on the availability of competent external contractors for construction, delivery and commissioning, as well as the supply and testing of equipment. While the Issuer evaluates the capacity and capability of the existing executing agencies and assesses new agencies before awarding a contract, there can be no assurance that the performance of the Issuer's external contractors will always meet its terms and conditions or performance parameter. If the performance of contractors is inadequate for the Issuer's requirements, this could result in incremental cost and time overruns which in turn could adversely affect the Issuer's new projects and expansion plans. Although the Issuer's contractors furnish performance guarantees for contract execution, there can be no assurance that, in the event of poor execution of contracts, the Issuer would always be able to enforce the performance guarantees from these contractors. Also, in some of the cases where in transmission projects involve state-of-the-art technology, the issuer may face availability of limited vendor for implementation of their projects. Further, if the Issuer is not able to award its projects to competent contractors on a timely basis, or on terms that provide for the timely and cost-effective execution of the project, the Issuer's projects may be delayed and the Issuer's returns on those projects may be affected.

In addition, as part of the Issuer's growth strategy, it may seek to acquire businesses, technologies and products. The Issuer may choose to incur additional debt to fund any such acquisition plans. Nevertheless, the Issuer may fail to complete such acquisitions, or to realise the anticipated benefits of such acquisitions, and may incur unforeseen costs. This could negatively affect the Issuer's business.

Further, the Issuer has investments in 12 joint ventures, 10 of which have commenced operations. The Issuer also has 28 subsidiaries, including 24 TBCB subsidiaries, 15 of which are in commercial operation as on 31.12.2022. If the Issuer's joint ventures or its subsidiaries are not profitable, the Issuer's financial condition and results of operations may be adversely affected.

***4. The Issuer's expansion plans require significant capital expenditure. If the Issuer is unable to obtain the necessary funds, its growth plans could be adversely affected.***

The Issuer has had, and expects to continue to have, substantial liquidity and capital resource requirements for meeting its working capital requirements as well as capital expenditures. The Issuer will be required to supplement its cash flow from operations with external sources of financing to meet these requirements, particularly with regard to its plans for transmission infrastructure expansion. The Issuer plans aggregate capital expenditures of approximately ₹88 billion (as per IEBR) for Fiscal 2023 (2022-23) to further develop the national grid, including inter-regional and intra-State transmission systems and completely acquired projects in ISTS and Intra-State, establishment of transmission systems fiber optic communication schemes, telecom and investments in its joint ventures and wholly owned subsidiaries. The Issuer has in the past been able to finance its projects on competitive terms due to its favourable credit rating. Nevertheless, there can be no assurance that the Issuer will obtain such financing in a timely manner and on favourable terms, or at all, or maintain a favourable credit rating. Future debt financing, if available, may result in increased finance charges, increased financial leverage, decreased income available to fund further acquisitions and expansions and the imposition of restrictive covenants on the Issuer's business and operations. In addition, future debt financing may limit the Issuer's ability to withstand competitive pressures and render the Issuer more vulnerable to economic downturns. If the Issuer fails to generate or obtain sufficient additional capital in the future, it could be forced to reduce or delay its planned expansion projects or other capital expenditures.

In addition, due to the number of large-scale infrastructure projects under development in India receiving financing from banks and other financial institutions, availability of domestic funds may be reduced and domestic financing terms may become less attractive. Therefore, the Issuer may seek funding internationally, and may face increased exposure to potentially higher interest rates and foreign exchange risks. If the funding requirements of a particular expansion project increase, the Issuer will need to look for additional sources of finance, which may not be readily available, or may not be available on attractive terms, which may have an adverse effect on the profitability of that project. The Issuer's business, financial condition, results of operations and prospects may be adversely affected by any delay or failure to successfully commission these projects.



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**5. *If the Issuer is unable to manage its growth effectively, its business and financial results could be adversely affected.***

The Issuer intends to increase its capacity to maintain and grow its leadership position and remain the largest Indian power transmission company. As on September 30, 2022, POWERGRID is implementing transmission projects aggregating to about 10500 ckm and 11 new substations with a total power transformation capacity of approximately 83500 MVA.

The Issuer expects that the execution of new transmission and substation projects and its growth strategy will place significant strains on its management, financial and other resources. For instance, in order to effectively manage the execution of new transmission and substation projects and business growth, the Issuer must implement and improve operational systems, procedures and internal controls on a timely basis. If the Issuer fails to do so, it may not be able to meet its expected schedule of project implementation, hire or retain employees, pursue new business, complete future strategic agreements or operate its business effectively. There can be no assurance that the Issuer's existing or future management, operational and financial systems, procedures and controls will be adequate to support future operations or establish or develop business relationships beneficial to the Issuer's future operations. Continued expansion will also increase the challenges involved in financial and technical management, including recruiting, training and retaining skilled technical and management personnel, and improving internal administrative infrastructure. If the Issuer fails to effectively manage its expansion and other business plans and execute its growth strategy, it may not be able to meet the annual performance targets set by the Government pursuant to an annual Memorandum of Understanding that the Issuer enters into with the Government. It could also adversely affect the Issuer's business, results of operations and financial condition.

**6. *The Issuer's projects acquired under tariff based competitive bidding may not yield expected results, affecting intended benefits from such projects and the Issuer's financials.***

Pursuant to the Government's Tariff Policy, all future ISTS transmission systems are ordinarily required to be developed pursuant to a competitive bidding process except for the exemption provided in the policy. Since these projects have fixed tariffs, time and cost overruns can impact the expected returns, thereby affecting the financials of the Issuer. The Issuer's desired returns from projects may also be impacted due to increasing competition. The recovery of tariff may also become uncertain in case of non-readiness of upstream and/ or downstream systems, affecting the expected returns from the project.

**7. *The Issuer's flexibility in managing its operations, including determining tariffs, is limited by the regulatory environment in which it operates.***

The power industry in India is regulated by laws, rules and directives issued by governmental and regulatory authorities. These laws, rules and directives have changed significantly over the year. There are likely to be more reforms, such as reforms implemented under the Electricity Act, in the ensuing year. It is expected that many of these reforms will take time to be implemented. There can be no assurance that these reforms, including changes to the current regulatory bodies or to the existing rules and directives, will be favourable to the Issuer's business. If such changes are not favourable, the Issuer's business could be adversely affected.

For example, the Issuer currently undertakes new transmission projects with the expectation that it will be allowed to recover the tariffs from customers which cover its costs and provide an assured return on the equity. Under the tariff regulations, the recovery of certain elements of costs such as operation & maintenance expenditure, are based on normative parameters and there is no assurance that the actual costs incurred by the Issuer are less than the recovery through tariff. Any under recovery of actual costs through tariff could have a material adverse impact on the Issuer's financial condition and operations. Further, pursuant to the Government's Tariff Policy, all future ISTS transmission systems are ordinarily required to be developed pursuant to a competitive bidding process except for the exemption provided in the policy.

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It has been notified that except for certain schemes in line with the Tariff Policy of the Government, tariffs for all transmission projects w.e.f. 6 January 2011 will be decided on the basis of competitive bidding. Since 6 January 2011, about 81 projects have been awarded by the Government under tariff-based competitive bidding, the Issuer has been successful in winning and acquiring 29 projects which includes 5 intra-State transmission projects till 31<sup>st</sup> December, 2022. These projects are being executed by Issuer through its separate wholly owned subsidiaries and the tariffs are not on a cost-plus basis. If the Issuer is unable to compete for new transmission projects floated on the basis of competitive bidding, it may not be able to secure new projects in future or operate future projects on a commercially viable basis. This could have an adverse effect on the Issuer's growth plans.

***8. The Issuer's tariffs could be modified in the future in ways that could have an adverse effect on its results of operations, including through a reduction in the Issuer's return on equity.***

Pursuant to the Electricity Act 2003, a new tariff policy was notified by the Government on 6 January 2006 and subsequently replaced by tariff policy notified on 28 January 2016. CERC follows this policy when specifying the terms and conditions of particular tariffs. The Issuer's current tariffs norms will remain in place until 31 March 2024. The Issuer's return on equity has remained at 15.5 per cent. For the control period from 2019 to 2024. However, there can be no assurance that current tariffs or regulations will continue beyond 31 March 2024 and it is possible that changes may occur which could have the effect of, for example, reducing the return on equity currently allowed to the Issuer on its transmission projects, changing the Issuer's rate of recovery of operation and maintenance expenditure or setting additional limitations on the Issuer's ability to recover the cost of assets the Issuer develops or services it provides.

The ceiling tariff for some products of the Issuer's telecommunications business is regulated by the TRAI through its telecommunication tariff orders which specify the ceiling tariff for various capacity levels of bandwidth. The present tariff is based on Telecommunication Tariff Order 1999 issued by the TRAI and as amended from time to time. Discounts are offered over the ceiling tariffs issued by the TRAI to match market demands. On 14 July 2014, the TRAI issued Telecommunication Tariff Order (57<sup>th</sup> Amendment) 2014, resulting in a downward revision of the ceiling rates for different capacity levels of bandwidth effective from 1 August 2014. The tariff for other products of the Issuer for which TRAI has not prescribed ceiling tariffs are controlled by internally approved rate card upon which discounts are offered to match market demands.

Presently the proportion of the revenues derived from Telecom business through utilization of transmission assets is shared for reducing the charges for transmission and are based on Central Electricity Regulatory Commission (Sharing of Revenue Derived from Utilization of Transmission Assets for Other Business) Regulations, 2007. Now CERC vide notification dtd.17<sup>th</sup> Feb-2020, issued the new regulation called "Central Electricity Regulatory Commission (Sharing of Revenue Derived from Utilization of Transmission Assets for Other Business) Regulations, 2020" and is applicable since 01 st July 2020 as per the gazette notification dated 01<sup>st</sup> July 2020.

Any changes to the current tariff policy or modifications of the Issuer's tariffs by CERC or the TRAI could have an adverse effect on the Issuer's business, financial condition and results of operations.

***9. The Issuer has substantial borrowings. In the event it defaults in the repayment of its debt or fails to comply with the terms of its loan agreements, the Issuer's business and results of operations could be adversely affected.***

As at 31<sup>st</sup> December 2022, the Issuer's total outstanding secured borrowings were ₹ 88,775.71 Crore, the Issuer's total outstanding unsecured borrowings were ₹ 39,882.40 Crore and the Issuer's debt to equity ratio was 64:36, all on a standalone basis. Approximately 67 percent and 33 percent of the Issuer's outstanding debt was from domestic and international sources, respectively. The Issuer generally meets its debt service obligations and repays its outstanding borrowings. However, for



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various reasons, there can be no assurance that the Issuer will be able to pay its debt obligations on time. In the event that the completion of a new project were to be substantially delayed, the Issuer might have to service the debt financing for that project before generating any cash flows from that project. Further, an event of default under the Issuer's loans could occur due to factors beyond its control, such as India failing to remain a member of the Asian Development Bank or similar multilateral funding agency. If the Issuer fails to meet its debt service obligations or if a default otherwise occurs, the Issuer's lenders could declare the Issuer in default under the terms of the Issuer's borrowings and accelerate the maturity of its obligations. Any such default and acceleration could have a material adverse effect on the issuer's cash flows, business and results of operations.

***10. The Issuer's indebtedness and the conditions and restrictions imposed by its financing arrangements could adversely affect its ability to conduct its business and operations.***

There are covenants in the agreements that the Issuer has entered into with certain banks and financial institutions for the Issuer's long-term borrowings that require the Issuer to obtain written consent from lenders for undertaking certain activities. Similarly, prior written consent of the lenders is required for Issuer undertakings such as restructuring, creating any mortgage or charge on any secured properties or assets and for assigning or transferring any of the Issuer's rights, benefits or obligations under the loan agreements. In addition, certain covenants require the Issuer to maintain high ratings on its debt from credit rating agencies and/or to maintain specified financial ratios such as debt to equity ratio, borrowings to net worth ratio, debt service coverage ratio and self-financing ratio, number of days' receivables, among others. There can be no assurance that the Issuer will be able to comply with these financial or other covenants or that it will be able to obtain the consents necessary to take the actions it believes are required to operate and grow its business in the future. Furthermore, a default on some of the Issuer's loans may also trigger cross-defaults under some of the Issuer's other loans. An event of default under any debt instrument, if not cured or waived, could have a material adverse effect on the Issuer.

***11. The regulatory framework for sharing of transmission charges may adversely affect the Issuer's receivables.***

The CERC (Sharing of Inter State Transmission Charges and Losses) Regulations, 2010 implemented a "point of connection" (PoC) method for calculating transmission charges for the inter-State transmission system in India to be shared by the users, replacing the previous method of regional postage stamps. These regulations came into force on 1 July 2011. These regulations provide that yearly transmission charges and revenue requirements pursuant to the tariff structure will be shared amongst the users of the ISTS, including inter state generating stations granted LTA to ISTS, DISCOMs, bulk consumers connected directly to the inter-State transmission system and any designated entity representing a physically-connected entity listed above. Under these regulations, CTU is responsible for billing, collecting and disbursing transmission charges for the entire ISTS, including deemed ISTS from all the above user. Upon introduction of PoC Mechanism, Five out of 120 designated ISTS customers, challenged the sharing mechanism in court and the matter is pending for adjudication in the Delhi High Court. In terms of interim order of the Delhi High Court, all the above States are, however, making applicable payment as per said Regulation. Subsequently, CERC vide notification No. L-1/250/2019/CERC Dated: 4<sup>th</sup> May 2020 came out with Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020 (Herein referred as CERC Sharing Regulations, 2020). These regulations are applicable to all Designated ISTS Customers (DICs), Inter-State Transmission Licensees, National Load Despatch Centre (NLDC), Regional Load Despatch Centres (RLDCs), State Load Despatch Centres (SLDCs) and Regional Power Committees (RPCs). These regulations came into force from 01.11.2020, as notified by the Central Commission and may change the sharing pattern of the transmission charges by the inter-State transmission customer. Upon implementation of CERC Sharing Regulations, 2020, Tamil Nadu Generation and Distribution Company (TANGEDCO) has filed Writ Petition in Madras High Court challenging CERC Sharing Regulations, 2020. The matter is pending for adjudication in the Madras High Court. However, TANGEDCO is making the applicable payment as per the regulations. Although the method of sharing of transmission charges calculation are revenue neutral to the Issuer, the Issuer may be unable to collect

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the charges from all users of the ISTS, including amounts payable to other transmission utilities in the future, which could adversely affect the Issuer's results of operations.

***12. Grid disturbances or failures could adversely affect the Issuer's reputation and its relations with its regulators and stakeholder.***

Grid disturbances can arise when sufficient imbalances in the Grid exist with respect to demand and supply and / or certain network in the Grid is heavily loaded. The grid disturbance may include POWERGRID transmission lines also. The grid disturbances can be due to combination of factors, including weakened inter-regional corridors affected by multiple outages on other transmission lines, energy imbalances, voltage variations or faults in weekend transmission grid due to increase in integration of RE generation, a delay or refusal by power generators to back down (i.e. reducing power generation by generators at the time of reduced demand in order to maintain pre-determined system parameters), overdraw by some of the provincial utilities from the national grid utilizing unscheduled interchange and leading to high loading of certain transmission lines and inadequate response by State Load Despatch Centres ("SLDCs") to the instructions of RLDCs with respect to managing power offtake from the national grid.

Although we employ modern methods for operation and maintenance., there can be no assurance that the grid will not experience disturbance as a result of actions taken by power generators or customers, the rapid expansion of regional electricity grids and their integration into a national grid or other reasons or that any such disturbance will be promptly addressed. Long-lasting or repeated disturbances could adversely affect our reputation as a largest transmission service provider with customers, power generators, industry regulators, stakeholders and other. Such loss of reputation could hurt our business and adversely impact our relations with regulator/ stakeholders.

***13. Reduction in availability can affect recovery of fixed charges and incentive.***

CERC 2019 Tariff Regulations provide for additional transmission charge, as incentive, if the availability of the Issuer's transmission system is higher than the prescribed normative limit as set out in the regulations. The Issuer uses latest technologies for maintaining its transmission systems and has consistently maintained an average availability of over 99 per cent. For its transmission system. However, there is no assurance that the Issuer will be able to maintain similar levels of availability in future and any reduction in availability can affect recovery of fixed charges and incentive for the Issuer.

***14. The Issuer's business involves various risks, and it may not have sufficient insurance to cover the Issuer's economic losses.***

The Issuer's operations are subject to a number of risks generally associated with the transmission of electricity. These risks include explosions, fires, earthquakes and other natural disasters, breakdowns, failures or substandard performance of equipment, improper installation or operation of equipment, accidents, acts of terrorism, operational problems, transportation interruptions and labour disturbances. These risks can cause personal injury and loss of life and damage to, or the destruction of, property and equipment, and may result in the limitation or interruption of the Issuer's business operations and the imposition of civil or criminal liabilities.

The Issuer maintains a MEGA Insurance Policy (All Risk policy) from external insurance companies in respect of (i) all HVDC substations (including back –to-back and bi-pole); and (ii) all office buildings and their asset. Under this MEGA insurance policy, material damage or loss due to fire, machinery breakdown, natural calamity, earthquake, and terrorism are covered and business interruption loss in respect of this also covered for HVDC systems.

Further, some of the Issue's telecom assets are insured against fire damage and others are insured against burglary and certain risks of theft.

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The Issuer creates Self-insurance reserve @ 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 including GIS substations. As at 31<sup>st</sup> March 2022, the Issuer's Self-insurance Reserve stood at ₹8748.60 million on a consolidated basis and as at 31<sup>st</sup> March 2021, the Issuer's self-insurance reserve was ₹7340.70 million on a consolidated basis.

However, there can be no assurance that if the Issuer suffers material losses, the insurance arrangements and Self-Insurance Reserve will be sufficient to cover those losses. Further, there are events that may expose the Issuer to losses or third-party liabilities, including war or nuclear events that may cause significant disruption to its operations, for which the Issuer is not insured, or not fully insured. If the Issuer's losses are more than its insurance coverage or if the Issuer is unable to successfully assert its claim, the Issuer's result of operations could be adversely affected.

***15. If the Issuer is unable to adapt to technological changes, emerging industry standards and practices or customer requirements, its business and financial performance could be adversely affected.***

The Issuer's future success depends in part on its ability to respond to technological advances and emerging industry standards and practices on a cost-effective and timely basis. The Issuer needs to continue to invest in new and advanced technologies and equipment to enable it to respond to emerging power transmission industry standards and practices in a cost-effective and timely manner. The development and implementation of such technology entails significant technical and business risks. There can be no assurance that the Issuer will successfully implement new technologies effectively or adapt its processing systems to customer requirements or emerging industry standards. If the Issuer is unable, for technical, legal, financial or other reasons, to adapt in a timely manner to changing market conditions, customer requirements or technological developments, the Issuer's business and financial performance could be adversely affected. Further, the Issuer may be unable to adapt to or cope with the emergence of any unknown or unanticipated technologies which are disruptive in nature, which could have a material adverse effect on its business and financial performance.

***16. The Issuer undertakes some of its projects in joint ventures with third parties, which entails certain risks.***

The Issuer has made investments in form of shareholding in nine out of twelve joint ventures and in three joint ventures, it has equal to 50% shareholding as investment. Investments through joint ventures may, under certain circumstances, involve risks. Joint venture partners may fail to meet their financial or other obligations in respect of the joint venture. Joint venture partners may also have business interests or goals that may differ from the Issuer's business interests or goals, or those of the Issuer's shareholder. Therefore, the Issuer's joint venture partner in each of these joint venture arrangements will have effective control with respect to shareholder actions or approvals, except where the Issuer's affirmative agreement is required under the Companies Act or the terms of the joint venture agreement. Any disputes that may arise between the Issuer and its joint venture partners may cause delays in completion or the suspension or abandonment of the project. Some of the Issuer's joint venture agreements prohibit the Issuer from acquiring or disposing its shareholding in the joint ventures for certain period, among other restrictions. In all of its joint venture agreements, the Issuer has undertaken not to encumber or alienate its shareholding in the joint ventures for specified periods. In certain joint ventures, the Issuer's shareholding has been locked in for a period of five years and the Issuer has agreed that it will not transfer its shareholding to any third party nor will it have the right to increase or decrease its shareholding in the open market without the prior written consent of its joint venture partner. Therefore, if the Issuer determines that it has sought to pursue participation in a particular project with unsuitable partners, it may be unable to change partners or continue to participate in the project as it had planned. Under the terms of certain of the Issuer's joint ventures, the Issuer is required to infuse proportionate equity and its decision not to do so or inability to do so may result in losing

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certain affirmative rights in such joint ventures or in an obligation to pay penalties. In addition, the terms of certain joint ventures prevent the joint venture from competing with the business of the Issuer without the Issuer's prior consent. These covenants may limit the Issuer's ability to make optimum use of its investments or exit these joint ventures at its discretion, which may have an adverse impact on its financial condition. Additionally, there can be no assurance that the Issuer will be able perform or comply with its obligations under the joint venture agreements and its failure to do so may result in breach of such agreements and could adversely affect its business and results of operations.

Under the terms of the Powerlinks Transmission System joint venture arrangement, the Issuer may have to buy out the joint venture in case of a default by either party or a force majeure event, subject to CERC approval. If the Issuer were required to buy out the joint venture, its financial position may be adversely affected.

In general, the Issuer faces the risk in its joint ventures of losing all its equity in the event of a material breach of the joint venture entity's obligations, insolvency of the joint venture entity or similar developments.

***17. There is no assurance that the Issuer's contractors will not violate any applicable laws and regulations.***

The Issuer undertakes construction of its transmission and substation projects through third party contractor. The Issuer's selection criteria for contractors are primarily based on the contractor's technical qualifying experience, financial position, bid condition as well as the specific requirements of the projects. Prior to engaging any contractor, the Issuer endeavors to ensure their capacity and capability, including their quality control systems, are adequate for contract execution. Although the Issuer has established internal control procedures in the selection of contractors, there is no assurance that its contractors will not violate any applicable laws or regulations in their provision of services. In the event that the Issuer terminates the relevant contracting agreement with any of its contractors involved in any material breach of applicable laws and regulations and is unable to identify any substitute, the Issuer's business operations or planned expansion projects may be adversely affected.

***18. The Issuer requires statutory and regulatory permits and approvals to operate and expand its businesses, and the failure to obtain them in a timely manner or at all may adversely affect its operations.***

The Issuer requires regulatory approvals, sanctions, licences, registrations and permissions to operate and expand its businesses. For instance, the Issuer may be required to obtain approval of the Ministry of Environment, Forests & Climate Change (MoEF & CC), Government of India under the Forest (Conservation) Act, 1980 if a transmission project involves the diversion of forest land, and the specific clearance of the National Board for Wildlife under The Wildlife (Protection) Act, 1972 if the project involves the erection of transmission lines in designated Protected Areas such as wildlife sanctuaries, national parks, tiger reserve & tiger corridor etc. Additionally, issuer's projects may be subjected to clearance/permission under the Coastal Regulatory Zone (CRZ) Notification, 2019, in case, any of issuer's project is located partially or completely inside a notified CRZs

There can be no assurance that the Issuer will obtain all regulatory approvals, sanctions, licences, registrations and permissions that it may require in the future, or receive renewals of existing or future approvals, sanctions, licences, registrations and permissions in the time frames required for its operations or at all, which could adversely affect its business.

***19. The Issuer's recovery of operating and maintenance expenses under the Issuer's tariffs may not compensate the Issuer for all such expenses.***

Under its tariffs on a cost-plus basis, the Issuer receives reimbursements for its operating and maintenance expenses at normative rates, rather than actual rates. As a result, if the Issuer's actual operating and maintenance expenses exceed the reimbursements it receives, the Issuer's profit will be reduced by the shortfall amount. With regard to projects secured through tariff-based competitive



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bidding, if the actual construction and operating expenses exceed the costs budgeted by the Issuer at the time of bidding for the project, the Issuer's income will be affected accordingly.

***20. The Issuer is the central transmission utility of the country. The Government's decision to denotify the Issuer from being a CTU may affect the Issuer's business.***

Central Transmission Utility of India Ltd CTUIL, a wholly owned subsidiary of POWERGRID, has been notified as CTU w.e.f. 01.04.2021 by Govt. of India which in near future is going to be a wholly owned Government Company. This may affect the Issuer's business.

CTUIL is responsible for Billing, Collection and Disbursement (BCD) function on behalf of all ISTS licensees. Presently Issuer is performing BCD functions on behalf of CTUIL as an interim arrangement. The current share of the Issuer in the billing is about 78 percent. In case, the Issuer no longer carry out the BCD functions, the Issuer will be dependent on other agency (CTUIL) for realization of its receivables from the designated ISTS customer. Issuer's cash flows may be impacted by the performance of this agency.

***21. The decision of central and state governments to increase the compensation to land owners may impact project returns.***

Compensation paid to the land owners affected by the passage of transmission lines over their land is decided by the State / local authorities, which may or may not be guided by the compensation guidelines issued by the central government in October, 2015 for payment of compensation towards damages in regard to Right of Way (RoW) for transmission lines and guidelines for payment of compensation in regard to Right of Way (RoW) for transmission lines in urban area issued in July 2020. If the land compensation finalized by the State / local authority happens to be significantly higher than those provided in the guidelines, it may increase the project cost especially for projects under Tariff Based Competitive Bidding impacting the Issuer's financials.

Besides, there could be variations in compensation towards temporary damages (crop/tree) due to variability in cropping pattern, rates and assessment methodology prevalent in different states. This may have a bearing on the financials of the issuer in projects under Tariff Based Competitive Bidding if the actual compensation towards temporary damages exceeds the estimated compensation.

***22. Some of the Issuer's immovable properties may have certain irregularities in title, as a result of which the Issuer's operations may be impaired.***

The Issuer possesses immovable properties at various locations for the purposes of its business, held either on a freehold or a leasehold basis. Several of the Issuer's material immovable properties for its transmission lines, infrastructure and projects, whether owned or leased, may not have clear and marketable title including that the deeds for transfer of property are inadequately stamped or have not been executed or registered with the concerned authority. As a result, the Issuer may find it difficult to prove tenancy or ownership rights over such property. In addition, registration of land title in India is not centralised and has not been fully computerised. Land records are often hand-written in local languages and may not be legible or correctly spelt and at times may be in poor condition or untraceable, making it difficult to ascertain title. Title risks can be particularly acute where fragmented land rights are acquired from agriculturalists and small landholder. Further, title records in India presently provide only for presumptive title rather than a guaranteed title to the land. Indian law, for example, recognises the ability of persons to effect a valid mortgage on an unregistered basis by the physical delivery of original title documents to a lender. Adverse possession under Indian law also gives rise, on 12 years' occupation, to valid ownership rights as against all parties, including government entities that are landowners, without the requirement of registration of ownership rights by the adverse possessor. Title to land may be defective as a result of a failure on the Issuer's part, or on the part of a prior transferee, to obtain the consent of all relevant persons or to duly complete stamping and registration requirements. The uncertainty of title to land may impede the processes of acquisition, independent verification and

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transfer of title, and any disputes in respect of land title that the Issuer may become party to may take several years and considerable expense to resolve if they become the subject of court proceedings.

The Issuer's business may be affected if the Issuer is unable to continue to utilise its owned and leased properties as a result of any defects of title or otherwise.

***23. The Issuer currently engages in foreign currency borrowings and it is likely to continue to do so in the future, which exposes it to fluctuations in foreign exchange rates and other potential costs.***

While the Issuer's principal revenues are in Rupees, it borrows funds from outside India in foreign currencies. As at 31st December 2022 the Issuer had ₹42422.56 Crore on a standalone basis, of foreign currency borrowings outstanding. These borrowings are held in currencies such as U.S. dollars, Euros, Swedish Kroner and Japanese Yen. These borrowings expose the Issuer to losses due to fluctuations in foreign currency exchange rates. Currently, any transmission-related financial expense that the Issuer incurs as a result of foreign currency borrowings is passed on to the Issuer's customers as part of the Issuer's tariff arrangements. Were this to change, volatility in foreign exchange rates could adversely affect the Issuer's business. In addition, in the event of disputes under any of the Issuer's foreign currency borrowings, the Issuer may be required by the terms of those borrowings to defend itself in foreign court or arbitration proceedings, which could result in additional costs to the Issuer.

Under the CERC 2019 Tariff Regulations, a transmission licensee may hedge its foreign exchange exposure in respect of the interest on foreign currency loans and repayment of foreign loans obtained for the transmission system, in part or full, and recover the cost of hedging of foreign exchange rate variation corresponding to the normative foreign debt, in the relevant year on year-to-year basis as expense in the period in which it arises. Additional Rupee liability corresponding to such foreign exchange rate variation shall not be allowed against the hedged foreign debt. To the extent the generating company or the transmission licensee is not able to hedge the foreign exchange exposure, the extra Rupee liability towards interest payment and loan repayment corresponding to the normative foreign currency loan in the relevant year shall be permissible provided it is not attributable to the generating company or the transmission licensee or its suppliers or contractor. The Issuer has an exchange risk management policy and intends to utilise RBI approved products for the purpose of managing currency and interest rate risks. During Fiscal 2022, the Issuer did not undertake any hedging activity in relation to its foreign exchange exposure. If the Issuer is unable to recover the foreign exchange variation on the foreign currency loans through tariff for any reason either under the current regulations or due to a change in the tariff regulations in future, it would result in additional costs to the Issuer which could materially and adversely affect the Issuer's financial condition and prospects.

***24. A violation of health and safety requirements and the occurrence of accidents could disrupt the Issuer's operations and increase operating costs.***

A violation of health and safety laws or failure to comply with the requirements of the relevant health and safety authorities could lead to, among other things, a temporary shutdown of all or a portion of the Issuer's transmission and substation facilities and the imposition of costly compliance procedures. If health and safety authorities shut down all or a portion of its transmission and substation facilities or impose costly compliance measures, the Issuer's business, financial condition, results of operations and prospects could be materially and adversely affected.

The nature of the Issuer's operations creates a risk of accidents and fatalities among its workforce, and the Issuer may be required to pay compensation or suspend operations as a result of such accidents or fatalities, which could have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

***25. Compliance with, and changes in, environmental, health and safety laws and regulations may adversely affect the Issuer's financial condition and results of operations.***

The Issuer's projects, establishments and operations are subject to environmental, health and safety regulations. Central and local governments may take steps towards the adoption of more stringent



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environmental, health and safety regulations, and there can be no assurance that the Issuer will be at all times in full compliance with these regulatory requirements. If there is any change in the environmental, health and safety regulations to which it is subjected to, the Issuer may need to incur substantial capital expenditures to comply with such new regulations. It's costs of complying with current and future environmental, health and safety laws and its liabilities arising from failure to comply with applicable regulatory requirements may adversely affect the Issuer's business, financial condition and results of operations.

***26. The Issuer's results of operations could be adversely affected by strikes, work stoppages or increased wage demands by its employees or other disputes with its employees.***

As on 31st December 2022 the Issuer had 8,933 (including Fixed Tenure Basis employees) employees. All of the Issuer's employees at the workman level are affiliated with labour unions. The Issuer has had no instances of strikes or labour unrest since it commenced operations. The Issuer believes that it has harmonious relationships with the labour unions. Nevertheless, there can be no assurance that the Issuer will not experience disruptions in its operations due to disputes or other problems with its work force, which may adversely affect its business and results of operations.

***27. Litigation and other forms of opposition from local communities and other parties may adversely affect the Issuer's results of operations and financial condition.***

The construction and operation of the Issuer's transmission lines and substation projects may have significant consequences on agricultural activities and land development as well as on the ecosystem of the affected areas. The environmental impact of a particular transmission project typically depends on the location of the project and the surrounding ecosystem. Further, the construction and operation of the Issuer's transmission and substation projects may disrupt the activities and livelihoods of local communities, especially during the project construction period.

There can be no assurance that the Issuer will not be subject to litigation or other forms of opposition from public interest groups, local communities or non-governmental organisations in relation to the environmental impact of the Issuer's transmission projects. Any such claims or opposition may delay or prevent the Issuer from implementing its projects. As a result, the Issuer's results of operations, financial condition and prospects may be adversely affected.

There are various court proceedings pending against the Issuer with respect to land acquired for its various projects under the Land Acquisition Act, 1894, the majority of which relate to demands for increased compensation by landowner.

***28. The Issuer's success depends in large part upon its management team and skilled personnel and its ability to attract and retain such persons.***

The Issuer's future performance depends on the continued performance of its management team and skilled personnel. The issuer also faces challenge to recruit and retain a sufficient number of suitably skilled personnel, particularly as it continues to grow. In particular, the Issuer may be unable to compete with private companies for suitably skilled personnel due to their ability to provide more competitive compensation and benefits. Although the Issuer believes it has employee-friendly policies, including a performance related pay scheme to encourage employee retention, the challenges in recruiting skilled personnel and retention of such personnel may result in loss of key personnel which may have an adverse effect on its business and ability to grow.

***29. The Issuer is presently involved in several labour law proceedings and any adverse decision may have a significant adverse effect on the Issuer's business and results of operations.***

The Issuer is presently involved in several labour law proceedings which have been filed against the Issuer in various forums, relating to alleged violations of the Contract Labour (Regulation and Abolition) Act, 1970, various sections of the Indian Penal Code, provisions of the Industrial Disputes Act, 1947, the Code of Criminal Procedure, 1973 etc. The Issuer cannot provide any assurance that

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these matters will be decided in the Issuer's favour. Further, there is no assurance that similar proceedings will not be initiated against the Issuer in the future. In the event that such matters are decided against the Issuer, the Issuer may be ordered to reinstate the employment of the petitioner(s).

***30. The Issuer may be involved in litigation and arbitration which, if determined adversely, could subject the Issuer to significant liabilities.***

The Issuer is currently, and may in the future be, implicated in lawsuits in the ordinary course of its business, including lawsuits and arbitrations involving compensation for loss of trees, crops or houses, land acquisition disputes, tax matters, civil disputes, labour and service matters, statutory notices, consumer cases and other matter. Litigation or arbitration could result in substantial costs to, and a diversion of effort by, the Issuer and/or subject the Issuer to significant liabilities to third parties. There can be no assurance that the results of such legal proceedings will not materially harm the Issuer's business, reputation or standing in the marketplace or that the Issuer will be able to recover any losses incurred from third parties, regardless of whether the Issuer is at fault. There can be no assurance that losses relating to litigation or arbitration will be covered by insurance, that any such losses would not have a material adverse effect on the results of the Issuer's operations or financial condition, or that provisions made for litigation and arbitration related losses will be sufficient to cover the Issuer's ultimate loss or expenditure.

The Issuer has filed a writ petition against the East delhi Municipal Corporation (EDMC) and the Government before the High Court of Delhi, challenging the assessment order issued by EDMC dated 2 February 2013 whereby the EDMC had imposed a property tax of approximately ₹388.1 million for the period from 1 April 2004 to 31 March 2013 with respect to certain towers belonging to the Issuer, on the grounds that under Rule 9(1) and 14 of the Delhi Municipal Corporation (Property Tax) Bye Laws, 2004, towers fall within the definition of property and are hence liable to be taxed. Additionally, the North Delhi Municipal Corporation (NDMC), New Delhi, by a notice dated 15 March 2013, has passed an assessment order for payment of property tax under Delhi Municipalities Corporation Act, 1957 and Delhi Municipal Corporation (Property Tax) Bye Laws, 2004 for towers falling within their jurisdiction. Further, the South Delhi Municipal Corporation (SDMC), New Delhi, also issued notice for assessment of property tax on towers of the Issuer falling within their jurisdiction. Consequently, the Issuer has filed the writ petition. No. 7142/2013 challenging the vires of the Delhi Municipal Corporation Act, 1957, wherein the towers have been subject to assessment for municipal tax. All the three municipal corporations being EDMC, NDMC and SDMC have been impleaded as parties to the said petition. The matter has been decided by High Court of Delhi in favour of Issuer vide Judgement dated 04.04.2018. However, EDMC has filed as appeal before Division Bench of High Court of Delhi

In the event the Division Bench of High Court of Delhi/Supreme Court decide that towers fall within the definition of property and are hence liable to be taxed in New Delhi, this may have a significant effect on the business including the financial condition and results of operations of the Issuer.

***31. The Issuer is subject to inspections, which may result in investigations, proceedings and penalties.***

The Issuer is periodically subject to inspections of its work sites and certain office locations, including its finance department, by relevant authorities, including the vigilance wing of the Government. Some of these inspections have resulted in investigations and cases commenced against the Issuer or its employees. Going forward, the Issuer will remain subject to similar inspections, investigations and cases. If one or more of such inspections, investigations or cases leads to a significant award or penalty against the Issuer, its business may be adversely affected.

***32. As at 31<sup>st</sup> March 2022, the Issuer had contingent liabilities of ₹9362.19 Crore which had not been provided for in its standalone financial statements and could adversely affect its financial condition.***

As at 31<sup>st</sup> March 2022, the Issuer had contingent liabilities of ₹9362.19 Crore, which had not been provided for, relating primarily to arbitration and litigation, land/crop/tree compensation cases,

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continuity bonds with custom authorities, tax demands and other liabilities. If these contingent liabilities materialise, fully or partly, the Issuer's financial condition could be materially and adversely affected.

### **33. *Rights over its corporate logo.***

The Issuer has applied for its new corporate logo to register under TM Act, which is currently pending before the Registrar of Trademarks, New Delhi. Therefore, it may enjoy the statutory protections accorded to a registered trademark. There can be no assurance that the Issuer will be able to get modification in the trademark and the logo or that third parties will not infringe on the Issuer's intellectual property, causing damage to the Issuer's business prospects, reputation and goodwill.

### **34. *The Issuer has entered into new businesses that may not be successful.***

The Issuer has sought to diversify its operations and take advantage of opportunities in new areas such as telecom infrastructure development and leasing, and also venturing into new initiatives such as Smart Grid, Electric Vehicle Infrastructure and distribution, International Long Distance Bandwidth, Data Centre, Telecom Tower Business, Smart Metering among other. The Issuer also plans to expand internationally by participating in projects under the BOOT/BOO/TBCB model in the international market. The Issuer does not have operating history or significant experience in these new businesses, and they may involve risks and difficulties with which the Issuer may not be familiar. These new businesses may require capital and other resources, as well as management's attention, which could place a burden on the Issuer's resources and abilities. These new businesses are also subject to significant regulation, which may change. The early stage of these new businesses and any changes to the nature of the relevant regulations may make it difficult to predict their economic viability. There can be no assurance as to the timing and amount of any returns or benefits that the Issuer may receive from these new businesses or any other new businesses it may enter into in the future. The Issuer may need to share a portion of the revenue generated from these new businesses as may be directed by the relevant regulatory authorities.

### **35. *New technologies could make the Issuer's telecom business less desirable to current and potential customers and could result in decreasing revenues, which would have a material adverse effect on the Issuer's business, results of operations and financial condition.***

The telecom industry is subject to rapid and significant changes in technology. The Issuer currently deploys dense wave division multiplexing with Optical Transport Network, synchronous digital hierarchy communications technologies and multi-protocol label switching software defined WAN, multi-protocol label switching -Transport Profile, which the Issuer believes meet the present and near future bandwidth requirements of its customer. However, new technologies, such as 5G, Internet Protocol version 6 systems for virtual private networking, and new usage patterns will eventually require equipment upgrades for the Issuer's current technology platform. The present technology deployed by the Issuer may become obsolete or subject to competition from new technologies in the future, and the technology in which the Issuer invests in the future may not perform as it expects or may be superseded by competing technologies before the Issuer's investment costs have been recouped. In addition, the cost of implementing new technologies, upgrading networks or expanding network capacity to effectively respond to technological changes may be substantial. Further, various Govt. departments are demanding the telecom links on network of Equipment from Non Prior Reference Category (Non-PRC) Countries. The Issuer's ability to meet such costs will, in turn, depend upon its ability to obtain additional financing on commercially acceptable terms. Moreover, there can be no assurance that technologies will develop according to anticipated schedules, or that they will perform according to expectations or be commercially accepted. If the Issuer fails to adopt and implement successful telecom technologies, its telecom business, results of operations and financial condition could be negatively affected.

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**36. *The Issuer has short term contracts with customers in its telecom business.***

Majority of the orders received by the Issuer from its telecom customers and the capacity agreements entered into with its telecom customers range from a period of three months to five year. However, these agreements have provisions for earlier termination and there is no assurance that a customer will stay with the Issuer for the entire contractual period. The termination of contracts before the expiry period or non-renewal of the Issuer's existing contracts may adversely affect the Issuer's results of operations.

**37. *The Issuer's consultancy business could be harmed if funding for the Issuer's consulting clients and their programmes were to be reduced by the Government or foreign governments or institutions.***

The Issuer generates a significant amount of its consultancy business from SPUs and other government-funded programmes where the Issuer is one of the agents chosen to implement some or all parts of the project. In the event that SPUs or government programmes are reduced, or if the Issuer is unable to win new assignments, the Issuer's consultancy income would be adversely affected. In addition, the international consultancy projects which the Issuer secures may be related to programmes funded by multilateral agencies such as the World Bank, or any foreign government, or funded by the Government. If such sources of funds for these programmes are reduced, the Issuer's consulting income relating to such programmes would be adversely affected.

**38. *The Issuer may face increasing competition for its transmission business and it faces significant competition for its consulting business and telecom business from Indian and international companies.***

Pursuant to the Government's Tariff Policy, all future ISTS transmission systems are ordinarily required to be developed pursuant to a competitive bidding process except for the exemption provided in the policy.

The Issuer may face increasing competition for its transmission business. As a consequence of reforms stipulated in the Electricity Act and other rules and regulations notified by CERC and the Central Electricity Authority (CEA), large Indian businesses and international corporations, among others, including some which already have a presence in the Indian power sector, may seek to expand their operations in the Indian transmission sector. The Indian power sector could also attract new domestic and international entrants. Significant competition from within or outside India could adversely affect the Issuer's growth plans and might affect the issuer's future results of operations.

The Issuer's consultancy business is subject to competition from various competitors in India and abroad. The Issuer is generally awarded its domestic consultancy projects without a competitive bidding process and the Issuer does not see significant competition in its domestic consultancy business. Most of the Issuer's international projects are awarded through a competitive bidding process. The Issuer's primary international competitors include Lahmeyer International, Fichtner, GOPA, WAPCOS, AF CONSULT, CESI and SMEC International Pty Limited.

In the Issuer's telecom business, the Issuer is subject to broad and intense competition for the provision of telecom bandwidth services, particularly from telecom companies with geographically extensive networks. Competition is expected to further intensify in the telecom services industry in India and there may also be increasing competition from global player. The Issuer's direct competitors in the telecom business include all major national long-distance operators and internet service provider. The Issuer has executed agreements to provide telecom bandwidth to certain customers that are themselves telecom service providers, and therefore most of the Issuer's high value customers are also its competitor. These competitors provide similar bandwidth services to other telecom operators& enterprises.



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Many of the Issuer's competitors in the telecom business are larger than the Issuer and have greater financial resources. They may also benefit from greater economies of scale and operating efficiencies. As a result, the Issuer's competitors may be able to present lower bids for contracts, causing the Issuer to win fewer tender. There can be no assurance that the Issuer can continue to compete effectively in the future.

***39. The Issuer operates in a highly regulated environment, and the government policies, laws and regulations affecting the sectors in which it operates and related industries could adversely affect its operations and profitability.***

The Issuer's businesses are regulated by the Central Government and the state governments in India, as well as by the governments of the countries in which it operates. See "*Regulations and Policies in India*". The regulatory framework in India is evolving and regulatory changes could have an adverse effect on the Issuer's business, results of operations and financial condition. Non-compliance with any regulation may also lead to penalties, revocation of the Issuer's permits or licences or litigation.

Future government policies and changes in laws and regulations in India and elsewhere may adversely affect the Issuer's business and operations, and restrict its ability to do business in its existing and target markets. The timing and content of any new law or regulation is not in the Issuer's control and such new law or regulation could have an adverse effect on the Issuer's business, results of operations and financial condition.

***RISKS RELATING TO INDIA***

***40. The Issuer's operations in foreign countries are subject to political, economic, regulatory and other risks of doing business in those countries.***

The Issuer has international operations, including operations in South Asia that it conducts through project-specific association with foreign partner. The Issuer may, at any one time, have a substantial portion of its resources dedicated to projects located in a few countries or a specific geographical region, which expose the Issuer to risks in those jurisdictions. The Issuer is currently involved in international consultancy projects in various countries viz. Nepal, Uganda and Fiji, POWERGRID is providing Consultancy Services in Moldova also.

As many of the Issuer's clients are governmental entities, the Issuer is subject to risks associated with uncertain political and economic environments and political instability, as well as legal systems, laws and regulations that are different from the legal systems, laws and regulations that the Issuer is familiar with in India, and which may be less established or predictable than those in more developed countries. In addition, the Issuer could be subject to expropriation or deprivation of assets or contract rights, interruptions from war or civil strife, foreign currency restrictions, exchange rate fluctuations and unanticipated taxes or encounter potential incompatibility with foreign joint venture partners or consortium members.

Regulatory changes in the foreign countries in which the Issuer operates may require it to, among other things, obtain licences or permits in order to bid on contracts or conduct its operations or enter into a consortium arrangement, a joint venture, an agency agreement or similar business arrangement with local businesses in order to conduct business in those countries. These laws and regulations may also encourage or mandate the hiring of local contractors and require foreign contractors to employ citizens of, or purchase supplies from within, the relevant country. In addition, the Issuer may become involved in proceedings with regulatory authorities that may require the Issuer to pay fines, comply with more rigorous standards or other requirements or incur capital and operating expenses for compliance with such laws and regulations.

Some of the Issuer's full time and casual employees may be located in other countries. In order to manage its day-to-day operations, the Issuer must overcome cultural and language barriers and assimilate different business practices. In addition, the Issuer is required to create compensation programmes, employment policies, codes of conduct and other administrative programmes that comply



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with the laws and customs of different jurisdictions. The Issuer's failure to successfully manage its geographically diverse operations could impair its ability to react quickly to changing business and market conditions and comply with industry standards and procedures.

***41. The Issuer may explore opportunities for asset monetization which can impact the Issuer's financials and/ or operations.***

The Issuer has monetised 05 nos. of its TBCB SPVs viz. POWERGRID Vizag Transmission Limited (PVTL), POWERGRID Kala Amb Transmission Limited (PKATL), POWERGRID Parli Transmission Ltd (PPTL), POWERGRID Warora Transmission Limited (PWTL) and POWERGRID Jabalpur Transmission Ltd (PJTL), by transferring 74% equity holding in each of the SPVs to POWERGRID Infrastructure Investment Trust (PGInvIT) in May'21 and balance 26% shares of PVTL has been transferred in March'22. The balance 26% shareholding of the remaining SPVs will be transferred progressively after completion of the respective lock-in period in terms of the Transmission Service Agreement.

The Issuer may further explore opportunities for asset monetisation. If asset monetisation takes place, the Issuer's scale of operations as well as financial may get impacted accordingly.

***42. Natural calamities could have a negative effect on the Indian economy and cause the Issuer business to suffer.***

In India natural calamities such as earthquakes, cyclone, floods, avalanche, landslides and droughts etc. are experienced in various parts of country, which may affect transmission network. Fani cyclone affected various parts of Odisha in May'19 causing severe damages to transmission and distribution network. During the year 2020, very severe cyclones like Amphan, Nisarga, Niwar & Burevi, in 2021 Tauktae, Yaas, Gulab and Jawad and in 2022 (till Sept'22) Asani affected the coastal parts of India. Due to advance preparedness taken by POWERGRID, no major damage to POWERGRID transmission networks had occurred. However, any damages to transmission/ distribution network may not be completely ruled out during such natural calamity. Prolonged power outages, spells of below normal rainfall in country or other natural calamities could have a negative impact on the Indian economy, affecting the issuer's business and potentially causing the trading price of the notes to decrease.

***43. Demand for power in India may not increase as the Issuer anticipates.***

It is generally believed that demand for power in India will increase in conjunction with expected increases in India's GDP. However, there can be no assurance that demand for power in India will increase to the extent the Issuer expects, or at all. In the event, the demand for power in India does not increase as per the Issuer's expectations, its results of operations and expansion strategy may be materially and adversely affected.

***44. Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, financial condition and prospects.***

The regulatory and policy environment in which we operate is evolving. Such changes, including the instances mentioned below, may adversely affect our business, financial condition and prospects, to the extent that we are unable to suitably respond to and comply with such changes in applicable law and policy:

The Companies Act 2013 has been notified and it envisages significant changes, including on issue of capital, corporate governance, audit and corporate social responsibility.

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Uncertainty in applicability, interpretation or implementation of any change in governing law or policy, including by reason of an absence or limited body of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact our business and prospects.

#### **45. COVID-19 pandemic.**

The COVID-19 pandemic has affected the entire world and India is no exception to it. The lockdown imposed in the country in view of containing the infection resulted in slowdown of the Indian economy. The electricity consumption being dependent on the economic activities in the country has seen a dip in the demand during the period of lockdown. COVID-19 has also affected the supply chain, workforce availability, land acquisition, cash-flow of your company which may affect the timely execution of the under-construction projects of your company adversely affecting the growth plans. The global economy including India gradually started recovering in the last year from the impacts of COVID-19.

### **RISKS RELATING TO INVESTMENT IN THE DEBENTURES**

**46. The Issuer's ability to pay Coupon and redeem Principal in accordance with the terms of the Issue is subject to various factors including the ability of generation of cashflows to be received from our Project SPV which shall be pooled in the TRA Account for servicing of debt obligations. Any adverse change in Project SPVs' ability to transfer and generate and transfer the required/ sufficient cash flows for servicing of Bonds may have an adverse impact on our reputation and servicing of Bonds.**

The Issuer's ability to pay Coupon accrued on the Bonds and/or redeem the principal amounts on Maturity Dates is subject to various factors, including inter alia the ability of generation of cashflows to be received from our Project SPV which shall be pooled in the TRA Account for servicing of debt obligations. Any adverse change in Project SPVs' ability to transfer and generate and transfer the required/ sufficient cash flows for servicing of Bonds may have an adverse impact on our reputation and servicing of Bonds. The Issuer has created a structured payment mechanism under which the cashflows to be received from its Project SPV shall be pooled for servicing of these Bonds.

**47. There has been only a limited trading in the debentures of such nature and the price of the Debentures may be volatile subject to fluctuations**

The Debentures have no established market and there is no assurance that an active market for these Debentures will develop or be sustained. There is no assurance that a trading market for the Bonds will exist and no assurance as to the liquidity of any trading market. Although an application will be made to list the Bonds on the BSE and/or NSE, there can be no assurance that an active market for the Bonds will develop, and if such a market were to develop, there is no obligation on us to maintain such a market. Further, the liquidity and price of the Debentures may vary with changes in market and economic conditions, our financial condition and other factors that may be beyond our control.

**48. There is no guarantee that the Debentures will be listed on the Stock Exchange(s) in a timely manner or at all, or that monies refundable to Applicants will be refunded in a timely manner.**

In accordance with Indian law and practice, approval for listing and trading of the Debentures will not be granted until after the Debentures have been allotted. While we will make our best efforts to ensure that all steps for completion of the necessary formalities for allotment, listing and commencement of trading on the Stock Exchange(s) are taken within the time prescribed by SEBI or applicable law, there may be a failure or delay in listing the Debentures on the Stock Exchange(s). We cannot assure you that any monies refundable on account of (a) withdrawal of the Issue, or (b) failure to obtain final

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approval from the Stock Exchange(s) for listing of the Debentures, will be refunded in a timely manner. We shall, however, refund any such monies, with interest due and payable thereon, as prescribed under applicable law.

***49. You may not be able to recover, on a timely basis or at all, the full value of outstanding amounts on the Debentures.***

Our ability to pay interest accrued and the principal amount outstanding from time to time in connection with the Debentures is subject to various factors, including our financial condition, profitability and the general economic conditions in India and in the global financial markets.

***50. Changes in interest rates may affect the price of the Debentures.***

Securities where a fixed rate of interest is offered, such as the Debentures, are subject to price risk. The price of such securities will vary inversely with changes in prevailing interest rates, i.e., when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the coupon rate, days to maturity and increase or decrease in prevailing interest rates. Increased rates of interest, which may accompany inflation and/or a growing economy, may have a negative Effect on the price of the Debentures.

***51. A downgrade in credit rating of the Debentures may affect the price of the Debentures.***

The Debentures have been assigned AAA rating by rating agency (ies). We cannot guarantee that this rating will not be downgraded, suspended or withdrawn at any time during the tenor of the Debentures. Any downgrade, suspension or withdrawal in the credit rating on the Debentures may lower the price of the Debentures.

***52. Payments on the Debentures will be subordinated to certain tax and other liabilities preferred by law.***

The payment on the Debentures will be subordinated to certain liabilities preferred by law, such as claims of the GOI on account of taxes, and certain liabilities incurred in the ordinary course of our business. In an event of default in excess of the DRR, in particular, in an event of bankruptcy, liquidation or winding-up, our assets will be available to meet payment obligations on the Debentures only after all liabilities that rank senior to the Debentures have been paid and, in such event, there may not be sufficient assets remaining, after paying amounts relating to these claims, to pay amounts due on the Debentures.

***GENERAL RISK***

***53. The Bonds may not be a suitable investment for all investors.***

Investment in non-convertible securities involve a degree of risk and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the issue including the risks involved in it. Specific attention of investors is invited to statement of risk factors mentioned above. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the non-convertible securities or investor's decision to purchase such securities.

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**54. This Placement Memorandum includes unaudited financial information, which has been subjected to limited review, in relation to the Issuer. Reliance on such information should, accordingly, be limited.**

This Placement Memorandum includes Unaudited financial information for the quarter ended 30<sup>th</sup> September, 2022 and for the quarter ended 31<sup>st</sup> December, 2022 in the format as prescribed in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of which the Auditors have issued their limited review report dated 5<sup>th</sup> November, 2022 and 31<sup>st</sup> January, 2023 respectively as filed with the stock exchanges. Any financial results published in the future may not be consistent with past performance. Accordingly, prospective investors should rely on their independent examination of our financial position and results of operations, and should not place undue reliance on, or base their investment decision solely on the financial information included in this Placement Memorandum.

## 17. Details of Default

Sl. No.	Particulars	Amount Involved	Duration of Default	Present Status
1	Repayment of Statutory Dues	Nil	-	-
2	Repayment of Debentures & Interest thereon	Nil	-	-
3	Repayment of Deposits & Interest thereon	Nil	-	-
4	Repayment of Loan from any bank and Financial Institution, & Interest thereon	Nil	-	-

## 18. Details of Nodal/ Compliance Officer of the Company

Compliance Officer of the Company	
<b>Name</b>	Mr. Mrinal Shrivastava
<b>Designation</b>	Company Secretary & Compliance Officer
<b>Address</b>	Power Grid Corporation of India Ltd., Saudamini, Plot No. 2, Sector-29, Gurgaon 122001 (Haryana)
<b>Phone Number</b>	011-2571968
<b>Email Id</b>	<a href="mailto:mrinal@powergrid.in">mrinal@powergrid.in</a>

## 19. Default in Annual filing of the Company under the Companies Act, 2013 or the rules made thereunder

NIL

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**20. Key Operational and financial parameters on Standalone and Consolidated Basis:**

(In ₹ Crore, unless stated otherwise)								
Key financial parameters	30.09.2022 (Unaudited)		2021-22 (Audited)		2020-21 (Audited)		2019-20 (Audited)	
For Non-Financial Entity	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
<b>Balance Sheet</b>								
Net Fixed assets (including intangible assets)	1,76,186.86	1,89,473.75	1,79,731.76	1,91,772.84	176943.50	183725.94	169836.43	181112.10
Current assets (includes Assets classified as held for sale)	21,480.29	24,296.48	20,111.35	22,375.84	24692.38	25386.11	18,409.12	18111.93
Non-current assets (excluding net fixed assets)	41,566.11	28,890.24	38,061.49	26,861.51	42030.05	36002.29	57181.05	47306.13
Regulatory Deferral Account Balances (RDAB)	10,028.38	9,948.12	9,973.04	9,933.24	10606.35	10575.13	10123.06	10123.06
<b>Total assets</b>	<b>2,49,261.64</b>	<b>2,52,644.59</b>	<b>2,47,877.64</b>	<b>2,50,943.43</b>	<b>254272.28</b>	<b>255689.47</b>	<b>255549.66</b>	<b>256653.22</b>
<b>Non-Current Liabilities</b>								
Financial liabilities (borrowings, lease liabilities and other financial liabilities)	1,14,739.93	1,14,740.45	1,17,749.44	1,17,749.98	132794.12	132926.97	138936.74	138944.24
Provisions	535.90	535.99	517.05	517.14	461.93	462.02	424.71	424.71
Deferred tax liabilities (Net)	10,876.20	10,846.76	11,424.78	11,356.98	11941.88	11836.62	11381.85	11228.78
Other non-current liabilities	210.52	212.52	240.89	242.89	218.06	220.06	361.04	362.54
<b>Current Liabilities</b>								
Financial liabilities including maturities of long-term borrowings (borrowings, lease liabilities, trade payables and other financial liabilities)	26,870.29	29,765.25	28,143.65	30,909.75	24390.22	25034.27	24057.34	25010.69
Provisions	834.82	1,070.15	932.31	1,167.12	835.88	845.12	741.95	742.04
Current tax liabilities (net)	-	24.08	-	9.45	425.51	425.51	22.78	22.92
Other current liabilities (including liabilities directly associated with asset classified as held for sale)	2,653.81	2,778.98	3,203.41	3,228.45	3,871.69	4248.68	4267.54	4,305.93
Deferred Revenue	10,462.13	10,462.13	9,514.54	9,514.54	9754.15	9754.15	10916.02	10916.02
<b>Total liabilities</b>								
Equity (equity share capital and other equity)	82,078.04	82,208.28	76,151.57	76,247.13	69578.84	69936.07	64439.69	64695.35
<b>Total equity and liabilities</b>	<b>2,49,261.64</b>	<b>2,52,644.59</b>	<b>2,47,877.64</b>	<b>250,943.43</b>	<b>254272.28</b>	<b>255689.47</b>	<b>255549.66</b>	<b>256653.22</b>
<b>Profit and Loss</b>								
	2022-23 (Half Year ended Sep 2022)		2021-22		2020-21		2019-20	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated



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Total revenue from operations	21,101.78	22,055.78	39,933.39	41,621.64	37,665.65	39,639.79	36,185.54	37,743.54
Other income	1,105.52	462.20	2,402.48	1,076.26	2,861.46	1,183.74	2132.43	927.42
<b>Total Income</b>	<b>22,207.30</b>	<b>22,517.98</b>	<b>42,335.87</b>	<b>42,697.90</b>	<b>40,527.11</b>	<b>40,823.53</b>	<b>38,317.97</b>	<b>38670.96</b>
Total Expenses	13,951.36	14,140.34	25,767.90	25,957.32	24,822.40	24,820.56	25,670.62	25,919.34
Profit / loss before tax, RDAB & exceptional items	8,255.94	8,377.64	16,567.97	16,740.58	15,704.71	16,002.97	12,647.35	12,751.62
Exceptional Items	-	-	(3,759.51)	(3,320.33)	1,078.64	1,078.64	-	-
Share of net profits of investments in Joint Ventures accounted for using Equity Method	-	(28.92)	-	78.47	-	214.70	-	155.13
PBT & RDAB	8,255.94	8,348.72	20,327.48	20,139.38	14,626.07	15,139.03	12,647.35	12,906.75
Tax expense	884.98	939.63	2711.06	2,785.57	3,089.14	3,464.25	3519.57	3,530.75
Net movement in RDAB (Net of Tax)	45.94	42.26	(522.66)	(529.74)	398.85	361.68	1683.40	1,683.40
Profit / loss after tax	7,416.90	7,451.35	17,093.76	16824.07	11,935.78	12,036.46	10811.18	11,059.40
Other comprehensive income	79.05	79.28	290.93	291.14	25.36	25.49	(104.02)	(104.02)
Total comprehensive income	7,495.95	7,530.63	17,384.69	17,115.21	11,961.14	12,061.95	10707.16	10,955.38
<b>Earnings per equity share basic &amp; diluted</b>								
(a) EPS including movement in RDAB	10.63	10.68	24.51	24.12	17.11	17.26	20.67	21.14
(b) EPS excluding movement in RDAB	10.57	10.62	25.25	24.88	16.54	16.74	17.45	17.92
<b>Cash Flow</b>								
Opening cash & cash equivalents	2,457.47	2,577.11	4,430.05	4,667.74	4805.14	4849.59	3645.70	3650.29
Net cash generated from operating activities	12,526.24	13,271.08	24,640.20	26,123.52	27,613.73	29,402.68	29,239.47	30,738.63
Net cash (used in) / generated from investing	(1,313.38)	(1,783.24)	2,188.54	752.79	(7,802.99)	(9,063.48)	(9,368.04)	(10,733.49)
Net cash used in financing activities	(11,928.03)	(11,928.35)	(28,801.32)	(28,966.94)	(20,185.83)	(20,521.05)	18,711.99	(18,805.84)
Cash and cash equivalents	1,742.30	2,136.60	2,457.47	2,577.11	4,430.05	4,667.74	4,805.14	4,849.59
Balance as per statement of cash flows	1,742.30	2,136.60	2,457.47	2,577.11	4,430.05	4,667.74	4,805.14	4,849.59
<b>Additional information</b>								
Net worth	82,078.04	82,208.28	76,151.57	76,247.13	69,578.84	69,936.07	64,439.69	64,695.35
Cash and Cash Equivalents	1,742.30	2,136.60	2,457.47	2,577.11	4,430.05	4,667.74	4,805.14	4,849.59
Current Investments	-	-	-	-	-	-	-	-
Net Sales / Revenue from operations	21,101.78	22,055.78	39,933.39	41,621.64	37,665.65	39,639.79	36,185.54	37,743.54
EBIDTA before exceptional Items	19,412.46	19,655.43	37,244.88	37,642.32	35,912.03	36,386.18	33,727.40	34,216.04

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EBIT before exceptional Items	12,990.57	13,042.86	24,694.30	24,770.66	24,200.35	24,346.99	22,654.22	23,142.86
Dividend amounts	1,569.48	1,569.48	10,811.96	10,811.96	6,821.99	6,821.99	4,425.92	4,425.92
Dividend Tax	-	-	-	-	-	-	858.69	918.08
Total Debt								
- Non-current maturities of long-term borrowings	1,11,170.77	1,11,170.77	114,199.40	114,199.40	129080.07	1,29,174.79	135421.11	135421.11
(A) Current maturities of long-term borrowings	17,305.19	17,305.19	15,165.87	15,165.87	12,171.41	12,235.54	9558.53	9848.53
(B) Short term borrowings	2,100.00	2,100.00	5,300.00	5,300.00	1,800.00	1800.00	3000.00	3000.00
Current liabilities excluding (A+B) & includes liabilities directly associated with Asset classified as held for sale)	10,953.73	14,233.27	11813.50	14848.90	15551.89	16518.04	16531.08	17233.05
Current Ratio	0.71:1	0.72:1	0.62:1	0.63:1	0.84:1	0.83:1	0.63:1	0.60:1
Current Liability ratio – Current liabilities / Non-current liabilities	0.24	0.27	0.25	0.27	0.20	0.21	0.19	0.20
Total Debts to Total assets	0.52	0.52	0.54	0.54	0.56	0.56	0.58	0.58
Debt Service Coverage Ratio	2.06	2.09	1.61	1.61	1.66	1.67	1.67	1.71
Interest service coverage ratio	4.44	4.53	4.61	4.70	3.79	3.97	3.67	3.79

**Profits of the company (before and after making provision for tax) & Dividends declared by the company with interest coverage ratio for last three years (Standalone Basis)**

Standalone		2022-23 (Half Year ended Sep 2022)	2021-22	2020-21	2019-20	2018-19		
<b>PBT &amp; RADB</b>		8,255.94	20,327.48	14,626.07	12,647.35	11,488.98		
Less: Tax expense		884.98	2,711.06	3,089.14	3519.57	(976.44)		
Add: Net movement in RDAB balances (net of tax)		45.94	(522.66)	398.85	1683.40	(2526.87)		
Profit / loss after tax		7,416.90	17,093.76	11,935.78	10811.18	9938.55		

## 21. Debt Equity Ratio prior to and after Issue of Debt Securities

Debt: Equity Ratio of the Issuer	
<b>Before the issue*</b>	<b>1.60</b>
<b>After the issue#</b>	<b>1.61</b>

\*As of December 31, 2022, but includes the amounts raised through bonds of Rs. 2,120 Crores through private placement on 17.02.2023 and Rs. 867 Crores through private placement on 23.03.2023.

#Note: The impact of other fresh borrowings/redemptions (including debentures) and accretion to Reserves & Surplus after 31.12.2022 has not been considered. For the purposes of calculating the Debt Equity Ratio after the issue the only change considered is the amount of proceeds received from the issue i.e. 425 Crores.

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**22. Audited Financials for three completed years in columnar form and as filed with exchanges along-with the Auditor's Report, footnotes etc., Cash Flow Statement along-with latest results for stub period filed with exchanges:**

STATEMENT OF ASSETS AND LIABILITIES (STANDALONE AND CONSOLIDATED)						
Particulars	2021-22 (Audited)		2020-21 (Audited)		2019-20 (Audited)	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
<b>A. ASSETS</b>						
<b>1. Non-current assets</b>						
Property, plant & equipment	1,78,175.63	1,90,048.35	1,75,392.06	1,82,108.99	1,68,339.02	1,79,449.82
Capital work-in-progress	7,344.46	12,799.90	17,896.67	24,679.80	30,180.08	34,904.41
Investment Property	-	-	0.03	0.03	0.03	0.03
Intangible assets	1,556.13	1,724.49	1,551.44	1,616.95	1,497.41	1,662.28
Intangible assets under development	31.53	53.70	74.86	157.99	219.55	273.00
Financial assets	-	-	-	-	-	-
Investments in Joint Ventures accounted for using the equity method	-	1,861.21	-	1,346.85	-	1,332.18
Investments	7,228.53	1,926.43	4,265.36	138.70	3,763.66	98.90
Loans	14,269.78	406.45	10,474.09	322.58	12,783.75	271.58
Other non-current financial assets	4,144.46	4,591.16	4,313.62	4,560.74	4,106.80	4,100.30
Other non-current assets	4,797.73	4,977.66	4,744.56	4,795.60	6,127.18	6,325.73
	<b>2,17,548.25</b>	<b>2,18,389.35</b>	<b>2,18,712.69</b>	<b>2,19,728.23</b>	<b>2,27,017.48</b>	<b>2,28,418.23</b>
Assets Classified as Held for Sale	245.00	245.00	260.86	-	-	-
	<b>2,17,793.25</b>	<b>2,18,634.35</b>	<b>2,18,973.55</b>	<b>2,19,728.23</b>	<b>2,27,017.48</b>	<b>2,28,418.23</b>
<b>2. Current assets</b>						
Inventories	1,352.60	1,357.17	1,362.82	1,366.94	1,400.56	1,433.46
Financial assets						
Trade receivables	9,106.82	9,475.07	8,470.20	8,629.42	4,867.90	5,040.71
Cash and cash equivalents	2,457.47	2,577.11	4,430.05	4,487.23	4,805.14	4,849.59
Bank balances other than Cash and cash equivalents	513.57	2,471.07	843.49	871.48	604.26	604.31
Loans	328.27	98.59	5,428.83	127.05	879.41	156.41
Other current financial assets	6,125.77	6,156.69	3,031.53	3,025.43	5,631.40	5,799.43
Other current assets	210.99	224.28	173.28	177.51	220.45	228.02
	<b>20,095.49</b>	<b>22,359.98</b>	<b>23,740.20</b>	<b>18,685.06</b>	<b>18,409.12</b>	<b>18,111.93</b>
Assets Classified as Held for Sale	15.86	15.86	952.18	6,701.05	-	-
	<b>20,111.35</b>	<b>22,375.84</b>	<b>24,692.38</b>	<b>25,386.11</b>	<b>18,409.12</b>	<b>18,111.93</b>
<b>3. Regulatory Deferral Account Balances</b>						
	9,973.04	9,933.24	10,606.35	10,575.13	10,123.06	10,123.06
<b>TOTAL ASSETS</b>	<b>2,47,877.64</b>	<b>2,50,943.43</b>	<b>2,54,272.28</b>	<b>2,55,689.47</b>	<b>2,55,549.66</b>	<b>2,56,653.22</b>
<b>B. EQUITY AND LIABILITIES</b>						
<b>1. Equity</b>						
Equity Share capital	6,975.45	6,975.45	5,231.59	5,231.59	5,231.59	5,231.59

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Other Equity	69,176.12	69,271.68	64,347.25	64,704.48	59,208.10	59,463.76
	<b>76,151.57</b>	<b>76,247.13</b>	<b>69,578.84</b>	<b>69,936.07</b>	<b>64,439.69</b>	<b>64,695.35</b>
<b>2. Liabilities</b>						
<b>Non-current liabilities</b>						
Financial Liabilities						
Borrowings	1,14,199.40	1,14,199.40	1,29,080.07	1,29,174.79	1,35,421.11	1,35,421.11
Lease Liabilities	27.04	27.58	17.66	18.20		
Other non-current financial liabilities	3,523.00	3,523.00	3,696.39	3,733.98	3,515.63	3,523.13
Provisions	517.05	517.14	461.93	462.02	424.71	424.71
Deferred tax liabilities (Net)	11,424.78	11,356.98	11,941.88	11,836.62	11,381.85	11,228.78
Other non-current liabilities	240.89	242.89	218.06	220.06	361.04	362.54
	<b>1,29,932.16</b>	<b>1,29,866.99</b>	<b>1,45,415.99</b>	<b>1,45,445.67</b>	<b>1,51,104.34</b>	<b>1,50,960.27</b>
<b>Current liabilities</b>						
Financial liabilities						
Borrowings	20,465.87	20,465.87	13,971.41	14,035.54	3,000.00	3,000.00
Lease Liabilities	2.74	2.78	3.93	3.97		
Trade payables						
(A) total outstanding dues of micro enterprises and small enterprises	47.19	47.19	29.76	29.76	11.59	11.59
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.	218.95	219.91	156.54	157.72	214.13	214.95
Other current financial liabilities	7,408.90	10,174.00	10,228.58	10,807.28	20,831.62	21,784.15
Other current liabilities	3,203.41	3,228.45	3,871.69	3,884.70	4,267.54	4,305.93
Provisions	932.31	1,167.12	835.88	845.12	741.95	742.04
Current tax liabilities (net)	-	9.45	425.51	425.51	22.78	22.92
	<b>32,279.37</b>	<b>35,314.77</b>	<b>29,523.30</b>	<b>30,189.60</b>	<b>29,089.61</b>	<b>30,081.58</b>
Liabilities directly associated with Assets Classified as Held for Sale	-	-	-	363.98	-	-
<b>3. Deferred Revenue</b>	9,514.54	9,514.54	9,754.15	9,754.15	10,916.02	10,916.02
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,47,877.64</b>	<b>2,50,943.43</b>	<b>2,54,272.28</b>	<b>2,55,689.47</b>	<b>2,55,549.66</b>	<b>2,56,653.22</b>

(Private and Confidential –For Private Circulation Only)

STATEMENT OF PROFIT AND LOSS (STANDALONE AND CONSOLIDATED)						
	2021-22 (Audited)		2020-21 (Audited)		2019-20 (Audited)	
Particulars	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Revenue From Operations	39,928.09	41,616.34	37,665.65	39,639.79	36,185.54	37,743.54
Other Income	2,407.78	1,081.56	2,861.46	1,183.74	2,132.43	927.42
<b>Total Income</b>	<b>42,335.87</b>	<b>42,697.90</b>	<b>40,527.11</b>	<b>40,823.53</b>	<b>38,317.97</b>	<b>38,670.96</b>
<b>EXPENSES</b>						
Employee benefits expense	2,234.76	2,243.89	2,110.74	2,114.76	1,959.47	1,959.75
Finance costs	8,210.94	8,036.22	8,501.01	8,134.69	9,813.62	9,509.00
Depreciation and amortization expense	12,550.58	12,871.66	11,711.68	12,039.19	11,073.18	11,607.04
Other expenses	2,771.62	2,805.55	2,498.97	2,531.92	2,824.35	2,843.55
<b>Total expenses</b>	<b>25,767.90</b>	<b>25,957.32</b>	<b>24,822.40</b>	<b>24,820.56</b>	<b>25,670.62</b>	<b>25,919.34</b>
<b>Profit before share of net profits of investments in Joint Ventures accounted for using Equity Method, Exceptional items, tax and Regulatory Deferral Account Balances</b>	<b>16,567.97</b>	<b>16,740.58</b>	<b>15,704.71</b>	<b>16,002.97</b>	<b>12,647.35</b>	<b>12,751.62</b>
Share of net profits of investments in Joint Ventures accounted for using Equity Method	-	78.47	-	214.70	-	155.13
<b>Profit before Exceptional items, tax and Regulatory Deferral Account Balances</b>	<b>16,567.97</b>	<b>16,819.05</b>	<b>15,704.71</b>	<b>16,217.67</b>	<b>12,647.35</b>	<b>12,906.75</b>
Exceptional Items	(3,759.51)	(3,320.33)	1,078.64	1,078.64	-	-
<b>Profit Before Tax and Regulatory Deferral Account Balances</b>	<b>20,327.48</b>	<b>20,139.38</b>	<b>14,626.07</b>	<b>15,139.03</b>	<b>12,647.35</b>	<b>12,906.75</b>
Tax expense:						
Current tax - Current Year	3,320.52	3,352.29	2,527.55	2,565.27	2,108.83	2,198.54
- Earlier Years	(38.46)	(38.46)	1.56	(56.68)	121.91	121.91
Deferred tax	(571.00)	(528.26)	560.03	955.66	1,288.83	1,210.30
<b>Profit for the period before Regulatory Deferral Account Balances</b>	<b>17,616.42</b>	<b>17,353.81</b>	<b>11,536.93</b>	<b>11,674.78</b>	<b>9,127.78</b>	<b>9,376.00</b>
Net movement in Regulatory Deferral Account Balances- Income/(Expenses) (net of tax)	(522.66)	(529.74)	398.85	361.68	1,683.40	1,683.40
<b>Profit for the period</b>	<b>17,093.76</b>	<b>16,824.07</b>	<b>11,935.78</b>	<b>12,036.46</b>	<b>10,811.18</b>	<b>11,059.40</b>
<b>Other Comprehensive Income</b>						
Items that will not be reclassified to profit or loss (net of tax)	290.93	290.90	25.36	25.36	(104.02)	(104.02)
Share of other comprehensive income of Joint Ventures accounted for using Equity Method	-	0.24	-	0.13	-	-
<b>Total Comprehensive Income for the period</b>	<b>17,384.69</b>	<b>17,115.21</b>	<b>11,961.14</b>	<b>12,061.95</b>	<b>10,707.16</b>	<b>10,955.38</b>



(Private and Confidential –For Private Circulation Only)

**Standalone Cash Flow Statement for last 3 Financial Years**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit Before Tax & Regulatory Deferral Account Balances	20,327.48	14,626.07	12,647.35
Add: Net movement in Regulatory Deferral Account Balances (net of tax)	(522.66)	398.85	1,683.40
Add: Tax on Net movement in Regulatory Deferral Account Balances	(110.65)	84.44	356.39
<b>Profit Before Tax (including net movement in Regulatory Deferral Account Balances)</b>	<b>19,694.17</b>	<b>15,109.36</b>	<b>14,687.14</b>
<b>Adjustment for :</b>			
Depreciation & amortization expenses	12,550.58	11,711.68	11,073.18
Transfer from Grants in Aid	(300.26)	(328.89)	(260.25)
Deferred revenue - Advance against Depreciation	(152.46)	(160.05)	(152.65)
Provisions	4.21	7.49	6.34
Changes in fair value of financial assets through profit or loss	(16.44)	(16.92)	(39.85)
Profit on sale of Investment in Subsidiaries	(3,759.51)	-	-
Net Loss on Disposal / Write off of Property, Plant & Equipment	28.39	2.49	17.20
Deferred Foreign Currency Fluctuation Asset	(42.69)	1,022.09	(1,572.74)
Deferred Income from Foreign Currency Fluctuation	191.07	(780.92)	1,637.95
Regulatory Deferral Account Debit Balances	633.31	(483.29)	(2,039.79)
Finance Costs	8,210.94	8,501.01	9,813.62
Provisions Written Back	(13.13)	(24.55)	(147.56)
FERV loss / (gain)	(0.03)	(0.02)	(0.31)
Profit on sale of Investment in Mutual Funds	(15.95)	-	
Interest income on Deposits, Bonds and loans to Subsidiaries & JVs, PG InvIT etc	(1,075.96)	(1,126.07)	(1,088.35)
Surcharge income	(364.46)	(714.15)	(297.54)
Income from finance lease	(73.12)	(81.18)	-
Dividend income	(664.38)	(662.78)	(303.02)
	<b>15,140.11</b>	<b>16,865.94</b>	<b>16,646.23</b>
<b>Operating profit before Changes in Assets and Liabilities</b>	<b>34,834.28</b>	<b>31,975.30</b>	<b>31,333.37</b>
<b>Adjustment for Changes in Assets and Liabilities:</b>			
(Increase)/Decrease in Inventories	13.96	38.67	(169.43)
(Increase)/Decrease in Trade Receivables	(520.95)	(3,358.73)	(196.44)
(Increase)/Decrease in Other Financial Assets	(2,789.46)	2,189.85	1,622.35
(Increase)/Decrease in Other Non-current Assets	68.23	123.69	(48.48)
(Increase)/Decrease in Other Current Assets	(37.71)	49.99	108.33
(Increase)/Decrease in Other Non-current Financial Assets	-	-	-
(Increase)/Decrease in Other current financial assets	-	(0.00)	(0.00)
Increase/(Decrease) in Liabilities & Provisions	(3,218.91)	(1,197.28)	(934.48)
	<b>(6,484.84)</b>	<b>(2,153.81)</b>	<b>381.85</b>

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<b>Cash generated from operations</b>	<b>28,349.44</b>	<b>29,821.49</b>	<b>31,715.22</b>
Direct taxes paid	(3,709.24)	(2,207.76)	(2,475.75)
<b>Net Cash from Operating Activities</b>	<b>24,640.20</b>	<b>27,613.73</b>	<b>29,239.47</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
Property, Plant & Equipment and Capital Work in Progress (Including Advances for Capital Expenditure)	(3,645.32)	(6,389.23)	(8,006.12)
Advances for Capital Expenditure			
Receipt of Grant	131.42	8.13	233.94
Investment in Mutual Funds	(1,470.00)	-	-
Sale of Mutual Funds	1,485.95	-	-
Sale of Investment in Subsidiaries/Associate (Net)	3,346.69	-	
Investments in Subsidiaries, JVs & others	(1,122.13)	(1,665.59)	(1,056.47)
Loans & Advances to Subsidiaries, JVs & Associates (Including repayments)	1,228.83	(2,141.35)	(2,262.33)
Financial lease receipts	84.87	76.40	(13.82)
Interest received on Deposits, Bonds and Loans to Subsidiaries & JVs, PG InvIT etc	1,239.26	1,100.67	1,136.20
Surcharge received	244.59	545.20	297.54
Dividend received	664.38	662.78	303.02
<b>Net Cash from/(used in) Investing Activities</b>	<b>2,188.54</b>	<b>(7,802.99)</b>	<b>(9,368.04)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
Issue of Shares		-	-
Premium on issue of shares (net of share issue expenses)		-	-
Proceeds from Borrowings			
Non Current	2,584.70	7,840.37	10,325.96
Current	7,400.00	11,750.00	18,020.00
Repayment of Borrowings			
Non Current	(15,251.97)	(10,913.32)	(10,765.64)
Current	(3,900.00)	(12,950.00)	(19,320.00)
Adjustment for Fair Valuation of Long Term Loans	-	-	12.80
Repayment of Lease Liabilities (Including interest)	(8.14)	(6.23)	(4.23)
Finance Costs paid	(8,813.95)	(9,084.66)	(11,696.27)
Dividend paid	(10,811.96)	(6,821.99)	(4,425.92)
Dividend Tax paid	-	-	(858.69)
<b>Net Cash used in Financing Activities</b>	<b>(28,801.32)</b>	<b>(20,185.83)</b>	<b>(18,711.99)</b>
<b>D. Net change in Cash and Cash equivalents (A+B+C)</b>	<b>(1,972.58)</b>	<b>(375.09)</b>	<b>1,159.44</b>
<b>E. Cash and Cash equivalents (Opening balance)</b>	<b>4,430.05</b>	<b>4,805.14</b>	<b>3,645.70</b>
<b>F. Cash and Cash equivalents (Closing balance)</b>	<b>2,457.47</b>	<b>4,430.05</b>	<b>4,805.14</b>

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**Consolidated Cash Flow Statement for last 3 Financial Years**

				(₹ in Crore)
	Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
	Profit Before Tax & Regulatory Deferral Account Balances	20,139.38	15,139.03	12,906.75
	Add: Net movement in Regulatory Deferral Account Balances (net of tax)	(529.74)	361.68	1,683.40
	Add: Tax on Net movement in Regulatory Deferral Account Balances	(112.15)	74.60	356.39
	<b>Profit Before Tax (including net movement in Regulatory Deferral Account Balances)</b>	<b>19,497.49</b>	<b>15,575.31</b>	<b>14,946.54</b>
	<b>Adjustment for :</b>			
	Depreciation & amortisation expenses	12,871.66	12,039.19	11,607.04
	Transfer from Grants in Aid	(300.26)	(328.89)	(260.25)
	Deferred revenue - Advance against Depreciation	(152.46)	(160.05)	(152.65)
	Provisions	4.20	7.78	6.34
	Changes in fair value of financial assets through profit or loss	(16.44)	(7.68)	(39.89)
	Profit on sale of investment in subsidiaries	(3,554.88)	-	
	Share of net profits of joint ventures accounted for using equity method	(78.47)	(214.70)	(155.13)
	Net Loss on Disposal / Write off of Property, Plant & Equipment	28.41	2.49	17.20
	Deferred Foreign Currency Fluctuation Asset	(42.69)	1,022.09	(1,572.74)
	Deferred Income from Foreign Currency Fluctuation	191.07	(780.92)	1,637.95
	Regulatory Deferral Account Debit Balances	641.89	(436.28)	(2,039.79)
	Finance Costs	8,036.22	8,134.69	9,509.00
	Provisions Written Back	(13.13)	(24.82)	(147.56)
	FERV loss / (gain)	(0.03)	(0.02)	(0.31)
	Income on investments in Mutual Funds	(15.95)	-	
	Interest income on Deposits, Bonds , loans to JVs, PG InvIT etc	(243.09)	(71.47)	(168.33)
	Surcharge income	(375.30)	(744.06)	(308.76)
	Income from finance lease	(124.82)	(84.75)	
	Dividend income	(159.60)	(9.00)	(5.35)
		<b>16,696.33</b>	<b>18,343.60</b>	<b>17,926.77</b>
	<b>Operating profit before Changes in Assets and Liabilities</b>	<b>36,193.82</b>	<b>33,918.91</b>	<b>32,873.31</b>
	<b>Adjustment for Changes in Assets and Liabilities:</b>			
	(Increase)/Decrease in Inventories	13.51	36.46	(181.36)
	(Increase)/Decrease in Trade Receivables	(836.80)	(3,424.46)	(290.95)
	(Increase)/Decrease in Other Financial Assets	(4,695.75)	2,173.07	1,672.88
	(Increase)/Decrease in Other Non-current Assets	61.79	71.84	(55.41)
	(Increase)/Decrease in Other Current Assets	(68.72)	40.09	109.84
	Increase/(Decrease) in Liabilities & Provisions	(824.95)	(1,226.73)	(820.97)
		<b>(6,350.92)</b>	<b>(2,329.73)</b>	<b>434.03</b>

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	<b>Cash generated from operations</b>	<b>29,842.90</b>	<b>31,589.18</b>	<b>33,307.34</b>
	Direct taxes paid	(3,719.38)	(2,186.50)	(2,568.71)
	<b>Net Cash from Operating Activities</b>	<b>26,123.52</b>	<b>29,402.68</b>	<b>30,738.63</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
	Property, Plant & Equipment and Capital Work in Progress (Including Advances for Capital Expenditure)	(7,966.22)	(9,616.55)	(11,367.12)
	Receipt of Grant	131.42	8.13	233.94
	Investment in Mutual Funds	(1,470.00)	-	
	Sale of Mutual Funds	1,485.95	-	
	Consideration received on transfer of subsidiaries/associates (net)	3,130.64	-	
	Acquisition of subsidiary, net of cash acquired	-	(308.39)	-
	Investments in joint venture companies & others	(442.54)	(33.00)	(100.17)
	(Increase)/Decrease in Investments in other companies			(18.40)
	Loans & Advances to Joint Venture/Associate Companies (including repayments)	5,022.78	47.83	(12.40)
	Financial lease receipts	143.53	78.59	(13.82)
	Interest received on Deposits, Bonds & loans to JVs, PG InvIT etc	238.06	74.98	160.96
	Surcharge received	251.19	568.78	308.76
	Dividend received from joint venture companies	68.38	107.15	69.41
	Dividend received from other investments	159.60	9.00	5.35
	<b>Net Cash from/(used in) Investing Activities</b>	<b>752.79</b>	<b>(9,063.48)</b>	<b>(10,733.49)</b>
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
	Proceeds from Borrowings			
	Non Current	2,584.70	7,840.37	10,325.96
	Current	7,400.00	11,750.00	18,020.00
	Repayment of Borrowings			
	Non Current	(15,410.82)	(11,219.40)	(10,765.64)
	Current	(3,900.00)	(12,950.00)	(19,320.00)
	Adjustment for Fair Valuation of Long Term Loans			12.80
	Repayment of Lease Liabilities (Including interest)	(8.18)	(6.32)	(4.82)
	Finance Costs paid	(8,820.68)	(9,113.71)	(11,730.14)
	Dividend paid	(10,811.96)	(6,821.99)	(4,425.92)
	Dividend tax paid	-	-	(918.08)
	<b>Net Cash used in Financing Activities</b>	<b>(28,966.94)</b>	<b>(20,521.05)</b>	<b>(18,805.84)</b>
<b>D.</b>	<b>Net change in Cash and Cash equivalents (A+B+C)</b>	<b>(2,090.63)</b>	<b>(181.85)</b>	<b>1,199.30</b>
<b>E.</b>	Cash and Cash equivalents (Opening balance) (including classified as held for sale)	4,667.74	4,849.59	3,650.29
	Less: Cash and Cash equivalents classified as held for sale	-	(180.51)	-
<b>F.</b>	<b>Cash and Cash equivalents (Closing balance)</b>	<b>2,577.11</b>	<b>4,487.23</b>	<b>4,849.59</b>

Audited Financials for three completed financial years along with the Auditor's Report, footnotes etc., Cash Flow Statement is annexed as **Annexure 4**.

Limited reviewed financials for quarter ended 30.09.2022 and for the quarter ended 31.12.2022, as filed with the stock exchanges is annexed as **Annexure 5**.

(Private and Confidential –For Private Circulation Only)

Investors can also visit the following link on our website for detailed information on financials:

<https://www.powergrid.in/annual-quarterly-results>

**23. Change in Accounting Policies during the last three years and their effect on profit and the Reserves of the Company (wherever applicable)**

Investors can also visit the following link on our website for detailed information on financials:

<https://www.powergrid.in/annual-quarterly-results>

**Changes in Accounting Policies/accounting practices during 2021-22: NIL**

**Changes in Accounting Policies/accounting practices during 2020-21: NIL**

**Changes in Accounting Policies/accounting practices during 2019-2020: NIL**

There is no change in accounting policies except new accounting policy of Ind AS 116 “Leases” which is applicable w.e.f 01.04.2019

**Changes in Accounting Policies/accounting practices during 2018-2019: NIL**

**24. Details of contingent liabilities based on the last audited financial statements including amount and nature of liability as on 31.03.2022**

**a. Claims against the Company not acknowledged as debts in respect of:**

**(i) Capital Works**

Some of the contractors for supply and installation of equipment and execution of works at our projects have lodged claims on the company seeking enhancement of the contract price, revision of work schedule with price escalation, compensation for the extended period of work, idle charges etc. These claims are being contested by the Company as being not admissible in terms of the provisions of the respective contracts.

The company is pursuing various options under the dispute resolution mechanism available in the contract for settlement of these claims. In such cases, contingent liability of ₹2,780.93crore (Previous Year ₹2,540.73crore) has been estimated.

**(ii) Land compensation cases**

In respect of land acquired for the projects, the land losers have claimed higher compensation before various authorities/courts which are yet to be settled. In such cases, contingent liability of ₹1,688.69crore (Previous Year ₹1,604.98crore) has been estimated.

**(iii) Other claims**

In respect of claims made by various State/Central Government Departments/Authorities towards building permission fees, penalty on diversion of agriculture land to non-agriculture use, Nala tax, water royalty etc. and by others, contingent liability of ₹5.81crore (Previous Year ₹5.22crore) has been estimated.



**(iv) Disputed Income Tax/Sales Tax/Excise/Municipal Tax Matters**

Disputed Income Tax/Sales Tax/Excise/Municipal Tax Matters amounting to ₹502.68crore (Previous Year ₹248.36crore) are being contested before various Appellate Authorities. Many of these matters have been disposed of in favour of the company but are disputed before higher authorities by the concerned departments. Against total claim of ₹201.22crore (Previous Year ₹191.42crore), provision of ₹165.52crore (Previous Year ₹156.98crore) is made and balance of ₹35.70crore (Previous Year ₹34.44crore) towards penalty is shown as contingent liability as it is not a wilful default and in management opinion, same is not expected to be upheld by the court.

**(v) Others**

- a) Contingent liability in respect of bills discounted with banks against trade receivables is amounting to ₹3,720.37crore (Previous Year ₹2,533.96 crore). In case of any claim on the company from the banks in this regard, entire amount shall be recoverable from the beneficiaries along with surcharge.
- b) Other contingent liabilities amounts to ₹663.71 crore (Previous Year ₹784.48 crore) which includes claim of ₹357.11 crore (Previous Year ₹397.01 crore) related to Arbitration cases/ROW cases.
- c) Some of the beneficiaries have filed appeals against the tariff orders of the CERC. The amount of contingent liability in this regard is not ascertainable.
- d) Under the Transmission Service Agreement (TSA) with Powerlinks Transmission Ltd, the company has an obligation to purchase the JV company (Powerlinks Transmission Ltd) at a buyout price determined in accordance with the TSA. Such an obligation may result in case JV company (Powerlinks Transmission Ltd) serves a termination notice either on "POWERGRID event of default" or on "force majeure event" prescribed under TSA. No contingent liability on this account has been considered as the same is not ascertainable.

**b. Details of Bank guarantees given by the company on behalf of SPV companies, which were taken over to carry out the business awarded under tariff based bidding, towards performance of the work awarded are as under:**

(₹ in crore)

Name of SPV	As at 31.03.2022	As at 31.03.2021
Powergrid Jabalpur Transmission Limited	2.23	6.09
Powergrid Southern Interconnector Transmission System Limited	110.04	110.04
Powergrid Medinipur Jeerat Transmission Limited	55.93	141.89
Powergrid Mithilanchal Transmission Limited	23.61	84.32
Powergrid Varanasi Transmission System Limited	-	30.38
Powergrid Jawaharpur Firozabad Transmission Limited	16.44	41.85
Powergrid Khetri Transmission System Limited	-	66.15
Powergrid Bhuj Transmission Limited	23.55	58.95
Powergrid Bhind Guna Transmission Limited	25.63	65.48
Powergrid Ajmer Phagi Transmission Limited	-	14.85
Powergrid Fatehgarh Transmission Limited	-	17.55

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Powergrid Rampur Sambhal Transmission Limited	28.14	70.65
Powergrid Meerut Simbhavali Transmission Limited	33.75	85.05
Powergrid Ramgarh Transmission Limited	14.04	35.46
Powergrid Bikaner Transmission System Limited	34.65	89.10
Powergrid Sikar Transmission Limited	37.13	-
Powergrid Bhadla Transmission Limited	10.50	-
Powergrid Aligarh Sikar Transmission Limited	17.33	-

**25. Capital Structure of Power Grid as on 31-12-2022****(₹ in Crore)**

Capital Structure At	31-12-2022	31-03-2022	31-03-2021	31-03-2020	31-03-2019
<b>(a).(i)(A)</b> Authorized 10,00,00,00,000 equity shares of ₹ 10/- each	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
<b>Issued , Subscribed And Paid Up 6975452864 equity shares of ₹ 10/- each fully paid up.</b>	6975.45	6975.45	5231.59	5231.59	5231.59
<b>(a).(i)(B)</b> Size of the present offer	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
<b>(a).(i)(C)</b> Paid up capital (I) After the offer (II) After conversion of convertible instruments <b>5.(a).(i)(D) Share premium account</b>    Before the offer    After the offer	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

**26. Changes in capital structure as on last quarter for the last five years****(₹ in Crore)**

Share Capital	31.12.2022	31.03.2022	30.06.2021	31.03.2021	31.03.2020	31.03.2019	31.03.2018
Authorized Share Capital	10000.00	10000.00	10000.00	10000.00	10000.00	10000.00	10000.00
Issued, Subscribed and Paid-up Share Capital	6975.45	6975.45	5231.59	5231.59	5231.59	5231.59	5231.59
CHANGES#	-	1743.86	-	-	-	-	-

#There is change in capital structure for quarter ending 31.12.2021 after Issuance of Bonus Shares during FY 2021-22 on 03<sup>rd</sup> July, 2021.

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## Equity Capital History –

<b>2021-22</b>									
Date of Allotment	No of Equity shares	Face Value (Rs.)	Issue Price	Consideration (Cash other)	Nature of Allotment	Cumulative			Remarks
Issuance of Bonus Shares during FY						No of equity shares	Equity share Capital (Rs.)	Equity shares Premium (in Rs.)	
3 <sup>rd</sup> July, 2021	1743863216	10	NA	NA	Bonus Shares (1:3)	6975452864	69754528640	NIL	
<b>2019-20</b>									
i) GOI has further divested 0.40% of the paid-up capital in POWERGRID through further tranches of Bharat 22 ETF in FY 2019-20. Government of India's stake in POWERGRID now stands at 54.97% i.e. 2,87,54,38,470 shares out of total 523,15,89,648 shares.									
ii) GOI has further divested 3.63% of the paid-up capital in POWERGRID through CPSE ETF in FY 2019-20. Government of India's stake in POWERGRID now stands at 51.34% i.e. 2,68,58,72,408 shares out of total 523,15,89,648 shares.									
<b>2018-19</b>									
i) GOI has further divested 0.57% of the paid-up capital in POWERGRID through further tranches of Bharat 22 ETF and CPSE ETF in FY 2018-19. Government of India's stake in POWERGRID now stands at 56.34% i.e. 2,94,73,76,901 shares out of total 523,15,89,648 shares.									
ii) GOI has further divested 0.97% of the paid-up capital in POWERGRID through further tranches of Bharat 22 ETF and CPSE ETF in FY 2018-19. Government of India's stake in POWERGRID now stands at 55.37% i.e. 2,89,64,95,942 shares out of total 523,15,89,648 shares.									
<b>2017-18</b>									
i) GOI has divested 0.98% of the paid-up capital in POWERGRID through Bharat 22 ETF and CPSE ETF in FY 2017-18. Government of India's stake in POWERGRID now stands at 56.91% i.e., 2,97,73,14,759 shares out of total 523,15,89,648 shares.									

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**27. Details of the existing share capital of POWERGRID**

<b>Date of Allotment/Transfer and when fully paid up</b>	<b>Number of Equity Shares</b>	<b>Face Value (₹)</b>	<b>Issue price per Equity Share (₹)</b>	<b>Consideration (cash, bonus, consideration other than cash)</b>	<b>Nature of Allotment</b>	<b>Cumulative Shareholding</b>	<b>Remarks</b>
October 23, 1989	11	1,000	1,000	Cash	Allotment of shares to the President of India, acting through MoP, and his nominees on subscription to the Memorandum and Articles of Association	11	-
November 9, 1990	5,989	1,000	1,000	Cash	Further issue to the President of India, acting through MoP	6,000	-
December 24, 1990	10,000	1,000	1,000	Cash	Further issue to the President of India, acting through MoP	16,000	-
June 25, 1991	35,000	1,000	1,000	Cash	Further issue to the President of India, acting through MoP	51,000	-
October 24, 1991	25,000	1,000	1,000	Cash	Further issue to the President of India, acting through MoP	76,000	-
March 9, 1992	435,000	1,000	1,000	Cash	Further issue to the President of India acting through the MoP	511,000	-
May 13, 1992	100,000	1,000	1,000	Cash	Further issue to the President of India, acting through MoP	611,000	-
July 30, 1992	16,700	1,000	1,000	Cash	Further issue to the President of India, acting through MoP	627,700	-
September 22, 1992	11,300	1,000	1,000	Cash	Further issue to the President of India, acting through MoP	639,000	-
November 19, 1992	36,000	1,000	1,000	Cash	Further issue to the President of India, acting through MoP	675,000	-
February 3, 1993	20,000	1,000	1,000	Cash	Further issue to the President of India, acting through MoP	695,000	-
March 22, 1993	16,000	1,000	1,000	Cash	Further issue to the President of India, acting through MoP	711,000	-

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April 22, 1993	40,000	1,000	1,000	Cash	Further issue to the President of India, acting through MoP	751,000	-
July 9, 1993	530,000	1,000	1,000	Cash	Further issue to the President of India, acting through MoP	1,281,000	-
November 24, 1993	920,000	1,000	1,000	Cash	Further issue to the President of India, acting through MoP	2,201,000	-
January 17, 1994	180,000	1,000	1,000	Cash	Further issue to the President of India, acting through MoP	2,381,000	-
January 17, 1994	77,819	1,000	1,000	Cash	Further issue to the President of India, acting through the MoDoNER	2,458,819	-
March 18, 1994	370,000	1,000	1,000	Cash	Further issue to the President of India, acting through MoP	2,828,819	-
March 18, 1994	52,500	1,000	1,000	Cash	Further issue to the President of India, acting through the MoDoNER	2,881,319	-
June 7, 1994	5,675,000	1,000	1,000	Other than cash against conversion of loan	Further issue to the President of India, acting through MoP	8,556,319	-
June 7, 1994	1,096,800	1,000	1,000	Partly for consideration other than cash on account of capitalisation of interest	Further issue to the President of India, acting through MoP	9,653,119	-
September 27, 1994	17,780,511	1,000	1,000	Partly for consideration other than cash against transfer of assets of NTPC Limited, NHPC Limited and North Eastern Electric Power Corporation Limited (“NEEPCO”)	Further issue to the President of India, acting through MoP	27,433,630	-
November 8, 1994	65,000	1,000	1,000	Cash	Further issue to the President of India, acting through the MoDoNER	27,498,630	-
April 7, 1995	503,600	1,000	1,000	Cash	Further issue to the President of India, acting through MoP	28,002,230	-
April 7, 1995	57,179	1,000	1,000	Cash	Further issue to the President of India,	28,059,409	-



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					acting through the MoDoNER		
August 31, 1995	50,000	1,000	1,000	Cash	Further issue to the President of India, acting through the MoDoNER	28,109,409	-
August 31, 1995	84,131	1,000	1,000	Other than cash against transfer of assets of Tehri Hydro Development Corporation Limited	Further issue to the President of India, acting through MoP	28,193,540	-
January 16, 1996	100,000	1,000	1,000	Cash	Further issue to the President of India, acting through the MoDoNER	28,293,540	-
May 21, 1996	50,000	1,000	1,000	Cash	Further issue to the President of India, acting through the MoDoNER	28,343,540	-
June 20, 1996	78,000	1,000	1,000	Cash	Further issue to the President of India, acting through MoP	28,421,540	-
March 4, 1997	150,000	1,000	1,000	Cash	Further issue to the President of India, acting through the MoDoNER	28,571,540	-
April 10, 1997	50,000	1,000	1,000	Cash	Further issue to the President of India, acting through the MoDoNER	28,621,540	-
September 17, 1997	15,000	1,000	1,000	Cash	Further issue to the President of India, acting through the MoDoNER	28,636,540	-
December 6, 1997	50,000	1,000	1,000	Cash	Further issue to the President of India, acting through the MoDoNER	28,686,540	-
February 2, 1998	100,000	1,000	1,000	Cash	Further issue to the President of India, acting through the MoDoNER	28,786,540	-
March 22, 1999	50,000	1,000	1,000	Cash	Further issue to the President of India, acting through MoP	28,836,540	-
August 12, 1999	50,000	1,000	1,000	Cash	Further issue to the President of India, acting through MoP	28,886,540	-
April 24, 2000	30,000	1,000	1,000	Cash	Further issue to the President of India, acting through MoP	28,916,540	-

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January 5, 2001	50,000	1,000	1,000	Cash	Further issue to the President of India, acting through MoP	28,966,540	-
January 5, 2001	35,200	1,000	1,000	Cash	Further issue to the President of India, acting through the MoDoNER	29,001,740	-
March 22, 2001	58,200	1,000	1,000	Cash	Further issue to the President of India, acting through the MoDoNER	29,059,940	-
July 26, 2001	39,300	1,000	1,000	Cash	Further issue to the President of India, acting through the MoDoNER	29,099,240	-
March 28, 2002	1,190,746	1,000	1,000	Partly for consideration other than cash against transfer of assets of Neyveli Lignite Corporation Limited	Further issue to the President of India, acting through MoP	30,289,986	-
October 25, 2002	62,500	1,000	1,000	Cash	Further issue to the President of India, acting through the MoDoNER	30,352,486	-
January 28, 2005	1,300,000	1,000	1,000	Cash	Further issue to the President of India, acting through MoP	31,652,486	-
September 16, 2005	1,000,000	1,000	1,000	Cash	Further issue to the President of India, acting through MoP	32,652,486	-
October 17, 2005	1,250,000	1,000	1,000	Cash	Further issue to the President of India, acting through MoP	33,902,486	-
January 17, 2006	600,000	1,000	1,000	Cash	Further issue to the President of India, acting through MoP	34,502,486	-
March 27, 2006	1,343,800	1,000	1,000	Cash	Further issue to the President of India, acting through MoP	35,846,286	-
June 13, 2006	330,000	1,000	1,000	Cash	Further issue to the President of India, acting through MoP	36,176,286	-
July 5, 2006	27,787	1,000	1,000	Other than cash against the transfer of assets of Tehri Hydro Development Corporation Limited*	Further issue to the President of India, acting through MoP	36,204,073	-

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August 3, 2006	1,200,000	1,000	1,000	Cash	Further issue to the President of India, acting through MoP	37,404,073	-
November 23, 2006	470,000	1,000	1,000	Cash	Further issue to the President of India, acting through MoP	37,874,073	-
<i>Each Equity Share of our Company of face value ₹1,000 has been split into 100 Equity Shares of the face value of ₹10 each, pursuant to a shareholders resolution dated March 28, 2007.</i>							
April 14, 2007	38,812,000	10	10	Other than cash against transfer of assets of National Hydroelectric Power Corporation Limited	Further issue to the President of India, acting through MoP	3,826,219,300	-
September 26, 2007	382,621,930	10	52	Cash	Initial Public Offer	4,208,841,230	-
November 23, 2010	420,884,123	10	90	Cash	Follow on Public Offer	4,629,725,353	-
December 16, 2013	601,864,295	10	90	Cash	Further Public Offer	5,231,589,648	-
August 3 <sup>rd</sup> , 2021	174,38,63,216	10	NA	NA	Issuance of Bonus Shares in the ratio of 1:3	6,97,54,52,864	-

*\* Pursuant to the CAG audit with respect to the transfer of assets from Tehri Hydro Development Corporation Limited in August 1993, it was observed that there was an error in arriving at the net purchase consideration by Tehri Hydro Development Corporation Limited at the time of transfer of assets to our Company. The net purchase consideration was consequently amended through letter no. 3/5/2003 – H.I. of the MoP dated September 28, 2006 from ₹84.13 million to ₹111.92 million. Accordingly, our Company was required to issue an additional 27,787 equity shares of ₹ 1,000 each, with effect from August 1, 1993, towards the differential in the net purchase consideration for the assets transferred to our Company.*

## 28. Equity Shares issued for consideration other than cash:

Except as detailed below, no Equity Shares of our Company have been issued for consideration other than cash:

(Private and Confidential –For Private Circulation Only)

Date of Allotment	Number of Equity Shares	Face Value (₹)	Issue price per Equity Share (₹)	Consideration (cash, bonus, consideration other than cash) *	Nature of Allotment
June 7, 1994	5,675,000	1,000	1,000	Other than cash against conversion of loan into equity	Further issue to the President of India, acting through MoP
June 7, 1994	1,096,800	1,000	1,000	Partly for consideration other than cash on account of Capitalisation of interest	Further issue to the President of India, acting through MoP
September 27, 1994	17,780,511	1,000	1,000	Partly for consideration other than cash against transfer of assets of NTPC Limited, NHPC Limited and NEEPL	Further issue to the President of India, acting through MoP
August 31, 1995	84,131	1,000	1,000	Other than cash against transfer of assets of Tehri Hydro Development Corporation Limited	Further issue to the President of India, acting through MoP
March 28, 2002	1,190,746	1,000	1,000	Partly for consideration other than cash against transfer of assets of Neyveli Lignite Corporation Limited	Further issue to the President of India, acting through MoP
July 5, 2006	27,787	1,000	1,000	Other than cash against transfer of assets of Tehri Hydro Development Corporation Limited**	Further issue to the President of India, acting through MoP
April 14, 2007	38,812,000	10	10	Other than cash against transfer of assets of National Hydroelectric Power Corporation Limited	Further issue to the President of India, acting through MoP

\* The benefits accrued to our Company are as detailed above, including, conversion of loan, capitalization of interest and transfer of assets.

\*\* Pursuant to the CAG audit with respect to the transfer of assets from Tehri Hydro Development Corporation Limited in August 1993, it was observed that there was an error in arriving at the net purchase consideration by Tehri Hydro Development Corporation Limited at the time of transfer of assets to our Company. The net purchase consideration was consequently amended through letter no. 3/5/2003 – H.I. of the MoP dated September 28, 2006 from ₹84.13 million to 111.92 million. Accordingly, our Company was required to issue an additional 27,787 equity shares of ₹ 1,000 each, with effect from August 1, 1993, towards the differential in the net purchase consideration for the assets transferred to our Company.

## 29. Shareholding Pattern as on 31-12-2022 as per format specified under listing regulations:

Attached as Annexure-6 to this Placement Memorandum.

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**30. Top 10 Equity Shareholders (As on 31-12-2022)**

Sl.	Name of the shareholders	Total No of Equity Shares	No of shares in demat form	Total Shareholding as % of total no of equity shares
1	PRESIDENT OF INDIA THROUGH MOP	3446136810	3446136810	49.40
2	GOVERNMENT OF SINGAPORE	188307907	188307907	2.70
3	CAPITAL INCOME BUILDER	176275365	176275365	2.53
4	CPSE EXCHANGE TRADED SCHEME (CPSE ETF)	175934924	175934924	2.52
5	LIFE INSURANCE CORPORATION OF INDIA	138353427	138353427	1.98
6	PRESIDENT OF INDIA THROUGH DONER	135026400	135026400	1.94
7	STICHTING DEPOSITARY APG EMERGING MARKETS EQUITY POOL	74728121	74728121	1.07
8	SBI NIFTY 50 ETF	65990644	65990644	0.95
9	AMERICAN FUNDS GLOBAL BALANCED FUND	64518175	64518175	0.92
10	PARAG PARIKH FLEXI CAP FUND	63775637	63775637	0.91
	<b>Total</b>	<b>4529047410</b>	<b>4529047410</b>	<b>64.92</b>



**31. Details of any acquisition or amalgamation with any entity in the last 1 year (from 01<sup>st</sup> January 2022 to 31<sup>st</sup> December 2022):**

Refer to details starting from page no. 21 of this Placement Memorandum

**32. Details of any reorganization or reconstruction with any entity in the last 1 year:**

Type of Event	Date of Announcement	Date of Completion	Details
-	-	-	-

**33. Disclosures with regard to interest of directors, litigation etc.**

- i. Any financial or other material interest of the directors, promoters or key managerial personnel in the offer and the effect of such interest in so far as it is different from the interests of other persons

NIL

- ii. Details of litigation or legal action pending or taken by any Ministry or Department of the Govt. or statutory authority against any promoter of the offeree company during the last three years immediately preceding the year of the circulation of the offer letter and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action.

Since “President of India” through Government of India is the promoter of the company, the litigations or legal actions or directions pending or taken by any Ministry or Department of the Government or a statutory authority against the promoter of the company during the last three years cannot be ascertained.

- iii. Disclosure Summary of reservations or qualifications or adverse remarks of auditors during last five financial years.

No reservations or qualifications or adverse remarks of statutory auditors during last five financial years.

- iv. Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last three years till date in the case of company and all of its subsidiaries. Also, if there were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of the offer letter and if so, section-wise details thereof for the company and all of its subsidiaries.

There was no inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last three years till date in the case of company and all of its subsidiaries. Also, there was no prosecutions filed (whether pending or

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not) fines imposed, compounding of offences in the last three years immediately preceding the year of the offer letter.

- v. **Details of acts of material frauds committed against the company in the last three years, if any, and if so, the action taken by the company**

NIL

- vi. **Remuneration of directors (during the current year and last three financial years)**

- (a) POWERGRID, being a Government Company, the appointment, tenure and remuneration of Directors is decided by the President of India. Remuneration paid to Chairman & Managing Director and Functional Directors during the year ending 31st December 2022 and last three financial years (F.Y 2019-20, 2020-21 & 2021-22) was as per terms and condition of the appointment. Independent Directors are paid only sitting fees for attending Meetings of Board of Directors / Committee of Board of Directors as approved by the Board of Directors within the limit prescribed under Companies Act, 2013 and Rules made thereunder and in accordance with the Government Guidelines.

#### **FY 2022-23**

The remuneration paid to Whole Time Directors from the 01.04.2022 to 31.12.2022:

Sl	Employee Name	Designation	Salary (In ₹)	Benefit (in ₹)	Bonus/ Comm-ission (in ₹)	Performance Linked Incentive	Total
1	Shri K Sreekant	Chairman & Managing Director	53,79,279	4,19,234	-	22,69,851	80,68,364
2	Dr. V. K. Singh	Director (Personnel)	40,74,117	10,82,442	-	21,12,604	72,69,163
3	Shri Abhay Choudhary	Director (Projects)	37,42,385	4,39,320	-	22,55,118	64,36,823
4	Shri R. K. Tyagi (w.e.f. 12.08.2022)	Director (Operations)	21,25,655	5,32,434	-	18,55,817	45,13,906
5	Shri G. Ravisankar (w.e.f. 21.09.2022)	Director (Finance)	12,65,275	1,01,333	-	16,02,746	29,69,354
6	Ms. Seema Gupta (up to 31.05.2022)	Director (Operations)	40,17,075	69,902	-	22,96,503	63,83,480
7	Shri M. Taj Mukarrum	Director (Finance)	48,68,887	3,77,636	-	22,18,143	74,64,666

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Sl	Employee Name	Designation	Salary (In ₹)	Benefit (in ₹)	Bonus/Comm-ission (in ₹)	Performance Linked Incentive	Total
	(up to 31.07.2022)						

Name of non –official part time Directors	Sitting fees (in ₹)		Total
	Board Meeting	Committee of Board of Director's Meeting	
Shri Korachara Nagappa Onkarappa	3,60,000	6,30,000	9,90,000
Shri Chetan Bansilal Kankariya	3,60,000	7,50,000	11,10,000
Shri Ram Naresh Tiwari	3,60,000	4,50,000	8,10,000
Shri M. N. Venkatesan (up to 10.07.2022)	1,20,000	2,40,000	3,60,000

**FY 2021-22**

The remuneration paid to Whole Time Directors during the year 2021-2022:

Sl	Employee Name	Designation	Salary (In ₹)	Benefit (in ₹)	Bonus/Comm-ission (in ₹)	Performance Linked Incentive	Total
1	Shri K Sreekant	Chairman & Managing Director	46,85,389	4,60,753		30,71,425	82,17,568
2	Ms. Seema Gupta	Director (Operations)	55,07,748	10,38,479		31,10,912	96,57,139
3	Shri V. K. Singh	Director (Personnel)	56,28,661	16,46,097		28,01,245	1,00,76,003
4	Shri M. Taj Mukarrum	Director (Finance)	45,78,616	7,97,796		33,71,324	87,47,735
5	Shri Abhay Choudhary	Director (Projects)	50,39,975	6,17,412		34,06,677	90,64,064

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Name of non –official part time Directors	Sitting fees(in ₹)		Total
	Board Meeting	Committee of Board of Director's Meeting	
Shri M. N. Venkatesan	6,80,000	12,90,000	19,70,000
Shri Korachara Nagappa Onkarappa (w.e.f 17/11/2021)	2,00,000	3,30,000	5,30,000
Shri Chetan Bansilal Kankariya (w.e.f 17/11/2021)	2,00,000	3,00,000	5,00,000
Shri Ram Naresh Tiwari (w.e.f 18/11/2021)	2,00,000	1,20,000	3,20,000
Shri Sunil Kumar Sharma (Up to 22.07.2021)	3,20,000	2,40,000	5,60,000

**FY 2020-2021**

The remuneration paid to Whole Time Directors during the year 2020-2021:

Sl	Employee Name	Designation	Salary (In ₹)	Benefit (in ₹)	Bonus/ Comm-ission (in ₹)	Performance Linked Incentive	Total
1	Shri K Sreekant	Chairman & Managing Director	43,64,010	11,49,275		10,26,371	65,39,656
2	Ms. Seema Gupta	Director (Operations)	50,92,965	14,38,293		16,27,291	81,58,549
3	Shri V. K. Singh	Director (Personnel)	47,27,276	19,47,073		18,24,501	84,98,850
4	Shri M. Taj Mukarrum (Joined as Director on 04.07.2020)	Director (Finance)	31,85,694	15,94,651		16,02,779	63,83,124
5	Shri R. K. Chauhan (Retired on 31.10.2020)	Director (Projects)	51,08,642	11,36,360		19,89,960	82,34,962
6	Shri Abhay Choudhary (Joined as Director on 01.11.2020)	Director (Projects)	24,75,301	4,45,357		16,45,572	45,66,230

Name of non –official part time Directors	Sitting fees (in ₹)		Total
	Board Meeting	Committee of Board of Director's Meeting	
Shri Sunil Kumar Sharma	4,00,000	5,70,000	9,70,000
Smt. A. R. Mahalaxmi	4,00,000	6,00,000	10,00,000

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Name of non –official part time Directors	Sitting fees (in ₹)		Total
	Board Meeting	Committee of Board of Director's Meeting	
Shri M. N. Venkateshan	4,00,000	5,40,000	9,40,000
Shri Manoj Kumar Mittal (upto 11.09.2020)	1,20,000	1,80,000	3,00,000

**FY 2019-2020**

The remuneration paid to Whole Time Directors during the year 2019-2020:

Sl	Employee Name	Designation	Salary (In ₹)	Benefit (in ₹)	Bonus/ Comm-ission (in ₹)	Performance Linked Incentive	Total
1	Shri K Sreekant (w.e.f. 05.08.2019)	Chairman & Managing Director	44,13,746	13,06,357		31,22,400	88,42,503
2	Shri Ravi P. Singh (up to 31.01.2020)	Director (Personnel)	51,88,617	14,15,446		21,91,218	87,95,281
3	Ms. Seema Gupta	Director (Operations)	45,81,882	14,58,843		32,53,884	92,94,609
4	Shri R K Chauhan	Director (Projects)	45,58,641	18,46,708		29,48,302	93,53,651
5	Shri V. K. Singh (w.e.f. 01.02.2020)	Director (Personnel)	7,11,964	3,05,645		7,47,729	17,65,338

Name of non –official part time Directors	Sitting fees (in ₹)		Total
	Board Meeting	Committee of Board of Director's Meeting	
Shri Manoj Kumar Mittal	2,80,000	4,60,000	7,40,000
Smt. A. R. Mahalaxmi	2,80,000	4,20,000	6,90,000
Shri Sunil Kumar Sharma	2,60,000	5,10,000	7,70,000
Shri M. N. Venkateshan	2,20,000	2,30,000	4,50,000
Shri Tse Ten Dorji	2,00,000	4,20,000	6,20,000
Shri Jagdish. I. Patel	1,00,000	1,60,000	2,60,000

**vii. Related party transactions during last three financial years including with regard to loans made, guarantees given or securities provided.**

Please refer to Annexure 7 of this Placement Memorandum.

Link for related party transactions filed for stub period:

<https://www.powergrid.in/related-party-transaction>



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**34. Financial Indebtedness****DETAILS OF THE BORROWINGS OF THE COMPANY**

The borrowings of POWERGRID (including current maturities & short term loan) as on 31st December 2022 stood as under (Standalone basis):-

**(i) Secured Borrowings****(₹in crore)**

Particulars	Amount Outstanding
Domestic Bonds	48,125.12
Term Loans from Indian Banks	8,048.01
Foreign Loans	32,602.57
<b>Total</b>	<b>88,775.70</b>

**(ii) Unsecured Borrowings****(₹in crore)**

Particulars	Amount Outstanding
Domestic Bonds	11,848.98
Term Loans from Indian Banks	18,213.43
Foreign Loans and Bonds	9,819.99
Short term loan / Commercial Paper	0.00
<b>Total</b>	<b>39,882.40</b>

**A. Domestic Secured Borrowings**

The total outstanding amount with respect to our domestic secured borrowings is ₹8048.01 Crore (Term Loans from Banks) as on 31st December 2022. The details of these facilities are set forth below.

**(₹in crore)**

S. No.	Name of lender	Type of Facility & Amount Sanctioned	Principal Amount Outstanding	Repay-ment Schedule	Security
1	State Bank of India	Term Loan Line of Credit (LOC) of ₹ 5000 Crs through Agreement dated March 21, 2012	2048.35	Repayable in Twenty two half yearly installment with 6 months moratorium after disbursement period of 4 years	Secured by way of the pari passu charge on the assets of the company except investments land and building, roads and bridges, water supply, drainage and sewerage and current assets
2	State Bank of India	(LOC) of ₹ 10000 Crs through Agreement dated March 19, 2014	5999.66	Repayable in 20 half yearly equal installments each commencing after the expiry of 5 <sup>th</sup> year from the date of first disbursement.	Secured by way of the pari passu charge on the assets of the company except investments land and building, roads and bridges, water supply, drainage and sewerage and current assets.

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**B. Domestic Unsecured Borrowings**

The total outstanding amount with respect to our domestic unsecured facilities is ₹18213.43 Crore as on 31st December 2022. The details of these facilities are set forth below.

*(₹in crore)*

S. No.	Name of lender	Type of Facility & Amount Sanctioned	Amount Outstanding	Repayment Schedule
1	HDFC Bank Ltd	Term Loan Line of Credit (LOC) of ₹ 3000 Crs through agreement dated March 27, 2017	2850.00	Repayable in 20 half yearly equal installments each commencing after the expiry of 5.5 year from the date of first disbursement.
2	State Bank of India	Term Loan Line of Credit (LOC) of ₹ 5000 Crs through agreement dated March 12, 2018	4492.92	Repayable in 20 half yearly equal installments each commencing immediately after the expiry of 5 <sup>th</sup> year from the date of first disbursement.
3	State Bank of India	Term Loan Line of Credit (LOC) of ₹ 10000 Crs through agreement dated August 10, 2018	7042.57	Repayable in 20 half yearly equal installments each commencing immediately after the expiry of 5 <sup>th</sup> year from the date of first disbursement.
4	HDFC Bank Ltd	Term Loan Line of Credit (LOC) of ₹ 5000 Crs through agreement dated November 13, 2020	2473.94	Repayable in 20 half yearly equal installments each commencing after the expiry of 5.5 year from the date of first disbursement.
5	Canara Bank Ltd	Term Loan Line of Credit (LOC) of ₹ 5000 Crs through agreement dated July 13, 2022	1354.00	Repayable in 20 half yearly equal installments each commencing after the expiry of 2.5 year from the date of first disbursement.

**C. Short Term Loan & Commercial Paper –**

The total outstanding amount with respect to our short term borrowings through Commercial Paper is ₹0.00Crore as on 31st December 2022. The details of these facilities are set forth below

*(₹in crore)*

S. No	Name of lender	Type of Facility & Amount Sanctioned	Amount Outstanding	Maturity Date
-	-	-	0.00	-

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**D. Secured Foreign Currency Borrowings**

The total outstanding amount with respect to our foreign currency secured borrowings is approximately ₹32602.57 Crore as on 31st December 2022. The details of these facilities are set forth below.

*(₹in crore)*

S. No.	Lender	Type of Facility & Amount Sanctioned	Repayment	Principal Amount Outstanding	Security
1	International Bank for Reconstruction and Development (World Bank) III	Facility of US\$ 400.0 million through agreement dated May 2, 2006.	Repayment in 30 semiannual installments starting from September 15, 2011.	978.21	Secured by pari passu interest in the lien created on the assets as security for the debts
2	International Bank for Reconstruction and Development (World Bank) IV	Facility of US\$ 600.0 million through agreement dated March 28, 2008.	Repayment in 30 semiannual installments starting from November 15, 2013.	2210.17	Secured by pari passu interest in the lien created on the assets as security for the debts
3	International Bank for Reconstruction and Development (World Bank) IV Additional	Facility of US\$ 400.0 million through agreement dated January 27, 2009.	Repayment in 52 semiannual installments starting from February 1, 2013.	2181.33	Secured by pari passu interest in the lien created on the assets as security for the debts
4	International Bank for Reconstruction and Development (World Bank) V	Facility of US\$ 1,000.0 million through agreement dated October 13, 2009.	Repayment in 49 semiannual installments starting from January 15, 2015.	6063.84	Secured by pari passu interest in the lien created on the assets as security for the debts
5	Asian Development Bank III	Facility of US\$ 400.0 million through agreement dated November 3, 2005	Repayment in 30 semiannual installments starting from January 15, 2010.	776.73	Secured by pari passu interest in the lien created on the assets as security for the debts
6	Asian Development Bank IV	Facility of US\$ 400.0 million through agreement dated March 28, 2008	Repayment in 40 semiannual installments commencing on May 15, 2013	2433.15	Secured by pari passu interest in the lien created on the assets as security for the debts
7	Asian Development Bank V	Facility of US\$ 124.0 million through agreement dated March 27, 2009.	Repayment in 40 semiannual installments starting from August 1, 2014.	816.40	Secured by pari passu interest in the lien created on the assets as security for the debts

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S. No.	Lender	Type of Facility & Amount Sanctioned	Repayment	Principal Amount Outstanding	Security
8	Asian Development Bank VI (2823-IND)	Multi-tranche foreign exchange loan of US\$ 76.0million through a loan agreement dated March30,2012	Repayment in 40 half yearly installments starting from June 1, 2017.	369.21	Secured by pari passu interest in the lien created on the assets as security for the debts
9	Asian Development Bank VII (2787-IND)	Multi-tranche foreign exchange loan of US\$ 500.0 million through a loan agreement dated March 30, 2012	Repayment in 40 semiannual installments starting from February 1, 2017.	3676.37	Secured by pari passu interest in the lien created on the assets as security for the debts
10	Asian Development Bank VIII (2788-IND)	Facility of US\$ 250.00 million through agreement dated 30.03.2012	Repayment in 22 equal half yearly installments starting from August 01, 2016	871.71	Secured by way of the pari passu charge on the assets of the company except investments and building, roads and bridges, water supply, drainage and sewerage and current assets
11	IFC-A LOAN (31419)	Facility of US\$ 100.00 million through agreement dated 24.07.2012	Repayment in 20 equal half yearly installments starting from September15, 2017	375.21	Secured by way of the pari passu charge on the assets of the company except investments and building, roads and bridges, water supply, drainage and sewerage and current assets
12	ICFF LOAN Debt Pool LLP (31419)	Facility of US\$ 50.00 million through agreement dated 24.07.2012	Repayment in 20 equal half yearly installments starting from September15, 2017	187.61	Secured by way of the pari passu charge on the assets of the company except investments and building, roads and bridges, water supply, drainage and sewerage and current assets
13	Asian Development Bank IX (3365 - IND)	Facility of US\$ 500.00 million through agreement dated 23.02.2017	Repayment in 28 equal half yearly installments starting from June 1, 2021	3613.13	Secured by way of the pari passu charge on the assets of the company except investments and current assets.

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S. No.	Lender	Type of Facility & Amount Sanctioned	Repayment	Principal Amount Outstanding	Security
14	Asian Development Bank X (3521 - IND)	Facility of US\$ 175.00 million through agreement dated 05.04.2017	Repayment in 30 equal half yearly installments starting from May 15, 2022	1361.87	Secured by way of the pari passu charge on the assets of the company except investments and current assets.
15	Asian Development Bank XI	Facility of US\$ 50.00 million through agreement dated 05.04.2017	Repayment in 60 half yearly installments starting from May 15, 2027	411.14	Secured by way of the pari passu charge on the assets of the company except investments and current assets.
16	Asian Development Bank XII	Facility of US\$ 500.00 million through agreement dated 17.08.2017	Repayment in 22 half yearly installments starting from Dec 15, 2021	4043.93	Secured by way of the pari passu charge on the assets of the company except investments and building, roads and bridges, water supply, drainage and sewerage and current assets
17	AIIB	Facility of US\$ 100.00 million through agreement dated 07.12.2017	Repayment in 16 half yearly installments starting from Mar 15, 2021	611.77	Secured by way of the pari passu charge on the assets of the company except investments and building, roads and bridges, water supply, drainage and sewerage and current assets
18	KFW II	Loan KFW Euro 200 million Agreement Dated 28.12.2018	21 equal half yearly installment beginning May 15, 2022	1620.79	Secured by way of the pari passu charge on the assets of the company except investments and building, roads and bridges, water supply, drainage and sewerage and current assets

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**E. Unsecured Foreign Currency Borrowings**

The total outstanding amount with respect to our foreign currency unsecured borrowings is approximately ₹9819.99 Crore as on 31st December 2022 subject to quarterly review of books. The details of these facilities are set forth below.

*(₹in crore)*

Sl	Lender	Type of Facility & Amount Sanctioned	Amount Outstanding	Repayment
1	Credit National (now known as Natixis) acting on behalf of the French Government	Facility of Euros 26.3 million through agreement dated March 11, 1994	31.57	Semiannual installments for each tranche starting September 30, 2004.
2	The Overseas Economic Cooperation Fund (now known as Japan International Cooperation Agency)	Facility of Japanese Yen 8,497.0 million through agreement dated February 25, 1997	52.26	41 semi annual installments beginning February 20, 2007
3	AB SEK LOAN	Facility of SEK 3894.5 million through agreement dated 21.12.2011	1004.08	24 Semiannual installments beginning December 15, 2015
4	AB SEK LOAN	Facility of EUR 55.01 million through agreement dated 21.12.2011	174.75	24 Semiannual installments beginning December 15, 2015
5	Foreign Currency Notes	Foreign currency notes of USD 500 Million Agreement dated 17.01.2013	4168.16	Bullet repayment on 17.01.2023
6	KFW	Green Energy Corridors[GEC], Interstate Transmission Systems[ISTS] Loan KFW Euro 500 million Agreement Dated 17.12.2014	2997.67	21 equal half yearly installment beginning December 31, 2019
7	Sumitomo Mitsui Banking Corporation, Singapore	Facility of JPY ¥ 22 billion through agreement dated December 10, 2018	1391.50	5 equal annual installment beginning February 02, 2027



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**F. Secured Bonds**

Our Company from time to time issues secured bonds on a private placement basis. The total amount outstanding in relation to bonds issued by our Company as on 31st December 2022 is ₹48125.12Crore. The details of the outstanding bonds issued by our Company are set forth below:

Bond are secured by way of Registered Bond Trust Deed ranking pari passu on immovable property situated at Mouje Ambheti Taluka Kaparada in district Valsad Gujarat and floating charge on the assets of the company

(₹ in crore )

S. No.	Series of NCS	ISIN No.	Tenor/ Period of Maturity	Coupon	Amount Outstanding	Date of Allotment	Redemption	Credit Ratings
1	9.30% Powergrid Bond XXVI Issue	INE752E07EH4	15 years from deemed date of allotment	9.30%	83.25	07 March 2008	Redeemable at par in 12 equal annual installments commencing from March 7, 2012	CRISIL AAA, CARE AAA, [ICRA] AAA (Stable)
2	9.47% Powergrid Bond XXVII Issue	INE752E07ET9	15 years from deemed date of allotment	9.47%	58.75	31 March 2008	Redeemable at par in 12 equal annual installments commencing from March 31, 2012	CRISIL AAA, CARE AAA, [ICRA] AAA (Stable)
3	9.33% Powergrid Bond XXVIII Issue	INE752E07FE8; INE752E07FF5	15 years from deemed date of allotment	9.33%	200.00	15 December 2008	Redeemable at par in 12 equal annual installments commencing from December 12, 2012	CRISIL AAA, CARE AAA, [ICRA] AAA (Stable)
4	9.20% Powergrid Bond XXIX Issue	INE752E07FQ2; INE752E07FR0	15 years from deemed date of allotment	9.20%	216.25	12 March 2009	Redeemable at par in 12 equal annual installments commencing from March 12, 2013	CRISIL AAA, CARE AAA, [ICRA] AAA (Stable)
5	8.80% Powergrid Bond XXX Issue	INE752E07GC0; INE752E07GD8	15 years from deemed date of allotment	8.80%	388.75	29 September 2009	Redeemable at par in 12 equal annual installments commencing from September 29, 2013	CRISIL AAA, CARE AAA, [ICRA] AAA (Stable)
6	8.90% Powergrid Bond XXXI Issue	INE752E07GN7; INE752E07GO5; INE752E07GP2	15 years from deemed date of allotment	8.90%	511.87	25 February 2010	Redeemable at par in 12 equal annual installments commencing from February 25, 2014	CRISIL AAA, CARE AAA, [ICRA] AAA (Stable)
7	8.84% Powergrid Bond XXXII Issue	INE752E07GZ1; INE752E07HA2; INE752E07HB0	15 years from deemed date of allotment	8.84%	258.75	29 March 2010	Redeemable at par in 12 equal annual installments commencing from March 29, 2014	CRISIL AAA, CARE AAA, [ICRA] AAA (Stable)
8	8.64% Powergrid Bond XXXIII Issue	INE752E07HL9; INE752E07HM7; INE752E07HN5	15 years from deemed date of allotment	8.64%	719.99	08 July 2010	Redeemable at par in 12 equal annual installments commencing from July 8, 2014	CRISIL AAA, CARE AAA, [ICRA] AAA (Stable)
9	8.84% Powergrid Bond XXXIV Issue	INE752E07HW6; INE752E07HX4; INE752E07HY2; INE752E07HZ9	15 years from deemed date of allotment	8.84%	871.87	21 October 2010	Redeemable at par in 12 equal annual installments commencing from October 21, 2014	CRISIL AAA, CARE AAA, [ICRA] AAA (Stable)
10	9.64% Powergrid Bond XXXV Issue	INE752E07II3; INE752E07IJ1; INE752E07IK9; INE752E07IL7	15 years from deemed date of allotment	9.64%	652.49	31 May 2011	Redeemable at par in 12 equal annual installments commencing from May 31, 2015	CRISIL AAA, CARE AAA, [ICRA] AAA (Stable)

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11	9.35% Powergrid Bond XXXVI Issue	INE752E07IT0; INE752E07IU8; INE752E07IV6; INE752E07IW4; INE752E07IX2; INE752E07IY0; INE752E07IZ7; INE752E07JA8	19 years from deemed date of allotment	9.35%	1647.97	29 August 2011	Redeemable at par in 15 equal annual installments commencing from 29 <sup>th</sup> August ,2016	CRISIL AAA, CARE AAA, [ICRA] AAA (Stable)
12	9.25% Powergrid Bond XXXVII Issue	INE752E07JJ9; INE752E07JK7; INE752E07JL5; INE752E07JM3	15 years from deemed date of allotment	9.25%	664.99	26 December 2011	Redeemable at par in 12 equal annual installments commencing from 26 <sup>th</sup> December 2015	CRISIL AAA, CARE AAA, [ICRA] AAA (Stable)
13	9.25% Powergrid Bond XXXVIII Issue	INE752E07JN1	15 years from deemed date of allotment	9.25%	854.95	09 March 2012	Redeemable at par on 9 <sup>th</sup> March 2027	CRISIL AAA, CARE AAA, [ICRA] AAA (Stable)
14	9.40% Powergrid Bond XXXIX Issue	INE752E07JO9	15 years from deemed date of allotment	9.40%	1799.95	29 March 2012	Redeemable at par on 29 <sup>th</sup> March 2027	CRISIL AAA, CARE AAA, [ICRA] AAA (Stable)
15	9.30% Powergrid Bond XL Issue	INE752E07JW2; INE752E07JX0; INE752E07JY8; INE752E07JZ5; INE752E07KA6	15 years from deemed date of allotment	9.30%	1665.61	28 June 2012	Redeemable at par in 12 equal annual installments commencing from 28 <sup>th</sup> June 2016	CRISIL AAA, CARE AAA, [ICRA] AAA (Stable)
16	8.85% Powergrid Bond XLI Issue	INE752E07KI9; INE752E07KJ7; INE752E07KK5; INE752E07KL3; INE752E07KM1	15 years from deemed date of allotment	8.85%	1184.35	19 October 2012	Redeemable at par in 12 equal annual installments commencing from 19 <sup>th</sup> October 2016	CRISIL AAA, CARE AAA, [ICRA] AAA (Stable)
17	8.80% Powergrid Bond XLII Issue	INE752E07KN9	10 years from deemed date of allotment	8.80%	1989.99	13 March 2013	Redeemable at par on 13 <sup>th</sup> Mar, 2023	CRISIL AAA, CARE AAA, [ICRA] AAA (Stable)
18	7.93% Powergrid Bond XLIII Issue	INE752E07KU4; INE752E07KV2; INE752E07KW0; INE752E07KX8; INE752E07KY6; INE752E07KZ3	15 years from deemed date of allotment	7.93%	1562.95	20 May 2013	Redeemable at par in 12 equal annual installments commencing from 20 <sup>th</sup> May 2017	CRISIL AAA, CARE AAA, [ICRA] AAA (Stable)
19	8.70% Powergrid Bond XLIV Issue	INE752E07LB2; INE752E07LC0	15 years from deemed date of allotment	8.70%	2643.94	15 July 2013	Redeemable in 03 equal installments on 15-07-2018, 15-07-2023 and 15-07-2028	CRISIL AAA, CARE AAA, [ICRA] AAA (Stable)
20	9.65% Powergrid Bond XLV Issue	INE752E07LI7; INE752E07LJ5; INE752E07LK3; INE752E07LL1; INE752E07LM9; INE752E07LN7; INE752E07LO5	15 years from deemed date of allotment	9.65%	1166.14	28 February 2014	Redeemable in 12 equal installments commencing from Feb 28, 2018	CRISIL AAA, CARE AAA, [ICRA] AAA (Stable)
21	9.30% Powergrid Bond XLVI Issue	INE752E07LQ0; INE752E07LR8	15 years from deemed date of allotment	9.30%	2907.91	04 September 2014	Redeemable in 3 equal installments on 04-09-2019, 04-09-2024 and 04-09-2029	CRISIL AAA, CARE AAA, [ICRA] AAA (Stable)

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22	8.93% Powergrid Bond XLVII Issue	INE752E07LX6; INE752E07LY4; INE752E07LZ1; INE752E07MA2; INE752E07MB0; INE752E07MC8; INE752E07MD6	15 years from deemed date of allotment	8.93%	1539.93	20 October 2014	Redeemable in 12 equal installments commencing from October 20, 2018	CRISIL AAA, CARE AAA, [ICRA] AAA (Stable)
23	8.20% Powergrid Bond XLVIII Issue	INE752E07MG5; INE752E07MH7	15 years from deemed date of allotment	8.20%	1289.93	23 January 2015	Redeemable at par in 4 equal installments on January 23, 2020, January 23, 2022, January 23, 2025, January 23, 2030.	CRISIL AAA, CARE AAA, [ICRA] AAA (Stable)
24	8.15% Powergrid Bond XLIX Issue	INE752E07MJ3; INE752E07MK1	15 years from deemed date of allotment	8.15%	869.90	09 March 2015	Redeemable in 3 equal installments on 09-03-2020, 09-03-2025 and 09-03-2030	CRISIL AAA, CARE AAA, [ICRA] AAA (Stable)
25	8.40% Powergrid Bond L Issue	INE752E07MP0; INE752E07MQ8; INE752E07MR6; INE752E07MS4; INE752E07MT2; INE752E07MU0; INE752E07MV8; INE752E07MW6	15 years from deemed date of allotment	8.40%	1951.92	27 May 2015	Redeemable at par in 12 equal annual installments commencing from 27 <sup>th</sup> May, 2019	CRISIL AAA, CARE AAA, [ICRA] AAA (Stable)
26	8.40% Powergrid Bond LI Issue	INE752E07NB8; INE752E07NC6; INE752E07ND4; INE752E07NE2; INE752E07NF9; INE752E07NG7; INE752E07NH5; INE752E07NI3	15 years from deemed date of allotment	8.40%	1999.91	14 September 2015	Redeemable at par in 12 equal annual installments commencing from 14 <sup>th</sup> September, 2019	CRISIL AAA, CARE AAA, [ICRA] AAA (Stable)
27	8.32% Powergrid Bond LII Issue	INE752E07NK9; INE752E07NL7	15 years from deemed date of allotment	8.32%	931.89	23 December 2015	Redeemable at par in 3 equal installments on 23-12-2020, 23-12-2025 and 23-12-2030	CRISIL AAA, CARE AAA, [ICRA] AAA (Stable)
28	8.13% Powergrid Bond LIII Issue	INE752E07NP8; INE752E07NQ6; INE752E07NR4; INE752E07NS2; INE752E07NT0; INE752E07NU8; INE752E07NV6; INE752E07NW4; INE752E07NX2	15 years from deemed date of allotment	8.13%	2996.90	25 April 2016	Redeemable at par in 12 equal annual installments commencing from 25 <sup>th</sup> April, 2020.	CRISIL AAA, CARE AAA, [ICRA] AAA (Stable)

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29	7.97% Powergrid Bond LIV Issue	INE752E07NZ7; INE752E07OA8	15 years from deemed date of allotment	7.97%	1999.88	15 July 2016	Redeemable at par in 03 equal annual installments commencing from 15 <sup>th</sup> July, 2021.	CRISIL AAA, CARE AAA, [ICRA] AAA (Stable)
30	7.55% Powergrid Bond LV Issue	INE752E07OB6	15 years from deemed date of allotment	7.55%	1239.82	21 September 2016	Redeemable at par in 01 installment on 21 <sup>st</sup> September, 2031.	CRISIL AAA, CARE AAA, [ICRA] AAA (Stable)
31	7.36% Powergrid Bond LVI Issue	INE752E07OC4	10 years from deemed date of allotment	7.36%	1064.88	18 October 2016	Redeemable at par in 01 installment on 18 <sup>th</sup> October, 2026.	CRISIL AAA, CARE AAA, [ICRA] AAA (Stable)
32	7.89% Powergrid Bond LVIII Issue	INE752E07OE0	10 years from deemed date of allotment	7.89%	2059.87	09 March 2017	Redeemable at par in 01 installment on 09 <sup>th</sup> March, 2027.	CRISIL AAA, CARE AAA, [ICRA] AAA (Stable)
33	7.30% Powergrid Bond LIX Issue	INE752E07OF7	10 years from deemed date of allotment	7.30%	3069.86	19 June 2017	Redeemable at par in 01 installment on 19 <sup>th</sup> June, 2027.	CRISIL AAA, CARE AAA, [ICRA] AAA (Stable)
34	7.20% Powergrid Bond LX Issue	INE752E07OG5	10 years from deemed date of allotment	7.20%	3059.86	09 August 2017	Redeemable at par in 01 installment on 9 <sup>th</sup> August, 2027.	CRISIL AAA, CARE AAA, [ICRA] AAA (Stable)
35	8.36% Powergrid Bond LXII Issue	INE752E07OH3	10 years from deemed date of allotment	8.36%	1999.85	07 January 2019	Redeemable at par, in 05 equal annual installments starting at the end of sixth year from the date of allotment	CRISIL AAA, CARE AAA, [ICRA] AAA (Stable)

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**F. Unsecured Bonds**

The total amount outstanding in relation to bonds issued by our Company as on 31st December 2022 is ₹11848.98Crore. Details of the outstanding bonds

S. No.	Series of NCS	ISIN No.	Tenor/ Period of Maturity	Coupon	Amount Outstanding	Date of Allotment	Redemption	Credit Ratings
1	7.74% Powergrid Bond LXI Issue	INE752E08502; INE752E08510; INE752E08528; INE752E08536; INE752E08544	15 years from deemed date of allotment	7.74%	2999.82	12 December 2017	Redeemable at par in 05 equal installments at end of 11 <sup>th</sup> , 12 <sup>th</sup> , 13 <sup>th</sup> , 14 <sup>th</sup> , and 15 <sup>th</sup> year i.e 12.12.2028, 12.12.2029, 12.12.2030, 12.12.2031 & 10.12.2032.	CRISIL AAA, CARE AAA, [ICRA] AAA (Stable)
2	7.34% Powergrid Bond LXIII Issue	INE752E08569; INE752E08577; INE752E08585	15 years from deemed date of allotment	7.34%	1799.82	15 July 2019	Redeemable at par in 03 equal installments at end of 05 <sup>th</sup> , 10 <sup>th</sup> and 15 <sup>th</sup> year i.e 15.07.2024, 15.07.2029 & 15.07.2034.	CRISIL AAA, CARE AAA, [ICRA] AAA (Stable)
3	7.49% Powergrid Bond LXIV Issue	INE752E08593; INE752E08601; INE752E08619	15 years from deemed date of allotment	7.49%	2519.81	25 October 2019	Redeemable at par in 03 equal installments at end of 05 <sup>th</sup> , 10 <sup>th</sup> and 15 <sup>th</sup> year i.e 25.07.2024, 25.07.2029 & 25.07.2034.	CRISIL AAA, CARE AAA, [ICRA] AAA (Stable)
4	6.35% Powergrid Bond LXV Issue	INE752E08627	3.3 years from deemed date of allotment	6.35%	199.99	08 January 2020	Redeemable at par, at the end of 03 Years, 03 Month and 06 Days from the date of allotment	CRISIL AAA, CARE AAA, [ICRA] AAA (Stable)
5	7.38% Powergrid Bond LXVI Issue	INE752E08635	10.3 years from deemed date of allotment	7.38%	499.80	08 January 2020	Redeemable at par, at the end of 10 Years 03 Month and 04 Days from the date of allotment	CRISIL AAA, CARE AAA, [ICRA] AAA (Stable)
6	6.85% Powergrid Bond LXVII Issue	INE752E08643	5 years from deemed date of allotment	6.85%	2799.88	15 April 2020	Redeemable at par, at the end of 05 Years from the date of allotment	CRISIL AAA, CARE AAA, [ICRA] AAA (Stable)
7	6.28% Powergrid Bond LXVIII Issue	INE752E08650	10.7 years from deemed date of allotment	6.28%	499.98	05 August 2020	Redeemable at par, at the end of the 10 years 08 month & 06 days from the date of allotment	CRISIL AAA, CARE AAA, [ICRA] AAA (Stable)
7	6.05% Powergrid Bond LXIX Issue	INE752E08668	5 years from deemed date of allotment	6.05%	529.88	25 March 2022	Redeemable at par, at the end of the 5 years from the date of allotment	CRISIL AAA, CARE AAA, [ICRA] AAA (Stable)

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**35. List of top 10 domestic bond holders (in cumulative basis)**

(Based on Beneficiary Position as on 31.12.2022)

S.N.	Name of Bondholder	Amount Rs. in Crore	% of total NCS outstanding
1	CBT-EPF-05-F-DM	6757.88	10.65%
2	CBT-EPF-05-E-DM	2918.38	4.60%
3	CBT-EPF-11-E-DM	2275.90	3.59%
4	CBT-EPF-11-F-DM	2018.20	3.18%
5	EMPLOYEES' STATE INSURANCE CORPORATION A/C SBI FUNDS MANAGEMENT PRIVATE LIMITED	1920.00	3.03%
6	LIFE INSURANCE CORPORATION OF INDIA	1919.45	3.02%
7	HDFC LIFE INSURANCE COMPANY LIMITED	1828.18	2.88%
8	NPS TRUST- A/C LIC PENSION FUND SCHEME - STATE GOVT	2005.30	3.16%
9	STATE BANK OF INDIA	1809.70	2.85%
10	NPS TRUST- A/C SBI PENSION FUND SCHEME - STATE GOVT	1688.35	2.66%

**36. Details of any outstanding borrowings taken/ debt securities issued where taken / issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option:**

NIL

**37. Details of Commercial Paper outstanding as on the latest quarter end (31.12.2022):**

NIL

**38. Details of Rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares):**

NIL

**39. Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Company, in the past 3 years including the current year:**

NIL



- 40. Any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/promoters, litigations resulting in material liabilities, corporate restructuring event etc) at the time of issue which may affect the issue or the investor's decision to invest / continue to invest in the non-convertible securities**

NIL

- 41. Any litigation or legal action pending or taken by a Government Department or a statutory body during the last three years immediately preceding the year of the issue of prospectus against the promoter of the company.**

NIL

- 42. Details of default and non-payment of statutory dues**

NIL

- 43. The names of the debenture trustee(s) shall be mentioned with statement to the effect that debenture trustee(s) has given its consent for appointment along with the copy of the consent letter from the debenture trustee:**

The Debenture Trustee for the Debentures is IDBI Trusteeship Services Limited. The Debenture Trustee has given its written consent for its appointment under Regulation 4(4) of the SEBI regulations. The Debenture Trustee has also given its consent for the inclusion of its name as debenture trustee in the form and context in which it appears in this Placement Memorandum and all subsequent periodical communications to be sent to the holders of the debt securities. The consent letter dated 23<sup>rd</sup> March, 2023 from the Debenture Trustee is attached as **Annexure 1** to this Placement Memorandum.

The Debentureholder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Trustee or any of their agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the Debentures as the Trustee may in their absolute discretion deem necessary or require to be done in the interest of the holder(s) of the Debentures. Any payment made by the Issuer to the Trustee on behalf of the Debentureholder(s) shall discharge the Issuer pro tanto to the Debentureholder(s). No Debentureholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become so bound to proceed, fail to do so.

The Trustee shall perform its duties and obligations and exercise its rights and discretions, in keeping with the trust reposed in the Trustee by the holder(s) of the Debentures and shall further conduct itself, and comply with the provisions of all applicable laws, provided that, the provisions of Section 20 of the Indian Trusts Act, 1882, shall not be applicable to the Trustee. The Trustee shall carry out its duties and perform its functions as required to discharge its obligations under the terms of SEBI Debt Regulations, the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, the Debenture Trustee

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Agreement, Placement Memorandum and all other related transaction documents, with due care, diligence and loyalty.

**44. Details of security if backed by a guarantee or letter of comfort or any other document / letter with similar intent**

NIL

**45. Disclosure of Cash flow with date of interest/dividend/ redemption payment as per day count convention**

**ILLUSTRATION OF CASH FLOWS**

The illustrative cash flows per Debenture (bearing face value of Rs. 100,000) is as under:

Name of the Issuer	Power Grid Corporation of India Limited
Face Value (per Security)	Rs. 1,00,000
Deemed Date of Allotment	March 31, 2023
Date of Redemption	10 Years from the Deemed Date of Allotment with equal quarterly redemption payments starting from August 17, 2023 except for last redemption installment which shall be paid on the maturity date. For further details, please refer to Annexure I of the Term Sheet
Tenure	10 Years
Coupon Rate	7.56%
Frequency of Interest Payment	Quarterly
Day Count Convention	Actual/Actual

**Illustrative Cash Flow**

For illustrative cash flows per Debenture (bearing face value of INR 100,000), please refer to Annexure I of the Term Sheet in this Placement Memorandum.

**46. Disclosures pertaining to Wilful Defaulter for the Issuer and Directors of the Issuer**

- Name of the bank declaring the entity as a willful defaulter: Not Applicable
- The year in which the entity is declared as willful defaulter: Not Applicable
- Outstanding amount when the entity is declared as willful defaulter: Not Applicable
- Name of the entity declared as a willful defaulter: Not Applicable
- Steps taken, if any, for the removal from the list of willful defaulters: Not Applicable
- Other disclosures, as deemed fit by the Issuer in order to enable investors to take informed decisions: Not Applicable
- Any other disclosure as specified by the board: Not Applicable

## 47. Other details

### a. Creation of Debenture Redemption Reserve (DRR)

As per Section 71 of the Companies Act, 2013 read with Rule 18 (7) of the Companies (Share Capital and Debentures) Rules, 2014 creation of a debenture redemption reserve, is not required to be done in case of private placement of debentures by listed companies. Hence, we are not required to create a debenture redemption reserve.

### b. Issue/instrument specific regulations

The Debentures shall be issued and regulated in accordance with the provisions of the Companies Act, 2013 and rules framed thereunder and the SEBI Debt Regulations.

The present Issue is being made pursuant to the following:

- a. Resolution passed by the Committee of Directors of the Board under Section 42, 71 of the Companies Act, 2013 at in its 220<sup>th</sup> meeting held on 24<sup>th</sup> March, 2023 in respect of issue of unsecured non-convertible non-cumulative taxable redeemable bonds.
- b. Board resolution passed at the meeting of Board of Directors held on 17<sup>th</sup> June, 2021 under Sections 179, 42 and 71 of Companies Act, 2013 to borrow funds upto Rs. 6,000 Crores
- c. Special resolution passed in 32<sup>nd</sup> Annual General Meeting held on 24<sup>th</sup> September, 2021 under Sections 42 and 71 of Companies Act, 2013 read with Rule 14(2) of Companies (Prospectus and Allotment of Securities) Rules, 2014 and other applicable provisions of Companies Act, 2013 and Securities and Exchange Board of India, including the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended, or provisions of any other applicable law, and the Memorandum and Articles of Association of the Company to raise up to Rs. 6000 Crore in domestic market during the financial year 2022-23 for financing of capital expenditure, providing Inter Corporate Loan(s) to wholly owned subsidiaries and for general corporate purposes, in one or more tranches but not exceeding twenty tranches / offers through issue of secured/unsecured, non-convertible, cumulative/non-cumulative, redeemable, taxable / tax-free debentures (“Bonds”) under Private Placement.
- d. Shareholders resolution passed in 28<sup>th</sup> Annual General Meeting held on 19<sup>th</sup> September, 2017 under Section 180(1)(a) & 180(1)(c) of the Companies Act, 2013 and other applicable provisions, if any, for enhancing the overall borrowing limits of POWERGRID from Rs. 1,50,000 Crore to Rs. 1,80,000 Crore

The aggregate amount of borrowings including the Debentures offered through this document are within the limits of borrowings mentioned above. The Issuer can issue the Debentures proposed by it in view of the present approvals and no further approvals are required by it to undertake the Issue.

### c. Default in Payment

In case of default in payment of Coupon and/or Redemption Amount on the Due Dates, additional interest at the rate of 2% p.a. over the Coupon will be payable by the Issuer for the period of default in respect of the Debentures

d. Delay in Listing

The Issuer shall make listing application to BSE and/or NSE and obtain listing approval within 3 (three) trading Days from Issue Closure Date in conformity with the timelines prescribed under SEBI Operational Circular numbering SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021. In case of delay in listing of the Debentures beyond 3 (Three) trading days from the Issue Closure Date, the Company shall pay penal interest at the rate of 1% p.a. over the coupon rate for the period of delay to the investor (i.e. from date of allotment to the date of listing).

e. Delay in execution of Trust Deed

The Issuer and the Debenture Trustee shall execute the trust deed within such timelines as may be specified by SEBI. In case the Issuer fails to execute the trust deed within the period specified it shall pay interest of at least 2% per annum or such other rate, as may be specified by SEBI to the holder of debt securities, over and above the agreed coupon rate, till the execution of the trust deed.

f. Delay in allotment of securities

The allotment of Debentures shall be made within the timelines stipulated under SEBI Operational Circular. In case there is any delay of allotment of Debentures, the Issuer shall pay the prescribed penalty, if applicable, as prescribed under Applicable Law.

g. Terms and conditions of the debenture trustee agreement including fees charged by the Debenture Trustee, details of the security to be created and the process of due diligence carried out by the Debenture Trustee:

- a) Terms and conditions of appointment of the Debenture Trustee and the due diligence to be carried out by the Debenture Trustee are further specified in the Debenture Trustee Agreement dated 24<sup>th</sup> March, 2023.

The Debenture Trustee Agreement has been executed as per required regulations before opening of Issue. Service charges of Debenture Trustee are mentioned in the letter numbering 55947/ITSL/CL-22-23/DEB/1363 dated March 23, 2023 issued by the Debenture Trustee.

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**h. Material Contracts and Agreements involving Financial Obligations of the Issuer**

**A. Material Contracts and Documents**

- a. Letter of consent from the Trustee to act as Trustee to the Issue.
- b. Letter of consent from the registrar for acting as Registrar to the issue.
- c. Certified Copy of Memorandum and Articles of Association of the Issuer
- d. Certified Copy of Resolution by Committee of Board of Directors of the Issuer dated 24th March, 2023 in relation to the Issue.
- e. Certified copy of the resolution passed by the shareholders of the Issuer.
- f. In-principle approval for listing of Bonds by BSE and/or NSE.
- g. Letter dated 03.03.2023 from CARE Ratings Limited conveying the credit rating for the Bonds.
- h. Letter dated 03.03.2023 from ICRA Limited conveying the credit rating for the Bonds.
- i. Letter dated 01.03.2023 from CRISIL Ratings Limited conveying the credit rating for the Bonds.
- j. Tripartite Agreement between the Issuer, NSDL and Registrar to the Issue of Bonds in dematerialized form.
- k. Tripartite Agreement between the Issuer, CDSL and Registrar to issue of Bonds in dematerialized form.
- l. Debenture Trustee Agreement
- m. TRA Agreement dated March 24, 2023.
- n. Annual Report along with Audited financials and Audit Reports for the last three financial years.
- o. Unaudited Limited review financial results for the quarter ended 30<sup>th</sup> September 2022 and for the quarter ended 31<sup>st</sup> December, 2022.
- p. Debenture Trust Deed in relation to the Issue

**48. Issue Details: Summary Term Sheet**

1.	Security Name	7.56% POWERGRID BONDS-LXXII Issue 2022-23 (Bond 72 <sup>nd</sup> Issue)
2.	Issuer	Power Grid Corporation of India Limited (“Company / Corporation”)
3.	Project SPV	POWERGRID NM Transmission Limited (PNMTL) PNMTL is a 100% subsidiary of POWERGRID, won under Tariff Based Competitive Bidding (TBCB) to undertake specific transmission lines
4.	Type of Instrument	Unsecured, Non-Convertible, Non-Cumulative, Taxable, Redeemable bonds in the nature of debentures
5.	Nature of Instrument	Unsecured
6.	Seniority	Senior
7.	Eligible Investors	<p>Only those investors who are permitted to invest in this issue as per SEBI Debt Regulations, applicable for issuance and listing of these Bonds.</p> <p>The following investors are eligible to bid for these Bonds:</p> <ul style="list-style-type: none"> <li>• Arranger as appointed by the Issuer</li> <li>• All QIBs enrolled for direct participation on NSE</li> <li>• All non-QIB Investors enrolled with the EBP for direct participation, only eligible participants, as selected by the Issuer, may participate in the bidding process</li> </ul> <p>All Investors are required to comply with the relevant regulation/ guidelines applicable to them for investing in this Issue.</p> <p><b>No arranger fee shall be payable by the Issuer.</b></p> <p>Arrangers with successfully bid [Arranger Bid (client +proprietary)] to whom POWERGRID Bonds amounting to Rs 5 Crore or more have been allocated will be treated as successful arranger and their name will be incorporated in final Placement Memorandum (PM)</p>
8	Listing	<p>Proposed to be listed on BSE and NSE. The Issuer has received in-principle approval for listing of these Bonds from BSE vide letter DCS/COMP/RM/IP-PPDI/720/22-23 dated March 24, 2023 and NSE vide letter ref no. NSE/LIST/6164 dated March 24, 2023. Please refer to Annexure 8 for a copy of the letters from BSE and NSE.</p> <p>The Issuer shall make listing application to BSE and/or NSE as per the SEBI Operational Circular dated August 10, 2021 bearing reference SEBI/HO/DDHS/P/CIR/2021/613 and receive listing</p>



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		approval from BSE and NSE within the timelines specified in the SEBI Operational Circular.  Designated Stock Exchange for the Issue is: NSE
9	Rating of the Instrument	“CRISIL AAA/Stable” by CRISIL, “[ICRA] AAA” by ICRA and “CARE AAA;Stable” by CARE
10	Issue Size	Aggregate issue size not exceeding Rs. 425 crores with a base issue size of Rs. 100 crores and a green-shoe option to retain oversubscription upto Rs. 325 crores.
11.	Base Issue Size	Rs. 100 crores
12.	Green Shoe Option / option to retain oversubscription	Yes. Green-shoe option to retain oversubscription upto Rs. 325 crores.
13.	Minimum Subscription	Not Applicable
14	Objects of the Issue	100% for part financing of capital expenditure of the company, wholly owned subsidiaries and JVs through Inter Corporate Loan(s) also.
15	Details of utilization of proceeds	Utilization Certificate will be submitted to the Trustee at the end of each quarter
16	Coupon Rate	7.56% p.a.
17	Step Up/Step Down Coupon Rate	Not Applicable
18	Coupon Payment Frequency	Quarterly. The first coupon payment shall be on May 17, 2023 and every quarter thereafter except for last coupon which shall be on the redemption date as given in Annexure I. For further details please refer to Annexure I of the Term Sheet
19	Coupon Payment Dates	Please refer Annexure I of the Term Sheet
20	Coupon Type	Fixed
21	Coupon Reset Process	Not Applicable
22	Day Count basis	Actual/Actual  The Coupon for each of the interest periods shall be computed as per Actual / Actual day count convention (as per the SEBI Operational Circular dated August 10, 2021 bearing reference SEBI/HO/DDHS/P/CIR/2021/613) on the face value/principal outstanding at the Coupon Rate rounded off to the nearest Rupee.  The Coupon Period means each period beginning on (and including) the Deemed Date of Allotment(s) or any Coupon Payment Date and ending on (but excluding) the next Coupon Payment Date. It is clarified that in case of Coupon payment in a leap year, the same shall be calculated taking the number of days as 366 (three hundred and sixty six) days (as per the SEBI Operational Circular dated August 10, 2021 bearing reference SEBI/HO/DDHS/P/CIR/2021/613).  Illustrative cash flows are provided in this Placement Memorandum.

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23	Interest on Application Money	Not Applicable
24	Default Interest Rate	<p>In case of default (including delay) in payment of Interest and/or principal redemption on the due dates, additional interest shall be payable by the Issuer in accordance with SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and SEBI circulars, as amended from time to time.</p> <p>The Issuer shall make listing application to BSE and/or NSE as per the SEBI Operational Circular dated August 10, 2021 bearing reference SEBI/HO/DDHS/P/CIR/2021/613 and receive listing approval from BSE and/or NSE within timelines mentioned in the SEBI Operational Circular. In case of delay in listing of the Bonds beyond the timelines mentioned in the SEBI Operational Circular, the Issuer shall pay penal interest in accordance with SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and SEBI circulars, as amended from time to time.</p> <p>If the Issuer fails to execute the trust deed within the prescribed timelines under the applicable law, the Issuer shall also pay interest, over and above the agreed coupon rate in accordance with SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and SEBI circulars, as amended from time to time, till the execution of the trust deed.</p>
25	Tenor	10 years
26	Redemption Date	10 Years from the Deemed Date of Allotment with equal quarterly redemption payments starting from August 17, 2023 except for last redemption installment which shall be paid on the maturity date. For further details, please refer to Annexure I of the Term Sheet
27	Redemption Amount	Please refer Annexure I of the Term Sheet
28	Redemption Premium / Discount	Nil
29	Issue Price	Rs. 1 lakh per Bond (Debenture)
30	Discount at which security is issued and the effective yield as a result of such discount	Nil
31	Put Option	Not Applicable
31	Put Date	Not Applicable
32	Put Price	Not Applicable
33	Call Option	Not Applicable
34	Call Date	Not Applicable
35	Call Price	Not Applicable
36	Put Notification Time	Not Applicable
37	Call Notification Time	Not Applicable
38	Face Value	Rs. 1 lakh per Bond

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39	Minimum Application and in multiples of thereafter	1 Bond of Rs 1 lakh each and in multiple of 1 Bond thereafter
40	Issue Timing Issue Opening Issue Closing Date of Earliest Closing Pay-in Date  Deemed Date of Allotment	March 29, 2023 March 29, 2023 Not Applicable March 31, 2023 (Since March 30, 2023 is a trading holiday therefore T+1 date is next working day, being March 31, 2023) March 31, 2023
41	Settlement Mode of the Instrument	The pay-in of subscription money for the Bonds shall be made as per EBP Guidelines through clearing corporation of BSE i.e., Indian Clearing Corporation Limited (ICCL).
42	Mode of interest/ principal repayment	Payment of interest and repayment of principal shall be made by way of credit through direct credit/ National Electronic Clearing Service/ RTGS/ NEFT mechanism or any other permitted method at the discretion of the Issuer.
43	Depository	National Securities Depository Limited and Central Depository Services (India) Limited
44	Disclosure of Interest / Redemption Date	Please refer Annexure I of the Term Sheet
45	Record Date	15 calendar days prior to each Coupon Payment Date or the Redemption Date (as the case may be). In the event the Record Date falls on a day which is not a Working Day, the preceding day or a date notified by the Company to the stock exchanges will be considered as Record Date.
46	All covenants of the issue (including side letters, accelerated payment clause, etc.)	Refer to Annexure II of Term Sheet All covenants to the issue shall be mentioned in the Debenture Trust Deed which will be executed within time frame prescribed under the SEBI (Debenture Trustee) Regulation, 1993, Companies Act and other applicable laws and regulations.
47	Description regarding Security	Not Applicable
48	Transaction Documents	The Company has executed/ shall execute the documents including but not limited to the following in connection with the Issue: 1. Transmission license granted to the Project SPV 2. Transmission Service Agreement of the Project SPV 3. Operations and Maintenance Agreement of the Project SPV if any 4. Placement Memorandum 5. Debenture Trustee Agreement 6. Debenture Trust Deed 7. Rating Letters and Press Release from the credit rating agencies 8. Tripartite Agreement between the Issuer, Registrar and NSDL for issue of Debentures in dematerialized form 9. Tripartite Agreement between the Issuer, Registrar and CDSL for issue of Debentures in dematerialized form

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		<p>10. In-principle approval from stock exchange(s) for listing of Debentures</p> <p>11. Consent Letters from Registrar and Trustee to the Issue</p> <p>12. TRA agreement</p> <p>13. Listing Agreement with BSE and/or NSE; and</p> <p>14. Letter from the Company directing the Project SPV to remit payments to the TRA</p> <p>15. Shortfall undertaking by the Company</p> <p>16. Confirmation from Project SPV that payment will be deposited in to TRA as per the directions provided by the Company</p> <p>17. Any other document as indicated by Debenture Trustee</p>
49	Conditions Precedent to Disbursement	<p>The following conditions precedents shall be required to be complied by Company:</p> <ol style="list-style-type: none"> <li>1. Certified true copy of the constitutional documents and authorizations of the Company</li> <li>2. Certified true copy of Board resolutions/ approvals and other statutory compliances including certified true copy of the resolution passed by the Shareholders of the Company</li> <li>3. Obtaining consent of Debenture Trustee to act as Debenture Trustee and submission of the Debenture Trustee Consent Letter</li> <li>4. Rating Letters and Press Release from the rating agencies</li> <li>5. Execution of this Placement Memorandum, Debenture Trustee Agreement</li> <li>6. Receipt of the in-principle approval from BSE and/or NSE for listing of Debt Securities</li> <li>7. Consent Letter of the Registrar</li> <li>8. Any other documents required as per SEBI's Regulations and other applicable laws;</li> </ol>
50	Conditions Subsequent to Disbursement	<p>The following conditions precedents shall be required to be complied by Company as per time frame mentioned:</p> <ol style="list-style-type: none"> <li>1. Filing a return of allotment of Bonds in Form PAS-3 with the Registrar of Companies within fifteen days of the Deemed Date of Allotment along with fee as provided in the Companies (Registration Offices and Fees) Rules, 2014;</li> <li>2. Credit of DEMAT account(s) of the allottee(s) by number of Debentures allotted on the Deemed Date of Allotment within the timeframe allowed under SEBI Debt Regulations;</li> <li>3. Making listing application to BSE and/or NSE within the timeframe allowed under SEBI Debt Regulations and obtaining listing permission within the timeframe allowed under SEBI Debt Regulations;</li> </ol>

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		<p>4. Execution of Debenture Trust Deed within time frame prescribed in the relevant regulations/ act/ rules etc. and submitting the same with stock exchange(s) (BSE and/or NSE) within timeframe allowed under SEBI Debt Regulations;</p> <p>5. The Company shall, till the redemption of Debentures, submit its latest audited/ limited review half yearly consolidated (wherever available) and standalone financial information and auditor qualifications, if any, to the Trustee within the timelines as specified in SEBI LODR. Besides, the Issuer shall within 180 days from the end of the financial year, submit a copy of the latest annual report to the Trustee and the Trustee shall be obliged to share the details so submitted with all ‘Qualified Institutional Buyers’ (QIBs) and other existing Bond/Debenture holder(s);</p> <p>6. End use certificate to be provided;</p> <p>7. The Company shall perform all mandatory activities as applicable.</p>
51	Event of Default (including manner of voting /conditions of joining Inter Creditor Agreement)	<p>If one or more of the events specified herein (hereinafter called “the Event(s) of Default” happen(s), the Trustee may, in their discretion, and shall, upon request in writing of the holders of the Bonds of an amount representing not less than three-fourths in value of the nominal amount of the Bonds for the time being outstanding or by a Special Resolution duly passed at the meeting of the Bondholders convened in accordance with the provisions set out in the Debenture Trust Deed, by a notice in writing to the Company declare the principal of and all accrued interest on the Bonds to be due and payable forthwith:-</p> <ol style="list-style-type: none"> <li>1. Default is committed in payment of the principal amount of the Bonds on the due date(s)</li> <li>2. Default is committed in payment of any interest on the Bonds on the due date(s);</li> <li>3. Default is committed as per other factors mentioned in the Debenture Trust Deed</li> </ol>
52	Creation of recovery expense fund	Created vide BG No. 2451NDLG00072921 dated 04 <sup>th</sup> February, 2021 amounting to Rs. 25,00,000/- issued by ICICI Bank in favor of NSE being the designated stock exchange.

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53	Conditions for breach of covenants (as specified in Debenture Trust Deed)	Shall be mentioned in the Debenture Trust Deed which shall be executed within time frame prescribed under the Companies Act and/or SEBI regulations.
54	Provisions related to Cross Default Clause	Not Applicable
55	Role and Responsibilities of Debenture Trustee	<p>The Trustee shall protect the interest of the Debenture holders in the event of default by the Company about timely payment of interest and repayment of principal and shall take necessary action at the cost of the Company. No Debenture holder shall be entitled to proceed directly against the Company unless the Trustee, having become so bound to proceed, fail to do so.</p> <p>The Trustee shall carry out its duties and perform its functions as required to discharge its obligations under the terms of SEBI NCS Regulations, the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, the Debenture Trustee Agreement, the Debenture Trust Deed, Disclosure Document and all other related transaction documents, with due care, diligence and loyalty. The Trustee shall ensure disclosure of all material events on an ongoing basis.</p>
56	Risk factors pertaining to the issue	Mentioned at Chapter on “Management perception to Risks Factors” of the Placement Memorandum.
57	Governing Law and Jurisdiction	The Bonds are governed by and shall be construed in accordance with the existing Indian laws. Any dispute arising thereof will be subject to the jurisdiction of the court of Delhi.
58	TRA Account (TRA)	<p>The Company shall open a TRA Account (TRA), with State Bank of India or any other nationalized bank, into which the cashflows to be received from its Project SPV shall be pooled for servicing of its debt obligations.</p> <p>1.The inflows in the TRA shall be as follows:</p> <ol style="list-style-type: none"> <li>Interest on debt advanced by the Company to Project SPV on or before due dates</li> <li>Repayment of debt advanced by the Company to Project SPV on or before due dates</li> <li>Any dividend or distribution by the Project SPV</li> <li>Any inflows on account of liquidation of Permitted Investment which were temporarily deployed from the TRA</li> <li>Additional amount payable by the Company to meet any shortfall in the TRA / DSA</li> </ol> <p>2.The outflows in the TRA shall be in the following order:</p> <ol style="list-style-type: none"> <li>Deployment in Permitted Investments for temporary deployment of surplus funds</li> <li>Transfer to DSA or any other account opened for servicing as per the terms of the facility / issuance</li> </ol>



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		<p>c) Any surplus remaining in TRA after meeting the above obligation shall be transferred to the Company.</p> <p>Provided that no outflow from the TRA shall be permitted under clause 2(c) above for the following:</p> <p>a) Occurrence of Event of Default which has not been cured to the satisfaction of the Debenture Trustee.</p>
59	Debenture Service Account (DSA)	<p>The Company shall open a Debenture Service Account (DSA), with State Bank of India or any other nationalized bank, into which the cashflows to be received from TRA shall be deposited for servicing of its debt obligations.</p> <p>The inflows in the DSA shall be as follows:</p> <p>a) Transfer from TRA, an amount equivalent to debt servicing</p> <p>b) Any inflows on account of liquidation of Permitted Investment which were temporarily deployed from the TRA</p> <p>c) Additional amount payable by the Company to meet any shortfall in the DSA</p> <p>In event of any shortfall in the funds available in the DSA, PGCIL shall make good the shortfall.</p> <p>The outflows in the DSA shall be in the following order:</p> <p>a) Deployment in Permitted Investments for temporary deployment of surplus funds</p> <p>b) Coupon Payment / Redemption Amount payable to debenture holders on due date</p> <p>c) Any surplus remaining in DSA after meeting the above obligation shall be transferred to the Company.</p> <p>The DSA shall be used exclusively for the benefit of the Debenture Holders</p>
60	Permitted Investments	The Company can invest the surplus funds in the TRA and DSA account in liquid/overnight mutual fund debt schemes with a minimum rating of AAA/A1+ or an equivalent rating by any rating agency or fixed deposits with Escrow bank or scheduled commercial bank having senior debt rating of at least AAA by any rating agency
61	Mode of Issue	Private Placement through EBP Platform
62	EBP Platform	BSE
63	Manner of bidding	Closed Bidding
64	Manner of Allotment	Uniform Yield
65	Anchor Portion	Not Applicable
66	Total Anchor Portion	Not Applicable

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67	Anchor Investor and amounts allocated to each Anchor Investor	Not Applicable
68	Working Day convention / Effect of Holidays	<p>‘Working Day’ shall be a day on which commercial banks are open for business in the city of Delhi. If the date of payment of interest/redemption of principal does not fall on a Working Day, the payment of interest/principal shall be made in accordance with as per the SEBI Operational Circular dated August 10, 2021 bearing reference SEBI/HO/DDHS/P/CIR/2021/613.</p> <p>If any of the Coupon Payment Date(s), other than the ones falling on the redemption date, falls on a day that is not a Working Day, the payment shall be made by the Issuer on the immediately succeeding Working Day, which becomes the coupon payment date for that coupon. However, the future coupon payment date(s) would be as per the schedule originally stipulated at the time of issuing the Bonds. In other words, the subsequent coupon payment date(s) would not be changed merely because the payment date in respect of one particular coupon payment has been postponed earlier because of it having fallen on a non-Working Day.</p> <p>If the redemption date of the Bonds falls on a day that is not a Working Day, the redemption amount shall be paid by the Issuer on the immediately preceding Working Day which becomes the new redemption date, along with interest accrued on the Bonds.</p>

**Annexure I**

Cash Flows	Payment Due Date	Date of Payment	No. of days in Coupon Period	Coupon Payment	Principal Part Prepayment	Principal Outstanding	Total Amount paid
Coupon 1	Wednesday, 17 May, 2023	Wednesday, 17 May, 2023	47	973.48	-	1,00,000	973.48
Coupon 2 + Principal Part Prepayment 1	Thursday, 17 August, 2023	Thursday, 17 August, 2023	92	1,905.53	2,500	97,500	4,405.53
Coupon 3 + Principal Part Prepayment 2	Friday, 17 November, 2023	Friday, 17 November, 2023	92	1,857.90	2,500	95,000	4,357.90
Coupon 4 + Principal Part Prepayment 3	Saturday, 17 February, 2024	Saturday, 17 February, 2024	92	1,810.26	2,500	92,500	4,310.26
Coupon 5 + Principal Part Prepayment 4	Friday, 17 May, 2024	Friday, 17 May, 2024	90	1,719.59	2,500	90,000	4,219.59

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Coupon 6 + Principal Part Prepayment 5	Saturday, 17 August, 2024	Saturday, 17 August, 2024	92	1,710.30	2,500	87,500	4,210.30
Coupon 7 + Principal Part Prepayment 6	Sunday, 17 November, 2024	Saturday, 16 November, 2024	92	1,662.79	2,500	85,000	4,162.79
Coupon 8 + Principal Part Prepayment 7	Monday, 17 February, 2025	Monday, 17 February, 2025	92	1,615.28	2,500	82,500	4,115.28
Coupon 9 + Principal Part Prepayment 8	Saturday, 17 May, 2025	Saturday, 17 May, 2025	89	1,520.80	2,500	80,000	4,020.80
Coupon 10 + Principal Part Prepayment 9	Sunday, 17 August, 2025	Saturday, 16 August, 2025	92	1,524.43	2,500	77,500	4,024.43
Coupon 11 + Principal Part Prepayment 10	Monday, 17 November, 2025	Monday, 17 November, 2025	92	1,476.79	2,500	75,000	3,976.79
Coupon 12 + Principal Part Prepayment 11	Tuesday, 17 February, 2026	Tuesday, 17 February, 2026	92	1,429.15	2,500	72,500	3,929.15
Coupon 13 + Principal Part Prepayment 12	Sunday, 17 May, 2026	Saturday, 16 May, 2026	89	1,336.46	2,500	70,000	3,836.46
Coupon 14 + Principal Part Prepayment 13	Monday, 17 August, 2026	Monday, 17 August, 2026	92	1,333.87	2,500	67,500	3,833.87
Coupon 15 + Principal Part Prepayment 14	Tuesday, 17 November, 2026	Tuesday, 17 November, 2026	92	1,286.24	2,500	65,000	3,786.24
Coupon 16 + Principal Part Prepayment 15	Wednesday, 17 February, 2027	Wednesday, 17 February, 2027	92	1,238.60	2,500	62,500	3,738.60
Coupon 17 + Principal Part Prepayment 16	Monday, 17 May, 2027	Monday, 17 May, 2027	89	1,152.12	2,500	60,000	3,652.12
Coupon 18 + Principal Part Prepayment 17	Tuesday, 17 August, 2027	Tuesday, 17 August, 2027	92	1,143.32	2,500	57,500	3,643.32
Coupon 19 + Principal Part Prepayment 18	Wednesday, 17 November, 2027	Wednesday, 17 November, 2027	92	1,095.68	2,500	55,000	3,595.68
Coupon 20 + Principal Part Prepayment 19	Thursday, 17 February, 2028	Thursday, 17 February, 2028	92	1,048.04	2,500	52,500	3,548.04
Coupon 21 + Principal Part Prepayment 20	Wednesday, 17 May, 2028	Wednesday, 17 May, 2028	90	975.98	2,500	50,000	3,475.98
Coupon 22 + Principal Part Prepayment 21	Thursday, 17 August, 2028	Thursday, 17 August, 2028	92	950.16	2,500	47,500	3,450.16
Coupon 23 + Principal Part Prepayment 22	Friday, 17 November, 2028	Friday, 17 November, 2028	92	902.66	2,500	45,000	3,402.66
Coupon 24 + Principal Part Prepayment 23	Saturday, 17 February, 2029	Saturday, 17 February, 2029	92	855.15	2,500	42,500	3,355.15
Coupon 25 + Principal Part Prepayment 24	Thursday, 17 May, 2029	Thursday, 17 May, 2029	89	783.44	2,500	40,000	3,283.44

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Coupon 26 + Principal Part Prepayment 25	Friday, 17 August, 2029	Friday, 17 August, 2029	92	762.21	2,500	37,500	3,262.21
Coupon 27 + Principal Part Prepayment 26	Saturday, 17 November, 2029	Saturday, 17 November, 2029	92	714.58	2,500	35,000	3,214.58
Coupon 28 + Principal Part Prepayment 27	Sunday, 17 February, 2030	Saturday, 16 February, 2030	92	666.94	2,500	32,500	3,166.94
Coupon 29 + Principal Part Prepayment 28	Friday, 17 May, 2030	Friday, 17 May, 2030	89	599.10	2,500	30,000	3,099.10
Coupon 30 + Principal Part Prepayment 29	Saturday, 17 August, 2030	Saturday, 17 August, 2030	92	571.66	2,500	27,500	3,071.66
Coupon 31 + Principal Part Prepayment 30	Sunday, 17 November, 2030	Saturday, 16 November, 2030	92	524.02	2,500	25,000	3,024.02
Coupon 32 + Principal Part Prepayment 31	Monday, 17 February, 2031	Monday, 17 February, 2031	92	476.38	2,500	22,500	2,976.38
Coupon 33 + Principal Part Prepayment 32	Saturday, 17 May, 2031	Saturday, 17 May, 2031	89	414.76	2,500	20,000	2,914.76
Coupon 34 + Principal Part Prepayment 33	Sunday, 17 August, 2031	Saturday, 16 August, 2031	92	381.11	2,500	17,500	2,881.11
Coupon 35 + Principal Part Prepayment 34	Monday, 17 November, 2031	Monday, 17 November, 2031	92	333.47	2,500	15,000	2,833.47
Coupon 36 + Principal Part Prepayment 35	Tuesday, 17 February, 2032	Tuesday, 17 February, 2032	92	285.83	2,500	12,500	2,785.83
Coupon 37 + Principal Part Prepayment 36	Monday, 17 May, 2032	Monday, 17 May, 2032	90	232.38	2,500	10,000	2,732.38
Coupon 38 + Principal Part Prepayment 37	Tuesday, 17 August, 2032	Tuesday, 17 August, 2032	92	190.03	2,500	7,500	2,690.03
Coupon 39 + Principal Part Prepayment 38	Wednesday, 17 November, 2032	Wednesday, 17 November, 2032	92	142.52	2,500	5,000	2,642.52
Coupon 40 + Principal Part Prepayment 39	Thursday, 17 February, 2033	Thursday, 17 February, 2033	92	95.02	2,500	2,500	2,595.02
Coupon 41 + Principal Part Prepayment 40	Wednesday, 31 March, 2033	Wednesday, 31 March, 2033	42	21.75	2,500	-	2,521.75

The Coupon/Redemption amounts shall be computed as per Working Day Convention as per the SEBI Operational Circular dated August 10, 2021 bearing reference SEBI/HO/DDHS/P/CIR/2021/613.

## **Annexure II**

### **GENERAL COVENANTS**

#### **I. Affirmative Covenants**

The Company hereby covenants with the Trustee that the Company will at all times (except as may otherwise be previously agreed in writing by the Trustee/Bond holders): -

- i) Carry out and conduct its business with due diligence and efficiency and in accordance with sound engineering, technical, managerial and financial standards and business practices with qualified and experienced management and personnel;
- ii) Utilise the monies raised by issue of the Bonds 100% for part financing of capital expenditure of the company, wholly owned subsidiaries and JVs through Inter Corporate Loan(s) also. and shall furnish to the Trustee Auditor's Certificate showing the manner in which the said monies have been utilised;
- iii) At the end of each financial year procure and furnish to the Trustee a certificate from the Company's Statutory auditors in respect of the utilisation of funds raised by the issue of the Bonds;
- iv) Maintain and Keep proper books of account as required by the Act and therein make true and proper entries of all dealings and transactions of and the business of the Company and keep the said books of account and all other books, registers and other documents relating to the affairs of the Company at its Registered Office or, where permitted by law, at other place or places where the books of account and documents of a similar nature may be kept and the Company will ensure that all entries in the same shall at all reasonable times be open for inspection of the Trustee and such person or persons as the Trustee shall, from time to time, in writing for that purpose, appoint;
- v) Give to the Trustee or to such person or persons as aforesaid such information as they or he or any of them shall require as to all matters relating to the business, property and affairs of the Company and at the time of the issue thereof to the Shareholders of the Company furnish to the Trustee three copies of every report, balance sheet, profit and loss account, circulars or notices, issued to the Shareholders and the Trustee shall be entitled, if they think fit, from time to time, to nominate a firm of Chartered Accountant to examine the books of account, documents and property of the Company or any part thereof and to investigate the affairs thereof and the Company shall allow any such accountant or agent to make such examination and investigation and shall furnish him with all such information as he may require and shall pay all costs, and expenses of and incidental to such examination and investigation as per Company's rules;
- vi) Permit the Trustee and such person, they shall, from time to time in writing for that purpose appoint to enter into or upon and to view the state and condition of all the Premises and pay all reasonable travelling, hotel and other expenses of any person whom the Trustee may depute for the purpose of such inspection and if the Trustee shall for any reason, that it is necessary to employ an expert then to employ such expert with the consent of the Company and to pay the fees and all traveling, hotel and other expenses of such expert as per the rules of the Company or as fixed by the Company;
- vii) Punctually pay all rents, royalties, taxes, rates, levies, cesses, assessments, impositions and outgoings, governmental, municipal or otherwise imposed upon or due and payable by the Company as and when the same shall be due and become payable and when required by the Trustee produce the receipts of such payment and also punctually pay and discharge all debts and obligations and

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liabilities and observe, perform and comply with all covenants and obligations which ought to be observed and performed by the Company;

- viii) The Company covenants with the Trustee that it shall pay to the Bondholders the principal amount of the Bonds on the dates mentioned in the Debenture Trust Deed and shall also pay interest (including compound interest where applicable) on the Bonds in accordance with provisions set out in the Debenture Trust Deed. Provided that if so called upon by the Trustee for Bondholders, the Company shall make payments as aforesaid to or to the order of or for the account of the Trustee at New Delhi and such payment shall be deemed to be in protanto satisfaction of the aforesaid covenant of the Company to make such payments to the Bondholders;
- ix) Diligently preserve its corporate existence and status and all rights, contracts, privileges, franchises and concessions now held or hereafter acquired by it in the conduct of its business PROVIDED THAT the Company may contest in good faith the validity of any such acts, rules, regulations, orders and directions and pending the determination of such contest may postpone compliance therewith if the rights enforceable under the Bonds is not thereby materially endangered or impaired. The Company will not do or voluntarily suffer or permit to be done any act or thing whereby its right to transact its business might or could be terminated or whereby payment of the principal of or interest on the Bonds might or would be hindered or delayed;
- x) Pay all such stamp duty (including any additional stamp duty), other duties, taxes, charges and penalties, if and when the Company may be required to pay according to the laws for the time being in force in the State in which its properties are situated or otherwise, and in the event of the Company failing to pay such stamp duty, other duties, taxes and penalties as aforesaid, the Trustee will be at liberty (but shall not be bound) to pay the same and the Company shall reimburse the same to the Trustee on demand;
- xi) Reimburse all sums paid or expenses incurred with the consent of the Company by the Trustee or any Receiver, Attorney, Manager, Agent or other person appointed by the Trustee with the consent of the Company for all or any of the purposes mentioned in these presents immediately on receipt of a notice of demand from them in this behalf. All such sums shall carry interest at the maximum lending rates of the All India Public Financial Institutions as prevailing from time to time as from the date when the same shall have been advanced, paid or become payable or due and as regards liabilities, the Company will, on demand, pay and satisfy such liabilities and if any sum payable under these presents shall be paid by the Trustee the Company shall, forthwith on demand, reimburse the same to the Trustee. Until payment or reimbursement of all such sums, the same shall be a charge upon the Mortgaged Premises in priority to the charge securing the Bonds;
- xii) Promptly inform the Trustee of all orders, directions, notices of court/Tribunal affecting or likely to affect its assets and if it has notice of any judgment for winding up or have been passed or otherwise if any suit or other legal process intended to be initiated against the Company and affecting the title to Company's properties or if a receiver is appointed of any of its properties or business or undertaking;
- xiii) Promptly inform the Trustee of the happening of any labour strikes, lockouts, shut-downs, fires or any event likely to have substantial effect on the Company's profits or business and of any material changes in the rate of production or sales of the Company with an explanation of the reasons therefore;
- xiv) Promptly inform the Trustee of any loss or damage which the Company may suffer due to any force majeure circumstances or act of God, such as earthquake, flood, tempest or typhoon, etc. against which the Company may not have insured its properties;



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xv) Forward a quarterly report to Trustee containing the following particulars: -

- (i) Updated Credit Rating
- (ii) updated list of names and addresses of the debenture holders
- (iii) details of interest due but unpaid and reasons thereof,
- (iv) the number and nature of grievances received from debenture holders and resolved by the Company and those grievances not yet solved to the satisfaction of the Debenture Holders and the reasons for the same.
- (v) a statement that the assets of the company which are available are sufficient to discharge the claims of the debenture holders as and when become due.

The Company shall, to the extent required under the debt listing agreement entered into between the Company and the BSE and /or NSE / SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015 submit to the NSE (NSE) and / or BSE for dissemination, along with the Quarterly financial results, a Quarterly communication, counter signed by the Debenture Trustee, containing, inter alia, the following information

- a. debt-equity ratio
- b. debt service coverage ratio;
- c. interest service coverage ratio;
- d. outstanding redeemable preference shares (quantity and value);
- e. capital redemption reserve/debenture redemption reserve;
- f. net worth;
- g. net profit after tax;
- h. earnings per share;
- i. current ratio;
- j. long term debt to working capital;
- k. bad debts to Account receivable ratio;
- l. current liability ratio;
- m. total debts to total assets;
- n. debtors turnover;
- o. inventory turnover;
- p. operating margin;
- q. net profit margin

xvi) Promptly inform Trustee of any major change in composition of its Board of Directors, which may amount to change in control as defined in SEBI (SAST) Regulations, 2011;

xvii) Submit any such information as required by Trustee;

xviii) Redress/resolve grievances of the bond holders expeditiously;

xix) Promptly inform the Trustee of any change in nature and conduct of business before such change;

xx) As required by the Trustee submit a valuation certificate issued by an independent valuer;

xxi) The Company shall or cause the registrar and transfer agent to forward the details of debenture holders to the Debenture Trustee at the time of allotment and thereafter by the 7th (Seventh) Business Day of every next month in order to enable the Debenture Trustee to keep their records updated and to communicate effectively with the Debenture Holders, especially in situations where Events of Default are triggered;

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- xxii) inform the Debenture Trustee of any amalgamation, merger or reconstruction scheme proposed by the Company;
- xxiii) The Company shall promptly provide to the Debenture Trustee promptly all information/documents required to be submitted to the Debenture Trustee, to enable it to carry out the due diligence and make the necessary disclosures on its website, in terms of Applicable Law, including but not limited to the SEBI circular dated November 12, 2020 and bearing number SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2020/23;
- xxiv) The Company shall also furnish to the Trustee a Quarterly/half yearly certificate regarding maintenance of hundred percent asset cover or asset cover as per the terms of offer document/Information Memorandum and/or Bond Trust Deed, including compliance with all covenants, in respect of listed non-convertible debt securities, by the Statutory Auditor, along with Quarterly/half yearly financial results in terms of SEBI (LODR) (Fifth Amendment) Regulations, 2020 dated 07<sup>th</sup> September, 2021 and SEBI (Issue and Listing of Non-Convertible Securities) Regulation, 2021 dated 09<sup>th</sup> August, 2021;
- xxv) furnish the following documents/information/reports/certification, as applicable, to Bond Trustee to enable the Bond Trustee to submit the same to Stock Exchange(s) within the timelines mentioned below:

Reports/Certificate	Periodicity for Issuer	Periodicity for Trustee
Asset cover certificate	Quarterly basis within 60 days from end of each quarter except last quarter of financial year and the last quarter of financial year, within 75 days from the end of financial year or within such timelines as prescribed under Applicable Law	Quarterly basis within 75 days from end of each quarter except last quarter of financial year and the last quarter of financial year, within 90 days from the end of financial year or within such timelines as prescribed under Applicable Law
A statement of value for debt service reserve account or any other form of security offered, if any	Quarterly basis within 45 days from end of each quarter except last quarter of financial year or within such timelines as prescribed under Applicable Law	Quarterly basis within 60 days from end of each quarter except last quarter of financial year or within such timelines as prescribed under Applicable Law
Valuation report and title search report for the immovable/movable assets, as applicable	Once in three years within 60 days from the end of financial year or within such timelines as prescribed under Applicable Law.	Once in three years within 75 days from the end of financial year or within such timelines as prescribed under Applicable Law.

**xxvi) Bond Redemption Reserve and Recovery Expense Fund:**

**Bond Redemption Reserve:**

The Company hereby agrees and undertakes that it would, if applicable, create and maintain out

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of the profits of the Company available for payment of dividend, a Bond Redemption Reserve as per the provisions of Section 71 of the Companies Act, 2013 read with Rule 18 of the Companies (Share Capital and Bonds) Rules, 2014 and other Applicable Law, and if during the currency of these presents, any guidelines are formulated (or modified or revised) by any Governmental Authority under Applicable Law in respect of creation of the Bond Redemption Reserve, the Company shall abide by such guidelines and execute all such supplemental letters, agreements and deeds of modifications as may be required by the Bond Holders and shall also cause the same to be registered, where necessary. The Company shall submit to the Bond Holders (through the Bond Trustee) a certificate duly certified by its Statutory Auditor certifying that, the Company has transferred a suitable sum to the Bond Redemption Reserve and invested the monies lying therein as stipulated in the guidelines formulated (or modified or revised) by the central government or any other statutory or regulatory at the end of each financial year in accordance with the provisions of Section 71 of the Companies Act, 2013 read with Rule 18 of the Companies (Share Capital and Bonds) Rules, 2014.

### **Recovery Expense Fund**

The Company has created and shall maintain the Recovery Expense Fund in terms of the Regulation 15 (1) (h) of the SEBI (Bond Trustee) Regulation, 2020, Regulation 26(b) (7) of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 dated 09<sup>th</sup> August, 2021 and SEBI Circular dated 22<sup>nd</sup> October, 2020 in the manner as may be specified by the SEBI from time to time. Further, Company hereby agrees and undertake to comply with provisions of Recovery Expense Fund as per applicable laws

#### **u) Additional Covenants:**

##### **1. Default in Payment and other Default:**

In case of default in payment of interest and/or principal redemption on the due dates or observance of any other terms, conditions or covenants as per the Trust Deed, Placement Memorandum, additional interest/ default interest of at least @ 2% p.a. or such other rate as may be prescribed under the Applicable Law over and above the applicable Coupon Rate will be payable by the Company for the defaulting period in respect of the Debentures.

##### **2. Delay in Listing:**

The Company shall complete all the formalities and seek listing permission as per the SEBI Operational Circular dated August 10, 2021 bearing reference SEBI/HO/DDHS/P/CIR/2021/613 and receive listing approval from BSE and/or NSE within timelines mentioned in the SEBI Operational Circular. In the event of delay in listing within 3 (three) trading days from the Issue Closing Date the Company shall pay penal interest to the Bond Holders, of at least 1.00% p.a. over the Coupon Rate from the Deemed Date of Allotment until the listing of such Bonds on the entire outstanding amount pertaining to the Bonds.

v) The Company is aware that in terms of Regulation 14 of the SEBI (Debenture Trustee) Regulations, 1993 as amended from time to time, the Trust Deed has to contain the matters specified in Section 71 of the Companies Act, 2013 and Form No. SH.12 specified under the Companies (Share Capital and Debentures) Rules, 2014. The Company hereby agrees to comply with all the clauses of Form No. SH.12 as specified under the Companies (Share Capital and Debentures) Rules, 2014 as if they are actually and physically incorporated in the Trust Deed.

w) **In terms of the SEBI Circular numbering SEBI/HO/DDHS/P/CIR/2021/613 dated 10.08.2021, the Issuer hereby submit the following Bank Account details from which it proposes to pay the redemption amount and hereby pre-authorise Debenture Trustee to seek debt redemption**

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payment related information from the said bank. The Issuer hereby submit a letter duly acknowledged by the said bank agreeing to provide debt redemption payment related information to the Debenture Trustee.

**Bank Account Details:**

Sr. No.	Particular	Details
1	Name of Bank	State Bank of India
2	Account No.	41777171433
3	Branch address	Corporate Account Group, 5th Floor, Parsvnath Capital Tower, Bhai Veer Singh Marg, Gole Market, New Delhi – 110 011
4	Email address	amt3.cagdel@sbi.co.in; amt2.cagdel@sbi.co.in

The Issuer hereby further agrees and undertakes that it shall also inform the Debenture Trustee and Debenture Holders of any change in above bank details within 1 working day of such change.

**II. Negative Covenants:**

The Company hereby covenants with the Trustee that during the continuance of the Bonds, without the prior written approval of the Trustee, the Company shall not:

- a) pull down or remove any building or structure (except any temporary structure) on the lands or the fixed plant or machinery attached to earth or permanently fastened with anything attached to the earth or any of them without the previous consent in writing of the Trustee except in the ordinary course of repair and maintenance or improvement or replacement or otherwise in the course of and for the purposes of charging on the business of the Company and the Company will in such case forthwith restore or procure to be restored such building, structure, plant and machinery attached to earth or permanently fastened with anything attached to the earth as the case may be, or replace the same or procure the same to be replaced by others of a similar nature and of at least equal value;
- b) declare or pay any dividend to its Shareholders during any financial year unless it has paid the installment of principal and interest then due and payable on the Bonds, or has made provision satisfactory to the Trustee for making such payment. No permission of the Trustee is required if there is no default;
- c) The Company shall inform the Trustee at least once in year the broad details of the new project, diversification, modernisation or substantial expansion of any project undertaken by it during the financial year.

**49. Application process**

The Issuer proposes to Issue the Debentures on the terms set out in this Placement Memorandum subject to the provisions of the Companies Act, the SEBI Debt Regulations, the SEBI LODR Regulations, the Memorandum and Articles of Association of the Issuer, Application Form, and other terms and conditions as may be incorporated in the Transaction Documents. This section applies to

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all applicants. Please note that all applicants are required to make payment of the full application amount along with submission of the Application Form.

### **Who Can Bid/Apply/Invest**

The categories of investors who are eligible to apply for this Issue are mentioned in the Summary Term Sheet of this Placement Memorandum. However, the prospective subscribers must make their own independent evaluation and judgment regarding their eligibility to invest in the Issue.

All applicants are required to comply with the relevant regulations/ guidelines applicable to them for investing in the Issue as per the norms approved by Government of India, RBI or any other statutory body from time to time, including but not limited to EBP Guidelines as published by BSE and/or NSE on their website and SEBI for investing in this Issue. The contents of this Placement Memorandum and any other information supplied in connection with this Placement Memorandum or the Debentures are intended to be used only by those investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced or disseminated by the recipient.

The Issue will be under the electronic book mechanism as required in terms of the Operational Guidelines.

However, out of the aforesaid class of investors eligible to invest, this Placement Memorandum is intended solely for the use of the person to whom it has been sent by the Issuer for the purpose of evaluating a possible investment opportunity by the recipient(s) in respect of the securities offered herein, and it is not to be reproduced or distributed to any other persons (other than professional advisors of the prospective investor receiving this Placement Memorandum from the Issuer).

### **Documents to be provided by successful bidders**

Investors need to submit the certified true copies of the following documents, along-with the Application Form, as applicable:

- i. Memorandum and Articles of Association/ Constitution/ Bye-laws/ Debenture Trust Deed;
- ii. Board Resolution authorizing the investment and containing operating instructions;
- iii. Power of attorney/ relevant resolution/authority to make application;
- iv. Specimen signatures of the authorized signatories (ink signed), duly certified by an appropriate authority;
- v. Government notification (in case of primary co-operative Issuer and regional rural Issuers);
- vi. SEBI registration certificate (for Mutual Funds);
- vii. Copy of Permanent Account Number Card (“PAN Card”) issued by the Income Tax Department;
- viii. Necessary forms for claiming exemption from deduction of tax at source on interest on application money, wherever applicable.
- ix. Application Form (including RTGS/NEFT details)

### **Applications to be accompanied with Issuer Account Details**

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Every application shall be required to be accompanied by the Issuer account details of the Applicant for the purpose of facilitating direct credit of all amounts through RTGS

### **Manner of Bidding**

The Issue will be through open bidding on the NSE- EBP platform in line with the Operational Guidelines.



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## **Payment Mechanism**

Applicant shall make remittance of application money by way of electronic transfer of funds through RTGS/electronic fund mechanism for credit by the pay-in-time in the bank account of the clearing corporation appearing on the NSE EBP platform in accordance with the timelines set out in the EBP Guidelines and the relevant rules and regulations specified by SEBI in this regard. All payments must be made through RTGS as per the Bank details mentioned in the application form / NSE EBP platform.

## **How to bid**

Eligible Investors should refer the Operational Guidelines for issuance of debt securities on private placement basis through an electronic book mechanism as available on web site of NSE. Eligible Investors will also have to complete the mandatory KYC verification process. Eligible Investors should refer to the EBP Guidelines issued by NSE. The Application Form will be filled in by each Investor. Applications for the Debentures must be in the prescribed form (enclosed) and completed in BLOCK LETTERS in English as per the instructions contained therein.

- (a) The details of the Issue shall be entered on the NSE- EBP Platform by the Issuer at least 2 (two) working days prior to the Issue / Bid Opening Date, in accordance with the Operational Guidelines.
- (b) The Issue will be open for bidding for the duration of the bidding window that would be communicated through the Issuer's bidding announcement on the NSE- EBP Platform, at least 1 (one) working day before the start of the Issue / Bid Opening Date.
- (c) A bidder will enter the bid amount while placing their bids in the NSE- EBP Platform.

**Some of the key guidelines in terms of the current Operational Guidelines on issuance of securities on private placement basis through an electronic book mechanism, are as follows:**

### **(a) Modification of Bid:**

Investors may note that modification of bid is allowed during the bidding period / window. However, in the last 10 (ten) minutes of the bidding period / window, revision of bid is only allowed for downward revision of coupon/spread or upward modification of price and/or upward revision of the bid amount placed by the investor.

### **(b) Cancellation of Bid**

Investors may note that cancellation of bid is allowed during the bidding period / window. However, in the last 10 (ten) minutes of the bidding period / window, no cancellation of bids is permitted.

### **(c) Multiple Bids**

Eligible Investors are permitted to place multiple bids on the EBP platform in line with the Operational Guidelines.

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### **Withdrawal of Issue**

The Issuer may, at its discretion, withdraw the issue process on the following conditions:

- (i) Non-receipt of bids upto the Base Issue Size;
- (ii) Bidder has defaulted on payment towards the allotment, within the stipulated time frame, due to which the Issuer is unable to fulfil the base issue size.
- (iii) cut-off yield (i.e. the highest yield at which a bid is accepted) in the issue is higher than the estimated cut-off yield (i.e. the yield estimated by the issuer, prior to opening of issue) disclosed to the EBP, where the base issue size is fully subscribed.

Disclosure of estimated cut-off yield on the EBP platform to the eligible participants, pursuant to closure of issue, shall be at the discretion of the issuer.

Provided that in case Issuer withdraws issues on the EBP platform because of the cut-off yield being higher than the estimated cut-off yield, the EBP shall mandatorily disclose the estimated cut-off yield to the eligible participants.

However, Eligible Investors should refer to the Operational Guidelines as prevailing on the date of the bid.

### **Right to accept or reject bids**

The Company reserves its full, unqualified and absolute right to accept or reject any bid(s), in part or in full, without assigning any reason thereof and to make provisional / final allocations at its absolute discretion.

The application forms that are not complete in all respects are liable to be rejected and would not be paid any interest on the application money. Application would be liable to be rejected on one or more technical grounds, including but not restricted to:

- (a) Number of Debentures applied for is less than the minimum application size;
- (b) Application money received not being from the Issuer account of the person/entity subscribing to the Debentures or from the Issuer account of the person/ entity whose name appears first in the Application Form, in case of joint holders;
- (c) Issuer account details of the Applicants not given;
- (d) Details for issue of Debentures in dematerialized form not given;
- (e) PAN/GIR and IT circle/Ward/District not given;
- (f) In case of applications under power of attorney by limited companies, corporate bodies, trusts, etc. relevant documents not submitted;

In the event, if any Debentures applied for is/ are not allotted in full, the excess application monies of such Debentures will be refunded, as may be permitted.

### **How to fill the Application Form**

- Applications should be for the number of Bonds applied by the Applicant. Applications not completed in the said manner are liable to be rejected.

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- The name of the applicant's bank, type of account and account number must be filled in the Application Form.
- The Applicant or in the case of an application in joint names, each of the Applicant, should mention his/her PAN allotted under the Income -Tax Act, 1961 or where the same has not been allotted, the GIR No. and the Income tax Circle/Ward/District. As per the provision of Section 139A (5A) of the Income Tax Act, PAN/GIR No. needs to be mentioned on the certificates. Hence, the investor should mention their PAN/GIR No. Application Forms without this information will be considered incomplete and are liable to be rejected.
- All applicants are requested to tick the relevant column "Category of Investor" in the Application Form. Public/ private/ religious/ charitable trusts, provident funds and other superannuation trusts and other investors requiring "approved security" status for making investments. These are not approved securities as defined under the Insurance Act, 1938.

Applications should be for the number of Debentures applied by the Applicant. Applications not completed in the said manner are liable to be rejected. The name of the applicant's bank, type of account and account number must be filled in the Application Form. This is required for the applicant's own safety and these details will be printed on the refund orders and interest/ redemption warrants.

*For further instructions about how to make an application for applying for the Debentures and procedure for remittance of application money, please refer to the Issue Details and the Application Form.*

### **Terms of Payment**

The full-face value of the Debentures applied for is to be paid along with the Application Form. Eligible Investor(s) need to send in the Application Form and the details of RTGS for the full value of Debentures applied for.

### **Force Majeure**

The Issuer reserves the right to withdraw the issue prior to the Issue / Bid Closing Date in accordance with the Operational Guidelines, in the event of any unforeseen development adversely affecting the economic and regulatory environment or otherwise.

### **Applications under Power of Attorney**

A certified true copy of the power of attorney or the relevant authority as the case may be along with the names and specimen signature(s) of all the authorized signatories and the tax exemption certificate/document, if any, must be lodged along with the submission of the completed Application Form. Further modifications/ additions in the power of attorney or authority should be notified to the Issuer or to the Registrars or to such other person(s) at such other address(es) as may be specified by the Issuer from time to time through a suitable communication.

In case of an Application made by companies under a power of attorney or resolution or authority, a certified true copy thereof along with memorandum and articles of association and/or bye-laws along with other constitutional documents must be attached to the Application Form at the time of making the application, failing which, the Issuer reserves the full, unqualified and absolute right to accept or

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reject any application in whole or in part and in either case without assigning any reason thereto. Names and specimen signatures of all the authorized signatories must also be lodged along with the submission of the completed Application Form.

### **Application by Mutual Funds**

In case of applications by Mutual Funds, a separate application must be made in respect of each scheme of an Indian Mutual Fund registered with SEBI and such applications will not be treated as multiple applications, provided that the application made by the asset management company/ trustees/ custodian clearly indicate their intention as to the scheme for which the application has been made.

The application forms duly filled shall clearly indicate the name of the concerned scheme for which application is being made and must be accompanied by certified true copies of:

- a. SEBI registration certificate
- b. Resolution authorizing investment and containing operating instructions
- c. Specimen signature of authorized signatories

### **Application by Provident Funds, Superannuation Funds and Gratuity Funds**

The applications must be accompanied by certified true copies of

- a. Trust deed / bye laws /resolutions
- b. Resolution authorizing investment
- c. Specimen signatures of the authorized signatories

Those desirous of claiming tax exemptions on interest on application money are required to submit a certificate issued by the Income Tax officer along with the Application Form. For subsequent interest payments, such certificates have to be submitted periodically.

### **Acknowledgements**

No separate receipts will be issued for the application money. However, the Issuer receiving the duly completed Application Form will acknowledge receipt of the application by stamping and returning to the applicant the acknowledgement slip at the bottom of each Application Form.

### **Basis of allocation**

The Debentures shall be allocated in accordance with applicable SEBI regulations, the provisions of the Operational Guidelines of the Stock Exchange and other applicable laws.

### **PAN /GIR Number**

All applicants should mention their Permanent Account Number or the GIR Number allotted under Income Tax Act, 1961 and the Income Tax Circle/ Ward/ District. In case where neither the PAN nor the GIR Number has been allotted, the fact of such a non-allotment should be mentioned in the Application Form in the space provided.

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### **Date of Subscription**

The Date of Subscription shall be the date of realisation of proceeds of subscription money in the Designated Bank Account of BSE i.e. Indian Clearing Corporation Limited (ICCL), as detailed above.

### **Signatures**

Signatures should be made in English or in any of the Indian Languages. Thumb impressions must be attested by an authorized official of the Issuer or by a Magistrate/ Notary Public under his/her official seal.

### **Nomination Facility**

Only individuals applying as sole applicant/joint applicant can nominate, in the prescribed manner, a person to whom his Bonds shall vest in the event of his death. Non-individuals including holders of power of attorney cannot nominate.

### **Fictitious Applications**

In terms of the Section 38 of the Companies Act, 2013, any person who makes, in fictitious name, any application to a body corporate for acquiring, or subscribing to, the Debentures, or otherwise induced a body corporate to allot, register any transfer of Debentures therein to them or any other person in a fictitious name, shall be punishable under the extant laws.

### **Depository Arrangements**

The Company has appointed Beetal Financial & Computer Services Pvt Ltd., as the registrar and transfer agent to the Issue as the Registrar of the Issue. The Company has made necessary depository arrangements with NSDL and CDSL for the Issue and holding of Debentures in the dematerialised form by investors. In this context, the Company has signed tripartite agreements as under:

- Tripartite Agreement between the Company, the Registrar and Transfer Agent and NSDL for offering Depository option to the investors.
- Tripartite Agreement between the Company, the Registrar and Transfer Agent and CDSL for offering Depository option to the investors.

### **Procedure for applying for Demat Facility.**

- Applicant(s) must have a beneficiary account with any Depository Participant of NSDL or CDSL prior to making the application.
- Applicant(s) must specify their beneficiary account number and DP's ID in the relevant columns of the Application Form.
- For subscribing to the Debentures, names in the Application Form should be identical to those appearing in the account details of the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.

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- If incomplete/ incorrect beneficiary account details are given in the Application Form which does not match with the details in the depository system, it will be deemed to be an incomplete application and the same be held liable for rejection at the sole discretion of the Issuer.
- The Debentures shall be directly credited to the beneficiary account as given in the Application Form and after due verification, allotment advice/ refund order, if any, would be sent directly to the applicant by the Registrars to the Issue but the confirmation of the credit of the Debentures to the applicant's Depository account will be provided to the applicant by the Depository Participant of the applicant.
- Interest or other benefits with respect to the Debentures would be paid to those bondholders whose names appear on the list of beneficial owners given by the depositories to the Issuer as on the Record Date.
- For the allotment of debentures and all future communications including notices, the address, nomination details and other details of the applicant as registered with his/her DP shall be used for all correspondence with the applicant. The Applicant is therefore responsible for the correctness of his/her demographic details given in the Application Form vis-a-vis those with his/her DP. In case the information is incorrect or insufficient, the Issuer would not be liable for the losses, if any.
- Applicants may please note that the Debentures shall be allotted and traded on the stock exchange(s) only in dematerialized form.

## **OTHERS**

### **Right of Debentureholder(s)**

Debentureholder is not a shareholder. The Debentureholders will not be entitled to any rights and privilege of shareholders other than those available to them under statutory requirements. The Debenture(s) shall not confer upon the holders the right to receive notice, or to attend and vote at the general meetings of the Issuer. The principal amount and interest on the Bonds will be paid to the registered Debentureholders only, and in case of Joint holders, to the one whose name stands first.

Besides the above, the Debentures shall be subject to the provisions of the terms of this Issue and the other terms and conditions as may be incorporated in the Debenture Trustee Agreement and other documents that may be executed in respect of these Bonds.

### **Modification of Rights**

The rights, privileges, terms and conditions attached to the Debentures may be varied, modified or abrogated by the Company, with the consent, in writing, of those Debenture Holders who hold at least three fourth of the outstanding amount of the Debentures or with the sanction accorded pursuant to a



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special resolution passed at a meeting of the Debenture Holders, provided that nothing in such consent or resolution shall be operative against the Company where such consent or resolution modifies or varies the terms and conditions of the Debentures, if the same are not acceptable to the Company.

Further, the Issuer shall be entitled (without obtaining a prior approval from the Debentureholders) to make any modifications in this Placement Memorandum which in its opinion is of a formal, minor or technical nature or is to correct a manifest error.

### **Future Borrowings**

The Issuer shall be entitled to borrow/ raise loans or avail of financial assistance in whatever form as also issue debentures or other securities in any manner with ranking as senior or on pari passu basis or otherwise and to change its capital structure, including issue of shares of any class or redemption or reduction of any class of paid up capital, on such terms and conditions as the Issuer may think appropriate, without the consent of, or intimation to, the Debentureholder(s) or the Trustee in this connection. for the purposes of such borrowings subject to the following condition being met:-.

- i. No default is subsisting and continuing under the transaction documents,
- ii. No violation of SEBI regulations and circulars issued from time to time

In relation to the aforesaid, it is hereby clarified that such borrowing or raising of loans or availing of financial assistance by the Issuer may be on such terms and conditions as the Issuer may deem fit, in accordance with applicable laws, and may be secured and/or unsecured, at the discretion of the Issuer. It is further clarified that such borrowing may or may not be to enhance and/or to replace regulatory capital.

### **Notices**

All notices to the Debenture Holder(s) required to be given by the Company or the Debenture Trustee from time to time, shall be deemed to have been given if sent by registered post/ by courier/by email to the sole/ first holder or the sole/ first Beneficial Owner of the Debentures or registered email id of such holder, as the case may be, or if published in Mumbai.

All notice(s) to be given by the Debenture Holder(s) shall be sent by registered post or by hand delivery to the Company or to such persons at such address as may be notified by the Company from time to time through suitable communication.

### **Minimum subscription**

As the current issue of Debentures are being made on private placement basis, the requirement of minimum subscription shall not be applicable and therefore the Issuer shall not be liable to refund the issue subscription(s) / proceed (s) in the event of the total issue collection falling short of the Issue Size or certain percentage of the Issue Size.

### **Underwriting**

The present issue of Debentures is not underwritten.

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### **Deemed Date of Allotment**

All benefits under the Debentures including payment of interest will accrue to the Debenture Holders from and including the respective Deemed Date of Allotment. The actual allotment of Debentures may take place on a date other than the Deemed Date of Allotment. In case if the issue closing date/pay-in dates is/are changed (pre-poned/postponed), the Deemed Date of Allotment may also be changed (preponed/ postponed) by the Issuer at its sole and absolute discretion.

### **Letter(s) of Allotment / Debenture Certificate(s) /Refund Order (s)/Issue of Letter(s) of Allotment**

The Company shall allot the Debentures in dematerialized form within 2 (two) Business Days from the Deemed Date of Allotment and ensure completion of all statutory formalities as required for such dematerialized credit within the said time period.

### **Issue of Debenture Certificate(s)**

The Company shall allot the Debentures in dematerialized form within 2 (two) Business Days from the Deemed Date of Allotment and ensure completion of all statutory formalities as required for such dematerialized credit within the said time period. The Debentures since issued in electronic (dematerialized) form, will be governed as per the provisions of the Depository Act, Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, rules notified by NSDL/ CDSL/ Depository Participant from time to time and other applicable laws and rules notified in respect thereof. The Debentures shall be allotted in dematerialized form only.

### **Market Lot**

The market lot will be one Debenture (“**Market Lot**”). Since the Debentures are being issued only in dematerialized form, the odd lots will not arise either at the time of issuance or at the time of transfer of Debentures.

### **Trading of Debentures**

The marketable lot for the purpose of trading of Debentures shall be 1 (one) Debenture of face value of ₹ 1,00,000 (Indian Rupees One Lakh) each. Trading of Debentures would be permitted in demat mode only in standard denomination of ₹ 1,00,000 (Indian Rupees One Lakh) and such trades shall be cleared and settled in recognized stock exchange(s) subject to conditions specified by SEBI. In case of trading in Debentures which has been made over the counter, the trades shall be reported on a recognized stock exchange having a nationwide trading terminal or such other platform as may be specified by SEBI.

### **Mode of Transfer of Debentures**

The Debentures shall be transferred subject to and in accordance with the rules/ procedures as prescribed by the CDSL/NSDL/Depository Participant of the transferor/transferee and any other Applicable Laws and rules notified in respect thereof. The normal procedure followed for transfer of

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securities held in dematerialized form shall be followed for transfer of these Debentures held in electronic form. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid/ redemption will be made to the person, whose name appears in the records of the Depository. In such cases, claims, if any, by the transferee(s) would need to be settled with the transferor(s) and not with the Issuer.

Transfer of Debentures to and from NRIs/ OCBs, in case they seek to hold the Debentures and are eligible to do so, will be governed by the then prevailing guidelines of RBI.

### **Common Form of Transfer**

The Issuer undertakes that it shall use a common form/procedure for transfer of Debentures issued under terms of this Placement Memorandum.

### **Interest on Application Money**

Since the Pay-In Date and the Deemed Date of Allotment fall on the same date, interest on application money shall not be applicable. Further, no interest on application money will be payable in case the Issue is withdrawn by the Issuer in accordance with the Operational Guidelines.

No interest on application money will be payable to the investors.

The Issuer shall not be liable to pay any interest in case of invalid applications or applications liable to be rejected including applications made by person who is not an Eligible Investor.

### **Interest on the Debentures**

The face value of the Debentures outstanding shall carry interest at the coupon rate from deemed date of allotment and the coupon rate & frequency of payment (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) are mentioned at summary term sheet.

The interest payment shall be made through electronic mode to the debentureholders whose names appear on the list of beneficial owners given by the depository participant to R&TA as on the record date fixed by Issuer in the bank account which is linked to the demat of the bondholder. However, in absence of complete bank details i.e. correct/updated bank account number, IFSC/RTGS code /NEFT code etc., issuer shall be required to make payment through cheques / DDs on the due date at the sole risk of the debentureholders. Interest or other benefits with respect to the Debentures would be paid to those Debentureholders whose names appear on the list of beneficial owners given by the depository participant to R&TA as on the Record Date.

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### **Right to further issue under the ISINs**

The Issuer reserves right to effect multiple issuances under the same ISIN in accordance with Chapter VIII of SEBI Operational Circular dated August 10, 2021. The Issue can be made either by way creation of a fresh ISIN or by way of issuance under the existing ISIN at premium, par or discount as the case may be in line with the Operational Circular.

### **Right to Re-purchase, Re-issue or Consolidate the Bonds**

The Issuer will have power, exercisable at its sole and absolute discretion from time to time, to re-purchase a part or all of its Debentures from the secondary markets or otherwise, at any time prior to the Redemption Date, subject to applicable law and in accordance with the applicable guidelines or regulations, if any.

In the event of a part or all of the Issuer's Debentures being repurchased as aforesaid or redeemed under any circumstances whatsoever, the Issuer shall have, and shall be deemed always to have had, the power to re-issue the Debentures either by re-issuing the same Debentures or by issuing other debentures in their place. The Issuer shall have right to consolidate the Debentures under present series in accordance with applicable law.

Further the Issuer, in respect of such re-purchased or re-deemed Debentures shall have the power, exercisable either for a part or all of those Debentures, to cancel, keep alive, appoint nominee(s) to hold or re-issue at such price and on such terms and conditions as it may deem fit and as permitted under the ISIN circulars or by laws or regulations.

### **Deduction of Tax at Source**

All payments to be made by the Company to the Debenture Holders under the Transaction Documents shall be made free and clear of and without deduction for or on account of taxes, except as required under the Income Tax Act, 1961, in the case of payment of interest under any Transaction Document or any interest to be paid on the withheld premium or any other amount payable in relation to the Debentures, as applicable. Provided that, the Company within the time stipulated under Applicable Laws delivers to the Debenture Trustee/ Debenture Holders tax withholding or tax deduction certificates in respect of such withholding or deduction made in any Fiscal Year, evidencing that such deducted taxes or withholdings have been duly remitted to the appropriate Governmental Authority.

If the Company is required to make a tax deduction, it shall make that tax deduction and any payment required in connection with such tax deduction within the time allowed and in the minimum amount required by Applicable Law.

### **List of Beneficial Owners**

The Issuer shall request the Depository to provide a list of Debenture Holders as at the end of the Record Date. This shall be the list, which shall be considered for payment of interest or repayment of principal amount, as the case may be.

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## **Succession**

In the event of the demise of the sole/first holder of the Debenture(s) or the last survivor, in case of joint holders for the time being, the Issuer shall recognize the executor or administrator of the deceased Debenture Holder or the holder of succession certificate or other legal representative as having title to the Debenture(s). The Issuer shall not be bound to recognize such executor or administrator, unless such executor or administrator obtains probate, wherever it is necessary, or letter of administration or such holder is the holder of succession certificate or other legal representation, as the case may be, from a Court in India having jurisdiction over the matter. The Issuer may, in its absolute discretion, where it thinks fit, dispense with production of probate or letter of administration or succession certificate or other legal representation, in order to recognize such holder as being entitled to the Debenture (s) standing in the name of the deceased Debenture Holder on production of sufficient documentary proof or indemnity.

Where a non-resident Indian becomes entitled to the Debenture by way of succession, the following steps have to be complied:

- Documentary evidence to be submitted to the legacy cell of the RBI to the effect that the Debenture was acquired by the NRI as part of the legacy left by the deceased holder.
- Proof that the NRI is an Indian National or is of Indian origin.
- Such holding by the NRI will be on a non -repatriation basis

## **Joint Holders**

Payment of the principal amount of each of the Debentures and interest and other monies payable thereon shall be made to the respective Debenture Holder and in case of joint Debenture Holders, to the one whose name stands first in the register of Debenture Holder(s).

## **Governing Law and Jurisdiction**

The Transaction Documents and the rights and obligations of the Parties thereunder shall be construed in accordance with and be governed by the laws of India.

For all matters for which the courts of law would have jurisdiction, the courts and tribunals in Delhi shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Transaction Documents and that accordingly any proceedings arising out of or in connection with the Transaction Documents may be brought in such courts or the tribunals and the Obligors irrevocably submit to and accept for itself and in respect of their property, generally and unconditionally, the jurisdiction of those courts or tribunals.

## **Investor Relations and Grievance Redressal**

Arrangements have been made to redress investor grievances expeditiously as far as possible. The Issuer shall endeavour to resolve the investor's grievances within 30 (thirty) days of its receipt. All grievances related to the issue quoting the Application Number (including prefix), number of Debentures applied for, amount paid on application and details of collection centre where the Application was submitted, may be addressed to the Compliance Officer at Registered Office of the

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Issuer. All investors are hereby informed that the Issuer has designated a Compliance Officer who may be contacted in case of any pre-issue/ post-issue related problems such as non-credit of letter(s) of allotment/ debenture certificate(s) in the demat account, non-receipt of refund order(s), interest warrant(s)/ cheque(s) etc. Contact details of the Compliance Officer are given elsewhere in this Placement Memorandum.

**50. Project details: gestation period of the project; extent of progress made in the project; deadlines for completion of the project; the summary of the project appraisal report (if any), schedule of implementation of the project**

Not Applicable

**51. Details of Project SPV**

**POWERGRID NM Transmission Limited (PNMTL)**

- Brief details about the SPVs including the background, business of SPV

POWERGRID NM Transmission Limited (PNMTL) was incorporated on May 20, 2011 as “Nagapattinam-Madhugiri Transmission Company Limited (NMTCL)”, by PFC Consulting Limited (PFCCCL/ BPC) with the objective to establish and operate the transmission system associated with "IPPs of Nagapattinam/Cuddalore Area-Package-A". . Subsequently bidding process was conducted by BPC and POWERGRID emerged as the successful bidder for acquisition of the SPV, with levelized transmission charges of Rs. 98.70 Cr per annum and renamed the SPV as “Powergrid Nagapattinam-Madhugiri Transmission Limited (PNMTL)”. PNMTL was commissioned on 26th January 2019. As on December 31, 2022, PNMTL has an Authorized share capital of ₹ 496.25 Crore and Paid-up Share Capital of ₹ 488.95 Crore.

- Capital Structure:

• Particulars	No of equity shares as on 31 <sup>st</sup> December, 2022
• Authorized Capital	• INR 496.25 Crores
• Issued, subscribed and paid up capital	• INR 488.95 Crores divided into 48.895 Crore equity shares of Rs. 10 each

- Portfolio Assets under the Project SPV

S. No.	Elements
1.	• Nagapattinam Pooling Station– Salem 765kV D/C line
2.	• Salem – Madhugiri 765kV S/C line



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- Revenue Details of PNMTL since its COD

(in Rs. Crores)

Particulars	FY 2020	FY2021	FY2022	H1 FY2023
<b>Profit &amp; Loss Statement</b>				
Rev. from Ops.	122.90	122.36	117.42	122.90
Other Income	0.62	2.59	1.6	0.62
<b>Total Income</b>	<b>123.52</b>	<b>124.95</b>	<b>119.02</b>	<b>123.52</b>
EBITDA	119.01	120.21	114.68	119.01
<b>PBT</b>	<b>-41.59</b>	<b>6.92</b>	<b>9.99</b>	<b>-41.59</b>
Less: Tax	-12.11	43.97	2.49	-12.11
<b>PAT</b>	<b>-29.48</b>	<b>-37.05</b>	<b>7.5</b>	<b>-29.48</b>
<b>PAT %</b>	<b>-23.87%</b>	<b>-29.65%</b>	<b>6.30%</b>	<b>-23.87%</b>
<b>Balance Sheet</b>				
Gross Block	1,344.49	1,348.62	1,352.08	1,344.49
CWIP	-	-	-	-
Cash & Bank Balance	0.14	0.06	1.28	0.14
Trade Receivables	27.64	25.48	28.25	27.64
Inventories	1.90	3.5	3.5	1.90
Total Assets	1,276.44	1,199.91	1170.72	1,276.44
Share Capital	278.40	485.05	488.95	278.40
Tangible Net. Worth	83.27	252.87	264.27	83.27
Long Term Borrowings	1088.91	891.36	891.36	1088.91
Short Term Borrowings	-	-	13.7	-
TOL	1193.17	947.04	906.45	1193.17
TOL/TNW	14.33	3.75	3.43	14.33

- Average Availability Ratio

Financial Year	2020-21	2021-22
System Availability	100.00%	100.00%

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- Key Managerial Personnel Details of Project SPV:

S. No	Name	Particulars
1	Shri Sunil Agarwal (Chairman & Director)	Shri Sunil Agarwal is an Executive Director (Corporate Planning) of POWERGRID Corporation of India Limited (Holding Company.). He has a diverse experience of 38 Years in various areas such as construction of EHV Transmission Lines and sub stations, Grid Management, Power System Reforms and Load Dispatch & communication systems. Before joining POWERGRID he has worked with NTPC for 7 Years. He is instrumental in large scale deployment of OPGW based communication network for supporting bandwidth intensive applications for Efficient Management of Grid in Indian Power Sector.
2	Shri Pramod Kumar (Director)	Shri Pramod Kumar is an Executive Director (Finance) of POWERGRID Corporation of India Limited (Holding Company.). He is having experience of 32 years in Power Sector involving almost all areas of Finance and Accounting function i.e. finalization of Corporate Accounts, formulation of Capital Budget, coordination with Internal/Statutory/Government Auditors, concurrence of Award/Post Award activities, MIS, Fund Management etc.
3	Shri Anantha Sarma Boppudi, (Director)	Shri B. Anantha Sarma is presently holding position of ED (Contract Services) – POWERGRID (Holding Company). He has an illustrious career in Power Transmission sector of India spanning over 36 years. He joined NTPC in 1985 as Executive Trainee and was later absorbed in POWERGRID in 1991. He has vast expertise in Power Transmission Asset Management as well as Project Management of EHV AC and HVDC Transmission Systems including Gas-Insulated Substations. In addition to the Directorship, he heads the Corporate Monitoring Department as Executive Director in POWERGRID. He has also served as Executive Director of North Eastern region of POWERGRID.
4	Shri Tarun Bajaj, (Director)	Shri Tarun Bajaj is presently holding the position of ED (SRTS-II) – POWERGRID (Holding Company). He has an exorbitant career in Power Transmission sector in India spanning over 33 years. He joined NHPC in 1989 as an Engineer and was later absorbed in POWERGRID in 1991. He has vast expertise in Power Transmission Asset Management as well as Project Management of EHV AC Transmission Systems. He was deputed to off-shore countries for consultancy projects. He was the In-charge of Projects of Northern Region-II.

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		In addition to the Directorship, he heads the Southern Region Transmission System -II (which covers the state of Tamil Nadu, Kerala, Karnataka & UT of Puducherry) as Executive Director in POWERGRID.
5	Smt. Sangeeta Edwards, (Director)	Smt. Sangeeta Edwards is presently holding position of Sr. GM (Contract Services)-POWERGRID (Holding Company). She has joined POWERGRID in 1994 as Engineer. She has Professional experience in Corporate Commercial strategy, Regulatory affairs including regulatory advocacy & compliance, co-ordination with key agencies such as Ministry of Power, Central Electricity Regulatory Commission (CERC), Central Electricity Authority, Appellate Tribunal of Electricity. She has represented POWERGRID in CERC for fixation of transmission tariff for various projects. She has also served as Maintenance Engineer in Maruti Suzuki India Limited.
6	Shri Arjun Sharma (Company Secretary)	Shri Arjun Sharma is presently holding the position of CS Professional (On Contract) – POWERGRID (Holding Company). He joined POWERGRID in July, 2021. He is Qualified Company Secretary and has a vast experience in handling Secretarial & Legal Compliances under Companies Act, 2013, SEBI Regulations. He has experience in Due Diligence & Acquisition of Companies, Conducting of Board/General Meetings, Corporate Governance, IEPF and Liaisoning with many Govt. / non-govt. Departments. He was appointed as Company Secretary of the Company in September, 2021.
7	Shri Ashwini Kumar Das, (CFO)	Shri Ashwini Kumar is presently holding position of SR. DGM (F&A) – at Southern Region - II of POWERGRID (Holding Company). He is an Associate Member of Institute of Cost & Management Accountants of India (ICMAI). He is having experience of about 21 years in POWERGRID and prior to that about 4 years in Grid Corporation of Orissa Limited (GRIDCO), Odisha in Executive Level. During his career of about 21 years in POWERGRID, he has served in various capacities at Corporate Centre, Gurgaon and Southern Region-II, Head quarter and has vast experience in Finance and Accounts functions. He was appointed as Chief Financial Officer (CFO) of the Company in July, 2016.

#### • Summary of Key Terms of Agreements of TBCB SPV

The TBCB SPV, have entered into TSA with LTTCs as per the bid documents, and thereafter TSA and RSAs as per the CERC Sharing Regulations with CTU and loan agreement with the Issuer, the key terms of which are provided below.

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**a. TSA with LTTCs (“LTTC TSA”)**

The TBCB SPV have entered into TSA with their respective LTTCs to set up projects on a BOOM basis and to provide transmission service on long term basis to their respective LTTCs on the terms and conditions contained in the TSA. The term of each of the TSA is 35 years from the scheduled commercial date of operation of the project, unless terminated earlier in accordance with the terms of the TSA or extended by the CERC on the terms and conditions specified by the CERC. TSA with LTTCs provides for, inter alia, details and procedure of project execution, development, construction, connection and commissioning, O&M, availability, insurances, force majeure, change in law, event of default and billing and payment of transmission charges. The TSA provide that the TBCB SPV shall, at their own cost and expense, observe, comply with, perform, undertake and be responsible for, inter alia, (i) procuring and maintaining all consents, clearances and permits; (ii) financing, constructing, owning and commissioning each of the element of project in accordance with the terms and conditions of the TSA; (iii) owning the project free and clear of any encumbrances; (iv) providing the LTTCs monthly progress reports; (v) operating and maintaining the project in an efficient, coordinated and economical manner while complying with applicable laws.

The TSA provide for the target availability of the project to be 98%. Further, the LTTCs are required to pay the TBCB SPV, transmission charges on a monthly basis, from the COD until the expiry date of the TSA which shall be calculated in accordance with the provisions of the TSA. In addition, incentive payments, on account of availability being more than the target availability, shall be payable by the LTTCs on annual basis. Further, the TBCB SPV are required to pay a penalty, on an annual basis, on account of availability being less than 95% in any contract year.

The TSA entered into with the LTTCs state that the occurrence and continuation of certain events will constitute a default by the TBCB SPV (unless such default is by the LTTCs or a force majeure event), which includes, (i) transfer or novation of obligations in a manner contrary to the TSA, subject to certain conditions provided in the TSA, (ii) assign, mortgage or charge of assets or rights related to assets in contravention to the provisions of the TSA, (iii) winding up, bankruptcy or insolvency proceedings being passed, (iv) revocation of transmission license of the TBCB SPV, (v) failure to achieve target availability of 98% for a period of six consecutive months or six months within a period of 18 months, (vi) non-payment of (a) an amount exceeding ₹ 5.00 million required to be paid to the LTTCs within three months after the due date of an undisputed invoice raised by the LTTC on the TBCB SPV or (b) an amount of up to ₹ 5.00 million required to be paid to the LTTCs within six months after the due date of an undisputed invoice, (vii) failure to comply with prevailing regulations or material breach of the TSA by the TBCB SPV (except where due to any default by the LTTCs) and such material breach not rectified within 30 days of receipt of notice from the majority LTTCs. Further, the occurrence and continuation of certain events will constitute a default by the LTTCs (unless such breach is by the TBCB SPV or a force majeure event), which includes, (i) LTTC fails to pay an amount exceeding 30% of the most recent undisputed monthly bill for a period of 90 days after the due date and the TBCB SPV is unable to recover the amount outstanding through a letter of credit, (ii) winding up, bankruptcy or insolvency proceedings being passed, and (iii) failure to comply with prevailing regulations or material breach of the TSA by the LTTC (unless such breach is by the TBCB SPV) and such material breach not rectified within 30 days of receipt of notice from the TBCB SPV.

**b. Agreements with CTU as per the Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations, 2010 (“CERC Sharing Regulations 2010”)**

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Towards recovery of the yearly transmission charges (“YTC”) of all the ISTS licensees in the country from the users, identified as ‘Designated Inter-state Transmission System Customers (“DICs”)) which inter alia includes the LTTCs’, CERC notified the CERC Sharing Regulations 2010 which was made effective from July, 2011. As per the CERC Sharing Regulations, 2010, the YTC of all the ISTS licensees is pooled and CTU is mandated to raise transmission charges bills on the DICs on behalf of all the ISTS licensees and disburse the collected payments to the ISTS licensees in a prorated manner. Such sharing mechanism is known as ‘Point of Connection (POC)’ mechanism of sharing of transmission charges. A billing, collection and disbursement procedure made by the CTU detailing the billing, collection and disbursement activity under CERC Sharing Regulations, 2010 was also notified by CERC.

Further, as per the provisions of the CERC Sharing Regulations, 2010 all the ISTS licensees and DICs shall sign the TSA with the CTU, to govern the provision of inter-state transmission services, specifically in relation to sharing of transmission charges and losses and disbursement of the transmission charges collected by the CTU. The ISTS licensees shall also sign revenue sharing agreements with the CTU for sharing revenue among the inter-state transmission licensees and disbursement of transmission charges collected from the DICs.

### **CERC Sharing Regulations**

However, post the notification of CERC Sharing Regulations which were made effective from November 1, 2020, relevant features of TSA, RSA and BCD Procedure have been included. Further, the TSA and RSAs as on date of commencement of CERC Sharing Regulations shall be saved till expiry of these agreements to the extent they are not in conflict with provisions of the CERC Sharing Regulations, as amended from time to time.

#### **c. TSA with the CTU (“Sharing Regulations TSA”)**

Pursuant to the CERC Sharing Regulations, 2010, the TBCB SPV entered into TSA with DICs, ISTS licensees and Non-ISTS licensees who have authorized CTU to sign on their behalf. The TSA are to govern the provision of inter-state transmission services, specifically in relation to sharing of transmission charges and losses and disbursement of the transmission charges. According to the TSA, all the DICs agree to the methodology of sharing the transmission charges as per the CERC Sharing Regulations, 2010, agree to pay such charges, abide by the detailed ‘billing, collection and disbursement procedure’ of the CTU. The provisions of TSA mandate all DICs shall open letter of credit as payment security mechanism and each DIC agrees to allow the CTU to enforce recovery of payment through letter of credit on behalf of all the ISTS licensees in the event of default of payment. If payment by a DIC against any invoice raised under the billing, collection and disbursement procedure, is outstanding beyond 60 days or in case the required letter of credit or any other agreed payment security mechanism is not maintained by the inter-state transmission service customer, the CTU is empowered to undertake regulation of power supply on behalf of all the inter-state transmission service licensees so as to recover charges under the provisions of the Central Electricity Regulatory Commission (Regulation of Power Supply) Regulations, 2010, as amended.

## **Order of priority between LTTC TSA and Sharing Regulations TSA**

**In the event of any conflict between the LTTCs TSA and the Sharing Regulations TSA, the Sharing Regulations TSA shall supersede as far as sharing of transmission charges are concerned.**

## **Terms common between the LTTC TSA and the Sharing Regulations TSA.**

Some of the conditions common to both LTTC TSA and the Sharing Regulations TSA are as under: The TSA signed with LTTC and the TSA signed with CTU also provide for force majeure relief to any of the LTTC, agents of the LTTCs, CTU/STU and the TBCB SPV, and the inter-state transmission service licensees and inter-state transmission system customers (which inter alia, includes the LTTCs) as applicable, (the “Affected Parties”) affected by the occurrence of a force majeure event, subject to certain terms and conditions of the TSA. The TSA defines a force majeure event as a circumstance, or a combination of events and circumstances, that wholly or partly prevents or unavoidably delays the Affected Party in the performance of its obligations under the TSA, but only if and to the extent that such events or circumstances are not within the reasonable control, directly or indirectly of the Affected Party, and could not have been avoided if the Affected Party had taken reasonable care or complied with prudent utility practices and includes natural events such as an act of God, and non-natural events, both direct and indirect, such as nationalization or compulsory acquisition by the Government of India of any material assets or rights of the TBCB SPV, acts of war, invasion, armed conflict or act of a foreign enemy, blockade, embargo, riot, radioactive contamination, industry wide strikes and labour disturbances having a nationwide impact in India. To the extent not prevented by a force majeure event, the Affected Party shall continue to perform its obligations under the TSA and shall use its efforts to mitigate the effect of such event, as soon as practicable. The Affected Party shall not be in breach of its obligations pursuant to such TSA, except to the extent that the performance of its obligations was prevented, hindered or delayed due to a force majeure event. Each inter-state transmission system customer or inter-state transmission system licensee and the TBCB SPV and the LTTCs shall be entitled to claim relief for a force majeure event affecting its performance in relation to its obligations under the TSA. Computation of availability under outage due to a force majeure event shall be in accordance with the applicable regulations.

In addition, the TSA with LTTC and the TSA signed with the CTU also set out change in law as being, inter alia, (i) the enactment, coming into effect, adoption, promulgation, amendment, modification or repeal (without re-enactment or consolidation) in India, of any law, including rules and regulations framed pursuant to such law, (ii) change in the interpretation or application of any law by GoI having the legal power to interpret or apply such law, or any competent court of law, (iii) the imposition of a requirement for obtaining any consents, clearances and permits which was not required earlier or (iv) change in the terms and conditions prescribed for obtaining such consents, clearances and permits or (v) any change in tax or introduction of any tax made applicable for transmission service by the inter-state transmission service licensees, as per the terms of such TSA. Any adjustment in the monthly transmission charges on account of change in law is to be determined and effective from such date, as decided by the CERC and shall be final and binding, subject to rights of appeal provided under applicable law. In particular, the TSA entered with the CTU provides that in case of ISTS systems awarded through competitive bidding process under Section 63 of the Electricity Act, the reference date for determining the implications of change in law shall be seven days prior to the relevant bid due date for submission of tariff bid. Further, the TSA entered into with the LTTCs provide that during the operation period, the compensation for any increase/decrease in revenues on account of change in law shall be payable only if the increase/ decrease in



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revenues or cost to the TBCB SPV is in excess of an amount equivalent to 1% of transmission charges in aggregate for a contract year.

The LTTC TSA and the Sharing Regulations TSA signed with CTU state that the occurrence and continuation of certain events will constitute a default by the inter-state transmission service licensees (unless such default is by the inter-state transmission service customers or a force majeure event), which includes, (i) transfer or novation of obligations in a manner contrary to the TSA, subject to certain conditions provided in the TSA, (ii) assign, mortgage or charge of assets or rights related to assets in contravention to the provisions of the TSA, (iii) winding up, bankruptcy or insolvency proceedings being passed, (iv) revocation of transmission license, (v) failing to achieve monthly target availability, as specified in CERC regulations and the TSA, and (vi) material breach of the TSA and such material breach not rectified within 30 days of receipt of notice from the concerned inter-state transmission service customer.

#### **d. RSA with CTU.**

Pursuant to the CERC Sharing Regulations, the TBCB SPV have entered into revenue sharing agreements with the CTU (“RSAs”) which shall continue in accordance with the Sharing Regulations TSA until the validity of the TSA. The transmission charges collected in accordance with the ‘billing, collection and disbursement procedure’ shall be disbursed to each of the inter-state transmission system licensees by the CTU, pursuant to and in accordance with the RSAs. The PoC charges for use of inter-state transmission system by the DICs, shall be billed and collected by the CTU on behalf of all inter state transmission system licensees. The CTU shall disburse the transmission charges, as collected by it to the respective inter state transmission services licensees and owners of deemed inter-state transmission system whose transmission charges have been considered for the purpose of calculation of the PoC charges in accordance with the billing, collection and disbursement procedure. Delayed payment or partial payment or non-payment by any inter-state transmission services customers shall result in pro-rata reduction in the payouts to all the inter-state transmission services licensees and owners of deemed inter-state transmission services whose transmission charges have been considered for the purpose of calculation of PoC charges. The revenue sharing statements to be submitted to the CTU and the modality of disbursements by the CTU shall be in accordance with the billing, collection and disbursement procedure. Each inter-state transmission licensee, under the RSAs, empowers the CTU to enforce recovery of payment from the inter-state transmission service customers through payment security mechanism in the event of default or partial payment by the inter-state transmission service customer, in accordance with the billing, collection and disbursement procedure. Each inter-state transmission licensee shall further agree and empower the CTU to invoke the provisions of the Central Electricity Regulatory Commission (Regulation of Power Supply) Regulations, 2010, as amended from time to time and in accordance with the detailed billing, collection and disbursement procedure. Further, if the inter-state transmission licensee do not question or dispute any revenue share statement within 30 days of receiving it, the revenue share statement shall be considered correct, accurate and conclusive. In case the inter-state transmission system licensee disputes any part set out in the revenue share statement, it shall serve a notice to the CTU in accordance with the terms and conditions of the RSAs. In addition, the RSAs require the parties meet at least twice a year to review the compliance of the RSAs and form a co-ordination committee to co-ordinate the activities as specified in the RSAs.

#### **e. Loan Agreement with POWERGRID**

Project SPV has entered into a loan agreement dated 23.09.2014 and as supplemented vide agreement dated 11.04.2018 with POWERGRID for an amount of Rs. 1100 Crores as intercorporate

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loan for capex requirements of the Project SPV on cost to cost basis. The said loan is payable in 137 equal quarterly installments.

## **52. Disclosures in respect to TRA Account and DSA Account**

In accordance with the terms of the Issuer, the Issuer is required is required to open and establish a TRA account with State Bank of India or any other nationalized bank, into which the cashflows to be received from its Project SPV i.e. POWERGRID NM Transmission Limited (PNMTL) shall be pooled for servicing of the Bonds. For the purposes of opening and establishing the TRA Account, the Issuer has appointed/will appoint State Bank of India as the account bank (“Account Bank”). Further the operation and maintenance of the said TRA Account and DSA Account to be opened and operated will be in accordance with the TRA Agreement executed by the Issuer with the Account Bank.

### **The key operating mechanism of TRA Account (“TRA”) and Debenture Service Account (“DSA”) is as under:**

1. The inflows in the TRA shall be as follows:
  - a) Interest on debt advanced by the Company to Project SPV on or before due dates
  - b) Repayment of debt advanced by the Company to Project SPV on or before due dates
  - c) Any dividend or distribution by the Project SPV
  - d) Any inflows on account of liquidation of Permitted Investment which were temporarily deployed from the TRA
  - e) Additional amount payable by the Company to meet any shortfall in the TRA / DSA
2. The outflows in the TRA shall be as follows:
  - a) Deployment in Permitted Investments for temporary deployment of surplus funds
  - b) Transfer to DSA or any other account opened for servicing as per the terms of the facility / issuance
  - c) Any surplus remaining in TRA after meeting the above obligation shall be transferred to the Company

Provided that no outflow from the TRA shall be permitted under clause 2(c) above for the following:

- a) Occurrence of Event of Default which has not been cured to the satisfaction of the Debenture Trustee.

3. The inflows in the DSA shall be as follows.
  - a) Transfer from TRA, an amount equivalent to debt servicing
  - b) Any inflows on account of liquidation of Permitted Investment which were temporarily deployed from the TRA

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c) Additional amount payable by the Company to meet any shortfall in the DSA

In event of any shortfall in the funds available in the DSA, PGCIL shall make good the shortfall.

4. The outflows in the DSA shall be as follows

- a) Deployment in Permitted Investments for temporary deployment of surplus funds
- b) Coupon Payment / Redemption Amount payable to debenture holders on due date
- c) Any surplus remaining in DSA after meeting the above obligation shall be transferred to the Company.

The DSA shall be used exclusively for the benefit of the Debenture Holders.

For details on the operation of TRA Account and sub-accounts please refer to Summary Term Sheet beginning at page no. 101 of this Placement Memorandum.

### 53. Additional disclosure prescribed under PAS-4 of Companies Act, 2013 as not covered above:

1.

a.	Name and address of the valuer who performed valuation of the security offered, and basis on which the price has been arrived at along with report of the registered valuer;	Not applicable
b.	Relevant date with reference to which the price has been arrived at  [“Relevant Date” means a date atleast thirty days prior to the date on which the general meeting of the company is scheduled to be held]	Not applicable
c.	The class or classes of persons to whom the allotment is proposed to be made	The Allotment shall be made to class or classes of persons in accordance with applicable laws including Companies Act, 2013.
d.	Intention of promoters, directors or key managerial personnel to subscribe to the offer (applicable in case they intend to subscribe to the offer)	Not Applicable as the issue is for non-convertible debentures.
e.	The proposed time within which the allotment shall be completed	The Allotment shall be completed on the Deemed Date of Allotment.
f.	The change in control, if any, in the company that would occur consequent to the private placement	Not Applicable as the issue is for non-convertible debentures.

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g.	The number of persons to whom allotment on preferential basis/ private placement/ rights issue has already been made during the year, in terms of number of securities as well as price	<p>POWERGRID Bond LXX Issue  Coupon Rate – 7.40% p.a.  Amount raised - Rs 2120 Crore  Face Value- Rs. 1,00,000 per Debenture  No of Securities – 212000  No of Allottees – 25</p> <p>POWERGRID Bond LXXI Issue  Coupon Rate – 7.52% p.a.  Amount raised - Rs 867 Crore  Face Value- Rs. 1,00,000 per Debenture  No of Securities – 86700  No of Allottees – 19</p> <p>Other than above there are no securities issued by the Issuer.</p>
h.	The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the Registered Valuer	Not Applicable as there will be no consideration other than cash.
i.	Amount which the company intends to raise by way of securities;	Rs. 425 Crore including green shoe option of Rs. 325 Crore
j.	Terms of raising securities: Duration of securities, if applicable, Rate of dividend or rate of interest, mode of payment and repayment;	Please refer to Summary Term Sheet
k.	Purposes and objects of the offer	100% for part financing of capital expenditure of the company, wholly owned subsidiaries and JVs through Inter Corporate Loan(s) also
l.	Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects;	Nil
m.	Principle terms of assets charged as security, if applicable;	Not applicable
n.	The details of significant and material orders passed by the Regulators, Courts and Tribunals	Not applicable

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	impacting the going concern status of the company and its future operations	
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**2. The pre-issue and post-issue shareholding pattern of the company:**

The pre-issue and post-issue equity shareholding pattern of the company:

Sl. No.	Category	Pre-issue		Post-issue	
		No. of shares held	% of shareholding	No. of shares held	% of shareholding
A	Promoters' holding				
1.	Indian				
	Individual	-	-	-	-
	LLP	-	-	-	-
	Bodies Corporate	-	-	-	-
	Central Government/ State Government(s)	3581163210	51.34	3581163210	51.34
	Sub-total	3581163210	51.34	3581163210	51.34
2	Foreign promoters	-	-	-	-
	Sub-total (A)	3581163210	51.34	3581163210	51.34
B	Non-promoters' holding				
1	Institutional Investors	3174731068	45.51	3174731068	45.51
2	Non-Institutional Investors				
	Private Corporate Bodies	11053080	0.16	11053080	0.16
	Directors and relatives	2625	0	2625	0
	Indian public	183577255	2.63	183577255	2.63
	Others (including Non-resident Indians)	24925626	0.37	24925626	0.37
	Sub-total (B)	3394289654	48.66	3394289654	48.66
	<b>Grand Total</b>	<b>6975452864</b>	<b>100</b>	<b>6975452864</b>	<b>100</b>

The pre-issue equity shareholding pattern of the Company is as on quarter ended December 31, 2022. The post-issue equity shareholding pattern of the Company will not change consequent to the present

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issue of Bonds. The pre-issue and post-issue preference shareholding pattern of the company is Nil as the Issuer has not issued any preference shares

#### **54. Undertaking by the Issuer**

- i) Investors are advised to read the risk factors carefully before taking an investment decision in this issue. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended or approved by the any regulatory authority in India, including the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of 'Risk factors' given on page no. 38 and the section 'General Risks'.
- ii) The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Offer Document contains all information with regard to the issuer and the issue, that the information contained in the offer document is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.
- iii) The Issuer has no side letter with any debt securities holder except the one(s) disclosed in the offer document/placement memorandum. Any covenants later added shall be disclosed on the stock exchange website where the debt is listed.



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## 55. Declaration

I, the undersigned, as authorized by the Board of Directors of the Company, in its 393<sup>rd</sup> meeting held on 17th June, 2021 to sign on behalf of Board of Directors of the Company and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the originals records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

- a. the POWERGRID (Company) is in compliance with the provisions of Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992, Companies Act and the rules and regulations made thereunder.
- b. the compliance with the Act and the rules does not imply that payment of interest or repayment of debentures, is guaranteed by the Central Government
- c. the monies received under the offer shall be used only for the purposes and objects indicated in the Private Placement Offer cum Application Letter;
- d. this Private Placement Offer cum Application Letter contains full disclosures in conformity with Form PAS-4 prescribed under section 42 of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules, 2014, SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 issued vide Notification No. SEBI/LAD-NRO/GN/2021/39 dated 9<sup>th</sup> August 2021, as amended from time to time and such other circulars applicable for issue of Non-Convertible Securities issued by SEBI from time to time
- e. all the requirements of Companies Act, 2013 and the rules made there under in respect of the subject matter of this form and matters incidental thereto have been complied with.
- f. the Company accepts no responsibility for the statement made otherwise than in the Private Placement Offer cum Application Letter or in any other material issued by or at the instance of the Company and that anyone placing reliance on any other source of information would be doing so at his own risk.

### General Risk

Investment in non-convertible securities involve a degree of risk and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the issue including the risks involved in it. Specific attention of investors is invited to statement of risk factors contained under Section “Management perception of Risk Factors” of this placement memorandum. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the non-convertible securities or investor’s decision to purchase such securities.

**For Power Grid Corporation of India Limited**



Name: Purshottam Agarwal  
Designation: Executive Director (Fin)

Date: Gurugram  
Place: 29.03.2023

**56. Annexure (s) forming integral part of this Placement Memorandum**

- A. Annexure 1 - Consent Letter of Debenture Trustee
- B. Annexure 2 -Rating (s) alongwith press release/rating rationale
- C. Annexure 3 -Board & AGM Resolutions
- D. Annexure 4 -Audited Financial Statements on standalone and consolidated basis for a period of three completed financial years with the Auditor's Report along with the requisite schedules, foot notes, summary etc.
- E. Annexure 5- Limited reviewed financials for the quarter ended September 30, 2022 and December 31, 2022 as filed with exchanges
- F. Annexure 6 - Shareholding pattern as on December 31, 2022 as per format specified under listing regulations
- G. Annexure 7 -Related party disclosures of previous three years
- H. Annexure 8 -In-principle approval for listing from BSE and/or NSE

**IDBI Trusteeship Services Ltd.**

CIN : U65991MH2001GOI131154



55947/ITSL/CL/22-23/DEB/1363

Date: 23rd March, 2023

To,  
The Board of Directors,  
Power Grid Corporation of India Ltd.,  
(Corporate Office),  
"Saudamini",  
Plot no. 2, Sector 29,  
Gurgaon - 122 001.

Kind Attn.: - Mr. Yogesh Jajoriya II

Dear Sir,

Sub: Consent Letter for acting as Debenture Trustee for issue of Unsecured, Non-convertible, Non-cumulative, Redeemable, Taxable POWERGRID BOND LXXII ISSUE (72<sup>nd</sup> Issue) with green shoe option Aggregate Issue size upto ₹ 600 Crore under private placement during FY 2022-23.

Charge Heads	Terms
Acceptance Fees	Rs. 2,00,000/- plus applicable taxes (One-time payment, payable upfront and non-refundable)
Service Charges	Rs. 3,00,000/- p.a. plus applicable taxes. First such payment would become payable in on the date of consent letter for the pro-rata period from DoE till March 31, 2023; thereafter the Service Charges are payable on an annual basis in advance on 1 <sup>st</sup> April every year till the redemption and satisfaction of charges in full.
Delay Payment Charges	In case the payment of service charges not received within a period of 30 days from the date of the bill, ITSL reserves the right to charge "delayed payment charges" @ 12% p.a. on the outstanding amount.
Out of Pocket Expenses & Statutory Dues	Would be reimbursable on actual basis within 30 days of the claim.
Any enforcement consequent to the event of default (EOD) would attract separate charges	

Yours faithfully,

For IDBI Trusteeship Services Limited.

Authorized Signatory



We accept the above terms

For Power Grid Corporation of India Ltd.

Authorized Signatory



NOTE: As per recent GST Tax guidelines, ITSL would be required to pay the applicable GST on the amounts / charges payable to us as indicated above. Please note that the Company would be liable to pay all such charges even in the event of cancellation of the aforesaid transaction. Therefore, no refund of any statutory dues already paid would be made.

**No. CARE/DRO/RL/2022-23/3390****Shri K. Sreekant**  
**Chairman & Managing Director**  
**Power Grid Corporation of India Limited**  
Saudamini, Plot No. 2, Sector 29Gurgaon  
Haryana 122001

March 03, 2023

**Confidential**

Dear Sir,

**Credit rating for Long-Term Borrowing Programme of FY23**

Please refer to our letter no. CARE/DRO/RL/2022-23/3095 dated February 07, 2023 and your request for revalidation of the rating assigned to the long term borrowing programme for FY23, for a limit of Rs.6,000.00 crore including current outstanding of Rs. 2,120 crore.

2. The following rating(s) have been reviewed:

Sr. No.	Instrument	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
1.	Secured Long Term Borrowings	6,000.00	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed
	Total Instruments	6,000.00 (Rs. Six Thousand Crore Only)		

3. Please arrange to get the rating revalidated, in case the proposed issue is not made within **six months** from the date of this letter.

4. Please inform us the below-mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

<sup>1</sup>Complete definitions of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and in other CARE Ratings Ltd.'s publications.

CARE Ratings Limited

E-1, 13th Floor, Videocon Tower, Jhandewalan Extension, New  
Delhi - 110055  
Phone: +91-011-4533 3200 / 238Corporate Office :4th Floor, Godrej Coliseum,  
Somaiya Hospital Road, Off Eastern Express  
Highway, Sion (E), Mumbai - 400 022  
Phone: +91-22-6754 3456 • [www.careedge.in](http://www.careedge.in)

CIN-L67190MH1993PLC071691



Instrument type	ISIN	Issue Size (Rs cr.)	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Trustee/IPA	Details of top 10 investors
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5. CARE Ratings Ltd. reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
6. CARE Ratings Ltd. reserves the right to revise/reaffirm/withdraw the rating assigned as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE Ratings Ltd. warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE Ratings Ltd. so as to enable it to carry out continuous monitoring of the rating of the debt instruments, CARE Ratings Ltd. shall carry out the review on the basis of best available information throughout the life time of such instruments. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE Ratings Ltd. shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.
7. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.
8. Users of this rating may kindly refer our website [www.careedge.in](http://www.careedge.in) for latest update on the outstanding rating.
9. CARE Ratings Ltd. ratings are **not** recommendations to buy, sell, or hold any securities.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,



**Yogesh Rochani**  
Analyst



**Agnimitra Kar**  
Associate Director

CARE Ratings Limited

E-1, 13th Floor, Videocon Tower, Jhandewalan Extension, New Delhi - 110055  
Phone: +91-011-4533 3200 / 238

Corporate Office :4th Floor, Godrej Coliseum,  
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Highway, Sion (E), Mumbai - 400 022  
Phone: +91-22-6754 3456 • [www.careedge.in](http://www.careedge.in)

CIN-L67190MH1993PLC071691

**Yogesh Rochani**  
[yogesh.rochani@careedge.in](mailto:yogesh.rochani@careedge.in)

**Agnimitra Kar**  
[agnimitra.kar@careedge.in](mailto:agnimitra.kar@careedge.in)

Encl.: As above

Disclaimer

The ratings issued by CARE Ratings Limited are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings Limited has based its ratings/outlooks based on information obtained from reliable and credible sources. CARE Ratings Limited does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings Limited have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings Limited or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE Ratings Limited is, inter-alia, based on the capital deployed by the partners/proprietor and the current financial strength of the firm. The rating/outlook may undergo a change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE Ratings Limited is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE Ratings Limited's rating.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.



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CIN-L67190MH1993PLC071691



**Power Grid Corporation of India Limited (Revised)**

July 01, 2022

**Ratings**

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long-term bank facilities	44,767.96 (Reduced from 46,230.00)	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed
Long-term/Short-term bank facilities	2,700.00	CARE AAA; Stable/CARE A1+ (Triple A; Outlook: Stable/ A One Plus)	Reaffirmed
<b>Total bank facilities</b>	<b>47,467.96</b> <b>(₹ Forty-seven thousand four hundred sixty-seven crore and ninety-six lakh only)</b>		
Bonds	5,020.00	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed
Bonds	3,300.00	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed
Bonds	529.90 (Reduced from 10,000.00)	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed
Long-term - Long-term instruments	6,000.00	CARE AAA; Stable (Triple A; Outlook: Stable)	Assigned
Long-term - Long-term instruments	616.26 (Reduced from 924.38)	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed
Long-term - Long-term instruments	1,353.78 (Reduced from 1,805.00)	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed
Long-term - Long-term instruments	2,122.52 (Reduced from 2,653.13)	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed
Long-term - Long-term instruments	6,155.90 (Reduced from 6,528.13)	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed
Long-term - Long-term instruments	5,410.06 (Reduced from 5,980.00)	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed
Long-term - Long-term instruments	5,633.70 (Reduced from 5,800.30)	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed
Long-term - Long-term instruments	6,828.00 (Reduced from 7,693.00)	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed
Long-term - Long-term instruments	5,378.00 (Reduced from 5,628.00)	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed
Long-term - Long-term instruments	9,362.00 (Reduced from 12,815.00)	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed
Long-term - Long-term instruments	9,130.00	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed
Long-term - Long-term instruments	5,487.50	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed
Secured Redeemable Bonds	142.00 (Reduced from 284.00)	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed
<b>Total long-term instruments</b>	<b>72,469.62</b> <b>(₹ Seventy-two thousand four hundred sixty-nine crore and sixty-two lakh only)</b>		
Commercial paper@	12,000.00 (Enhanced from 9,000.00)	CARE A1+ (A One Plus)	Reaffirmed
Short-term - Short-term instruments@	12,000.00 (Enhanced from 9,000.00)	CARE A1+ (A One Plus)	Reaffirmed
<b>Total short-term instruments</b>	<b>24,000.00</b> <b>(₹ Twenty-four thousand crore only)</b>		

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Ltd.'s publications

Details of instruments/facilities in Annexure-1.

@Combined utilisation of commercial paper and short-term borrowing programme shall not exceed ₹12,000 crore at any point of time.

### Detailed rationale and key rating drivers

The reaffirmation of ratings assigned to the long term and short-term instruments and bank facilities of Power Grid Corporation of India Limited (PGCIL) continues to derive strength from majority ownership of Government of India (GoI) in the company, GoI's adequate operational and other need-based implicit support to PGCIL. The ratings also factor in the market leadership of PGCIL in power transmission sector in India in terms of its share in transmission line, sub-station capacity and inter-regional power transfer capability. The ratings derive comfort from the presence of long-term transmission service agreement (typically much longer than PGCIL's weighted average loan tenor) with diversified beneficiaries providing revenue visibility. The ratings also derive comfort from the large share of transmission assets in its portfolio where the tariff is governed by cost plus mechanism as outlined by Central Electricity Regulatory Commission (CERC) which ensures stable return and cash flow.

The ratings also take note of superior operating performance reflected by continued reduction in tripping per line, above normative system availability with consistent incentive income. The ratings derive strength from comfortable financial risk profile characterized by healthy cash accrual, maintenance of comfortable Return on Equity (RoE), comfortable interest cover and total debt to GCA partially offset by moderate overall gearing. The ratings factor in project execution skill evidenced from traction in tender and steady capitalization of asset in FY22 (refers to the period from April 1 to March 31). Despite plateauing annual capex outlay in transmission sector, implementation will be key for PGCIL and thus a monitorable.

The ratings, however, takes cognizance of the weak credit profile of its customers viz. state-owned power distribution utilities. The ratings also factor in the basis of awarding new projects largely through tariff-based competitive bidding (TBCB), barring a few on nomination basis, although the proportion of TBCB projects vis-à-vis total portfolio of PGCIL is likely to remain low in the medium term.

### Rating sensitivities

**Positive factors – Factors that could lead to positive rating action/upgrade:** NA

**Negative factors – Factors that could lead to negative rating action/downgrade:**

- Moderation in the collection period to more than 180 days.
- Any adverse change in the regulatory environment of power transmission sector.
- Significantly lower-than-envisaged annual availability or significant increase in the operational expenses or increase in borrowing cost, thus adversely impacting the coverage metrics.
- Any material change in the ownership of PGCIL.

### Detailed description of the key rating drivers

#### Key rating strengths

**Majority ownership and support extended by GoI; pivotal role in the Indian power sector:** The GoI continues to be the major shareholder in the company with 51.34% shareholding as on March 31, 2022. The GoI is instrumental in the appointment of the board and the senior management as well as set its business plan. Also, the GoI holding increases the financial flexibility in terms of borrowing from overseas debt market. The requirement of robust power transmission infrastructure is critical in India given the increasing renewable capacity, deepening of short-term power market and cross-border power exchange. Maintenance of more than 37% of all India transmission line, more than 40% of all India transformation capacity and more than 85% of Inter-regional power transfer capacity for entire India over the years makes PGCIL an important player in this sector. On the basis of its nation-wide transmission infrastructure development and operating experience, PGCIL also wins projects on nomination basis (which are of strategic importance or have compressed time schedule or to be constructed in very difficult terrains).

**Favourable regulatory framework having a cost-plus-tariff structure:** For vast majority of its assets, PGCIL's transmission charges are governed by tariff norms determined by the CERC which ensures a fixed return on equity (RoE), recovery of operation and maintenance (O&M) expenses, interest cost and depreciation. The mechanism ensures full recovery on achieving the normative system availability parameters and incentives on exceeding the performance. As per the management, PGCIL continues to have reasonable RoE for the projects awarded on TBCB basis. Continued maintenance of RoE would be important monitorable.

**High operating efficiency of its transmission system:** Despite the extensive network under its management, PGCIL has been able to maintain system availability at more than 99% (above normative availability), which enables the company to earn

incentive income consistently. During FY22, transmission system availability of 99.83% (99.76% in FY21) was achieved for the transmission network. Besides, the number of trippings per line was contained at 0.33x in FY22 (0.36x in FY21).

**Strong project execution skills:** During FY22, on a consolidated basis, the company has capitalised assets of ₹20,695 crore (₹21,467 crore in FY21), adding about 5,450 ckm transmission lines, seven new sub-stations and about 43,564 MVA transformation capacity in the transmission system. Besides, the company has made capital expenditure of ₹9,060 crore in FY22 as against target of ₹7,500 crore.

**Comfortable financial risk profile:** PGCIL has comfortable financial risk profile marked by a consistent increase in scale of operations with capitalisation of new transmission assets, healthy cash accrual, moderate capital structure and comfortable debt coverage indicators. PGCIL has healthy net worth. The capital structure as depicted by overall gearing of 1.81x as on March 31, 2022 (PY: 2.10x) stood moderate driven by its annual capex plans and long gestation period of the projects. The debt coverage indicators stood comfortable - interest coverage of 4.68x in FY22 (PY: 4.47x) and a total debt to GCA of 4.62x as on March 31, 2022 (PY: 5.74x). debt service coverage ratio (DSCR) is projected to remain comfortable going forward.

**Industry outlook:** As per the study by CEA, power sector is poised for growth, driven by continuous affordable power, higher electric mobility envisaged to be supplied through rapid addition in renewable capacity and storage. Accordingly, The CTUIL Rolling Plan 2026-27 envisages sizable investment in ISTS expansion providing further growth prospect for market leaders like PGCIL. Established transmission players have continued to maintain healthy operational performance. The collection pattern under the Point of Connection mechanism has been broadly steady in the past. Sustaining the timely collection of dues from its customers would be crucial.

#### **Key rating weaknesses**

**Weak credit profile of state-owned utilities:** The timely collection of dues from various state-owned utilities continues to be a challenge given the weak credit profile of those entities, though all the receivables are covered by letters of credit covering 105% of the average monthly billing and tripartite agreement (TPA). Furthermore, the beneficiary profile of the company is highly diversified which mitigates the counterparty risk to some extent.

As on March 31, 2022, the overdue debtors (>45 days) were about ₹1,626 crore majorly from J&K, Uttar Pradesh, Tamil Nadu and Maharashtra DISCOMs. As per CERC's regulations, the central transmission utility (CTU) carries out billing, collection, and disbursement for all interstate transmission system (ISTS) licensees, based on the point of connection (PoC) mechanism. PGCIL had been handling the CTU function for the CERC since a decade. From April 2021, the CTU function has been transferred from PGCIL into a new entity, Central Transmission Utility of India Ltd (CTUIL). While CTUIL is currently wholly owned by PGCIL, it is expected to eventually have an independent shareholding under the GoI. Given the strong negotiating power of CTU with designated ISTS customers and authority to regulate power to defaulting customers, the collection efficiency under the PoC mechanism is expected to remain strong going forward.

#### **Liquidity: Strong**

The company has strong liquidity profile marked by expected healthy cash generation vis-à-vis its scheduled debt repayments for FY23, and cushion available in the working capital limits to match the fund flow mismatches, if any. Besides, the company has also partially tied up debt for meeting the funding requirement of its capex plans. The liquidity profile of the company is also supported by cash and bank balance of ₹5,048 crore and collection efficiency of 97.98% as on March 31, 2022.

**Analytical approach:** Consolidated as there are strong linkages between PGCIL and its subsidiaries including common management. Furthermore, the rating factors in PGCIL's strategic importance for Indian power sector and to the Government of India (GOI). The list of subsidiaries/joint ventures (JVs) which have been consolidated are as under:

S.No.	Particulars	PGCIL's shareholding
	Subsidiaries	
1.	POWERGRID NM Transmission Limited	100%
2.	POWERGRID Vemagiri Transmission Limited	100%
3.	POWERGRID Unchahar Transmission Limited	100%
4.	POWERGRID Southern Interconnector Transmission System Limited	100%
5.	POWERGRID Medinipur – Jeerat Transmission Limited	100%
6.	POWERGRID Mithilanchal Transmission Limited	100%
7.	POWERGRID Varanasi Transmission System Limited	100%
8.	POWERGRID Jawaharpur Firozabad Transmission Limited	100%
9.	POWERGRID Khetri Transmission System Limited	100%
10.	POWERGRID Bhind Guna Transmission Limited	100%

S.No.	Particulars	PGCIL's shareholding
11.	POWERGRID Ajmer Phagi Transmission Limited	100%
12.	POWERGRID Fatehgarh Transmission Limited	100%
13.	POWERGRID Bhuj Transmission Limited	100%
14.	POWERGRID Rampur Sambhal Transmission Limited	100%
15.	POWERGRID Meerut Simbhavali Transmission Limited	100%
16.	POWERGRID Himachal Transmission Limited	100%
17.	POWERGRID Ramgarh Transmission Limited	100%
18.	POWERGRID Bhadla Transmission Limited	100%
19.	POWERGRID Sikar Transmission Limited	100%
20.	POWERGRID Bikaner Transmission System Limited	100%
21.	POWERGRID Aligarh Sikar Transmission Limited	100%
22.	Khetri-Narela Transmission Limited	100%
23.	Central Transmission Utility Of India Limited	100%
24.	POWERGRID Teleservices Limited	100%
25.	POWERGRID Energy Services Limited	100%
26.	Mohanlalganj Transmission Limited	100%
<b>Joint Ventures</b>		
1.	Powerlinks Transmission Limited	49%
2.	Torrent Power Grid Limited	26%
3.	North East Transmission Company Limited	26%
4.	Parbati Koldam Transmission Company Limited	26%
5.	Teestavalley Power Transmission Limited	30.92%
6.	National High Power Test Laboratory Limited	20%
7.	Energy Efficiency Services Limited	33.33%
8.	Cross Border Power Transmission Company Limited	26%
9.	Bihar Grid Company Limited	50%
10.	Power Transmission Company Nepal Limited	26%
11.	RINL Powergrid TLT Private Limited	50%
<b>Associate Companies</b>		
1.	Powergrid Vizag Transmission Limited*	0%
2.	Powergrid Kala Amb Transmission Limited^	26%
3.	Powergrid Jabalpur Transmission Limited^	26%
4.	Powergrid Warora Transmission Limited^	26%
5.	Powergrid Parli Transmission Limited^	26%

\* Associate with holding of 26% from May 13, 2021 and transferred to PG InvIT on March 31, 2022 (Subsidiary till May 12, 2021)

^ Associate from May 13, 2021 onwards (Subsidiary till May 12, 2021).

### Applicable criteria:

[Definition of Default](#)

[Consolidation](#)

[Factoring Linkages Government Support](#)

[Financial Ratios – Non financial Sector](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Credit Watch](#)

[Short Term Instruments](#)

[Infrastructure Sector Ratings](#)

[Power transmission](#)

### About the company

PGCIL, incorporated in October 1989, is engaged into power transmission business with the responsibility for implementation, operation and maintenance of the high-voltage transmission systems. It owns and operates most of India's inter-regional and inter-state power transmission system (ISTS) with transmission network of 172,437 ckm, 265 extra high-voltage alternating current (EHVAC) and high-voltage direct current (HVDC) substations with 474,457 mega volt ampere (MVA) transformation capacity as on March 31, 2022. Besides, the company has more than 74,000 kms of fibre optic network as on May 31, 2022. PGCIL has also been notified as a Maharatna company by the GoI. Brief Financials of PGCIL (consolidated):

Brief Financials (₹ crore)	FY21 (Aud)	FY22 (Abr)	Q1FY23 (UA)
Total operating income	41,038	42,698	NA
PBILDT	36,392	37,648	NA
PAT	12,036	16,824	NA
Overall gearing (times)	2.10	1.81	NA
Interest coverage (times)	4.47	4.68	NA

Aud: Audited || Abr: Abridged || UA: Unaudited

**Status of non-cooperation with previous CRA:** NA

**Any other information:** NA

**Rating history for the last three years:** Please refer Annexure-2

**Covenants of the rated instruments/facilities:** Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

**Complexity level of various instruments rated for this company:** Annexure-4

#### Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Non-fund-based - LT/ST-BG/LC		-	-	-	2700.00	CARE AAA; Stable / CARE A1+
Fund-based - LT-Cash Credit		-	-	-	3000.00	CARE AAA; Stable
Fund-based - LT-Line Of Credit		-	-	Sep-2032	7492.93	CARE AAA; Stable
Fund-based - LT-Term Loan		-	-	Oct-2028	9275.03	CARE AAA; Stable
Fund-based - LT-Term Loan		July 26, 2018	-	31-May-2033	25000.00	CARE AAA; Stable
Bonds	INE752E08569, INE752E08577, INE752E08585, INE752E08593, INE752E08601, INE752E08619, INE752E08627, INE752E08635	May 17, 2019	6.35%-7.49%	Upto October 2034	5020.00	CARE AAA; Stable
Bonds	INE752E08643, INE752E08650	April 06, 2020	6.29%-6.85%	Upto April 2031	3300.00	CARE AAA; Stable
Bonds	INE752E08668	April 27, 2021	6.50%	25-03-2027	529.90	CARE AAA; Stable
Borrowings-Secured Long Term Borrowings	-	-	-	Proposed*	6000.00	CARE AAA; Stable
Borrowings-Market Borrowing Programme	INE752E07OH3, INE752E08551	October 22, 2018	8.24%-8.36%	Upto February 2029	5487.50	CARE AAA; Stable
Borrowings-Market Borrowing Programme	INE752E07OF7, INE752E07OG5, INE752E08502, INE752E08510, INE752E08528, INE752E08536, INE752E08544	June 19, 2017	7.30%-7.74%	Upto December 2032	9130.00	CARE AAA; Stable

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Borrowings-Secured long-term borrowings	INE752E07FE8, INE752E07FF5, INE752E07FQ2, INE752E07FR0	December 15, 2008	9.20%-9.33%	Upto March 2024	616.26	CARE AAA; Stable
Bonds-Secured Redeemable Bonds	INE752E07EH4, INE752E07ET9	March 07, 2008	9.30%-9.47%	Upto March 2023	142.00	CARE AAA; Stable
Borrowings-Secured long-term borrowings	INE752E07GB2, INE752E07GC0, INE752E07GD8, INE752E07GN7, INE752E07GO5, INE752E07GP2, INE752E07GZ1, INE752E07HA2, INE752E07HB0	September 29, 2009	8.80%-8.90%	Upto March 2025	1353.78	CARE AAA; Stable
Borrowings-Secured long-term borrowings	INE752E07HK1, INE752E07HL9, INE752E07HM7, INE752E07HN5, INE752E07HW6, INE752E07HX4, INE752E07HY2, INE752E07HZ9	July 08, 2010	8.64%-8.84%	Upto October 2025	2122.52	CARE AAA; Stable
Borrowings-Secured long-term borrowings	INE752E07IH5, INE752E07II3, INE752E07IJ1, INE752E07IK9, INE752E07IL7, INE752E07IS2, INE752E07IT0, INE752E07IU8, INE752E07IV6, INE752E07IW4, INE752E07IX2, INE752E07IY0, INE752E07IZ7, INE752E07JA8, INE752E07JI1, INE752E07JJ9, INE752E07JK7, INE752E07JL5, INE752E07JM3, INE752E07JN1, INE752E07JO9	May 31, 2011	9.25%-9.64%	Upto August 2029	6155.90	CARE AAA; Stable
Borrowings-Market Borrowing Programme	INE752E07JV4, INE752E07JW2, INE752E07JX0, INE752E07JY8, INE752E07JZ5, INE752E07KA6, INE752E07KH1, INE752E07KI9, INE752E07KJ7, INE752E07KK5, INE752E07KL3, INE752E07KM1, INE752E07KN9	June 28, 2012	8.80%-9.30%	Upto October 2027	5410.06	CARE AAA; Stable
Borrowings-Market Borrowing Programme	INE752E07KT6, INE752E07KU4, INE752E07KV2,	May 20, 2013	7.93%-9.65%	Upto February 2029	5633.70	CARE AAA; Stable



Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
	INE752E07KW0, INE752E07KX8, INE752E07KY6, INE752E07KZ3, INE752E07LB2, INE752E07LC0, INE752E07LI7, INE752E07LJ5, INE752E07LK3, INE752E07LL1, INE752E07LM9, INE752E07LN7, INE752E07LO5,					
Borrowings-Market Borrowing Programme	INE752E07LQ0, INE752E07LR8, INE752E07LW8, INE752E07LX6, INE752E07LY4, INE752E07LZ1, INE752E07MA2, INE752E07MB0, INE752E07MC8, INE752E07MD6, INE752E07MG9, INE752E07MH7, INE752E07MJ3, INE752E07MK1	September 04, 2014	8.15%- 9.30%	Upto March 2030	6828.00	CARE AAA; Stable
Borrowings-Market Borrowing Programme	INE752E07MO3, INE752E07MP0, INE752E07MQ8, INE752E07MR6, INE752E07MS4, INE752E07MT2, INE752E07MU0, INE752E07MV8, INE752E07MW6, INE752E07NA0, INE752E07NB8, INE752E07NC6, INE752E07ND4, INE752E07NE2, INE752E07NF9, INE752E07NG7, INE752E07NH5, INE752E07NI3, INE752E07NK9, INE752E07NL7	May 27, 2015	8.32%- 8.40%	Upto December 2030	5378.00	CARE AAA; Stable
Borrowings-Market Borrowing Programme	INE752E07NP8, INE752E07NQ6, INE752E07NR4, INE752E07NS2, INE752E07NT0, INE752E07NU8, INE752E07NV6, INE752E07NW4, INE752E07NX2, INE752E07NZ7, INE752E07OA8, INE752E07OB6, INE752E07OC4, INE752E07OE0	April 25, 2016	7.36%- 8.13%	Upto September 2032	9362.00	CARE AAA; Stable

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Short-term Instruments-Short-term borrowing		-	-	-	12000.00	CARE A1+
Commercial paper-Commercial paper (Standalone)		-	-	7-364 days	12000.00	CARE A1+

\*Instrument is not placed.

#### Annexure-2: Rating history for the last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1	Borrowings-Secured long-term borrowings	LT	616.26	CARE AAA; Stable	-	1)CARE AAA; Stable (05-Jul-21)	1)CARE AAA; Stable (06-Jul-20)	1)CARE AAA; Stable (25-Jun-19)
2	Bonds-Secured Redeemable Bonds	LT	142.00	CARE AAA; Stable	-	1)CARE AAA; Stable (05-Jul-21)	1)CARE AAA; Stable (06-Jul-20)	1)CARE AAA; Stable (25-Jun-19)
3	Borrowings-Secured long-term borrowings	LT	1353.78	CARE AAA; Stable	-	1)CARE AAA; Stable (05-Jul-21)	1)CARE AAA; Stable (06-Jul-20)	1)CARE AAA; Stable (25-Jun-19)
4	Borrowings-Secured long-term borrowings	LT	2122.52	CARE AAA; Stable	-	1)CARE AAA; Stable (05-Jul-21)	1)CARE AAA; Stable (06-Jul-20)	1)CARE AAA; Stable (25-Jun-19)
5	Non-fund-based - LT/ ST-BG/LC	LT/ST*	2700.00	CARE AAA; Stable / CARE A1+	-	1)CARE AAA; Stable / CARE A1+ (05-Jul-21) 2)CARE AAA; Stable / CARE A1+ (28-Apr-21)	1)CARE AAA; Stable / CARE A1+ (06-Jul-20)	1)CARE AAA; Stable / CARE A1+ (12-Aug-19) 2)CARE AAA; Stable / CARE A1+ (25-Jun-19)
6	Fund-based - LT-Cash credit	LT	3000.00	CARE AAA; Stable	-	1)CARE AAA; Stable (05-Jul-21) 2)CARE AAA; Stable (28-Apr-21)	1)CARE AAA; Stable (06-Jul-20)	1)CARE AAA; Stable (12-Aug-19) 2)CARE AAA; Stable (25-Jun-19)
7	Borrowings-Secured long-term borrowings	LT	6155.90	CARE AAA; Stable	-	1)CARE AAA; Stable (05-Jul-21)	1)CARE AAA; Stable (06-Jul-20)	1)CARE AAA; Stable (25-Jun-19)
8	Borrowings-Market Borrowing Programme	LT	5410.06	CARE AAA; Stable	-	1)CARE AAA; Stable (05-Jul-21)	1)CARE AAA; Stable (06-Jul-20)	1)CARE AAA; Stable (25-Jun-19)
9	Borrowings-Market Borrowing Programme	LT	5633.70	CARE AAA; Stable	-	1)CARE AAA; Stable (05-Jul-21)	1)CARE AAA; Stable (06-Jul-20)	1)CARE AAA; Stable (25-Jun-19)
10	Borrowings-Market Borrowing Programme	LT	6828.00	CARE AAA; Stable	-	1)CARE AAA; Stable (05-Jul-21)	1)CARE AAA; Stable (06-Jul-20)	1)CARE AAA; Stable (25-Jun-19)
11	Borrowings-Market Borrowing Programme	LT	5378.00	CARE AAA; Stable	-	1)CARE AAA; Stable (05-Jul-21)	1)CARE AAA; Stable (06-Jul-20)	1)CARE AAA; Stable (25-Jun-19)

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
12	Borrowings-Market Borrowing Programme	LT	9362.00	CARE AAA; Stable	-	1)CARE AAA; Stable (05-Jul-21)	1)CARE AAA; Stable (06-Jul-20)	1)CARE AAA; Stable (25-Jun-19)
13	Short-term instruments-Short-term borrowing	ST	12000.00	CARE A1+	-	1)CARE A1+ (05-Jul-21)	1)CARE A1+ (06-Jul-20)	1)CARE A1+ (01-Nov-19) 2)CARE A1+ (25-Jun-19)
14	Fund-based - LT-Line Of credit	LT	7492.93	CARE AAA; Stable	-	1)CARE AAA; Stable (05-Jul-21) 2)CARE AAA; Stable (28-Apr-21)	1)CARE AAA; Stable (06-Jul-20)	1)CARE AAA; Stable (25-Jun-19)
15	Borrowings-Market Borrowing Programme	LT	9130.00	CARE AAA; Stable	-	1)CARE AAA; Stable (05-Jul-21)	1)CARE AAA; Stable (06-Jul-20)	1)CARE AAA; Stable (25-Jun-19)
16	Fund-based - LT-Term loan	LT	9275.03	CARE AAA; Stable	-	1)CARE AAA; Stable (05-Jul-21) 2)CARE AAA; Stable (28-Apr-21)	1)CARE AAA; Stable (06-Jul-20)	1)CARE AAA; Stable (25-Jun-19)
17	Commercial paper-Commercial paper (Standalone)	ST	12000.00	CARE A1+	-	1)CARE A1+ (05-Jul-21)	1)CARE A1+ (06-Jul-20)	1)CARE A1+ (01-Nov-19) 2)CARE A1+ (25-Jun-19) 3)CARE A1+ (17-May-19)
18	Borrowings-Market Borrowing Programme	LT	5487.50	CARE AAA; Stable	-	1)CARE AAA; Stable (05-Jul-21)	1)CARE AAA; Stable (06-Jul-20)	1)CARE AAA; Stable (25-Jun-19)
19	Fund-based - LT-Term loan	LT	25000.00	CARE AAA; Stable	-	1)CARE AAA; Stable (05-Jul-21) 2)CARE AAA; Stable (28-Apr-21)	1)CARE AAA; Stable (06-Jul-20)	1)CARE AAA; Stable (25-Jun-19)
20	Bonds	LT	5020.00	CARE AAA; Stable	-	1)CARE AAA; Stable (05-Jul-21)	1)CARE AAA; Stable (06-Jul-20)	1)CARE AAA; Stable (25-Jun-19) 2)CARE AAA; Stable (22-May-19)
21	Bonds	LT	3300.00	CARE AAA; Stable	-	1)CARE AAA; Stable (05-Jul-21)	1)CARE AAA; Stable (06-Jul-20) 2)CARE AAA; Stable	-

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
							(07-Apr-20)	
22	Bonds	LT	529.90	CARE AAA; Stable	-	1)CARE AAA; Stable (05-Jul-21) 2)CARE AAA; Stable (28-Apr-21)	-	-
23	Borrowings-Secured Long Term Borrowings	LT	6000.00	CARE AAA; Stable	-	-	-	-

\*Long term/Short term.

#### Annexure-3: Detailed explanation of the covenants of the rated instruments/facilities: NA

#### Annexure-4: Complexity level of various instruments rated for this company

Sr. No.	Name of Instrument	Complexity Level
1	Bonds-Secured Redeemable Bonds	Simple
2	Bonds	Simple
3	Borrowings-Market Borrowing Programme	Simple
4	Borrowings-Secured long-term borrowings	Simple
5	Commercial Paper-Commercial paper (Standalone)	Simple
6	Fund-based - LT-Cash credit	Simple
7	Fund-based - LT-Line Of credit	Simple
8	Fund-based - LT-Term loan	Simple
9	Non-fund-based - LT/ ST-BG/LC	Simple
10	Short-term instruments-Short-term borrowing	Simple

#### Annexure-5: Bank lender details for this company

To view the lender wise details of bank facilities please [click here](#)

**Note on complexity levels of the rated instruments:** CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

## Contact us

### Media contact

Name: Mradul Mishra

Phone: +91-22-6754 3596

E-mail: [mradul.mishra@careedge.in](mailto:mradul.mishra@careedge.in)

### Analyst contact

Name: Agnimitra Kar

Phone: 1145333285

E-mail: [agnimitra.kar@careedge.in](mailto:agnimitra.kar@careedge.in)

### Relationship contact

Name: Swati Agrawal

Phone: +91-11-4533 3200

E-mail: [swati.agrawal@careedge.in](mailto:swati.agrawal@careedge.in)

### About us:

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RL/POGRCOL/294824/LTBP/0622/35568/111129033/4

March 01, 2023

**Mr. G Ravishankar**

Director - Finance

**Power Grid Corporation of India Limited**

"Saudamini" Plot No 2,

Sector 29,

Gurgaon - 122001

Dear Mr. G Ravishankar,

**Re: CRISIL Rating on the Rs.6000 Crore Long-Term Borrowing Programme<sup>^</sup> of Power Grid Corporation of India Limited**

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.

Please refer to our rating letter dated February 03, 2023 bearing Ref. no:

RL/POGRCOL/294824/LTBP/0622/35568/111129033/3

Please find in the table below the ratings outstanding for your company

S.No.	Instrument	Rated Amount (Rs. in Crore)	Rating Outstanding
1	Long-Term Borrowing Programme	6000	CRISIL AAA/Stable

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL Ratings will be necessary.

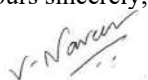
As per our Rating Agreement, CRISIL Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL Ratings reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL Ratings believes may have an impact on the rating. Please visit [www.crisilratings.com](http://www.crisilratings.com) and search with the name of the rated entity to access the latest rating/s.

As per SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at [debtissue@crisil.com](mailto:debtissue@crisil.com). This will enable CRISIL Ratings to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us at [debtissue@crisil.com](mailto:debtissue@crisil.com) for any clarification you may need.

Should you require any clarification, please feel free to get in touch with us.

With warm regards,

Yours sincerely,



Naveen Vaidyanathan  
Director - CRISIL Ratings



Nivedita Shibu  
Associate Director - CRISIL Ratings

<sup>^</sup> The borrowing programme pertains to fiscal 2023

**Disclaimer:** A rating by CRISIL Ratings reflects CRISIL Ratings' current opinion on the likelihood of timely payment of the obligations under the rated instrument, and does not constitute an audit of the rated entity by CRISIL Ratings. Our ratings are based on information provided by the issuer or obtained by CRISIL Ratings from sources it considers reliable. CRISIL Ratings does not guarantee the completeness or accuracy of the information on which the rating is based. A rating by CRISIL Ratings is not a recommendation to buy / sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. CRISIL Ratings has a practice of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. CRISIL Ratings is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of its ratings. CRISIL Ratings' criteria are available without charge to the public on the web site, [www.crisilratings.com](http://www.crisilratings.com). CRISIL Ratings or its associates may have other commercial transactions with the company/entity. For the latest rating information on any instrument of any company rated by CRISIL Ratings, please visit [www.crisilratings.com](http://www.crisilratings.com) or contact Customer Service Helpdesk at [CRISILratingdesk@crisil.com](mailto:CRISILratingdesk@crisil.com) or at 1800-267-1301

**CRISIL Ratings Limited**  
A subsidiary of CRISIL Limited, an S&P Global Company  
Corporate Identity Number: U67100MH2019PLC326247



## Rating Rationale

June 03, 2022 | Mumbai

### Power Grid Corporation of India Limited

'CRISIL AAA/Stable' assigned to Long-Term Borrowing Programme; rated amount enhanced

#### Rating Action

Total Bank Loan Facilities Rated	Rs.47469.96 Crore (Enhanced from Rs.25700 Crore)
Long Term Rating	CRISIL AAA/Stable (Reaffirmed)
Short Term Rating	CRISIL A1+ (Reaffirmed)

Rs.6000 Crore Long-Term Borrowing Programme <sup>^</sup>	CRISIL AAA/Stable (Assigned)
Rs.529.9 Crore Long-Term Borrowing Programme <sup>%</sup> (Reduced from Rs.10000 Crore)	CRISIL AAA/Stable (Reaffirmed)
Rs.5487.5 Crore Long-Term Borrowing Programme <sup>\$</sup> (Reduced from Rs.30000 Crore)	CRISIL AAA/Stable (Reaffirmed)
Rs.5020 Crore Long-Term Borrowing Programme <sup>#</sup> (Reduced from Rs.10000 Crore)	CRISIL AAA/Stable (Reaffirmed)
Rs.3300 Crore Long-Term Borrowing Programme <sup>@</sup> (Reduced from Rs.10000 Crore)	CRISIL AAA/Stable (Reaffirmed)
Rs.9362 Crore Long-Term Borrowing Programme <sup>!</sup> (Reduced from Rs.21881 Crore)	CRISIL AAA/Stable (Reaffirmed)
Rs.9130 Crore Long-Term Borrowing Programme <sup>~</sup> (Reduced from Rs.26000 Crore)	CRISIL AAA/Stable (Reaffirmed)
Rs.33728.65 Crore Bond	CRISIL AAA/Stable (Reaffirmed)
Rs.12000 Crore Short Term Debt <sup>&amp;</sup> (Enhanced from Rs.9000 Crore)	CRISIL A1+ (Reaffirmed)
Rs.12000 Crore Commercial Paper <sup>&amp;</sup> (Enhanced from Rs.9000 Crore)	CRISIL A1+ (Reaffirmed)

& Short-term debt and commercial paper borrowing will cumulatively not exceed Rs 12,000 crore at any point

<sup>^</sup> The borrowing programme pertains to fiscal 2023

<sup>%</sup> The borrowing programme pertains to fiscal 2022. Utilized to raise bonds under Series LXIX

<sup>\$</sup> The borrowing programme pertains to fiscal 2019. Utilized to raise bonds under Series LXII and GOI Fully Serviced Bond.

<sup>#</sup> The borrowing programme pertains to fiscal 2020. Utilized to raise bonds under Series LXIII, LXIV, LXV and LXVI

<sup>@</sup> The borrowing programme pertains to fiscal 2021. Utilized to raise bonds under Series LXVII and LXVIII

<sup>!</sup> The borrowing programme pertains to fiscal 2017. Utilized to raise bonds under Series LIII, LIV, LV, LVI, LVII and LVIII.

<sup>~</sup> The borrowing programme pertains to fiscal 2018. Utilized to raise bonds under Series LIX, LX and LXI.

1 crore = 10 million

Refer to annexure for Details of Instruments & Bank Facilities

#### Detailed Rationale

CRISIL Ratings has assigned its 'CRISIL AAA/Stable' rating to the Rs 6000 crore long-term borrowing programme of Power Grid Corporation of India Limited (PGCIL). The ratings on the remaining debt programmes and bank facilities has been reaffirmed at 'CRISIL AAA/Stable/CRISIL A1+'.

The rating on borrowing programmes worth Rs 75051.6 crore (refer Annexure: Details of ratings withdrawn) has been **withdrawn** on the company's request, as no instruments were placed against these. The action is in line with CRISIL Ratings' policy on withdrawal of ratings.

The ratings continue to reflect strategic importance of PGCIL to the Government of India (GoI), strong operating metrics, as seen in line availability continuing to exceed the normative level of 98% and the high collection efficiency. Revenue growth should remain steady over the medium term, supported by healthy capitalisation. These strengths are partially offset by weak credit risk profiles of customers.

#### Analytical Approach

CRISIL Ratings has combined the business and financial risk profiles of PGCIL and its subsidiaries, as the companies are in the same business and under a common management. Strategic importance to the GoI has also been factored into the ratings, because of the critical role the company plays in interstate power transmission.

Please refer Annexure - List of entities consolidated, which captures the list of entities considered and their analytical treatment of consolidation.

#### Key Rating Drivers & Detailed Description

##### Strengths:

##### • Strategic importance to the government

The company plays a vital role in the development of India's power sector. It owns about 85% of the interstate transmission network and carries around 45% of total power generated in the country. Moreover, its strong project-implementation capability should help to ensure that projects of strategic importance, of compressed implementation timelines, or involving difficult terrain or other complexities, will continue to be awarded to the company on nomination basis. In the past, the

government has extended equity support for capital expenditure (capex) and has also guaranteed loans availed of from multilateral lending agencies.

- **Favourable regulatory framework, ensuring secured and stable cash flow**

The regulatory framework is structured by Central Electricity Regulatory Commission (CERC), which helps to generate stable revenue and cash flow. Tariff recovery is linked to transmission network availability maintained by the company and is not impacted by actual power transmitted through the network that could be extraneous to its control. Also, the tariff structure ensures recovery of all expenses, including debt-servicing charges, and provides for a fixed return on equity (RoE), if the company adheres to operational benchmarks. The tariff structure also ensures recovery of annual obligation for debt contracted to finance capex in transmission projects and funded in a debt-to-equity mix of 70:30.

Currently, a large part of the asset base is on the regulated RoE structure, resulting in secured and stable cash flow, mitigating any immediate pressure on profitability from increased participation of private sector players through the competitive bidding route.

- **Strong operating efficiency, resulting in full recovery of cost**

Strong operating efficiency helped surpass operational benchmarks set by CERC—system availability was over 99% in fiscal 2021, against the benchmark of 98%. As per the regulator's stipulation, this ensured recovery of the entire cost, including debt-servicing charges, and provided for RoE. The regulated tariff structure and superior operating efficiency lend stability to cash flow. As the company owns and manages most of the interregional transmission network, its customer profile is diversified, reducing counterparty concentration risk.

- **Healthy financial flexibility supported by strong cash accrual**

Cash accrual of over Rs 20,000 crore per fiscal provides significant flexibility to raise funds despite a leveraged capital structure. Cash accrual is backed by a regulated tariff structure, which ensures recovery of all expenses, including repayment of loans, and strong operating efficiency. To fund its projects, the company contracts long-term debt for a tenure of 10 years and more. Debt servicing begins only after new projects become operational and start generating revenue. Furthermore, the tariff structure for the assets won through nomination ensures recovery of the amount of debt repaid as approved by CERC every year.

**Weakness:**

- **Weak credit risk profiles of customers**

State power utilities (SPUs), which account for the entire revenue, are the weak link in the value chain from a credit risk profile perspective. The risk is mitigated by strong collection track record with SPUs paying on time. Furthermore, adequate letters of credit have been opened in favour of the company by SPUs as per the settlement scheme. Moreover, as the owner of a large interregional transmission network, the company has a diversified customer profile. Further, as per CERC's regulations, the central transmission utility (CTU) had to carry out billing, collection, and disbursement for all interstate transmission system (ISTS) licensees, based on the point of connection (PoC) methodology of allocation of transmission charges. As the sole collection agency of all ISTS networks in India, the CTU has greater negotiation power with designated ISTS customers. It also has authority to regulate power to defaulting customers as per CERC's norms, which it could use in exceptional circumstances. PGCIL had been handling the CTU function for the CERC since a decade. From April 2021, the CTU function has been transferred from PGCIL into a new entity, Central Transmission Utility of India Ltd (CTUIL). While CTUIL is currently wholly owned by PGCIL, it is expected to eventually have an independent shareholding under the Gol. The collection efficiency under the PoC mechanism should remain strong going forward.

**Liquidity: Superior**

Healthy cash accrual of over Rs 20,000 crore per fiscal should suffice to cover debt obligation. Liquidity is also supported by cash balance of Rs 8,821 crore as on September 30, 2021. Furthermore, the regulated tariff structure for the assets won through nomination ensures recovery of the amount of debt repaid as approved by CERC every year.

**Environment, social, and governance (ESG) profile**

The ESG profile of PGCIL supports its already strong credit risk profile.

The power transmission sector has significant impact on the environment owing to risks linked to operations such as energy loss during transmission, and waste generation. Also, due to the nature of operations, the sector affects the local community and has various occupational health hazards associated with it. In line with this, PGCIL is focused on mitigating its environmental and social risks to ensure minimal impact.

**Key ESG highlights**

- PGCIL has installed about 6 megawatt peak (MWp) rooftop solar photovoltaic (PV) systems covering more than 65 locations, which are cumulatively generating about 8 million units of electricity annually, thereby reducing carbon dioxide emission of approximately 8,000 MT per year. Additionally, establishment of 5 MWp rooftop solar PV systems at 65 locations is under progress.
- PGCIL has taken the initiative to reduce its sulfur hexafluoride (SF6) leakage (responsible for higher scope 1). For instance, permissible limit of SF6 leakage for gas-installed switchyard has been restricted to 0.5% instead of 1.0%. Procurement of equipment using ozone-depleting substances such as chlorofluorocarbon and halon are also banned.
- Its loss-time injury frequency rate in fiscal 2021 was high compared to peers; however, provisions of safety pact are a part of the bidding documents. Workmen compensation policy and other contract provisions related to health and safety of workers have been implemented.
- Gender diversity is an area for improvement, with only 7.6% employee representation of females.
- The governance structure is characterised by 30% of the board comprising independent directors. However, there is no split in the chairman and CEO positions. PGCIL has a committee at the board level to address investor grievances and also put out extensive disclosures.

**Outlook: Stable**

PGCIL should maintain a robust financial risk profile over the medium term, despite the planned debt-funded capex, backed by strong operating efficiency and the regulated tariff regime. The company should also continue to benefit from its strategic importance to India's power sector, given its role in developing and operating the national power transmission network.

**Rating Sensitivity factors****Downward factors**

- Significant delays or default in payments by SPUs
- Adverse impact of any change in the regulatory regime
- Sustained fall in line availability below 98%, weakening cash flow

**About the Company**

PGCIL was incorporated in 1989 to set up extra-high voltage alternating current and high-voltage direct current (HVDC) transmission lines. The company moves large blocks of power from the central generating agencies and areas that have surplus power to load centres within and across regions. It is under the administrative control of the Ministry of Power, GoI. The company owns and operates an extensive nationwide network of transmission lines, which mainly comprise 400-kilovolt transmission lines and HVDC transmission systems, carrying more than 45% of the total power generated in India. As on December 31, 2021, it owned and operated a transmission line network of 1,72,190 circuit kilometre and 264 substations, with a transformer capacity of over 4,69,600 megavolt ampere.

For the nine months ended December 31, 2021, on a consolidated basis, net profit was Rs 12,667 crore on operating income of Rs 30,930 crore, against Rs 8,510 crore and Rs 29,129 crore, respectively, in the corresponding period of the previous fiscal.

**Key Financial Indicators (Consolidated; as reported by PGCIL)**

Particulars	Unit	2021	2020
Revenue	Rs crore	40,824	38,671
Profit after tax (PAT)	Rs crore	12,036	11,059
PAT margin	%	29.5	28.6
Adjusted debt/Adjusted network	Times	2.2	2.4
Interest coverage	Times	4.1	3.5

**Any other information:** Not applicable

**Note on complexity levels of the rated instrument:**

CRISIL Ratings' complexity levels are assigned to various types of financial instruments. The CRISIL Ratings' complexity levels are available on [www.crisil.com/complexity-levels](http://www.crisil.com/complexity-levels). Users are advised to refer to the CRISIL Ratings' complexity levels for instruments that they consider for investment. Users may also call the Customer Service Helpdesk with queries on specific instruments.

**Annexure - Details of Instrument(s)**

ISIN	Name of Instrument	Date of allotment	Coupon rate (%)	Maturity date	Issue size (Rs crore)	Complexity level	Rating assigned with outlook
NA	Proposed long-term bank loan facility	NA	NA	NA	10,002	NA	CRISIL AAA/Stable
NA	Bank guarantee	NA	NA	NA	1100	NA	CRISIL A1+
NA	Term Loan	NA	NA	XX	31,767.96	NA	CRISIL AAA/Stable
NA	Cash credit	NA	NA	NA	3000	NA	CRISIL AAA/Stable
NA	Letter of credit	NA	NA	NA	1600	NA	CRISIL A1+
NA	Short-term debt**	NA	NA	7-365 days	12000	Simple	CRISIL A1+
NA	Commercial paper**	NA	NA	7-365 days	12000	Simple	CRISIL A1+
NA	Long-term borrowing programme##	NA	NA	NA	6000	NA	CRISIL AAA/Stable
INE752E07DV7	Bond - XXV issue	12-Jun-07	10.10%	12-Jun-22	88.75	Simple	CRISIL AAA/Stable
INE752E07EH4	Bond - XXVI issue	07-Mar-08	9.30%	07-Mar-23	83.25	Simple	CRISIL AAA/Stable
INE752E07ET9	Bond - XXVII issue	31-Mar-08	9.47%	31-Mar-23	58.7	Simple	CRISIL AAA/Stable
INE752E07FE8	Bond - XXVIII issue	15-Dec-08	9.33%	15-Dec-22	200	Simple	CRISIL AAA/Stable
INE752E07FF5	Bond - XXVIII issue	15-Dec-08	9.33%	15-Dec-23	200	Simple	CRISIL AAA/Stable
INE752E07FQ2	Bond - XXIX issue	12-Mar-09	9.20%	12-Mar-23	108.13	Simple	CRISIL AAA/Stable
INE752E07FR0	Bond - XXIX issue	12-Mar-09	9.20%	12-Mar-24	108.13	Simple	CRISIL AAA/Stable
INE752E07GB2	Bond - XXX issue	29-Sep-09	8.80%	29-Sep-22	194.38	Simple	CRISIL AAA/Stable

INE752E07GC0	Bond - XXX issue	29-Sep-09	8.80%	29-Sep-23	194.38	Simple	CRISIL AAA/Stable
INE752E07GD8	Bond - XXX issue	29-Sep-09	8.80%	29-Sep-24	194.38	Simple	CRISIL AAA/Stable
INE752E07GN7	Bond - XXXI issue	25-Feb-10	8.90%	25-Feb-23	170.63	Simple	CRISIL AAA/Stable
INE752E07GO5	Bond - XXXI issue	25-Feb-10	8.90%	25-Feb-24	170.63	Simple	CRISIL AAA/Stable
INE752E07GP2	Bond - XXXI issue	25-Feb-10	8.90%	25-Feb-25	170.63	Simple	CRISIL AAA/Stable
INE752E07GZ1	Bond - XXXII issue	29-Mar-10	8.84%	29-Mar-23	86.2	Simple	CRISIL AAA/Stable
INE752E07HA2	Bond - XXXII issue	29-Mar-10	8.84%	29-Mar-24	86.2	Simple	CRISIL AAA/Stable
INE752E07HB0	Bond - XXXII issue	29-Mar-10	8.84%	29-Mar-25	86.2	Simple	CRISIL AAA/Stable
INE752E07HK1	Bond - XXXIII issue	08-Jul-10	8.64%	08-Jul-22	240	Simple	CRISIL AAA/Stable
INE752E07HL9	Bond - XXXIII issue	08-Jul-10	8.64%	08-Jul-23	240	Simple	CRISIL AAA/Stable
INE752E07HM7	Bond - XXXIII issue	08-Jul-10	8.64%	08-Jul-24	240	Simple	CRISIL AAA/Stable
INE752E07HN5	Bond - XXXIII issue	08-Jul-10	8.64%	08-Jul-25	240	Simple	CRISIL AAA/Stable
INE752E07HW6	Bond - XXXIV issue	21-Oct-10	8.84%	21-Oct-22	290.6	Simple	CRISIL AAA/Stable
INE752E07HX4	Bond - XXXIV issue	21-Oct-10	8.84%	21-Oct-23	290.6	Simple	CRISIL AAA/Stable
INE752E07HY2	Bond - XXXIV issue	21-Oct-10	8.84%	21-Oct-24	290.6	Simple	CRISIL AAA/Stable
INE752E07HZ9	Bond - XXXIV issue	21-Oct-10	8.84%	21-Oct-25	290.6	Simple	CRISIL AAA/Stable
INE752E07IH5	Bond - XXXV issue	31-May-11	9.64%	31-May-22	163.13	Simple	CRISIL AAA/Stable
INE752E07II3	Bond - XXXV issue	31-May-11	9.64%	31-May-23	163.13	Simple	CRISIL AAA/Stable
INE752E07IJ1	Bond - XXXV issue	31-May-11	9.64%	31-May-24	163.13	Simple	CRISIL AAA/Stable
INE752E07IK9	Bond - XXXV issue	31-May-11	9.64%	31-May-25	163.13	Simple	CRISIL AAA/Stable
INE752E07IL7	Bond - XXXV issue	31-May-11	9.64%	31-May-26	163.13	Simple	CRISIL AAA/Stable
INE752E07IS2	Bond - XXXVI issue	29-Aug-11	9.35%	29-Aug-22	206	Simple	CRISIL AAA/Stable
INE752E07IT0	Bond - XXXVI issue	29-Aug-11	9.35%	29-Aug-23	206	Simple	CRISIL AAA/Stable
INE752E07IU8	Bond - XXXVI issue	29-Aug-11	9.35%	29-Aug-24	206	Simple	CRISIL AAA/Stable
INE752E07IV6	Bond - XXXVI issue	29-Aug-11	9.35%	29-Aug-25	206	Simple	CRISIL AAA/Stable
INE752E07IW4	Bond - XXXVI issue	29-Aug-11	9.35%	29-Aug-26	206	Simple	CRISIL AAA/Stable
INE752E07IX2	Bond - XXXVI issue	29-Aug-11	9.35%	29-Aug-27	206	Simple	CRISIL AAA/Stable
INE752E07IY0	Bond - XXXVI issue	29-Aug-11	9.35%	29-Aug-28	206	Simple	CRISIL AAA/Stable
INE752E07IZ7	Bond - XXXVI issue	29-Aug-11	9.35%	29-Aug-29	206	Simple	CRISIL AAA/Stable
INE752E07JA8	Bond - XXXVI issue	29-Aug-11	9.35%	29-Aug-30	206	Simple	CRISIL AAA/Stable
INE752E07JI1	Bond - XXXVII issue	26-Dec-11	9.25%	26-Dec-22	166.25	Simple	CRISIL AAA/Stable
INE752E07JJ9	Bond - XXXVII issue	26-Dec-11	9.25%	26-Dec-23	166.25	Simple	CRISIL AAA/Stable
INE752E07JK7	Bond - XXXVII issue	26-Dec-11	9.25%	26-Dec-24	166.25	Simple	CRISIL AAA/Stable
INE752E07JL5	Bond - XXXVII issue	26-Dec-11	9.25%	26-Dec-25	166.25	Simple	CRISIL AAA/Stable
INE752E07JM3	Bond - XXXVII issue	26-Dec-11	9.25%	26-Dec-26	166.25	Simple	CRISIL AAA/Stable
INE752E07JN1	Bond - XXXVIII issue	09-Mar-12	9.25%	09-Mar-27	855	Simple	CRISIL AAA/Stable

INE752E07JO9	Bond - XXXIX issue	29-Mar-12	9.40%	29-Mar-27	1,800	Simple	CRISIL AAA/Stable
INE752E07JV4	Bond - XL issue	28-Jun-12	9.30%	28-Jun-22	333.13	Simple	CRISIL AAA/Stable
INE752E07JW2	Bond - XL issue	28-Jun-12	9.30%	28-Jun-23	333.13	Simple	CRISIL AAA/Stable
INE752E07JX0	Bond - XL issue	28-Jun-12	9.30%	28-Jun-24	333.13	Simple	CRISIL AAA/Stable
INE752E07JY8	Bond - XL issue	28-Jun-12	9.30%	28-Jun-25	333.13	Simple	CRISIL AAA/Stable
INE752E07JZ5	Bond - XL issue	28-Jun-12	9.30%	28-Jun-26	333.13	Simple	CRISIL AAA/Stable
INE752E07KA6	Bond - XL issue	28-Jun-12	9.30%	28-Jun-27	333.13	Simple	CRISIL AAA/Stable
INE752E07KH1	Bond - XLI issue	19-Oct-12	8.85%	19-Oct-22	236.88	Simple	CRISIL AAA/Stable
INE752E07KI9	Bond - XLI issue	19-Oct-12	8.85%	19-Oct-23	236.88	Simple	CRISIL AAA/Stable
INE752E07KJ7	Bond - XLI issue	19-Oct-12	8.85%	19-Oct-24	236.88	Simple	CRISIL AAA/Stable
INE752E07KK5	Bond - XLI issue	19-Oct-12	8.85%	19-Oct-25	236.88	Simple	CRISIL AAA/Stable
INE752E07KL3	Bond - XLI issue	19-Oct-12	8.85%	19-Oct-26	236.88	Simple	CRISIL AAA/Stable
INE752E07KM1	Bond - XLI issue	19-Oct-12	8.85%	19-Oct-27	236.88	Simple	CRISIL AAA/Stable
INE752E07KN9	Bond - XLII issue	13-Mar-13	8.80%	13-Mar-23	1990	Simple	CRISIL AAA/Stable
INE752E07KT6	Bond - XLIII issue	20-May-13	7.93%	20-May-22	260.5	Simple	CRISIL AAA/Stable
INE752E07KU4	Bond - XLIII issue	20-May-13	7.93%	20-May-23	260.5	Simple	CRISIL AAA/Stable
INE752E07KV2	Bond - XLIII issue	20-May-13	7.93%	20-May-24	260.5	Simple	CRISIL AAA/Stable
INE752E07KW0	Bond - XLIII issue	20-May-13	7.93%	20-May-25	260.5	Simple	CRISIL AAA/Stable
INE752E07KX8	Bond - XLIII issue	20-May-13	7.93%	20-May-26	260.5	Simple	CRISIL AAA/Stable
INE752E07KY6	Bond - XLIII issue	20-May-13	7.93%	20-May-27	260.5	Simple	CRISIL AAA/Stable
INE752E07KZ3	Bond - XLIII issue	20-May-13	7.93%	20-May-28	260.5	Simple	CRISIL AAA/Stable
INE752E07LB2	Bond - XLIV issue	15-Jul-13	8.70%	15-Jul-23	1322	Simple	CRISIL AAA/Stable
INE752E07LC0	Bond - XLIV issue	15-Jul-13	8.70%	15-Jul-28	1322	Simple	CRISIL AAA/Stable
INE752E07LI7	Bond - XLV issue	28-Feb-14	9.65%	28-Feb-23	166.6	Simple	CRISIL AAA/Stable
INE752E07LJ5	Bond - XLV issue	28-Feb-14	9.65%	28-Feb-24	166.6	Simple	CRISIL AAA/Stable
INE752E07LK3	Bond - XLV issue	28-Feb-14	9.65%	28-Feb-25	166.6	Simple	CRISIL AAA/Stable
INE752E07LL1	Bond - XLV issue	28-Feb-14	9.65%	28-Feb-26	166.6	Simple	CRISIL AAA/Stable
INE752E07LM9	Bond - XLV issue	28-Feb-14	9.65%	28-Feb-27	166.6	Simple	CRISIL AAA/Stable
INE752E07LN7	Bond - XLV issue	28-Feb-14	9.65%	28-Feb-28	166.6	Simple	CRISIL AAA/Stable
INE752E07LO5	Bond - XLV issue	28-Feb-14	9.65%	28-Feb-29	166.6	Simple	CRISIL AAA/Stable
INE752E07LQ0	Bond - XLVI issue	04-Sep-14	9.30%	04-Sep-24	1454	Simple	CRISIL AAA/Stable
INE752E07LR8	Bond - XLVI issue	04-Sep-14	9.30%	04-Sep-29	1454	Simple	CRISIL AAA/Stable
INE752E07LW8	Bond - XLVII issue	20-Oct-14	8.93%	20-Oct-22	220	Simple	CRISIL AAA/Stable
INE752E07LX6	Bond - XLVII issue	20-Oct-14	8.93%	20-Oct-23	220	Simple	CRISIL AAA/Stable
INE752E07LY4	Bond - XLVII issue	20-Oct-14	8.93%	20-Oct-24	220	Simple	CRISIL AAA/Stable
INE752E07LZ1	Bond - XLVII issue	20-Oct-14	8.93%	20-Oct-25	220	Simple	CRISIL AAA/Stable

INE752E07MA2	Bond - XLVII issue	20-Oct-14	8.93%	20-Oct-26	220	Simple	CRISIL AAA/Stable
INE752E07MB0	Bond - XLVII issue	20-Oct-14	8.93%	20-Oct-27	220	Simple	CRISIL AAA/Stable
INE752E07MC8	Bond - XLVII issue	20-Oct-14	8.93%	20-Oct-28	220	Simple	CRISIL AAA/Stable
INE752E07MD6	Bond - XLVII issue	20-Oct-14	8.93%	20-Oct-29	220	Simple	CRISIL AAA/Stable
INE752E07MG9	Bond - XLVIII issue	23-Jan-15	8.20%	23-Jan-25	645	Simple	CRISIL AAA/Stable
INE752E07MH7	Bond - XLVIII issue	23-Jan-15	8.20%	23-Jan-30	645	Simple	CRISIL AAA/Stable
INE752E07MJ3	Bond - XLIX issue	09-Mar-15	8.15%	09-Mar-25	435	Simple	CRISIL AAA/Stable
INE752E07MK1	Bond - XLIX issue	09-Mar-15	8.15%	09-Mar-30	435	Simple	CRISIL AAA/Stable
INE752E07MO3	Bond - L issue	27-May-15	8.40%	27-May-22	244	Simple	CRISIL AAA/Stable
INE752E07MP0	Bond - L issue	27-May-15	8.40%	27-May-23	244	Simple	CRISIL AAA/Stable
INE752E07MQ8	Bond - L issue	27-May-15	8.40%	27-May-24	244	Simple	CRISIL AAA/Stable
INE752E07MR6	Bond - L issue	27-May-15	8.40%	27-May-25	244	Simple	CRISIL AAA/Stable
INE752E07MS4	Bond - L issue	27-May-15	8.40%	27-May-26	244	Simple	CRISIL AAA/Stable
INE752E07MT2	Bond - L issue	27-May-15	8.40%	27-May-27	244	Simple	CRISIL AAA/Stable
INE752E07MU0	Bond - L issue	27-May-15	8.40%	27-May-28	244	Simple	CRISIL AAA/Stable
INE752E07MV8	Bond - L issue	27-May-15	8.40%	27-May-29	244	Simple	CRISIL AAA/Stable
INE752E07MW6	Bond - L issue	27-May-15	8.40%	27-May-30	244	Simple	CRISIL AAA/Stable
INE752E07NA0	Bond - LI issue	14-Sep-15	8.40%	14-Sep-22	250	Simple	CRISIL AAA/Stable
INE752E07NB8	Bond - LI issue	14-Sep-15	8.40%	14-Sep-23	250	Simple	CRISIL AAA/Stable
INE752E07NC6	Bond - LI issue	14-Sep-15	8.40%	14-Sep-24	250	Simple	CRISIL AAA/Stable
INE752E07ND4	Bond - LI issue	14-Sep-15	8.40%	14-Sep-25	250	Simple	CRISIL AAA/Stable
INE752E07NE2	Bond - LI issue	14-Sep-15	8.40%	14-Sep-26	250	Simple	CRISIL AAA/Stable
INE752E07NF9	Bond - LI issue	14-Sep-15	8.40%	14-Sep-27	250	Simple	CRISIL AAA/Stable
INE752E07NG7	Bond - LI issue	14-Sep-15	8.40%	14-Sep-28	250	Simple	CRISIL AAA/Stable
INE752E07NH5	Bond - LI issue	14-Sep-15	8.40%	14-Sep-29	250	Simple	CRISIL AAA/Stable
INE752E07NI3	Bond - LI issue	14-Sep-15	8.40%	14-Sep-30	250	Simple	CRISIL AAA/Stable
INE752E07NK9	Bond - LII issue	23-Dec-15	8.32%	23-Dec-25	466	Simple	CRISIL AAA/Stable
INE752E07NL7	Bond - LII issue	23-Dec-15	8.32%	23-Dec-30	466	Simple	CRISIL AAA/Stable
INE752E07NP8	Bond - LIII issue	25-Apr-16	8.13%	25-Apr-23	333	Simple	CRISIL AAA/Stable
INE752E07NQ6	Bond - LIII issue	25-Apr-16	8.13%	25-Apr-24	333	Simple	CRISIL AAA/Stable
INE752E07NR4	Bond - LIII issue	25-Apr-16	8.13%	25-Apr-25	333	Simple	CRISIL AAA/Stable
INE752E07NS2	Bond - LIII issue	25-Apr-16	8.13%	25-Apr-26	333	Simple	CRISIL AAA/Stable
INE752E07NT0	Bond - LIII issue	25-Apr-16	8.13%	25-Apr-27	333	Simple	CRISIL AAA/Stable
INE752E07NU8	Bond - LIII issue	25-Apr-16	8.13%	25-Apr-28	333	Simple	CRISIL AAA/Stable
INE752E07NV6	Bond - LIII issue	25-Apr-16	8.13%	25-Apr-29	333	Simple	CRISIL AAA/Stable
INE752E07NW4	Bond - LIII issue	25-Apr-16	8.13%	25-Apr-30	333	Simple	CRISIL AAA/Stable



INE752E07NX2	Bond - LIII issue	25-Apr-16	8.13%	25-Apr-31	333	Simple	CRISIL AAA/Stable
INE752E07NZ7	Bond - LIV issue	15-Jul-16	7.97%	15-Jul-26	1000	Simple	CRISIL AAA/Stable
INE752E07OA8	Bond - LIV issue	15-Jul-16	7.97%	15-Jul-31	1000	Simple	CRISIL AAA/Stable
INE752E07OB6	Bond - LV issue	21-Sep-16	7.55%	21-Sep-31	1240	Simple	CRISIL AAA/Stable
INE752E07OC4	Bond - LVI issue	18-Oct-16	7.36%	18-Oct-26	1065	Simple	CRISIL AAA/Stable
INE752E07OE0	Bond - LVIII issue	09-Mar-17	7.89%	09-Mar-27	2060	Simple	CRISIL AAA/Stable
INE752E07OF7	Bond- LIX issue	19-Jun-17	7.30%	19-Jun-27	3070	Simple	CRISIL AAA/Stable
INE752E07OG5	Bond- LX issue	09-Aug-17	7.20%	09-Aug-27	3060	Simple	CRISIL AAA/Stable
INE752E08502	Bond- LXI issue	12-Dec-17	7.74%	12-Dec-28	600	Simple	CRISIL AAA/Stable
INE752E08510	Bond- LXI issue	12-Dec-17	7.74%	12-Dec-29	600	Simple	CRISIL AAA/Stable
INE752E08528	Bond- LXI issue	12-Dec-17	7.74%	12-Dec-30	600	Simple	CRISIL AAA/Stable
INE752E08536	Bond- LXI issue	12-Dec-17	7.74%	12-Dec-31	600	Simple	CRISIL AAA/Stable
INE752E08544	Bond- LXI issue	12-Dec-17	7.74%	10-Dec-32	600	Simple	CRISIL AAA/Stable
INE752E07OH3	Bond- LXII issue	07-Jan-19	8.36%	07-Jan-29	2000	Simple	CRISIL AAA/Stable
INE752E08551	Gol fully serviced bond	14-Feb-19	8.24%	14-Feb-29	3487.5	Simple	CRISIL AAA/Stable
INE752E08569	Bond- LXIII issue	15-Jul-19	7.34%	15-Jul-24	600	Simple	CRISIL AAA/Stable
INE752E08577	Bond- LXIII issue	15-Jul-19	7.34%	15-Jul-29	600	Simple	CRISIL AAA/Stable
INE752E08585	Bond- LXIII issue	15-Jul-19	7.34%	15-Jul-34	600	Simple	CRISIL AAA/Stable
INE752E08593	Bond- LXIV issue	25-Oct-19	7.49%	25-Oct-24	756	Simple	CRISIL AAA/Stable
INE752E08601	Bond- LXIV issue	25-Oct-19	7.49%	25-Oct-29	756	Simple	CRISIL AAA/Stable
INE752E08619	Bond- LXIV issue	25-Oct-19	7.49%	25-Oct-34	1008	Simple	CRISIL AAA/Stable
INE752E08627	Bond- LXV issue	08-Jan-20	6.35%	14-Apr-23	200	Simple	CRISIL AAA/Stable
INE752E08635	Bond- LXVI issue	08-Jan-20	7.38%	12-Apr-30	500	Simple	CRISIL AAA/Stable
INE752E08643	Bond- LXVII issue	15-Apr-20	6.85%	15-Apr-25	2800	Simple	CRISIL AAA/Stable
INE752E08650	Bond- LXVIII issue	05-Aug-20	6.28%	11-Apr-31	500	Simple	CRISIL AAA/Stable
INE752E08668	Bond- LXIX issue	25-Mar-22	6.05%	25-Mar-27	529.90	Simple	CRISIL AAA/Stable

\*\*Short-term debt and commercial paper borrowing will cumulatively not exceed Rs 12,000 crore at any point

## The borrowing programme pertains to fiscal 2023

#### Annexure - Details of Ratings withdrawn

ISIN	Name of Instrument	Date of allotment	Coupon rate (%)	Maturity date	Issue size (Rs crore)	Complexity level
NA	Long-term borrowing programme	NA	NA	NA	75051.6	NA

#### Annexure – List of entities consolidated

Name of entities	Extent of consolidation	Rationale for consolidation
POWERGRID NM Transmission Limited	Full	Strong managerial, operational and financial linkages
Powergrid Vemagiri Transmission Ltd	Full	Strong managerial, operational and financial linkages
POWERGRID Unchahar Transmission Limited	Full	Strong managerial, operational and financial linkages
POWERGRID Southern I/C Transmission Limited	Full	Strong managerial, operational and financial linkages

Power grid Medinipur-Jeerat Transmission Limited	Full	Strong managerial, operational and financial linkages
POWERGRID Mithilanchal Transmission Limited	Full	Strong managerial, operational and financial linkages
POWERGRID Varanasi Transmission System Limited	Full	Strong managerial, operational and financial linkages
POWERGRID Jawaharpur Firozabad Transmission Limited	Full	Strong managerial, operational and financial linkages
POWERGRID Khatri Transmission System Limited	Full	Strong managerial, operational and financial linkages
POWERGRID Bhind Guna Transmission Limited	Full	Strong managerial, operational and financial linkages
POWERGRID Ajmer Phagi Transmission Limited	Full	Strong managerial, operational and financial linkages
POWERGRID Fatehgarh Transmission Limited	Full	Strong managerial, operational and financial linkages
POWERGRID Bhuj Transmission Limited	Full	Strong managerial, operational and financial linkages
POWERGRID Rampur Sambhal Transmission Limited	Full	Strong managerial, operational and financial linkages
POWERGRID Meerut Simbhavali Transmission Limited	Full	Strong managerial, operational and financial linkages
POWERGRID Himachal Transmission Limited	Full	Strong managerial, operational and financial linkages
POWERGRID Ramgarh Transmission Limited	Full	Strong managerial, operational and financial linkages
POWERGRID Bhadla Transmission Limited	Full	Strong managerial, operational and financial linkages
POWERGRID Sikar Transmission Limited	Full	Strong managerial, operational and financial linkages
POWERGRID Bikaner Transmission System Limited	Full	Strong managerial, operational and financial linkages
POWERGRID Aligarh Sikar Transmission Limited	Full	Strong managerial, operational and financial linkages
Khatri-Narela Transmission Limited	Full	Strong managerial, operational and financial linkages
Central Transmission Utility Of India Limited	Full	Strong managerial, operational and financial linkages
POWERGRID Teleservices Limited	Full	Strong managerial, operational and financial linkages
POWERGRID Energy Services Limited	Full	Strong managerial, operational and financial linkages
Powerlinks Transmission Limited	Equity method	Joint venture/associate - proportionate consolidation
Torrent POWERGRID Limited	Equity method	Joint venture/associate - proportionate consolidation
North-East Transmission Company Limited	Equity method	Joint venture/associate - proportionate consolidation
Parbati- Koldam Transmission Company Limited	Equity method	Joint venture/associate - proportionate consolidation
Teesta Valley Power Transmission Limited	Equity method	Joint venture/associate - proportionate consolidation
National High Power Test Laboratory Pvt. Limited	Equity method	Joint venture/associate - proportionate consolidation
Energy Efficiency Services Ltd	Equity method	Joint venture/associate - proportionate consolidation
Cross Border Power Transmission Company Ltd.	Equity method	Joint venture/associate - proportionate consolidation
Bihar Grid Company Limited	Equity method	Joint venture/associate - proportionate consolidation
Power Transmission Company Nepal Ltd.	Equity method	Joint venture/associate - proportionate consolidation
RINL POWERGRID TLT Private Ltd.	Equity method	Joint venture/associate - proportionate consolidation

#### Annexure - Rating History for last 3 Years

Instrument	Current			2022 (History)		2021		2020		2019		Start of 2019
	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	ST/LT	44769.96	CRISIL A1+ /	13-05-22	CRISIL AAA/Stable	19-05-21	CRISIL AAA/Stable	05-06-20	CRISIL AAA/Stable	30-10-19	CRISIL AAA/Stable	CRISIL AAA/Stable

			CRISIL AAA/Stable									
			--		--		--	25-02-20	CRISIL AAA/Stable	11-07-19	CRISIL AAA/Stable	--
			--		--		--		--	29-05-19	CRISIL AAA/Stable	--
			--		--		--		--	26-04-19	CRISIL AAA/Stable	--
<b>Non-Fund Based Facilities</b>	ST	2700.0	CRISIL A1+	13-05-22	CRISIL A1+	19-05-21	CRISIL A1+	05-06-20	CRISIL A1+	30-10-19	CRISIL A1+	CRISIL A1+
			--		--		--	25-02-20	CRISIL A1+	11-07-19	CRISIL A1+	--
			--		--		--		--	29-05-19	CRISIL A1+	--
			--		--		--		--	26-04-19	CRISIL A1+	--
<b>Bond</b>	LT	33728.65	CRISIL AAA/Stable	13-05-22	CRISIL AAA/Stable	19-05-21	CRISIL AAA/Stable	05-06-20	CRISIL AAA/Stable	30-10-19	CRISIL AAA/Stable	CRISIL AAA/Stable
			--		--		--	25-02-20	CRISIL AAA/Stable	11-07-19	CRISIL AAA/Stable	--
			--		--		--		--	29-05-19	CRISIL AAA/Stable	--
			--		--		--		--	26-04-19	CRISIL AAA/Stable	--
<b>Commercial Paper</b>	ST	12000.0	CRISIL A1+	13-05-22	CRISIL A1+	19-05-21	CRISIL A1+	05-06-20	CRISIL A1+	30-10-19	CRISIL A1+	CRISIL A1+
			--		--		--	25-02-20	CRISIL A1+	11-07-19	CRISIL A1+	--
			--		--		--		--	29-05-19	CRISIL A1+	--
			--		--		--		--	26-04-19	CRISIL A1+	--
<b>Long-Term Borrowing Programme</b>	LT	38829.4	CRISIL AAA/Stable	13-05-22	CRISIL AAA/Stable	19-05-21	CRISIL AAA/Stable	05-06-20	CRISIL AAA/Stable	30-10-19	CRISIL AAA/Stable	CRISIL AAA/Stable
			--		--		--	25-02-20	CRISIL AAA/Stable	11-07-19	CRISIL AAA/Stable	--
			--		--		--		--	29-05-19	CRISIL AAA/Stable	--
			--		--		--		--	26-04-19	CRISIL AAA/Stable	--
<b>Short Term Debt</b>	ST	12000.0	CRISIL A1+	13-05-22	CRISIL A1+	19-05-21	CRISIL A1+	05-06-20	CRISIL A1+	30-10-19	CRISIL A1+	CRISIL A1+
			--		--		--	25-02-20	CRISIL A1+	11-07-19	CRISIL A1+	--
			--		--		--		--	29-05-19	CRISIL A1+	--
			--		--		--		--	26-04-19	CRISIL A1+	--

All amounts are in Rs.Cr.

#### Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
<b>Bank Guarantee</b>	<b>425</b>	<b>State Bank of India</b>	<b>CRISIL A1+</b>
<b>Bank Guarantee</b>	<b>65</b>	<b>Indian Overseas Bank</b>	<b>CRISIL A1+</b>
<b>Bank Guarantee</b>	<b>10</b>	<b>Union Bank of India</b>	<b>CRISIL A1+</b>
<b>Bank Guarantee</b>	<b>125</b>	<b>HDFC Bank Limited</b>	<b>CRISIL A1+</b>
<b>Bank Guarantee</b>	<b>150</b>	<b>IDBI Bank Limited</b>	<b>CRISIL A1+</b>
<b>Bank Guarantee</b>	<b>125</b>	<b>ICICI Bank Limited</b>	<b>CRISIL A1+</b>
<b>Bank Guarantee</b>	<b>100</b>	<b>Axis Bank Limited</b>	<b>CRISIL A1+</b>
<b>Bank Guarantee</b>	<b>100</b>	<b>IndusInd Bank Limited</b>	<b>CRISIL A1+</b>
<b>Cash Credit</b>	<b>1780</b>	<b>State Bank of India</b>	<b>CRISIL AAA/Stable</b>
<b>Cash Credit</b>	<b>20</b>	<b>Indian Overseas Bank</b>	<b>CRISIL AAA/Stable</b>
<b>Cash Credit</b>	<b>100</b>	<b>Union Bank of India</b>	<b>CRISIL AAA/Stable</b>
<b>Cash Credit</b>	<b>250</b>	<b>HDFC Bank Limited</b>	<b>CRISIL AAA/Stable</b>
<b>Cash Credit</b>	<b>100</b>	<b>IDBI Bank Limited</b>	<b>CRISIL AAA/Stable</b>
<b>Cash Credit</b>	<b>250</b>	<b>ICICI Bank Limited</b>	<b>CRISIL AAA/Stable</b>
<b>Cash Credit</b>	<b>250</b>	<b>IndusInd Bank Limited</b>	<b>CRISIL AAA/Stable</b>

Cash Credit	250	Axis Bank Limited	CRISIL AAA/Stable
Letter of Credit	950	State Bank of India	CRISIL A1+
Letter of Credit	200	Indian Overseas Bank	CRISIL A1+
Letter of Credit	150	Union Bank of India	CRISIL A1+
Letter of Credit	100	HDFC Bank Limited	CRISIL A1+
Letter of Credit	25	IDBI Bank Limited	CRISIL A1+
Letter of Credit	100	ICICI Bank Limited	CRISIL A1+
Letter of Credit	25	Axis Bank Limited	CRISIL A1+
Letter of Credit	50	IndusInd Bank Limited	CRISIL A1+
Proposed Long Term Bank Loan Facility	10002	Not Applicable	CRISIL AAA/Stable
Term Loan	6999.67	State Bank of India	CRISIL AAA/Stable
Term Loan	10000	State Bank of India	CRISIL AAA/Stable
Term Loan	5000	HDFC Bank Limited	CRISIL AAA/Stable
Term Loan	4492.93	State Bank of India	CRISIL AAA/Stable
Term Loan	3000	HDFC Bank Limited	CRISIL AAA/Stable
Term Loan	2275.36	State Bank of India	CRISIL AAA/Stable

This Annexure has been updated on 03-Jun-22 in line with the lender-wise facility details as on 26-Aug-21 received from the rated entity.

## Criteria Details

Links to related criteria
<a href="#">Criteria for Rating power transmission projects</a>
<a href="#">CRISILs Bank Loan Ratings</a>
<a href="#">CRISILs Criteria for rating short term debt</a>
<a href="#">CRISILs Criteria for Consolidation</a>

Media Relations	Analytical Contacts	Customer Service Helpdesk
<b>Aveek Datta</b> Media Relations <b>CRISIL Limited</b> M: +91 99204 93912 B: +91 22 3342 3000 <a href="mailto:AVEEK.DATTA@crisil.com">AVEEK.DATTA@crisil.com</a>	Manish Kumar Gupta Senior Director <b>CRISIL Ratings Limited</b> B: +91 124 672 2000 <a href="mailto:manish.gupta@crisil.com">manish.gupta@crisil.com</a>	Timings: 10.00 am to 7.00 pm Toll free Number: 1800 267 1301  For a copy of Rationales / Rating Reports: <a href="mailto:CRISILratingdesk@crisil.com">CRISILratingdesk@crisil.com</a>
<b>Prakruti Jani</b> Media Relations <b>CRISIL Limited</b> M: +91 98678 68976 B: +91 22 3342 3000 <a href="mailto:PRAKRUTI.JANI@crisil.com">PRAKRUTI.JANI@crisil.com</a>	Nitesh Jain Director <b>CRISIL Ratings Limited</b> D: +91 22 3342 3329 <a href="mailto:nitesh.jain@crisil.com">nitesh.jain@crisil.com</a>	For Analytical queries: <a href="mailto:ratingsinvestordesk@crisil.com">ratingsinvestordesk@crisil.com</a>
<b>Rutuja Gaikwad</b> Media Relations <b>CRISIL Limited</b> B: +91 22 3342 3000 <a href="mailto:Rutuja.Gaikwad@ext-crisil.com">Rutuja.Gaikwad@ext-crisil.com</a>	Akanksha Aggarwal Manager <b>CRISIL Ratings Limited</b> D: +91 124 672 2143 <a href="mailto:Akanksha.Aggarwal@crisil.com">Akanksha.Aggarwal@crisil.com</a>	



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Ref: ICRA Limited/Power Grid Corporation of India Limited/03032023/1

March 03, 2023

**Mr. G. Ravisankar**  
Director (Finance)  
**Power Grid Corporation of India Limited**  
Saudamini, Plot No 2, Sector 29  
Gurgaon- 122002

**Dear Sir,**

**Re: ICRA-assigned Credit Rating for Rs. 6,000 crore Bond Programme of Power Grid Corporation of India Limited.**

Please refer to your letter dated March 01, 2023 for revalidating the rating for the captioned programme.

We confirm that the long-term rating of [ICRA]AAA (pronounced ICRA Triple A) assigned to your captioned programme and last communicated to you vide our letter dated June 13, 2022 stands. Instruments with [ICRA]AAA rating indicate are considered to have highest degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk.

The other terms and conditions for the rating of the captioned instrument shall remain the same as were communicated vide our letter Ref: ICRA Limited/Power Grid Corporation of India Limited/13062022/9 dated June 13, 2022.

The Rating(s) assigned must be understood solely as an opinion and should not be treated, or cause to be treated, as recommendation to buy, sell, or hold the rated [Instrument] Issued/availed by your company.

We look forward to further strengthening our existing relationship and assure you of our best services.

With kind regards,

Yours sincerely,

For ICRA Limited

**Digitally signed by SABYASACHI MAJUMDAR**  
**Date: 2023.03.03 13:41:44 +05'30'**

Sabyasachi Majumdar  
Senior Vice President and Group Head  
[sabyasachi@icraindia.com](mailto:sabyasachi@icraindia.com)

January 06, 2023

## Power Grid Corporation of India Limited: Change in rated limits

### Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term Bonds	71,890.60	71,890.60	[ICRA]AAA(Stable); Outstanding
Commercial Paper/ Short Term Borrowing Programme^	12,000.00	12,000.00	[ICRA]A1+; Outstanding
Long Term Term Loans	31,767.96	36,767.96	[ICRA]AAA(Stable); Outstanding
Long Term Un-allocated limits	10,000.00	5000.00	[ICRA]AAA(Stable); Outstanding
Long term/ short term fund based/non-fund based limits	5,700.00	5,700.00	[ICRA]AAA(Stable)/[ICRA]A1+; Outstanding
<b>Total</b>	<b>131,358.56</b>	<b>131,358.56</b>	

\*Instrument details are provided in Annexure-I; ^Aggregate borrowing under commercial paper and short term borrowing programme capped at Rs 12,000 crore.

### Rationale

The outstanding rating of Power Grid India Corporation of India Limited (PGCIL) factors in the strategic role of Power Grid Corporation of India Limited (PGCIL) in the Indian power sector owing to its role as India's largest power transmission utility and its ownership and near monopoly in the inter-state transmission network, along with the low level of business risks in its core operations. The ratings also factor in the cost-plus transmission tariff structure for majority of the company's operational assets (above 95% of the total gross block) and PGCIL's superior operating efficiency indicated by the availability factor which has remained consistently high over the years. The ratings also take into account the continued capitalisation of transmission assets, which is expected to boost the company's revenues and cash flows going forward. ICRA notes that the asset monetisation through INVIT will enable quick redeployment of capital to build incremental transmission assets going forward. ICRA continues to take into consideration the support from the Government of India (GoI) (guarantees extended for some of PGCIL's borrowing programmes) which enables the company raise long-term funds at competitive rates. The ratings also note that majority of the company's transmission lines are a part of the inter-state transmission system (ISTS) network wherein the billing and collection is through point of connection (PoC) mechanism and the licensee does not have direct exposure to a single discom. The Central Transmission Utility (CTU) receives the bills from all ISTS licensees and collects the payments from counterparties (primarily state distribution utilities) that are part of the transmission service agreement (TSA). The timely collection by CTU from state distribution utilities is ensured by a payment security mechanism which comprises a letter of credit for 1.05 times of monthly billing as per the terms of the TSA, regulation of power supply in case of non-payment of dues and the option of invocation of a tripartite agreement among the RBI, Government of India and state governments. PGCIL's cash collections have continued to be strong since 2003-04 and the resultant payment discipline. ICRA believes that the collection efficiency will be sustained going forward.

The ratings are constrained by the counterparty credit risk associated with the exposure to state distribution utilities, majority of which have a weak to moderate financial profile. However, timely issuance of tariff orders, adequate tariff hikes for reduction of revenue gaps and time-bound recovery of the regulatory assets and reduction of distribution loss levels going forward remain imperative for a sustained improvement in the health of the power distribution sector, reducing the counterparty credit risks for entities serving the power sector, including transmission companies such as PGCIL. ICRA has also taken note of the fact that the CTU function has been separated from PGCIL and a new entity, Central Transmission Utility of India Ltd (a subsidiary of PGCIL), has been designated as the CTU from April 2021. This entity will eventually be owned directly by the GoI. ICRA will continue to monitor the developments in this regard. ICRA's ratings consider the fact that new projects are awarded either on a nomination basis or through a tariff-based competitive bidding. The projects awarded through the

competitive bidding process shall not have cost overruns as passthrough in tariffs, resulting in increased business risks in the core business, although the proportion of such assets as a percentage of the total gross block is expected to remain low in the near future. While PGCIL is exposed to project execution risks, this has reduced compared to the earlier years due to the relatively low capital expenditure planned for the coming years.

The Stable outlook on the [ICRA]AAA rating reflects ICRA's opinion that PGCIL will continue to benefit from the cost-plus nature of transmission tariff of majority of its assets, its satisfactory operational performance and receipt of timely payments from its customers, primarily the state distribution utilities.

Please refer to the following link for the previous detailed rationale that captures key rating drivers and their description and rating sensitivities: [Click here](#)

## Liquidity position: Superior

The liquidity of the company is superior, supported by the regulated nature of operations (which allow for adequate recovery of fixed charges, including debt servicing requirements). This is supplemented by the satisfactory operational track record of the company, with line availability higher than normative line availability for recovery of transmission charges, evident in the availability of 99.8% in FY2022. The collection efficiency is aided by the presence of LC and tripartite agreement and was satisfactory at 97.9% in FY2022. The cash generated from operations coupled with the available liquid cash and undrawn limits is expected to remain sufficient to meet the debt repayment obligations. The average undrawn working capital limits were Rs 4,800 crore in the last 12 months ended March 2022. The same is also supported by the company's superior financial flexibility due to its strong parentage and large asset base with stable cost-plus return.

## Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">Rating Methodology for Power Transmission Companies</a> <a href="#">Impact of Parent or Group support on an Entity's Credit Rating</a>
Parent/Group support	The rating derives strength from PGCIL's majority ownership by the Government of India (51.3% as on September 30, 2022) and its role in the power sector in India
Consolidation/Standalone	The rating is based on consolidated financial statements of the company. Details in Annexure-2.

## About the company

Power Grid Corporation of India Limited is a Maharatna CPSU and India's largest electric power transmission company. Gol holds 51.34% shares of the company as on March 31, 2022. PGCIL is also executing several strategically important projects assigned to the company by Government of India on nomination basis. Gol has provided guarantee for some of the loans raised by the company. As on March 31, 2022, the company owned transmission lines of 172,437 ckm and 265 substations with transformation capacity of 474,457 MVA on consolidated basis (including subsidiaries).

### Key financial indicators (audited)

PGCIL Consolidated	FY2021	FY2022	H1 FY2023
Operating income	39,640	41,616	22,056
PAT	11,822	16,746	7,480
OPBDIT/OI	88.5%	87.9%	84.7%
PAT/OI	29.8%	40.2%	33.9%
Total outside liabilities/Tangible net worth (times)	2.70	2.29	2.07
Total debt/OPBDIT (times)	4.17	3.82	3.50
Interest coverage (times)	4.31	4.55	4.50

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; Amount in Rs crore

**Status of non-cooperation with previous CRA: Not applicable**

**Any other information: None**

### Rating history for past three years

	Instrument	Current rating (FY2023)						Chronology of rating history			
		Type	Amount rated	Amount outstanding as on Sep 30, 2022	Date & rating			for the past 3 years			
								Date & rating in FY2022	Date & rating in FY2021		
			(Rs. crore)	(Rs. crore)	6-Jan-23	14-Jun-22	2-May-22	3-May-21	7-Apr-20	27-Sep-19, 1-Nov-19, 3-Feb-2020	3-Jul-19, 9-May-19
1	Long Term Bonds	Long Term	71890.6	71890.6	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)
2	Commercial Paper <sup>^</sup>	Short Term	12000	-	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+
3	Short Term Borrowing programme <sup>^</sup>	Short Term	12000	-	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+
4	Long Term Term loans	Long Term	36,767.96*	36,767.96*	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)
5	Long Term Unallocated	Long Term	5000	-	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)	[ICRA]AAA (Stable)
6	Long Term/Short Term fund based/non fund based <sup>^^</sup>	Long Term/Short Term	5,700.00	-	[ICRA]AAA(Stable)/[ICRA]A1+	[ICRA]AAA(Stable)/[ICRA]A1+	[ICRA]AAA(Stable)/[ICRA]A1+	[ICRA]AAA(Stable)/[ICRA]A1+	[ICRA]AAA(Stable)/[ICRA]A1+	[ICRA]AAA(Stable)/[ICRA]A1+	[ICRA]AAA(Stable)/[ICRA]A1+

Note: \* Outstanding/Sanctioned as on September 30, 2022; <sup>^</sup>Aggregate borrowing under commercial paper and short term borrowing programme capped at Rs 9,000 crore. <sup>^^</sup>Long term/short term fund based/ non fund based limits comprise of Rs 3000.00 crore of cash credit (fund based limits), Rs 1100.00 crore bank guarantee and Rs 1600.00 crore letter of credit. The limits are inter-changeable as per individual sanctions from the banks



## Complexity level of the rated instruments

Instrument	Complexity Indicator
Long Term Bonds	Very Simple
Commercial Paper	Simple
Short Term Borrowing programme	Simple
Long Term Term loans	Very Simple
Long Term Unallocated	Not Applicable
Long Term/Short Term fund based/non fund based	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

**Annexure I: Instrument details**

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Long-term Bond Programme^^	-	-	-	6000.00	[ICRA]AAA (stable)
INE752E07DV7	BOND - XXV ISSUE	12-Jun-07	10.10%	12-Jun-22	88.75	[ICRA]AAA (stable)
INE752E07EH4	BOND - XXVI ISSUE	7-Mar-08	9.30%	7-Mar-23	83.25	[ICRA]AAA (stable)
INE752E07ET9	BOND - XXVII ISSUE	31-Mar-08	9.47%	31-Mar-23	58.75	[ICRA]AAA (stable)
INE752E07FE8	BOND - XXVIII ISSUE	15-Dec-08	9.33%	15-Dec-22	200	[ICRA]AAA (stable)
INE752E07FF5	BOND - XXVIII ISSUE	15-Dec-08	9.33%	15-Dec-23	200	[ICRA]AAA (stable)
INE752E07FQ2	BOND - XXIX ISSUE	12-Mar-09	9.20%	12-Mar-23	108.125	[ICRA]AAA (stable)
INE752E07FR0	BOND - XXIX ISSUE	12-Mar-09	9.20%	12-Mar-24	108.125	[ICRA]AAA (stable)
INE752E07GB2	BOND - XXX ISSUE	29-Sep-09	8.80%	29-Sep-22	194.375	[ICRA]AAA (stable)
INE752E07GC0	BOND - XXX ISSUE	29-Sep-09	8.80%	29-Sep-23	194.375	[ICRA]AAA (stable)
INE752E07GD8	BOND - XXX ISSUE	29-Sep-09	8.80%	29-Sep-24	194.375	[ICRA]AAA (stable)
INE752E07GN7	BOND - XXXI ISSUE	25-Feb-10	8.90%	25-Feb-23	170.625	[ICRA]AAA (stable)
INE752E07GO5	BOND - XXXI ISSUE	25-Feb-10	8.90%	25-Feb-24	170.625	[ICRA]AAA (stable)
INE752E07GP2	BOND - XXXI ISSUE	25-Feb-10	8.90%	25-Feb-25	170.625	[ICRA]AAA (stable)
INE752E07GZ1	BOND - XXXII ISSUE	29-Mar-10	8.84%	29-Mar-23	86.25	[ICRA]AAA (stable)
INE752E07HA2	BOND - XXXII ISSUE	29-Mar-10	8.84%	29-Mar-24	86.25	[ICRA]AAA (stable)
INE752E07HB0	BOND - XXXII ISSUE	29-Mar-10	8.84%	29-Mar-25	86.25	[ICRA]AAA (stable)
INE752E07HK1	BOND - XXXIII ISSUE	8-Jul-10	8.64%	8-Jul-22	240	[ICRA]AAA (stable)
INE752E07HL9	BOND - XXXIII ISSUE	8-Jul-10	8.64%	8-Jul-23	240	[ICRA]AAA (stable)
INE752E07HM7	BOND - XXXIII ISSUE	8-Jul-10	8.64%	8-Jul-24	240	[ICRA]AAA (stable)
INE752E07HN5	BOND - XXXIII ISSUE	8-Jul-10	8.64%	8-Jul-25	240	[ICRA]AAA (stable)
INE752E07HW6	BOND - XXXIV ISSUE	21-Oct-10	8.84%	21-Oct-22	290.625	[ICRA]AAA (stable)
INE752E07HX4	BOND - XXXIV ISSUE	21-Oct-10	8.84%	21-Oct-23	290.625	[ICRA]AAA (stable)
INE752E07HY2	BOND - XXXIV ISSUE	21-Oct-10	8.84%	21-Oct-24	290.625	[ICRA]AAA (stable)
INE752E07HZ9	BOND - XXXIV ISSUE	21-Oct-10	8.84%	21-Oct-25	290.625	[ICRA]AAA (stable)
INE752E07II3	BOND - XXXV ISSUE	31-May-11	9.64%	31-May-23	163.125	[ICRA]AAA (stable)
INE752E07IJ1	BOND - XXXV ISSUE	31-May-11	9.64%	31-May-24	163.125	[ICRA]AAA (stable)
INE752E07IK9	BOND - XXXV ISSUE	31-May-11	9.64%	31-May-25	163.125	[ICRA]AAA (stable)
INE752E07IL7	BOND - XXXV ISSUE	31-May-11	9.64%	31-May-26	163.125	[ICRA]AAA (stable)
INE752E07IS2	BOND - XXXVI ISSUE	29-Aug-11	9.35%	29-Aug-22	206	[ICRA]AAA (stable)
INE752E07IT0	BOND - XXXVI ISSUE	29-Aug-11	9.35%	29-Aug-23	206	[ICRA]AAA (stable)
INE752E07IU8	BOND - XXXVI ISSUE	29-Aug-11	9.35%	29-Aug-24	206	[ICRA]AAA (stable)
INE752E07IV6	BOND - XXXVI ISSUE	29-Aug-11	9.35%	29-Aug-25	206	[ICRA]AAA (stable)
INE752E07IW4	BOND - XXXVI ISSUE	29-Aug-11	9.35%	29-Aug-26	206	[ICRA]AAA (stable)
INE752E07IX2	BOND - XXXVI ISSUE	29-Aug-11	9.35%	29-Aug-27	206	[ICRA]AAA (stable)
INE752E07IY0	BOND - XXXVI ISSUE	29-Aug-11	9.35%	29-Aug-28	206	[ICRA]AAA (stable)
INE752E07IZ7	BOND - XXXVI ISSUE	29-Aug-11	9.35%	29-Aug-29	206	[ICRA]AAA (stable)
INE752E07JA8	BOND - XXXVI ISSUE	29-Aug-11	9.35%	29-Aug-30	206	[ICRA]AAA (stable)
INE752E07JI1	BOND - XXXVII ISSUE	26-Dec-11	9.25%	26-Dec-22	166.25	[ICRA]AAA (stable)
INE752E07JJ9	BOND - XXXVII ISSUE	26-Dec-11	9.25%	26-Dec-23	166.25	[ICRA]AAA (stable)
INE752E07JK7	BOND - XXXVII ISSUE	26-Dec-11	9.25%	26-Dec-24	166.25	[ICRA]AAA (stable)
INE752E07JL5	BOND - XXXVII ISSUE	26-Dec-11	9.25%	26-Dec-25	166.25	[ICRA]AAA (stable)
INE752E07JM3	BOND - XXXVII ISSUE	26-Dec-11	9.25%	26-Dec-26	166.25	[ICRA]AAA (stable)
INE752E07JN1	BOND - XXXVIII ISSUE	9-Mar-12	9.25%	9-Mar-27	855	[ICRA]AAA (stable)
INE752E07JO9	BOND - XXXIX ISSUE	29-Mar-12	9.40%	29-Mar-27	1800	[ICRA]AAA (stable)
INE752E07JV4	BOND - XL ISSUE	28-Jun-12	9.30%	28-Jun-22	333.125	[ICRA]AAA (stable)

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
INE752E07JW2	BOND - XL ISSUE	28-Jun-12	9.30%	28-Jun-23	333.125	[ICRA]AAA (stable)
INE752E07JX0	BOND - XL ISSUE	28-Jun-12	9.30%	28-Jun-24	333.125	[ICRA]AAA (stable)
INE752E07JY8	BOND - XL ISSUE	28-Jun-12	9.30%	28-Jun-25	333.125	[ICRA]AAA (stable)
INE752E07JZ5	BOND - XL ISSUE	28-Jun-12	9.30%	28-Jun-26	333.125	[ICRA]AAA (stable)
INE752E07KA6	BOND - XL ISSUE	28-Jun-12	9.30%	28-Jun-27	333.125	[ICRA]AAA (stable)
INE752E07KH1	BOND - XLI ISSUE	19-Oct-12	8.85%	19-Oct-22	236.875	[ICRA]AAA (stable)
INE752E07KI9	BOND - XLI ISSUE	19-Oct-12	8.85%	19-Oct-23	236.875	[ICRA]AAA (stable)
INE752E07KJ7	BOND - XLI ISSUE	19-Oct-12	8.85%	19-Oct-24	236.875	[ICRA]AAA (stable)
INE752E07KK5	BOND - XLI ISSUE	19-Oct-12	8.85%	19-Oct-25	236.875	[ICRA]AAA (stable)
INE752E07KL3	BOND - XLI ISSUE	19-Oct-12	8.85%	19-Oct-26	236.875	[ICRA]AAA (stable)
INE752E07KM1	BOND - XLI ISSUE	19-Oct-12	8.85%	19-Oct-27	236.875	[ICRA]AAA (stable)
INE752E07KN9	BOND - XLII ISSUE	13-Mar-13	8.80%	13-Mar-23	1990	[ICRA]AAA (stable)
INE752E07KU4	BOND - XLIII ISSUE	20-May-13	7.93%	20-May-23	260.5	[ICRA]AAA (stable)
INE752E07KV2	BOND - XLIII ISSUE	20-May-13	7.93%	20-May-24	260.5	[ICRA]AAA (stable)
INE752E07KW0	BOND - XLIII ISSUE	20-May-13	7.93%	20-May-25	260.5	[ICRA]AAA (stable)
INE752E07KX8	BOND - XLIII ISSUE	20-May-13	7.93%	20-May-26	260.5	[ICRA]AAA (stable)
INE752E07KY6	BOND - XLIII ISSUE	20-May-13	7.93%	20-May-27	260.5	[ICRA]AAA (stable)
INE752E07KZ3	BOND - XLIII ISSUE	20-May-13	7.93%	20-May-28	260.5	[ICRA]AAA (stable)
INE752E07LB2	BOND - XLIV ISSUE	15-Jul-13	8.70%	15-Jul-23	1322	[ICRA]AAA (stable)
INE752E07LC0	BOND - XLIV ISSUE	15-Jul-13	8.70%	15-Jul-28	1322	[ICRA]AAA (stable)
INE752E07LI7	BOND - XLV ISSUE	28-Feb-14	9.65%	28-Feb-23	166.6	[ICRA]AAA (stable)
INE752E07LJ5	BOND - XLV ISSUE	28-Feb-14	9.65%	28-Feb-24	166.6	[ICRA]AAA (stable)
INE752E07LK3	BOND - XLV ISSUE	28-Feb-14	9.65%	28-Feb-25	166.6	[ICRA]AAA (stable)
INE752E07LL1	BOND - XLV ISSUE	28-Feb-14	9.65%	28-Feb-26	166.6	[ICRA]AAA (stable)
INE752E07LM9	BOND - XLV ISSUE	28-Feb-14	9.65%	28-Feb-27	166.6	[ICRA]AAA (stable)
INE752E07LN7	BOND - XLV ISSUE	28-Feb-14	9.65%	28-Feb-28	166.6	[ICRA]AAA (stable)
INE752E07LO5	BOND - XLV ISSUE	28-Feb-14	9.65%	28-Feb-29	166.6	[ICRA]AAA (stable)
INE752E07LQ0	BOND - XLVI ISSUE	4-Sep-14	9.30%	4-Sep-24	1454	[ICRA]AAA (stable)
INE752E07LR8	BOND - XLVI ISSUE	4-Sep-14	9.30%	4-Sep-29	1454	[ICRA]AAA (stable)
INE752E07LW8	BOND - XLVII ISSUE	20-Oct-14	8.93%	20-Oct-22	220	[ICRA]AAA (stable)
INE752E07LX6	BOND - XLVII ISSUE	20-Oct-14	8.93%	20-Oct-23	220	[ICRA]AAA (stable)
INE752E07LY4	BOND - XLVII ISSUE	20-Oct-14	8.93%	20-Oct-24	220	[ICRA]AAA (stable)
INE752E07LZ1	BOND - XLVII ISSUE	20-Oct-14	8.93%	20-Oct-25	220	[ICRA]AAA (stable)
INE752E07MA2	BOND - XLVII ISSUE	20-Oct-14	8.93%	20-Oct-26	220	[ICRA]AAA (stable)
INE752E07MB0	BOND - XLVII ISSUE	20-Oct-14	8.93%	20-Oct-27	220	[ICRA]AAA (stable)
INE752E07MC8	BOND - XLVII ISSUE	20-Oct-14	8.93%	20-Oct-28	220	[ICRA]AAA (stable)
INE752E07MD6	BOND - XLVII ISSUE	20-Oct-14	8.93%	20-Oct-29	220	[ICRA]AAA (stable)
INE752E07MG9	BOND - XLVIII ISSUE	23-Jan-15	8.20%	23-Jan-25	645	[ICRA]AAA (stable)
INE752E07MH7	BOND - XLVIII ISSUE	23-Jan-15	8.20%	23-Jan-30	645	[ICRA]AAA (stable)
INE752E07MJ3	BOND - XLIX ISSUE	9-Mar-15	8.15%	9-Mar-25	435	[ICRA]AAA (stable)
INE752E07MK1	BOND - XLIX ISSUE	9-Mar-15	8.15%	9-Mar-30	435	[ICRA]AAA (stable)
INE752E07MP0	BOND - L ISSUE	27-May-15	8.40%	27-May-23	244	[ICRA]AAA (stable)
INE752E07MQ8	BOND - L ISSUE	27-May-15	8.40%	27-May-24	244	[ICRA]AAA (stable)
INE752E07MR6	BOND - L ISSUE	27-May-15	8.40%	27-May-25	244	[ICRA]AAA (stable)
INE752E07MS4	BOND - L ISSUE	27-May-15	8.40%	27-May-26	244	[ICRA]AAA (stable)
INE752E07MT2	BOND - L ISSUE	27-May-15	8.40%	27-May-27	244	[ICRA]AAA (stable)
INE752E07MU0	BOND - L ISSUE	27-May-15	8.40%	27-May-28	244	[ICRA]AAA (stable)
INE752E07MV8	BOND - L ISSUE	27-May-15	8.40%	27-May-29	244	[ICRA]AAA (stable)

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
INE752E07MW6	BOND - L ISSUE	27-May-15	8.40%	27-May-30	244	[ICRA]AAA (stable)
INE752E07NA0	BOND - LI ISSUE	14-Sep-15	8.40%	14-Sep-22	250	[ICRA]AAA (stable)
INE752E07NB8	BOND - LI ISSUE	14-Sep-15	8.40%	14-Sep-23	250	[ICRA]AAA (stable)
INE752E07NC6	BOND - LI ISSUE	14-Sep-15	8.40%	14-Sep-24	250	[ICRA]AAA (stable)
INE752E07ND4	BOND - LI ISSUE	14-Sep-15	8.40%	14-Sep-25	250	[ICRA]AAA (stable)
INE752E07NE2	BOND - LI ISSUE	14-Sep-15	8.40%	14-Sep-26	250	[ICRA]AAA (stable)
INE752E07NF9	BOND - LI ISSUE	14-Sep-15	8.40%	14-Sep-27	250	[ICRA]AAA (stable)
INE752E07NG7	BOND - LI ISSUE	14-Sep-15	8.40%	14-Sep-28	250	[ICRA]AAA (stable)
INE752E07NH5	BOND - LI ISSUE	14-Sep-15	8.40%	14-Sep-29	250	[ICRA]AAA (stable)
INE752E07NI3	BOND - LI ISSUE	14-Sep-15	8.40%	14-Sep-30	250	[ICRA]AAA (stable)
INE752E07NK9	BOND - LII ISSUE	23-Dec-15	8.32%	23-Dec-25	466	[ICRA]AAA (stable)
INE752E07NL7	BOND - LII ISSUE	23-Dec-15	8.32%	23-Dec-30	466	[ICRA]AAA (stable)
INE752E07NP8	BOND - LIII ISSUE	25-Apr-16	8.13%	25-Apr-23	333	[ICRA]AAA (stable)
INE752E07NQ6	BOND - LIII ISSUE	25-Apr-16	8.13%	25-Apr-24	333	[ICRA]AAA (stable)
INE752E07NR4	BOND - LIII ISSUE	25-Apr-16	8.13%	25-Apr-25	333	[ICRA]AAA (stable)
INE752E07NS2	BOND - LIII ISSUE	25-Apr-16	8.13%	25-Apr-26	333	[ICRA]AAA (stable)
INE752E07NT0	BOND - LIII ISSUE	25-Apr-16	8.13%	25-Apr-27	333	[ICRA]AAA (stable)
INE752E07NU8	BOND - LIII ISSUE	25-Apr-16	8.13%	25-Apr-28	333	[ICRA]AAA (stable)
INE752E07NV6	BOND - LIII ISSUE	25-Apr-16	8.13%	25-Apr-29	333	[ICRA]AAA (stable)
INE752E07NW4	BOND - LIII ISSUE	25-Apr-16	8.13%	25-Apr-30	333	[ICRA]AAA (stable)
INE752E07NX2	BOND - LIII ISSUE	25-Apr-16	8.13%	25-Apr-31	333	[ICRA]AAA (stable)
INE752E07NZ7	BOND - LIV ISSUE	15-Jul-16	7.97%	15-Jul-26	1000	[ICRA]AAA (stable)
INE752E07OA8	BOND - LIV ISSUE	15-Jul-16	7.97%	15-Jul-31	1000	[ICRA]AAA (stable)
INE752E07OB6	BOND - LV ISSUE	21-Sep-16	7.55%	21-Sep-31	1240	[ICRA]AAA (stable)
INE752E07OC4	BOND - LVI ISSUE	18-Oct-16	7.36%	18-Oct-26	1065	[ICRA]AAA (stable)
INE752E07OE0	BOND - LVIII ISSUE	9-Mar-17	7.89%	9-Mar-27	2060	[ICRA]AAA (stable)
INE752E07OF7	BOND – LIX ISSUE	19-Jun-17	7.30%	19-Jun-27	3070	[ICRA]AAA (stable)
INE752E07OG5	BOND – LX ISSUE	9-Aug-17	7.20%	9-Aug-27	3060	[ICRA]AAA (stable)
INE752E08502	BOND – LXI ISSUE	12-Dec-17	7.74%	12-Dec-28	600	[ICRA]AAA (stable)
INE752E08510	BOND – LXI ISSUE	12-Dec-17	7.74%	12-Dec-29	600	[ICRA]AAA (stable)
INE752E08528	BOND – LXI ISSUE	12-Dec-17	7.74%	12-Dec-30	600	[ICRA]AAA (stable)
INE752E08536	BOND – LXI ISSUE	12-Dec-17	7.74%	12-Dec-31	600	[ICRA]AAA (stable)
INE752E08544	BOND – LXI ISSUE	12-Dec-17	7.74%	12-Dec-32	600	[ICRA]AAA (stable)
INE752E07OH3	BOND – LXII ISSUE	7-Jan-19	8.36%	7-Jan-29	2,000.00	[ICRA]AAA (stable)
INE752E08551	GoI Fully serviced bonds	14-Feb-19	8.24%	14-Feb-29	3,487.50	[ICRA]AAA (stable)
INE752E08569	BOND – LXIII ISSUE	15-Jul-19	7.34%	15-Jul-24	600	[ICRA]AAA (stable)
INE752E08577	BOND – LXIII ISSUE	15-Jul-19	7.34%	15-Jul-29	600	[ICRA]AAA (stable)
INE752E08585	BOND – LXIII ISSUE	15-Jul-19	7.34%	15-Jul-34	600	[ICRA]AAA (stable)
INE752E08593	BOND – LXIV ISSUE	25-Oct-19	7.49%	25-Oct-24	756	[ICRA]AAA (stable)
INE752E08601	BOND – LXIV ISSUE	25-Oct-19	7.49%	25-Oct-29	756	[ICRA]AAA (stable)
INE752E08619	BOND – LXIV ISSUE	25-Oct-19	7.49%	25-Oct-34	1008	[ICRA]AAA (stable)
INE752E08627	BOND – LXV ISSUE	8-Jan-20	6.35%	14-Apr-23	200	[ICRA]AAA (stable)
INE752E08635	BOND – LXVI ISSUE	8-Jan-20	7.38%	12-Apr-30	500	[ICRA]AAA (stable)
INE752E08643	BOND – LXVII ISSUE	15-Apr-20	6.85%	15-Apr-25	2800	[ICRA]AAA (stable)
INE752E08650	BOND – LXVIII ISSUE	5-Aug-20	6.28%	11-Apr-31	500	[ICRA]AAA (stable)
INE752E08668	BOND – LXIX ISSUE	25-Mar-22	6.05%	25-Mar-27	529.90	[ICRA]AAA (stable)
NA	Long term unallocated limits	-	-	-	5,000	[ICRA]AAA (stable)

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Long Term Term Loan-1	FY2012	-	FY2027	2275.36	[ICRA]AAA (stable)
NA	Long Term-2	FY2014	-	FY2029	6999.67	[ICRA]AAA (stable)
NA	Long Term Term Loan -3	FY2017	-	FY2032	3000.00	[ICRA]AAA (stable)
NA	Long Term Term Loan -4	FY2018	-	FY2033	4492.93	[ICRA]AAA (stable)
NA	Long Term Term Loan -5	FY2019	-	FY2034	10000.00	[ICRA]AAA (stable)
NA	Long Term Term Loan -6	FY2021	-	FY2036	5000.00	[ICRA]AAA (stable)
NA	Long Term Term Loan -7	FY2023	-	FY2035	5000.00	[ICRA]AAA (stable)
NA	Commercial Paper^	-	-	-	12000	[ICRA]A1+
NA	Short term borrowing programme^	-	-	-	12000	[ICRA]A1+
NA	Long term/ short term fund based/ non fund based limits <sup>##</sup>	-	-	-	5700	[ICRA]AAA (Stable)/[ICRA]A1+

Note: List of outstanding ISIN as on May 31, 2022 and term loan outstanding as on September 30, 2022.

<sup>##</sup>Long term/short term fund based/ non fund based limits comprise of Rs 3000.00 crore of cash credit (fund based limits), Rs 1100.00 crore bank guarantee and Rs 1600.00 crore letter of credit. The limits are inter-changeable as per individual sanctions from the banks

^Commercial Paper and Short term Borrowing programme limits of Rs 12000 crore each, subject to total borrowing from Commercial Paper and short term borrowing at all times shall not exceed Rs 12000 crore. No amount is outstanding against the rated CP/STD programme as on date.

^^The rated long-term bond programme of Rs. 6,000 crore is unplaced as on date.

[Please click here to view details of lender-wise facilities rated by ICRA](#)

## Annexure II: List of entities considered for consolidated analysis

Company Name	PGCIL Ownership	Consolidation Approach
Power Grid Corporation of India Limited	100% (rated entity)	Full Consolidation
Powergrid NM Transmission Limited	100.00%	Full Consolidation
Powergrid Gomti Yamuna Transmission Limited	100.00%	Full Consolidation
Powergrid Narela Transmission Limited	100.00%	Full Consolidation
Powergrid Vemagiri Transmission Limited	100.00%	Full Consolidation
Powergrid Unchahar Transmission Limited	100.00%	Full Consolidation
Powergrid Southern Interconnector Transmission System Limited	100.00%	Full Consolidation
Powergrid Medinipur Jeerat Transmission Limited	100.00%	Full Consolidation
Powergrid Mithilanchal Transmission Limited	100.00%	Full Consolidation
POWERGRID Varanasi Transmission System Limited	100.00%	Full Consolidation
Powergrid Jawaharpur Firozabad Transmission Limited	100.00%	Full Consolidation
Powergrid Khetri Transmission System Limited	100.00%	Full Consolidation
Powergrid Bhind Guna Transmission Limited	100.00%	Full Consolidation
Powergrid Ajmer Phagi Transmission Limited	100.00%	Full Consolidation
Powergrid Fatehgarh Transmission Limited	100.00%	Full Consolidation
Powergrid Bhuj Transmission Limited	100.00%	Full Consolidation
Powergrid Rampur Sambhal Transmission Limited	100.00%	Full Consolidation
Powergrid Meerut Simbhavali Transmission Limited	100.00%	Full Consolidation
Powergrid Himachal Transmission Limited	100.00%	Full Consolidation
Powergrid Ramgarh Transmission Limited	100.00%	Full Consolidation
Powergrid Bhadla Transmission Limited	100.00%	Full Consolidation
Powergrid Sikar Transmission Limited	100.00%	Full Consolidation

Powergrid Bikaner Transmission Limited	100.00%	Full Consolidation
Powergrid Aligarh Sikar Transmission Limited	100.00%	Full Consolidation
Central Transmission Utility of India Limited	100.00%	Full Consolidation
Powergrid Teleservices Limited	100.00%	Full Consolidation
Powergrid Energy Services Limited	100.00%	Full Consolidation
Powergrid Neemuch Transmission Limited	100.00%	Full Consolidation
Powerlinks Transmission Limited	49%	Equity Method
Torrent Power Grid Limited	26%	Equity Method
North East Transmission Company Limited	26%	Equity Method
Parbati Koldam Transmission Company Limited	26%	Equity Method
Teestavalley Power Transmission Limited	30.92%	Equity Method
National High Power Test Laboratory Limited	20%	Equity Method
Energy Efficiency Services Limited	33.33%	Equity Method
Cross Border Power Transmission Company Limited	26%	Equity Method
Bihar Grid Company Limited	50%	Equity Method
Power Transmission Company Nepal Limited	26%	Equity Method
RINL Powergrid TLT Private Limited	50%	Equity Method
Power Transmission Company Nepal Limited	26%	Equity Method
Powergrid Kala Amb Transmission Limited	26%	Equity Method
Powergrid Jabalpur Transmission Limited	26%	Equity Method
Powergrid Warora Transmission Limited	26%	Equity Method
Powergrid Parli Transmission Limited	26%	Equity Method

**Source:** PGCIL; Sep 30, 2022 results of PGCIL

**Note:** ICRA has taken a consolidated view of the parent (PGCIL), its subsidiaries and associates while assigning the ratings

## ANALYST CONTACTS

**Sabyasachi Majumdar**  
+91 124 4545304  
[sabyasachi@icraindia.com](mailto:sabyasachi@icraindia.com)

**Siddhartha Kaushik**  
+91 124 4545323  
[siddhartha.kaushik@icraindia.com](mailto:siddhartha.kaushik@icraindia.com)

**Peeush Middha**  
+91 124 4545330  
[peeush.middha@icraindia.com](mailto:peeush.middha@icraindia.com)

**Girishkumar Kadam**  
+91 22 6114 3441  
[girishkumar@icraindia.com](mailto:girishkumar@icraindia.com)

**Varun Gogia**  
+91 124 4545 319  
[varun.gogia1@icraindia.com](mailto:varun.gogia1@icraindia.com)

## RELATIONSHIP CONTACT

**L. Shivakumar**  
+91 22 6114 3406  
[shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

## MEDIA AND PUBLIC RELATIONS CONTACT

**Ms. Naznin Prodhani**  
Tel: +91 124 4545 860  
[communications@icraindia.com](mailto:communications@icraindia.com)

## Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)  
[info@icraindia.com](mailto:info@icraindia.com)

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For more information, visit [www.icra.in](http://www.icra.in)



## ICRA Limited



### Registered Office

B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001  
Tel: +91 11 23357940-45



### Branches



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## **POWER GRID CORPORATION OF INDIA LIMITED**

Certified True Copy of the Resolution approved at the 220<sup>th</sup> Meeting of Committee of Directors for Bonds of Power Grid Corporation of India Limited held on Friday, 24<sup>th</sup> March, 2023 at 10:00 A.M. at SAUDAMINI, Plot No.2, Sector-29, Gurgaon – 122 001.

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### **Item No. 220.2.1.-**

#### **Raising of Unsecured, Non-convertible, Non-cumulative, Redeemable, Taxable POWERGRID Bonds-LXXII (72<sup>nd</sup>) Issue 2022-23 on Private placement.**

X

X

X

The Committee approved the proposal and passed the following resolution:

1. **“Resolved that** POWERGRID may raise funds upto. Rs. 600 Crore by securitization of cashflows of 10 years i.e, till FY2032-33 of its operational SPV viz., “POWERGRID NM Transmission Limited (PNMTL)” to part finance its capex requirement, for providing Inter Corporate Loan(s) to wholly owned subsidiaries and for general corporate purposes. For the said purpose, following Unsecured, Non-convertible, Non-cumulative, Redeemable, Taxable bonds be issued under private placement:
  - a) POWERGRID Bonds-LXXII (72<sup>nd</sup>) : Issue 2022-23  
Base issue size : Rs. 100 Crore  
Green Shoe option : Rs. 500 Crore  
Total Issue Size : Rs. 600 Crore  
Bid date at EBP Platform : At a suitable date before 31<sup>st</sup> March, 2023  
Tenor : 10 years  
Maturity Date : 10 years from date of issue  
Redeemable : Bonds are redeemable at par in 40 equal installments  
Interest Payment : Quarterly
2. **Resolved that** ED (Fin)/CGM (Fin)/GM (Fin)/DGM (Fin) be and are hereby authorized severally to sign/upload necessary documents as may be required for launching of the issue at Electronic Book Provider (EBP) of BSE.
3. **Resolved that** IDBI Trusteeship Services Ltd be appointed as trustee for the proposed Bond Issues.
4. **Resolved that** draft Placement Memorandum including Term Sheet (Without Coupon Rate, Quantum etc.) and draft trustee agreement is hereby approved and ED (Finance) / CGM(Fin) / GM (Finance) / DGM(Finance) are authorized severally to:
  - Sign and execute the draft trustee agreement with M/s IDBI Trusteeship Services Ltd under the Common Seal of the company, if required as per

the procedure laid down under Articles of Association of Power Grid Corporation of India Limited.

- Make an offer to the eligible investors through EBP Platform of BSE
- Sign Disclosure document(s), Placement Memorandum (PM), Term Sheet, Application Forms, other documents and comply with other formalities and requirement by said exchange.
- Set up the Bonds issuance, make bidding announcement with details of Bid opening date and closing time, details pertaining to the issue, disclosure of estimated cut off yield etc. and to do all such acts and things and take all such steps as may be necessary for setting up and initiating bidding process at EBP in accordance with the "Operating Guidelines for BSE EBP."

5. **Resolved that** Director (Fin)/ED (Fin)/ GM (Fin) be and are hereby authorized to finalize and approve the Bond Trust Deed and other related documents. Further resolved that ED (Fin.) / CGM (Fin) / GM (Fin) / DGM (Fin) are hereby severally authorized to sign and execute the Bond Trust Deed and other related documents.
6. **Resolved that** Director (Fin)/ED (Fin)/CGM (Fin)/GM (Fin)/DGM (Fin) be and are hereby authorized severally to conduct the bidding session including modification to bidding start date/time, if any, extension of bidding window time and to do all such acts and things and take all such steps as may be necessary for completion of the bidding process at EBP, as specified by SEBI/Stock Exchange from time to time.
7. **Resolved that** Director (Fin)/ED (Fin)/GM (Fin) be and are hereby authorized severally to:
  - a) Finalize the coupon rate (cut-off-rate).
  - b) Accept the quantum (for green shoe option) based on system (EBP) determined cut-off-rate.
  - c) to do all such acts and deeds and deal with all such matters and take all such steps as may be necessary for issuance including, minor modifications, alterations, amendments to the proposal, to call off the issue etc.
  - d) to decide the cutoff coupon rate to give on EBP system.
8. **Resolved that** ED (Fin)/CGM (Fin)/GM (Fin)/DGM(Fin), subsequent to acceptance of the Issue at EBP or before, be and hereby authorized severally
  - To apply at National Securities Depository limited (NSDL) / Central Depository Services Limited (CDSL) for allotment of ISIN (s).
  - Sign document(s) (PM, Term Sheet (Incorporating Quantum and Coupon), Application Forms, undertaking etc., if required, and share it with
    - a) Successful bidders as determined by the EBP system.
    - b) NSDL/CDSL to credit securities to the demat account of investor (s) through Registrar and Transfer agent (RTA) on behalf of Issuer.
    - c) BSE and /or NSE for listing at the Wholesale Debt Market (WDM) segment of stock exchanges and release of prevailing

regulatory fees or as amended time to time to designated stock exchange/SEBI.

- d) Empaneled arrangers who have submitted the successful bids for Rs.5 Crore or more, confirming their arranger's status.
  - To do all such acts and deeds and deal with all such matters including payment to depository(ies)/trustee/bankers for allotment of securities & stamp duty (applicable) and take all such steps as may be necessary for post bid procedure, clearing and settlement, allotment, listing and issuance, etc.
9. **Resolved that** Director (Fin)/ED (Fin)/GM (Fin) be and are hereby authorized severally for allotment of Bonds for the base issue size and/or Green shoe option.
10. **Resolved that** common seal of the Company be affixed on any of the documents related to the issue, wherever considered necessary as per procedure laid down in the Articles of Association of POWERGRID.
11. **Resolved that** Company secretary is authorized to file with Registrar of Companies on payment of the prescribed fee, a Placement Memorandum in form PAS-4 and where company is listed, with the Securities and Exchange Board and a return of allotment of securities in form PAS-3, PAS-5 as provided under Companies Act, 2013, also to do all such related acts and deeds necessary for it.

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Certified to be true Copy

Yours faithfully,

  
(Mrinal Shrivastava)  
Company Secretary &  
Compliance Officer

# POWER GRID CORPORATION OF INDIA LIMITED

Extracts from the minutes of the 393<sup>rd</sup> Meeting of Board of Directors of POWERGRID held on Thursday, 17<sup>th</sup> June, 2021 at 04:30 p.m. at POWERGRID Township, Sector 43, Gurugram through Video Conferencing.

Item No.393.2.8:- (Para Nos.393.2.8.1. to 393.2.8.3.)

**Proposal for borrowing of funds of upto Rs.6,000 crore during the FY 2022-23, (excluding borrowing for which BoD approval has already been obtained) through Domestic Bonds / Rupee linked Bonds / Term loans / Term Loan in the form of Line of Credit / ECB / FCB / Multilateral funding / Suppliers' credit / other securities:-**

- 393.2.8.1. It was informed that an amount of Rs.8000 Crore to Rs.10000 Crore have been considered as expected Capital Expenditure (CAPEX) during the Financial Year 2022-23 with a debt equity mix of 70:30. An amount of Rs.5600 to Rs.7000 Crore has been estimated to be deployed as debt and balance from Internal Resources during the Financial Year 2022-23. The Debt includes drawl from multilateral funding / External Commercial Borrowings (ECB) / Suppliers credit / Foreign Currency Committed Loans (FCCL) and balance from Domestic / External / Overseas Sources. Further, it is estimated that after utilizing for CAPEX in 2021-22, approximately, Rs.1500-Rs.2000 crore could be available from the proceeds of PGInVIT for deploying in capex for the year 2022-23. Hence, Rs.5000-6000 crore would get mobilized as debt in the year 2022-23. The estimated fund requirement for 2022-23 has been estimated to be provisional and thus could get revised depending upon the likely capital expenditure. Further any shortfall in funds raised through external sources have to be compensated by raising additional funds through domestic sources.
- 393.2.8.2. It was informed that the subject proposal was submitted for approval of the Board for (i) borrowing of funds of up to Rs.6,000 crore during the financial Year 2022-23 through Domestic Bonds / Rupee linked Bonds / Term loans / Term Loan in the form of Line of Credit / ECB / FCB / Multilateral funding / Suppliers credit / other securities etc. from in or outside India in one or more tranches depending on the requirement of funds, money / capital market conditions and drawl of ECB during the Financial Year 2022-23 for financing of POWERGRID Capital Expenditure, providing Inter Corporate Loan(s) to wholly owned subsidiaries and general corporate purposes and (ii) also to seek approval of shareholders in the ensuing AGM, as per provisions of Sections 23(1)(b), 42 and 71 of Companies Act, 2013 & Rules made there under to raise up to Rs.6,000 crore in domestic market during the Financial year 2022-23 through issue of secured / unsecured, nonconvertible, cumulative/non-cumulative, redeemable, taxable / tax-free debentures (Bonds) under Private Placement.



शृणाल श्रीवास्तव / MRINAL SHRIVASTAVA  
कम्पनी सचिव / Company Secretary  
पावर ग्रिड कॉर्पोरेशन ऑफ इंडिया लिमिटेड  
Power Grid Corporation of India Ltd.  
(भारत सरकार का उद्यम) / (A Govt. of India Enterprise)  
प्लॉट सं०-2, सेक्टर-29, गुरुग्राम-122 001 (हरियाणा)  
Plot No.-2, Sector-29, Gurgaon-122 001 (Haryana)

393.2.8.3. The Board considered the subject proposal & approved the same. The Board passed the following resolutions:

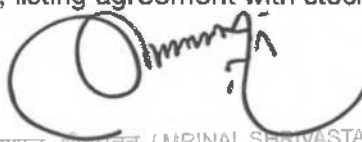
**"RESOLVED THAT** as per the requirement under Section 179(3)(c)/179(3)(d) of the Companies Act, 2013, Board hereby approves, borrowing of funds of upto Rs.6,000 Crore during the financial Year 2022-23, (excluding borrowing for which BoD approval has already been obtained) through Domestic Bonds / Rupee linked Bonds / Term loans / Term Loan in the form of Line of Credit / ECB / FCB / Multilateral funding / Suppliers credit / other securities etc. from in or outside India in one or more tranches and the number of tranches of borrowing will be finalized at a later stage depending on the requirement of funds, money / capital market conditions and drawl of ECB during the Financial Year 2022-23 for financing of POWERGRID Capital Expenditure, providing Inter Corporate Loan(s) to wholly owned subsidiaries and general corporate purposes.

**FURTHER RESOLVED THAT** CMD / Director (Finance) are jointly or severally authorized to raise term loans/Line of Credit in one or more tranches from Nationalized / Scheduled Commercial Banks / Financial Institutions and to negotiate the terms and conditions including rate of interest, fees etc. and to do all such acts and deeds as may be necessary for raising of the said loan(s) including finalization & execution of the loan agreements, security documents for creation of charge, etc. Further, the said delegation includes raising of additional domestic Term Loans / Line of Credit to the extent of shortage in drawl of loan from Multilateral funding / ECB / Suppliers credit / Bonds, within the overall approved borrowing limit fixed for FY 2022-23.

**"FURTHER RESOLVED THAT** CMD/Director (Finance) be and are hereby jointly or severally authorized to raise short-term loan to meet any urgent operational/contractual commitments from Scheduled Commercial Banks and/or from Financial Institutions and to execute the related documents, in person or through sub-delegation. Further, wherever required, Common Seal of the Company be affixed."

**"FURTHER RESOLVED THAT** CMD / the Director (Finance) be and are severally authorized to solicit professional services of the rating agencies including payment of fees there to and to authorize any other executive of the company of the level of DGM and above to do all such acts and deeds and take all necessary action as may be necessary.

**"FURTHER RESOLVED THAT** the CMD / the Director(Finance) / ED (Finance) or any other executive of the company of the level of DGM and above authorized by the CMD or the Director (Finance) be and are severally authorized to do all such acts and deeds and take all necessary action as may be necessary for the issue / allotment of Bonds and to finalize & execute the Bonds Trust Deeds, Deed of Hypothecation/Negative lien, Trustee Agreement or any other documents for creation of security & registration thereof with Registrar of Companies, listing agreement with stock exchange and other



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कम्पनी सचिव / Company Secretary  
पावर ग्रिड कॉर्पोरेशन ऑफ इंडिया लिमिटेड  
Power Grid Corporation of India Ltd.  
(भारत सरकार का उद्यम) / (A Govt. of India Enterprise)  
प्लॉट सं०-2, सेक्टर-29, गुरुगांव-122 001 (हरियाणा)  
Plot No.-2, Sector-29, Gurgaon- 122 001 (Haryana)

necessary documents connected with the issue of such Bonds under the Common Seal of the Company wherever considered necessary."

**"FURTHER RESOLVED THAT** the Committee of Directors for Bonds may engage Merchant Bankers/ Arrangers for raising of bonds for the year 2022-23 by POWERGRID on private placement basis/public issue from the domestic market."

**"FURTHER RESOLVED THAT** the domestic bonds may be listed in National Stock Exchange and/ or BSE Ltd. or any other stock exchange as may be approved by the CMD or the Director (Finance)."

**"FURTHER RESOLVED THAT** the salient points viz. amount of Bonds/Loan (including short-term / additional loan) raised, rate of interest, repayment period, negative lien, etc. be placed before the Board for information."

**"FURTHER RESOLVED THAT** in case of term loan/short-term loan/line of credit a certified copy of above resolution be furnished to the Banks/financial Institutions and they may be requested to act thereupon."

**Board Resolutions for Obtaining Shareholders approval:**

**"RESOLVED THAT** the following resolutions be and are hereby approved by the Board for seeking approval of the shareholders in the 32<sup>nd</sup> Annual General Meeting by Special Resolution:-

- (i) **"RESOLVED THAT** pursuant to Sections 23(1)(b), 42 and 71 of Companies Act, 2013 read with Rule 14(2) of Companies (Prospectus and Allotment of Securities) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 as amended, Securities and Exchange Board of India (SEBI) rules and regulations, including SEBI (Issue and Listing of Debt Securities) Regulations, 2008, as amended, or provisions of any other applicable law, and the Memorandum and Articles of Association of the Company, approval be and is hereby granted to raise up to Rs.6,000 Crore in domestic market during the Financial year 2022-23 for financing of capital expenditure, providing Inter Corporate Loan(s) to wholly owned subsidiaries, other purposes as may be approved by Board of Directors / Committee of Directors for Bonds and for general corporate purposes, in one or more tranches but not exceeding twenty tranches / offers through issue of secured / unsecured, nonconvertible, cumulative/non-cumulative, redeemable, taxable / tax-free debentures ("Bonds") under Private Placement "
- (ii) **"RESOLVED FURTHER THAT** the Board of Directors / Committee of Directors for Bonds / such official(s) as may be authorized by Board of Directors / Committee of Directors for Bonds, be and are hereby authorized and it shall always be deemed to have been so authorized to finalize detailed terms and conditions of each issue / tranche of Bonds, Issue programme of Bonds, deposit / pay fees, execute and



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कम्पनी सचिव / Company Secretary  
पावर ग्रिड कॉर्पोरेशन ऑफ इंडिया लिमिटेड  
Power Grid Corporation of India Ltd.  
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Plot No.-2, Sector-29, Gurgaon- 122 001 (Haryana)




deliver / file such offer letter, document(s), deed(s) and writing(s), etc. as may be required and to do all such other acts, deeds and things as may be necessary for raising funds up to Rs.6,000 Crore during the Financial Year 2022-23 from domestic sources through Private Placement of secured / unsecured, non-convertible, cumulative/non-cumulative, redeemable, taxable / tax-free Bonds in one or more tranches but not exceeding twenty tranches / offers."

"RESOLVED FURTHER THAT the Director (Finance)/Company Secretary be and is hereby authorized to carry out minor modifications, if any, and to do all such acts, deeds and things as may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution(s)."

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Certified to be True copy



मृणाल श्रीवास्तव / MRINAL SHRIVASTAVA  
कम्पनी सचिव / Company Secretary  
पावर ग्रीड कॉर्पोरेशन ऑफ़ इंडिया लिमिटेड  
Power Grid Corporation of India Ltd.  
(भारत सरकार का उद्यम) / (A Govt. of India Enterprise)  
प्लॉट सं०-2, सेक्टर-29, गुरुग्राम-122 001 (हरियाणा)  
Plot No -2, Sector-29, Gurgaon-122 001 (Haryana)

**POWER GRID CORPORATION OF INDIA LIMITED**

**EXTRACT FROM THE MINUTES OF THE 32<sup>ND</sup> ANNUAL GENERAL MEETING OF  
POWER GRID CORPORATION OF INDIA LIMITED HELD ON FRIDAY, 24<sup>TH</sup> DAY  
OF SEPTEMBER, 2021 AT 11:00 A.M. (IST) THROUGH VIDEO  
CONFERENCING("VC") / OTHER AUDIO-VISUAL MEANS ("OAVM")**

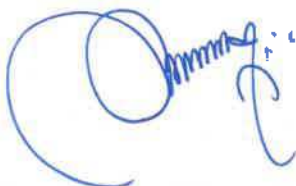
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**Item No. 8**

**Special Resolution:**

**To raise funds up to Rs. 6,000 Crore, from domestic market through issue of secured / unsecured, non-convertible, noncumulative/cumulative, redeemable, taxable / tax-free Debentures/Bonds under Private Placement during the Financial Year 2022-23 in upto twenty tranches/offers**

- i. "RESOLVED THAT pursuant to Sections 23(1)(b), 42 and 71 of Companies Act, 2013 read with Rule 14(2) of Companies (Prospectus and Allotment of Securities) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 as amended, Securities and Exchange Board of India (SEBI) rules and regulations, including SEBI (Issue and Listing of Debt Securities) Regulations, 2008, as amended, or provisions of any other applicable law, and the Memorandum and Articles of Association of the Company, approval be and is hereby granted to raise up to Rs.6,000 Crore in domestic market during the Financial year 2022-23 for financing of capital expenditure, providing Inter Corporate Loan(s) to wholly owned subsidiaries, other purposes as may be approved by Board of Directors / Committee of Directors for Bonds and for general corporate purposes, in one or more tranches but not exceeding twenty tranches / offers through issue of secured / unsecured, non-convertible, cumulative/non-cumulative, redeemable, taxable / tax-free debentures ("Bonds") under Private Placement."
- ii. "RESOLVED FURTHER THAT the Board of Directors / Committee of Directors for Bonds / such official(s) as may be authorized by Board of Directors / Committee of Directors for Bonds, be and are hereby authorized and it shall always be deemed to have been so authorized to finalize detailed terms and conditions of each issue / tranche of Bonds, Issue programme of Bonds, deposit / pay fees, execute and deliver / file such offer letter, document(s), deed(s) and writing(s), etc. as may be required and to do all such other acts, deeds and things as may be necessary for raising funds up to Rs.6,000 Crore during the Financial Year 2022-23 from domestic sources through Private Placement of secured / unsecured, non-convertible, cumulative / non-cumulative, redeemable, taxable / tax-free Bonds in one or more tranches but not exceeding twenty tranches / offers."



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- iii. "RESOLVED FURTHER THAT the Director (Finance) / Company Secretary be and is hereby authorized to carry out minor modifications, if any, and to do all such acts, deeds and things as may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution(s).

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Certified to be true copy

  
Mrinal Shrivastava  
Company Secy- POWERGRID

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**POWER GRID CORPORATION OF INDIA LIMITED**

**EXTRACTS FROM THE MINUTES OF 28<sup>th</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF POWER GRID CORPORATION OF INDIA LIMITED HELD ON TUESDAY, 19<sup>th</sup> SEPTEMBER, 2017 AT 11:00 A.M. AT "MANEKSHAW CENTRE, PARADE ROAD, DELHI CANTT., NEW DELHI - 110 010".**

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**Enhancement of Borrowing Limits from ₹1,50,000 Crore to ₹1,80,000 Crore.**

- (i) "RESOLVED THAT in supersession of Resolution passed for enhancing the borrowing powers to ₹1,50,000 Crore, approval for which was obtained from the Shareholders of the Company in the 26<sup>th</sup> Annual General Meeting held on 15<sup>th</sup> September 2015, the consent of the shareholders of the Company be and is hereby accorded to the Board of Directors, under section 180(1)(c) of the Companies Act, 2013 ("the Act") and other applicable provisions, if any, of the Act and the Articles of Association of the Company for borrowings, whether by way of Term Loan/Equipment Finance/Cash Credit Facilities or the like from time to time any sum or sums of money at its discretion from National/International Financial Institutions/Banks or from Public/Bodies Corporate or from Government Body/Corporation or Government of India or by way of issue of Bonds/Rupee Linked Bonds / other securities from Domestic/International/Overseas sources, on such terms and conditions and with or without security as the Board of Directors may think fit, which together with moneys already borrowed by the Company (apart from the temporary loans obtained from the Bankers of the Company in the ordinary course of business) shall not exceed in aggregate at any time ₹1,80,000 Crore (Rupees One Lakh Eighty Thousand Crore Only) irrespective of the fact that such aggregate amount of borrowings outstanding at any one time may exceed the aggregate for the time being of the Paid Up Capital of the Company and its Free Reserves.
- (ii) RESOLVED FURTHER THAT pursuant to the provisions of Section 180(1)(a) of the Act, and other applicable provisions, if any, of the Act, consent of the Shareholders of the Company be and is hereby accorded to the Board of Directors of the Company, to mortgage and/or create charge on all or any one or more of the movable/immovable properties or such other assets of the Company, whosoever situated, both present and future, on such terms and conditions and at such time or times and in such form or manner as it may deem fit, to or in favor of National / International Financial Institutions / Banks / Multilateral, Bilateral Institutions etc. hereinafter referred as "the Lenders" and Trustees to the Lenders & Bondholders to secure any Term Loans/Cash Credit Facilities/Debentures/Bonds/Rupee Linked Bonds/other securities or the like, obtained/to be obtained from any of the aforesaid lenders together with interest thereon at the respective agreed rate(s), compound interest, additional interest, liquidated damage(s), commitment charge(s), premia on prepayment or on redemption, cost(s), charge(s), expenses and all other monies payable by the Company to such Lender(s) under the respective loan/other agreement(s) entered/to be entered into between the Company and the Lender(s) in respect of said borrowing(s), such security to rank in such manner as may be agreed to between the concerned parties and as may be thought expedient by the Board.

*Shandor*

(iii) RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized and it shall always be deemed to have been so authorized to finalise and execute with the Lenders/Trustees the requisite agreement, documents, deeds and writing for borrowing and/or for creating the aforesaid mortgage(s) and/or charge(s) and to do all such other acts, deeds and things as may be necessary to give effect to the above resolutions.

(iv) RESOLVED FURTHER THAT the Director (Finance)/Company Secretary be and is hereby authorized to carry out minor modifications, if any, and to do all such acts, deeds and things as may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution(s)."

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DIVYA TANDON  
GM - Company Secretary  
POWERGRID

**Power Grid Corporation of India Ltd. (A Govt. of India Enterprise)**

CIN : L40101DL1989GOI038121

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

**Statement of Standalone Audited Financial Results for the Quarter and Year ended 31.03.2020**

(₹ in Crore)

Sl. No.	Particulars	Quarter ended			Year ended	
		31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
		(Un-audited)	(Un-audited)	(Un-audited)	(Audited)	(Audited)
I	Revenue From Operations	9704.47	8991.98	9218.08	36185.54	34119.12
II	Other Income	705.05	504.92	392.16	2132.43	1498.95
III	<b>Total Income (I+II)</b>	<b>10409.52</b>	<b>9496.90</b>	<b>9610.24</b>	<b>38317.97</b>	<b>35618.07</b>
IV	<b>EXPENSES</b>					
	Employee benefits expense	497.74	479.10	403.55	1959.47	1783.57
	Finance costs	2604.35	2474.04	2365.99	9813.62	9091.42
	Depreciation and amortization expense	2863.56	2802.41	2597.04	11073.18	10200.67
	Other expenses	1134.58	636.64	1021.11	2824.35	3053.43
	<b>Total expenses (IV)</b>	<b>7100.23</b>	<b>6392.19</b>	<b>6387.69</b>	<b>25670.62</b>	<b>24129.09</b>
V	<b>Profit before Tax and Regulatory Deferral Account Balances (III-IV)</b>	<b>3309.29</b>	<b>3104.71</b>	<b>3222.55</b>	<b>12647.35</b>	<b>11488.98</b>
VI	Tax expense:					
	Current tax - Current Year	530.39	523.84	757.09	2108.83	2489.43
	- Earlier Years	121.91	0.00	0.00	121.91	0.00
	Deferred tax	450.07	269.47	(6013.86)	1288.83	(3465.87)
		<b>1102.37</b>	<b>793.31</b>	<b>(5256.77)</b>	<b>3519.57</b>	<b>(976.44)</b>
VII	Profit for the period before Regulatory Deferral Account Balances (V-VI)	2206.92	2311.40	8479.32	9127.78	12465.42
VIII	Net movement in Regulatory Deferral Account Balances-Income/(Expenses)(net of tax)	975.74	362.09	(5425.36)	1683.40	(2526.87)
IX	<b>Profit for the period (VII+VIII)</b>	<b>3182.66</b>	<b>2673.49</b>	<b>3053.96</b>	<b>10811.18</b>	<b>9938.55</b>
X	<b>Other Comprehensive Income</b>					
	Items that will not be reclassified to profit or loss(net of tax)	(65.22)	(5.87)	(35.17)	(104.02)	(16.30)
XI	<b>Total Comprehensive Income for the period (IX+X)</b>	<b>3117.44</b>	<b>2667.62</b>	<b>3018.79</b>	<b>10707.16</b>	<b>9922.25</b>
XII	Paid up Equity Share Capital (Face value of share : ₹ 10/- each)	5231.59	5231.59	5231.59	5231.59	5231.59
XIII	Reserves (excluding Revaluation Reserve) as per balance sheet				59208.10	53785.55
XIV	Net Worth				64439.69	59017.14
XV	Paid up Debt Capital				144979.64	141786.36
XVI	Bonds Redemption Reserve				8638.92	9884.80
XVII	Earnings per equity share including movement in Regulatory Deferral Account Balances (Face value of ₹10/- each): Basic & Diluted (In ₹)	6.09	5.11	5.84	20.67	19.00
XVIII	Earnings per equity share excluding movement in Regulatory Deferral Account Balances (Face value of ₹10/- each): Basic & Diluted (In ₹)	4.22	4.42	16.21	17.45	23.83
XIX	Debt Equity Ratio				69:31	71:29
XX	Debt Service Coverage Ratio (DSCR)				1.69	1.67
XXI	Interest Service Coverage Ratio (ISCR)				3.73	3.45

Refer accompanying notes to the financial results.





**Power Grid Corporation of India Limited (A Govt. of India Enterprise)**

CIN : L40101DL1989GOI038121

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

**Statement of Standalone Assets and Liabilities**

(₹ in Crore)

	Particulars	As at 31 March 2020 (Audited)	As at 31 March 2019 (Audited)
<b>A.</b>	<b>ASSETS</b>		
<b>1</b>	<b>Non-current assets</b>		
	(a) Property, plant & equipment	168339.02	162266.88
	(b) Capital work-in-progress	30180.08	33364.02
	(c) Investment Property	0.03	0.03
	(d) Intangible assets	1497.41	1593.10
	(e) Intangible assets under development	219.55	214.06
	(f) Financial assets		
	(i) Investments	3763.66	2756.53
	(ii) Loans	12783.75	10708.99
	(iii) Other non-current financial assets	4106.80	4548.37
	(g) Other non-current assets	6127.18	5065.44
		<b>227017.48</b>	<b>220517.42</b>
<b>2</b>	<b>Current assets</b>		
	(a) Inventories	1400.56	1226.28
	(b) Financial assets		
	(i) Trade receivables	4867.90	4649.80
	(ii) Cash and cash equivalents	4795.67	3643.14
	(iii) Bank balances other than Cash and cash equivalents	598.83	688.90
	(iv) Loans	696.87	416.87
	(v) Other current financial assets	5828.84	6918.54
	(c) Other current assets	220.45	328.78
		<b>18409.12</b>	<b>17872.31</b>
<b>3</b>	<b>Regulatory Deferral Account Balances</b>	<b>10123.06</b>	<b>8083.27</b>
	<b>TOTAL ASSETS</b>	<b>255549.66</b>	<b>246473.00</b>
<b>B.</b>	<b>EQUITY AND LIABILITIES</b>		
<b>1</b>	<b>Equity</b>		
	(a) Equity Share capital	5231.59	5231.59
	(b) Other Equity	59208.10	53785.55
		<b>64439.69</b>	<b>59017.14</b>
<b>2</b>	<b>Liabilities</b>		
<b>(i)</b>	<b>Non-current liabilities</b>		
	(a) Financial Liabilities		
	(i) Borrowings	135421.11	131039.51
	(ii) Other non-current financial liabilities	3515.63	3897.44
	(b) Provisions	424.71	368.15
	(c) Deferred tax liabilities (Net)	11381.85	10093.02
	(d) Other non-current liabilities	361.04	486.57
		<b>151104.34</b>	<b>145884.69</b>
<b>(ii)</b>	<b>Current liabilities</b>		
	(a) Financial liabilities		
	(i) Borrowings	3000.00	4300.00
	(ii) Trade payables		
	(a) total outstanding dues of micro enterprises and small enterprises	11.59	33.27
	(b) total outstanding dues of creditors other than micro enterprises and small enterprises.	214.13	330.84
	(iii) Other current financial liabilities	20831.62	22886.18
	(b) Other current liabilities	4267.54	3863.26
	(c) Provisions	741.95	700.59
	(d) Current tax liabilities (net)	22.78	-
		<b>29089.61</b>	<b>32114.14</b>
<b>3</b>	<b>Deferred Revenue</b>	<b>10916.02</b>	<b>9457.03</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>255549.66</b>	<b>246473.00</b>





**Power Grid Corporation of India Limited (A Govt. of India Enterprise)**

CIN : L40101DL1989GOI038121

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

**Statement of Standalone Cash flows**

(₹ in Crore)

Sl. No.	Particulars	For the Year ended	
		31 March 2020	31 March 2019
		(Audited)	(Audited)
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Profit Before Tax & Regulatory Deferral Account Balances	12,647.35	11,488.98
	Add: Net movement in Regulatory Deferral Account Balances (net of tax)	1,683.40	(2,526.87)
	Add: Tax on Net movement in Regulatory Deferral Account Balances	356.39	(694.08)
	<b>Profit Before Tax (including net movement in Regulatory Deferral Account Balances)</b>	<b>14,687.14</b>	<b>8,268.03</b>
	<b>Adjustment for :</b>		
	Depreciation & amortization expenses	11,073.18	10,200.67
	Transfer from Grants in Aid	(260.25)	(70.77)
	Deferred revenue - Advance against Depreciation	(152.65)	(180.64)
	Provisions	6.34	408.70
	Changes in fair value of financial assets through profit or loss	(39.85)	(6.97)
	Net Loss on Disposal / Write off of Property, Plant & Equipment	17.20	25.58
	Deferred Foreign Currency Fluctuation Asset	(1,572.74)	(941.06)
	Deferred Income from Foreign Currency Fluctuation	1,637.95	1,056.50
	Regulatory Deferral Account Debit Balances	(2,039.79)	3,220.95
	Finance Costs	9,813.62	9,091.42
	Provisions Written Back	(147.56)	(28.25)
	FERV loss / (gain)	(0.31)	(0.16)
	Interest income on Deposits, Bonds and loans to Subsidiaries & JVs	(1,088.35)	(846.55)
	Dividend income	(303.02)	(149.78)
		<b>16,943.77</b>	<b>21,779.64</b>
	<b>Operating profit before Changes in Assets and Liabilities</b>	<b>31,630.91</b>	<b>30,047.67</b>
	<b>Adjustment for Changes in Assets and Liabilities:</b>		
	(Increase)/Decrease in Inventories	(169.43)	(172.23)
	(Increase)/Decrease in Trade Receivables	(196.44)	(1,300.17)
	(Increase)/Decrease in Other Financial Assets	1,615.44	(5,985.66)
	(Increase)/Decrease in Other Non-current Assets	(48.48)	(92.33)
	(Increase)/Decrease in Other Current Assets	108.33	206.78
	Increase/(Decrease) in Liabilities & Provisions	(934.48)	2,646.83
		<b>374.94</b>	<b>(4,696.78)</b>
	<b>Cash generated from operations</b>	<b>32,005.85</b>	<b>25,350.89</b>
	Direct taxes paid	(2,475.75)	(2,201.97)
	<b>Net Cash from Operating Activities</b>	<b>29,530.10</b>	<b>23,148.92</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Property, Plant & Equipment and Capital Work in Progress (Including Advances for Capital Expenditure)	(8,006.12)	(19,462.03)
	Receipt of Grant	233.94	3,684.53
	Investments in Subsidiaries & JVs	(1,056.47)	(1,166.44)
	Loans & Advances to Subsidiaries & JVs (Including repayments)	(2,262.33)	(2,770.73)
	Lease receivables	(13.82)	10.21
	Interest received on Deposits, Bonds and Loans to Subsidiaries & JVs	1,136.20	906.23
	Dividend received	303.02	149.78
	<b>Net Cash used in Investing Activities</b>	<b>(9,665.58)</b>	<b>(18,648.45)</b>
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds from Borrowings		
	Non Current	10,325.96	19,489.58
	Current	18,020.00	17,420.00
	Repayment of Borrowings		
	Non Current	(10,765.64)	(9,495.60)
	Current	(19,320.00)	(14,120.00)
	Adjustment for Fair Valuation of Long Term Loans	12.80	22.96
	Repayment of Lease Liabilities (Including interest)	(4.23)	-
	Finance Costs paid	(11,696.27)	(10,266.04)
	Dividend paid	(4,425.92)	(4,514.87)
	Dividend Tax paid	(858.69)	(909.57)
	<b>Net Cash used in Financing Activities</b>	<b>(18,711.99)</b>	<b>(2,373.54)</b>
<b>D.</b>	<b>Net change in Cash and Cash equivalents (A+B+C)</b>	<b>1,152.53</b>	<b>2,126.93</b>
<b>E.</b>	<b>Cash and Cash equivalents (Opening balance)</b>	<b>3,643.14</b>	<b>1,516.21</b>
<b>F.</b>	<b>Cash and Cash equivalents (Closing balance)*</b>	<b>4,795.67</b>	<b>3,643.14</b>

\* Includes ₹ 4658.85 crore (Previous Year ₹ 3471.01 crore) held in designated accounts which is not available for use by the Company.



**Power Grid Corporation of India Ltd. (A Govt. of India Enterprise)**

CIN : L40101DL1989GOI038121

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

**Statement of Standalone Segment wise Revenue, Results, Assets and Liabilities  
for the Quarter and Year ended 31 March 2020**

(₹ in Crore)

	Particulars	Quarter ended			Year ended	
		31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
		(Un-Audited)	(Un-Audited)	(Un-audited)	(Audited)	(Audited)
<b>A.</b>	<b>Segment Revenue (including allocable Other Income)</b>					
	- Transmission	9600.44	8813.70	8983.79	35562.96	33317.17
	- Consultancy	174.10	144.01	169.09	618.02	615.74
	- Telecom	191.58	197.97	192.78	782.23	742.08
	<b>Total</b>	<b>9966.12</b>	<b>9155.68</b>	<b>9345.66</b>	<b>36963.21</b>	<b>34674.99</b>
	Less: Inter Segment Revenue	8.96	20.69	19.08	69.94	73.88
	<b>Total Revenue including Other Income</b>	<b>9957.16</b>	<b>9134.99</b>	<b>9326.58</b>	<b>36893.27</b>	<b>34601.11</b>
<b>B.</b>	<b>Segment Results</b>					
	<b>Profit before Interest and Tax</b>					
	- Transmission	6466.70	5482.37	(1099.70)	22369.95	15652.94
	- Consultancy	79.82	60.17	85.78	277.00	295.65
	- Telecom	97.07	113.05	101.37	429.11	393.90
	<b>Total Profit before Interest and Tax</b>	<b>6643.59</b>	<b>5655.59</b>	<b>(912.55)</b>	<b>23076.06</b>	<b>16342.49</b>
	<b>Add:</b>					
	Other unallocated income	452.36	361.91	283.66	1424.70	1016.96
	<b>Less :</b>					
	Unallocated interest and finance charges	2604.35	2474.04	2365.99	9813.62	9091.42
	<b>Profit before Tax (including Regulatory Deferral Account Balances)</b>	<b>4491.60</b>	<b>3543.46</b>	<b>(2994.88)</b>	<b>14687.14</b>	<b>8268.03</b>
<b>C.</b>	<b>Segment Assets</b>					
	- Transmission	199636.30	194869.63	190893.00	199636.30	190893.00
	- Consultancy	3269.56	3402.72	2586.55	3269.56	2586.55
	- Telecom	1161.54	1030.57	999.71	1161.54	999.71
	- Unallocated Assets	51482.26	54777.64	51993.74	51482.26	51993.74
	<b>Total Segment Assets</b>	<b>255549.66</b>	<b>254080.56</b>	<b>246473.00</b>	<b>255549.66</b>	<b>246473.00</b>
<b>D.</b>	<b>Segment Liabilities</b>					
	- Transmission	14930.71	13520.39	13099.71	14930.71	13099.71
	- Consultancy	3850.16	3728.18	3357.64	3850.16	3357.64
	- Telecom	538.88	566.94	660.41	538.88	660.41
	- Unallocated Liabilities	171790.22	171222.84	170338.10	171790.22	170338.10
	<b>Total Segment Liabilities</b>	<b>191109.97</b>	<b>189038.35</b>	<b>187455.86</b>	<b>191109.97</b>	<b>187455.86</b>

**Notes:**

The operations of the Company are mainly carried out within the country and therefore, geographical segments are not applicable.





### Notes to Standalone financial results:

1. The audited Standalone Financial Results are subject to review by the Comptroller and Auditor General of India under section 143(6) of the Companies Act, 2013.
2. (a) In exercise of powers u/s 178 of the Electricity Act 2003, Central Electricity Regulatory Commission (CERC) has notified "CERC (Terms and Conditions of Tariff) Regulations, 2019" vide order dated 7<sup>th</sup> March, 2019 for the determination of transmission tariff for the block period 2019-24.  
  
(b) Pending filing of petitions and issue of tariff orders by CERC, income on account of Transmission Charges for the current year has been provisionally recognized based on the transmission tariff norms applicable for the block period 2019-24. During the current year, the beneficiaries are being billed in accordance with the tariff approved and applicable as on 31.03.2019 as provided in the CERC (terms and Conditions of tariff) Regulations, 2019. However, in the previous year, ₹27,229.59crore was recognised as per final tariff orders issued by CERC for block period 2014-19 and ₹5,387.40crore was recognised in respect of transmission assets for which final tariff orders were yet to be issued as per CERC Tariff Regulations and other orders in similar cases.  
  
(c) Consequent to the final order issued by CERC (for the block period 2014-19), transmission income includes ₹173.30crore (increase) (Previous Year ₹285.42crore (increase)) pertaining to earlier years.  
  
(d) Revenue from transmission decreased by ₹613.08crore for the year ended 31.03.2020 due to change in MAT rate from 18.5% to 15% considered for grossing up of Return on Equity (ROE) as per CERC Regulations in accordance with the amendment in section 115JB of the Income Tax Act, 1961 announced by Government of India through Taxation Laws (Amendment) ordinance, 2019.
3. During the year, the Company has paid an interim dividend of ₹ 5.96 per share (face value ₹10/- each) for the year 2019-20. The Board of Directors has recommended final dividend of ₹ 4.04 per share (face value ₹10/- each). The total dividend (including interim dividend) for the financial year 2019-20 is ₹ 10.00 per share (face value ₹10/- each).
4. The Company has adopted Ind AS 116 'Leases' effective 1<sup>st</sup> April 2019, using modified retrospective approach and therefore the comparatives have not been restated. On the date of initial application, the lease liability has been measured at the present value of the remaining lease payments and Right of use assets has been recognized at an amount equal to the lease liabilities. Application of Ind AS 116 does not have any material impact on the financial results of the Company.
5. The company holds National Long distance (NLD) and Internet Service Provider (ISP) licenses and is regularly paying the applicable license fee to DoT. The company has received additional demand of license fee amounting to ₹ 44039.23 crore (including penalty and interest up to 31.03.2020) for previous periods in respect of the above licenses by adding non-telecom revenue i.e., revenue related to transmission and consultancy as "Miscellaneous income" in Adjusted Gross Revenue (AGR).

In the light of judgment dated 24.10.2019 of Hon'ble Supreme Court on the dispute between DoT and Telecom Service Providers (TSPs) regarding interpretation of AGR, DoT vide communication dated 05.12.2019 requested submission of a comprehensive representation since all the demands are being re-examined w.r.t. the Hon'ble Supreme Court Judgement. The company has represented to DoT stating inter-alia that the demands raised are not sustainable either in law or on facts as the nature of license in case of telecom service providers is different and distinct from the licenses given to the company.

The Hon'ble Supreme Court vide its order dated 11.06.2020 has also observed that the licenses of Public Sector Undertakings (PSUs) are different and their judgment in the case between DoT and TSPs could not have been made



the basis for raising the demand against the PSUs. The Hon'ble Supreme court has further ordered that the Department of Telecom should reconsider the demand that has been sprung and report compliance of the action taken.

In view of the above and based upon legal advice received, the management is of the opinion that the aforesaid demands are not payable by the Company.

6. 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 CERC Tariff Regulations which provide for recovery of the annual transmission charges based on system availability.

Due to the COVID pandemic, a lockdown was announced by the Government of India effective from 25th March 2020. As per the Government guidelines, transmission units and services were exempted from the lockdown. The Company has issued guidelines and protocols to be followed by its various units for the operation and maintenance of its transmission network during the pandemic. The Company has also implemented digital solutions such as e-office, ERP systems, Virtual Private Network, Video Conferencing etc. to facilitate Work from Home of its employees. Due to the various steps taken by the Company, 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 March 31, 2020.

There has been no material impact on the operations or profitability of the company during the financial year due to the pandemic. Due to the lockdown, there has been a general fall in the demand for electricity in the country and the revenue realisation of the distribution utilities has been adversely impacted. As a result, delay in realisation of transmission charges from the customers is expected in the next financial year. The Government of India has announced measures to facilitate the liquidation of outstanding dues of the utilities to the generators and transmission licensees which are expected to facilitate the realisation of the company's trade receivables. Further, the company has adequate credit limits and strong credit ratings to mobilise the required short term funds for its operations including for meeting its debt service obligations. The Company has also approved a consolidated one-time rebate of ₹ 1,075 crore to the DISCOMs and Power Departments of States / Union Territories against the billing of April'20 and May'20.

The Company has made an assessment of 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 investments 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.

7. Provision for taxes, employee benefits and other provisions for contingencies have been considered on estimated basis.
8. Some balances of Trade Receivables and recoverable shown under Assets and Trade and Other Payables shown under Liabilities include balances subject to confirmation/ reconciliation and consequential adjustments if any. However, reconciliations are carried out on ongoing basis. The management does not expect any material adjustment in the books of accounts as a result of the reconciliation.





9. Formula used for computation of coverage ratios  $DSCR = \frac{\text{Earnings before Interest, Depreciation and Tax}}{(\text{Interest \& Finance Charges net of amount transferred to expenditure during construction} + \text{Principal Repayment})}$  and  $ISCR = \frac{\text{Earnings before Interest, Depreciation and Tax}}{(\text{Interest \& Finance Charges net of amount transferred to expenditure during construction})}$ .
10. Figures for the fourth quarter are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the financial year.
11. The above statement of Standalone financial results has been reviewed by the Audit Committee and has been approved by the Board of Directors in their respective meetings held on 20th June, 2020.
12. The standalone financial statements of the Company for the year ended 31<sup>st</sup> March, 2020 have been prepared in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013. The statutory auditors have issued unmodified opinion on these standalone financial statements.
13. Previous period figures have been regrouped / rearranged wherever considered necessary.



**Power Grid Corporation of India Ltd. (A Govt. of India Enterprise)**

CIN : L40101DL1989GOI038121

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

**Statement of Consolidated Audited Financial Results for the Quarter and Year ended 31 March 2020**

(₹ in Crore)

Sl. No.	Particulars	Quarter ended			Year ended	
		31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
		(Un-audited)	(Un-audited)	(Un-audited)	(Audited)	(Audited)
I	Revenue From Operations	10148.26	9364.36	9535.12	37743.54	35059.12
II	Other Income	359.39	176.77	152.79	927.42	602.20
III	<b>Total Income (I+II)</b>	<b>10507.65</b>	<b>9541.13</b>	<b>9687.91</b>	<b>38670.96</b>	<b>35661.32</b>
IV	<b>EXPENSES</b>					
	Employee benefits expense	498.02	478.92	403.55	1959.75	1783.57
	Finance costs	2534.51	2387.10	2298.95	9509.00	8736.57
	Depreciation and amortization expense	3018.60	2931.16	2715.93	11607.04	10540.95
	Other expenses	1146.99	638.43	1028.68	2843.55	3055.01
	<b>Total expenses (IV)</b>	<b>7198.12</b>	<b>6435.61</b>	<b>6447.11</b>	<b>25919.34</b>	<b>24116.10</b>
V	Profit before share of net profits of investments in Joint Ventures accounted for using Equity Method and tax ( III-IV)	3309.53	3105.52	3240.80	12751.62	11545.22
VI	Share of net profits of investments in Joint Ventures accounted for using Equity Method	47.88	30.45	26.09	155.13	128.82
VII	<b>Profit before Tax and Regulatory Deferral Account Balances (V+VI)</b>	<b>3357.41</b>	<b>3135.97</b>	<b>3266.89</b>	<b>12906.75</b>	<b>11674.04</b>
VIII	Tax expense:					
	Current tax - Current Year	554.73	546.12	780.35	2198.54	2568.02
	- Earlier Years	121.91	0.00	0.00	121.91	0.00
	Deferred tax	343.04	279.91	(6000.25)	1210.30	(3454.37)
		<b>1019.68</b>	<b>826.03</b>	<b>(5219.90)</b>	<b>3530.75</b>	<b>(886.35)</b>
IX	Profit for the period before Regulatory Deferral Account Balances (VII-VIII)	2337.73	2309.94	8486.79	9376.00	12560.39
X	Net movement in Regulatory Deferral Account Balances- Income/(Expenses)(net of tax)	975.74	362.09	(5425.36)	1683.40	(2526.87)
XI	<b>Profit for the period (IX+X)</b>	<b>3313.47</b>	<b>2672.03</b>	<b>3061.43</b>	<b>11059.40</b>	<b>10033.52</b>
XII	<b>Other Comprehensive Income</b>					
	Items that will not be reclassified to profit or loss(net of tax)	(65.22)	(5.87)	(35.17)	(104.02)	(16.30)
	Share of other comprehensive income of Joint Ventures accounted for using Equity Method	(0.01)	0.04	(0.06)	0.00	(0.04)
XIII	<b>Total Comprehensive Income for the period (XI+XII)</b>	<b>3,248.24</b>	<b>2666.20</b>	<b>3026.20</b>	<b>10955.38</b>	<b>10017.18</b>
XIV	Paid up Equity Share Capital (Face value of share : ₹ 10/- each)	5231.59	5231.59	5231.59	5231.59	5231.59
XV	Reserves (excluding Revaluation Reserve) as per balance sheet				59463.76	53856.80
XVI	Net Worth				64695.35	59088.39
XVII	Paid up Debt Capital				145269.64	142076.36
XVIII	Bonds Redemption Reserve				8696.91	9942.79
XIX	Earnings per equity share including movement in Regulatory Deferral Account Balances (Face value of ₹10/- each): Basic & Diluted (In ₹)	6.33	5.11	5.85	21.14	19.18
XX	Earnings per equity share excluding movement in Regulatory Deferral Account Balances (Face value of ₹10/- each): Basic & Diluted (In ₹)	4.47	4.41	16.22	17.92	24.01
XXI	Debt Equity Ratio				69:31	71:29
XXII	Debt Service Coverage Ratio (DSCR)				1.74	1.72
XXIII	Interest Service Coverage Ratio (ISCR)				3.85	3.45

Refer accompanying notes to the financial results.



**Power Grid Corporation of India Limited (A Govt. of India Enterprise)**

CIN : L40101DL1989GOI038121

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

**Statement of Consolidated Assets and Liabilities**

(₹ in Crore)

	Particulars	As at 31 March 2020 (Audited)	As at 31 March 2019 (Audited)
<b>A.</b>	<b>ASSETS</b>		
<b>1</b>	<b>Non-current assets</b>		
	(a) Property, plant & equipment	179449.82	171057.99
	(b) Capital work-in-progress	34904.41	37388.47
	(c) Investment Property	0.03	0.03
	(d) Intangible assets	1662.28	1681.60
	(e) Intangible assets under development	273.00	242.59
	(f) Investments accounted for using the equity method	1332.18	1166.58
	(g) Financial assets		
	(i) Investments	98.90	129.84
	(ii) Loans	271.58	188.13
	(iii) Other non-current financial assets	4100.30	4548.37
	(h) Other non-current assets	6325.73	5208.83
		<b>228418.23</b>	<b>221612.43</b>
<b>2</b>	<b>Current assets</b>		
	(a) Inventories	1433.46	1247.25
	(b) Financial assets		
	(i) Trade receivables	5040.71	4728.10
	(ii) Cash and cash equivalents	4840.12	3647.73
	(iii) Bank balances other than Cash and cash equivalents	598.85	688.92
	(iv) Loans	152.37	130.99
	(v) Other current financial assets	5818.40	6881.04
	(c) Other current assets	228.02	337.86
		<b>18111.93</b>	<b>17661.89</b>
<b>3</b>	<b>Regulatory deferral account balances</b>	10123.06	8083.27
	<b>TOTAL ASSETS</b>	<b>256653.22</b>	<b>247357.59</b>
<b>B.</b>	<b>EQUITY AND LIABILITIES</b>		
<b>1</b>	<b>Equity</b>		
	(a) Equity Share capital	5231.59	5231.59
	(b) Other Equity	59463.76	53856.80
		<b>64695.35</b>	<b>59088.39</b>
<b>2</b>	<b>Liabilities</b>		
<b>(i)</b>	<b>Non-current liabilities</b>		
	(a) Financial Liabilities		
	(i) Borrowings	135421.11	131329.51
	(ii) Other non-current financial liabilities	3523.13	3994.53
	(b) Provisions	424.71	368.15
	(c) Deferred tax liabilities (Net)	11228.78	10018.48
	(d) Other non-current liabilities	362.54	486.57
		<b>150960.27</b>	<b>146197.24</b>
<b>(ii)</b>	<b>Current liabilities</b>		
	(a) Financial liabilities		
	(i) Borrowings	3000.00	4300.00
	(ii) Trade payables		
	(a) total outstanding dues of micro enterprises and small enterprises	11.59	33.27
	(b) total outstanding dues of creditors other than micro enterprises and small enterprises.	214.95	331.86
	(iii) Other current financial liabilities	21784.15	23359.68
	(b) Other current liabilities	4305.93	3888.98
	(c) Provisions	742.04	701.14
	(d) Current tax liabilities (net)	22.92	-
		<b>30081.58</b>	<b>32614.93</b>
<b>3</b>	<b>Deferred Revenue</b>	10916.02	9457.03
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>256653.22</b>	<b>247357.59</b>





**Power Grid Corporation of India Limited (A Govt. of India Enterprise)**

CIN : L40101DL1989GOI038121

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

**Statement of Consolidated Cash flows**

(₹ in Crore)

Sl. No.	Particulars	For the Year ended	
		31 March 2020	31 March 2019
		(Audited)	(Audited)
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Profit Before Tax & Regulatory Deferral Account Balances	12,906.75	11,674.04
	Add: Net movement in Regulatory Deferral Account Balances (net of tax)	1,683.40	(2,526.87)
	Add: Tax on Net movement in Regulatory Deferral Account Balances	356.39	(694.08)
	<b>Profit Before Tax (including net movement in Regulatory Deferral Account Balances)</b>	<b>14,946.54</b>	<b>8,453.09</b>
	<b>Adjustment for :</b>		
	Depreciation & amortization expenses	11,607.04	10,540.95
	Transfer from Grants in Aid	(260.25)	(70.77)
	Deferred revenue - Advance against Depreciation	(152.65)	(180.64)
	Provisions	6.34	410.58
	Changes in fair value of financial assets through profit or loss	(39.89)	(8.02)
	Share of net profits of joint ventures accounted for using equity method	(155.13)	(128.82)
	Net Loss on Disposal / Write off of Property, Plant & Equipment	17.20	25.58
	Deferred Foreign Currency Fluctuation Asset	(1,572.74)	(941.06)
	Deferred Income from Foreign Currency Fluctuation	1,637.95	1,056.50
	Regulatory Deferral Account Debit Balances	(2,039.79)	3,220.95
	Finance Costs	9,509.00	8,736.57
	Provisions Written Back	(147.56)	(28.25)
	FERV loss / (gain)	(0.31)	(0.16)
	Interest income on Deposits, Bonds and loans to JVs	(168.33)	(86.62)
	Dividend Income	(5.35)	(5.42)
		<b>18,235.53</b>	<b>22,541.37</b>
	<b>Operating profit before Changes in Assets and Liabilities</b>	<b>33,182.07</b>	<b>30,994.46</b>
	<b>Adjustment for Changes in Assets and Liabilities:</b>		
	(Increase)/Decrease in Inventories	(181.36)	(182.30)
	(Increase)/Decrease in Trade Receivables	(290.95)	(1,379.29)
	(Increase)/Decrease in Other Financial Assets	1,665.97	(6,000.30)
	(Increase)/Decrease in Other Non-current Assets	(55.41)	(87.21)
	(Increase)/Decrease in Other Current Assets	109.84	166.64
	Increase/(Decrease) in Liabilities & Provisions	(820.97)	2,039.91
		<b>427.12</b>	<b>(5,442.55)</b>
	<b>Cash generated from operations</b>	<b>33,609.19</b>	<b>25,551.91</b>
	Direct taxes paid	(2,568.71)	(2,280.75)
	<b>Net Cash from Operating Activities</b>	<b>31,040.48</b>	<b>23,271.16</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Property, Plant & Equipment and Capital Work in Progress (Including Advances for Capital Expenditure)	(11,367.12)	(22,450.66)
	Receipt of Grant	233.94	3,684.53
	Investments in joint venture companies	(100.17)	(27.33)
	(Increase)/Decrease in Investments in other companies	(18.40)	(15.21)
	Loans & Advances to JVs (Including repayments)	(12.40)	(77.12)
	Lease receivables	(13.82)	10.21
	Interest received on Deposits, Bonds & loans to JVs	160.96	85.04
	Dividend received from joint venture companies	69.41	57.67
	Dividend received from other investments	5.35	5.42
	<b>Net Cash used in Investing Activities</b>	<b>(11,042.25)</b>	<b>(18,727.45)</b>
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds from Borrowings		
	Non Current	10,325.96	19,489.58
	Current	18,020.00	17,420.00
	Repayment of Borrowings		
	Non Current	(10,765.64)	(9,495.60)
	Current	(19,320.00)	(14,120.00)
	Adjustment for Fair Valuation of Long Term Loans	12.80	22.96
	Repayment of Lease Liabilities (Including interest)	(4.82)	-
	Finance Costs paid	(11,730.14)	(10,292.35)
	Dividend paid	(4,425.92)	(4,514.87)
	Dividend Tax paid	(918.08)	(940.50)
	<b>Net Cash used in Financing Activities</b>	<b>(18,805.84)</b>	<b>(2,430.78)</b>
<b>D.</b>	<b>Net change in Cash and Cash equivalents (A+B+C)</b>	<b>1,192.39</b>	<b>2,112.93</b>
<b>E.</b>	<b>Cash and Cash equivalents (Opening balance)</b>	<b>3,647.73</b>	<b>1,534.80</b>
<b>F.</b>	<b>Cash and Cash equivalents (Closing balance)*</b>	<b>4,840.12</b>	<b>3,647.73</b>

\* Includes ₹ 4658.85 crore (Previous Year ₹ 3471.01 crore) held in designated accounts which is not available for use by the Group.



**Power Grid Corporation of India Ltd. (A Govt. of India Enterprise)**

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

**Statement of Consolidated Segment wise Revenue, Results, Assets and Liabilities  
for the Quarter and Year ended 31 March 2020**

(₹ in Crore)

Particulars	Quarter ended			Year ended	
	31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
	(Un-Audited)	(Un-Audited)	(Un-audited)	(Audited)	(Audited)
<b>A. Segment Revenue (including allocable Other Income)</b>					
- Transmission	10100.98	9188.94	9339.79	37230.78	34476.70
- Consultancy	174.10	144.01	169.09	618.02	506.74
- Telecom	191.58	197.97	192.78	782.23	742.08
<b>Total</b>	<b>10466.66</b>	<b>9530.92</b>	<b>9701.66</b>	<b>38631.03</b>	<b>35725.52</b>
Less: Inter Segment Revenue	60.54	20.69	51.88	167.11	177.03
<b>Total Revenue including Other Income</b>	<b>10406.12</b>	<b>9510.23</b>	<b>9649.78</b>	<b>38463.92</b>	<b>35548.49</b>
<b>B. Segment Results</b>					
<b>Profit before Interest and Tax</b>					
- Transmission	6795.81	5757.70	(876.87)	23542.39	16387.28
- Consultancy	79.82	60.17	85.78	277.00	295.65
- Telecom	97.07	113.05	101.37	429.11	393.90
<b>Total Profit before Interest and Tax</b>	<b>6972.70</b>	<b>5930.92</b>	<b>(689.72)</b>	<b>24248.50</b>	<b>17076.83</b>
<b>Add:</b>					
Other unallocated income	101.53	30.90	38.13	207.04	112.83
<b>Less :</b>					
Unallocated interest and finance charges	2534.51	2387.10	2298.95	9509.00	8736.57
<b>Profit before Tax (including Regulatory Deferral Account Balances)</b>	<b>4539.72</b>	<b>3574.72</b>	<b>(2950.54)</b>	<b>14946.54</b>	<b>8453.09</b>
<b>C. Segment Assets</b>					
- Transmission	211212.26	203880.89	200017.90	211212.26	200017.90
- Consultancy	3269.56	3402.72	2586.55	3269.56	2586.55
- Telecom	1161.54	1030.57	999.71	1161.54	999.71
- Unallocated Assets	41009.86	46754.09	43753.43	41009.86	43753.43
<b>Total Segment Assets</b>	<b>256653.22</b>	<b>255068.27</b>	<b>247357.59</b>	<b>256653.22</b>	<b>247357.59</b>
<b>D. Segment Liabilities</b>					
- Transmission	14968.91	13961.36	13098.54	14968.91	13098.54
- Consultancy	3850.16	3728.18	3357.64	3850.16	3357.64
- Telecom	538.88	566.94	660.41	538.88	660.41
- Unallocated Liabilities	172599.92	171624.09	171152.61	172599.92	171152.61
<b>Total Segment Liabilities</b>	<b>191957.87</b>	<b>189880.57</b>	<b>188269.20</b>	<b>191957.87</b>	<b>188269.20</b>

**Notes**

The operations of the Group are mainly carried out within the country and therefore, geographical segments are not applicable.





**Power Grid Corporation of India Limited (A Govt. of India Enterprise)**  
CIN : L40101DL1989GOI038121

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

The Subsidiaries and Joint Venture Companies considered in Consolidated Audited Financial Results for the Quarter and Year ended 31 March 2020

	Subsidiary Companies	Ownership (%)
1	Powergrid Vizag Transmission Limited	100%
2	Powergrid NM Transmission Limited	100%
3	Powergrid Unchahar Transmission Limited	100%
4	Powergrid Kala Amb Transmission Limited	100%
5	Powergrid Jabalpur Transmission Limited	100%
6	Powergrid Warora Transmission Limited	100%
7	Powergrid Parli Transmission Limited	100%
8	Powergrid Southern Interconnector Transmission System Limited	100%
9	Powergrid Vemagiri Transmission Limited	100%
10	Powergrid Medinipur Jeerat Transmission Limited	100%
11	Powergrid Mithilanchal Transmission Limited (erstwhile ERSS XXI Transmission Limited)	100%
12	Powergrid Varanasi Transmission System Limited (erstwhile WR-NR Power Transmission Limited)	100%
13	Powergrid Jawaharpur Firozabad Transmission Limited (erstwhile Jawaharpur Firozabad Transmission Limited)	100%
14	Powergrid Khetri Transmission System Limited (Erstwhile Khetri Transco Limited) <sup>1</sup>	100%
15	Powergrid Bhuj Transmission Limited (Erstwhile Bhuj-II Transmission Limited) <sup>2</sup>	100%
16	Powergrid Bhind Guna Transmission Limited (Erstwhile Bhind Guna Transmission Limited) <sup>3</sup>	100%
17	Powergrid Ajmer Phagi Transmission Limited (Erstwhile Ajmer Phagi Transco Limited) <sup>4</sup>	100%
18	Powergrid Fatehgarh Transmission Limited (Erstwhile Fatehgarh-II Transco Limited) <sup>5</sup>	100%
19	Powergrid Rampur Sambhal Transmission Limited (Erstwhile Rampur Sambhal Transco Limited) <sup>6</sup>	100%
20	Powergrid Meerut Simbhavali Transmission Limited (Erstwhile Meerut-Simbhavali Transmission Limited) <sup>7</sup>	100%

<sup>1</sup> 100% equity acquired from REC Transmission Projects Limited on 29<sup>th</sup> August, 2019.

<sup>2</sup> 100% equity acquired from PFC Consulting Limited on 16<sup>th</sup> October, 2019.

<sup>3</sup> 100% equity acquired from REC Transmission Projects Limited on 11<sup>th</sup> September, 2019.

<sup>4</sup> 100% equity acquired from REC Transmission Projects Limited on 03<sup>rd</sup> October, 2019.

<sup>5</sup> 100% equity acquired from PFC Consulting Limited on 14<sup>th</sup> October, 2019.

<sup>6</sup> 100% equity acquired from REC Transmission Projects Limited on 12<sup>th</sup> December, 2019.

<sup>7</sup> 100% equity acquired from PFC Consulting Limited on 19<sup>th</sup> December, 2019.

	Joint Venture Companies	Ownership (%)
	<b>Incorporated in India</b>	
1	Powerlinks Transmission Limited	49%
2	Torrent Power Grid Limited	26%
3	Jaypee Powergrid Limited	26%
4	Parbati Koldam Transmission Company Limited	26%
5	Teestavalley Power Transmission Limited	30.92%
6	North East Transmission Company Limited	26%
7	National High Power Test Laboratory Private Limited	20%
8	Bihar Grid Company Limited	50%
9	Kalinga Bidyut Prasaran Nigam Private Limited#	50%
10	Cross Border Power Transmission Company Limited	26%
11	RINL Powergrid TLT Private Limited##	50%
	<b>Incorporated outside India</b>	
12	Power Transmission Company Nepal Limited	26%

# Shareholders of M/s Kalinga Bidyut Prasaran Nigam Pvt Ltd (KBPNL), JV between M/s POWERGRID & M/s OPTCL in their Extra Ordinary General Meeting held on 02.01.2020 approve to striking off the name of the company pursuant to section 248 (2) of the Companies Act, 2013. Accordingly, e-form STK-2 vide SRN NO- R30789564 has been filed in Registrar of Companies (ROC), Odisha on Dated 21.01.2020 for removal of name of the Company. The present status of striking off of the Company (M/s KBPNL) as per MCA website is "Under Process of Striking Off".

## POWERGRID's Board of Directors in its meeting held on 1st May 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 01st March, 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 05th November, 2019 has advised to put up the closure proposal again to Ministry of steel for onward submission to NITI Ayog. The Approval from Government is awaited.



## Notes to Consolidated financial results:

1. The audited Consolidated Financial Results are subject to review by the Comptroller and Auditor General of India under section 143(6) of the Companies Act, 2013.
2. (a) In exercise of powers u/s 178 of the Electricity Act 2003, Central Electricity Regulatory Commission (CERC) has notified "CERC (Terms and Conditions of Tariff) Regulations, 2019" vide order dated 7th March, 2019 for the determination of transmission tariff for the block period 2019-24.  
  
(b) In respect of projects whose tariffs are determined by CERC, pending filing of petitions and issue of tariff orders by CERC, income on account of Transmission Charges for the current year has been provisionally recognized based on the transmission tariff norms applicable for the block period 2019-24. During the current year, the beneficiaries are being billed in accordance with the tariff approved and applicable as on 31.03.2019 as provided in the CERC (terms and Conditions of tariff) Regulations, 2019. However, in the previous year, ₹27278.92crore was recognised as per final tariff orders issued by CERC for block period 2014-19 and ₹5,387.40crore was recognised in respect of transmission assets for which final tariff orders were yet to be issued as per CERC Tariff Regulations and other orders in similar cases.  
  
(c) Consequent to the final order issued by CERC (for the block period 2014-19), transmission income includes ₹173.30crore (increase) (Previous Year ₹285.42crore (increase)) pertaining to earlier years.  
  
(d) Revenue from transmission decreased by ₹613.08crore for the year ended 31.03.2020 due to change in MAT rate from 18.5% to 15% considered for grossing up of Return on Equity (ROE) as per CERC Regulations in accordance with the amendment in section 115JB of the Income Tax Act, 1961 announced by Government of India through Taxation Laws (Amendment) ordinance, 2019.
3. The Group has adopted Ind AS 116 'Leases' effective 1<sup>st</sup> April 2019, using modified retrospective approach and therefore the comparatives have not been restated. On the date of initial application, the lease liability has been measured at the present value of the remaining lease payments and Right of use assets has been recognized at an amount equal to the lease liabilities. Application of Ind AS 116 does not have any material impact on the financial results of the Group.
4. The company holds National Long distance (NLD) and Internet Service Provider (ISP) licenses and is regularly paying the applicable license fee to DoT. The company has received additional demand of license fee amounting to ₹ 44039.23 crore (including penalty and interest up to 31.03.2020) for previous periods in respect of the above licenses by adding non-telecom revenue i.e., revenue related to transmission and consultancy as "Miscellaneous income" in Adjusted Gross Revenue (AGR).

In the light of judgment dated 24.10.2019 of Hon'ble Supreme Court on the dispute between DoT and Telecom Service Providers (TSPs) regarding interpretation of AGR, DoT vide communication dated 05.12.2019 requested submission of a comprehensive representation since all the demands are being re-examined w.r.t. the Hon'ble Supreme Court Judgement. The company has represented to DoT stating inter-alia that the demands raised are not sustainable either in law or on facts as the nature of license in case of telecom service providers is different and distinct from the licenses given to the company.

The Hon'ble Supreme Court vide its order dated 11.06.2020 has also observed that the licenses of Public Sector Undertakings (PSUs) are different and their judgment in the case between DoT and TSPs could not have been made the basis for raising the demand against the PSUs. The Hon'ble Supreme court has further ordered that the Department of Telecom should reconsider the demand that has been sprung and report compliance of the action taken.





In view of the above and based upon legal advice received, the management is of the opinion that the aforesaid demands are not payable by the Company.

5. The Group is mainly engaged in the business of transmission of electricity and the tariffs for the transmission services are regulated in terms of the CERC Tariff Regulations which provide for recovery of the annual transmission charges based on system availability.

Due to the COVID pandemic, a lockdown was announced by the Government of India effective from 25th March 2020. As per the Government guidelines, transmission units and services were exempted from the lockdown. The Group has issued guidelines and protocols to be followed by its various units for the operation and maintenance of its transmission network during the pandemic. The Group has also implemented digital solutions such as e-office, ERP systems, Virtual Private Network, Video Conferencing etc. to facilitate Work from Home of its employees. Due to the various steps taken by the Group, there has been no significant impact due to the pandemic on the availability of the transmission system of the Group.

In the above backdrop, the Group 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 March 31, 2020.

There has been no material impact on the operations or profitability of the group during the financial year due to the pandemic. Due to the lockdown, there has been a general fall in the demand for electricity in the country and the revenue realisation of the distribution utilities has been adversely impacted. As a result, delay in realisation of transmission charges from the customers is expected in the next financial year. The Government of India has announced measures to facilitate the liquidation of outstanding dues of the utilities to the generators and transmission licensees which are expected to facilitate the realisation of the group's trade receivables. Further, the group has adequate credit limits and strong credit ratings to mobilise the required short term funds for its operations including for meeting its debt service obligations. The Group has also approved a consolidated one-time rebate of ₹1,075 crore to the DISCOMs and Power Departments of States / Union Territories against the billing of April'20 and May'20.

The Group has made an assessment of 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 investments 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 Group will continue to monitor any material changes to future economic conditions.

6. Provision for taxes, employee benefits and other provisions for contingencies have been considered on estimated basis.
7. Some balances of Trade Receivables and recoverable shown under Assets and Trade and Other Payables shown under Liabilities include balances subject to confirmation/ reconciliation and consequential adjustments if any. However, reconciliations are carried out on ongoing basis. The management does not expect any material adjustment in the books of accounts as a result of the reconciliation.
8. Formula used for computation of coverage ratios  $DSCR = \frac{\text{Earnings before Interest, Depreciation and Tax}}{(\text{Interest \& Finance Charges net of amount transferred to expenditure during construction} + \text{Principal Repayment})}$  and  $ISCR = \frac{\text{Earnings before Interest, Depreciation and Tax}}{(\text{Interest \& Finance Charges net of amount transferred to expenditure during construction})}$ .



9. The above statement of Consolidated financial results has been reviewed by the Audit Committee and has been approved by the Board of Directors in their respective meetings held on 20th June, 2020.
10. The consolidated financial statements of the group for the year ended 31<sup>st</sup> March, 2020 have been prepared in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013. The statutory auditors have issued unmodified opinion on these consolidated financial statements.
- The financial results pertaining to subsidiaries/Joint venture companies of corresponding periods included in consolidated financial results were not subject to limited review by the Statutory Auditors.
11. Previous period figures have been regrouped / rearranged wherever considered necessary.

For and on behalf of **POWER GRID CORPORATION OF INDIA LTD.**



K. Sreekant

Chairman & Managing Director

Place: Gurugram

Date: 20th June, 2020





**T R CHADHA & CO LLP**

Chartered Accountants  
B-30, Kuthiala Building,  
Connaught Circus, New Delhi,  
New Delhi-110001

**UMAMAHESWARA RAO & CO**

Chartered Accountants  
Flat No.5-H, D Block, 8-3-324,  
Yellareddyguda Lane, Ameerpet X Roads,  
Hyderabad,  
Telangana-500073.

**B M CHATRATH & CO LLP**

Chartered Accountants  
#Centre Point# ,4th floor,  
Room No-440  
21, Hemanta Basu Sarani,  
Kolkata,  
West Bengal-700001

**PSD & ASSOCIATES**

Chartered Accountants  
808, Tower – A,  
Omkar Alta Monte,  
Pathanwadi Malad East,  
Mumbai-400097.

**Independent Auditor's Report on Quarterly and Year to Date Audited Standalone Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.**

To,

The Board of Directors of

**Power Grid Corporation of India Limited**

**Report on the audit of the Standalone Financial Results**

**Opinion**

We have audited the accompanying standalone financial results of POWER GRID CORPORATION OF INDIA LIMITED ("the Company") for the quarter ended 31 March 2020 and the year to date results for the period from 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020 ("the Statement"), attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us these standalone financial results:

- i) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii) give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net profit and other comprehensive income and other financial information for the quarter ended and year to date results for the year ended 31<sup>st</sup> March 2020.

**Basis for Opinion**

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

## **Emphasis of Matter**

We draw attention to the following matter in notes to the standalone financial results:

- In respect of recognition of revenue from transmission assets for which final tariff orders are yet to be issued by the CERC [Refer Note No. 2 (b)].

Our opinion is not modified in respect of the above matters.

## **Management's Responsibilities for the Standalone Financial Results**

These quarterly standalone financial results as well as the year to date standalone financial results have been prepared on the basis of the reviewed standalone financial results for the nine-month period ended 31<sup>st</sup> December 2019, the audited standalone financial statements as at and for the year ended 31<sup>st</sup> March 2020.

The Company's Board of Directors are responsible for the preparation and presentation of the Statement that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 the 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 financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial results, the Board of Directors are 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.

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

## **Auditor's Responsibilities for the Audit of the Standalone Financial Results**

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

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

- Identify and assess the risks of material misstatement of the standalone financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control 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 through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements 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 Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 Company'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 financial results 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial results, including the disclosures, and whether the standalone financial results represent the underlying transactions and events in a manner that achieves fair presentation.

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.

## **Other Matters**

The statement includes the results for the quarter ended 31 March 2020 and the corresponding quarter ended in the previous year as reported in these standalone financial results, are the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current and previous financial year respectively, which were subject to limited review, as required under the Listing Regulations.

The statement includes comparative figures for the corresponding quarter and year ended March 31, 2019, reviewed/audited by the joint auditors of the Company who were the predecessor audit firms, who had expressed an unmodified opinion vide their report dated May 29, 2019 on such standalone financial results.

For **T R CHADHA & CO LLP**  
Chartered Accountants  
FRN : 006711N/N500028

For **UMAMAHESWARA RAO & CO**  
Chartered Accountants  
FRN : 004453S

**Neena Goel**  
Partner  
M. No. 057986  
UDIN: 20057986AAAAFT6688  
Place: Gurugram

**Krishna Sai G.H.**  
Partner  
M. No. 233399  
UDIN: 20233399AAAAAP4019  
Place: Hyderabad

For **B M CHATRATH & CO LLP**  
Chartered Accountants  
FRN : 301011E/E300025

For **PSD & ASSOCIATES**  
Chartered Accountants  
FRN : 004501C

**Sanjay Sarkar**  
Partner  
M. No. 064305  
UDIN: 20064305AAAADB5578  
Place: Kolkata

**Prakash Sharma**  
Partner  
M. No. 072332  
UDIN: 20072332AAAAAA2563  
Place: Jaipur

**Date: 20 June, 2020**

**T R CHADHA & CO LLP**

Chartered Accountants  
B-30, Kuthiala Building,  
Connaught Circus, New Delhi,  
New Delhi-110001

**UMAMAHESWARA RAO & CO**

Chartered Accountants  
Flat No.5-H, D Block, 8-3-324,  
Yellareddyguda Lane, Ameerpet X Roads,  
Hyderabad,  
Telangana-500073.

**B M CHATRATH & CO LLP**

Chartered Accountants  
#Centre Point# ,4th floor,  
Room No-440  
21, Hemanta Basu Sarani,  
Kolkata,  
West Bengal-700001

**PSD & ASSOCIATES**

Chartered Accountants  
808, Tower – A,  
Omkar Alta Monte,  
Pathanwadi Malad East,  
Mumbai-400097.

**Independent Auditor's Report on the Quarterly and Year to Date Consolidated financial results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.**

To

The Board of Directors of

Power Grid Corporation of India Limited

**Report on the audit of the Consolidated Financial Results**

**Opinion**

We have audited the accompanying statement of quarterly and year to date consolidated financial results of POWER GRID CORPORATION OF INDIA LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), and its joint ventures, for the quarter ended 31st March 2020 and for the year ended 31<sup>st</sup> March 2020 ("the Statement"), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Regulation").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on separate audited financial statements and other financial information of subsidiaries and joint ventures referred to in Other Matter paragraph below, the Statement:

(a) includes the annual financial results of the following entities:

**List of Subsidiaries:**

- (i) Powergrid Vemagiri transmission Ltd
- (ii) Powergrid NM transmission Ltd
- (iii) Powergrid Vizag Transmission Ltd
- (iv) Powergrid Southern Interconnector Transmission System Limited
- (v) Powergrid Parli Transmission Limited
- (vi) Powergrid Warora Transmission Limited
- (vii) Powergrid Jabalpur Transmission Limited
- (viii) Powergrid Kala Amb Transmission Ltd
- (ix) Powergrid Unchahar Transmission Ltd
- (x) Powergrid Medinipur Jeerat Transmission Limited
- (xi) Powergrid Mithilanchal Transmission Limited

- (xii) Powergrid Varanasi Transmission System Limited
- (xiii) Powergrid Jawaharpur Firozabad Transmission Limited
- (xiv) Powergrid Khetri Transmission System Limited (Erstwhile Khetri Transco Limited)<sup>1</sup>
- (xv) Powergrid Bhuj Transmission Limited (Erstwhile Bhuj-II Transmission Limited)<sup>2</sup>
- (xvi) Powergrid Bhind Guna Transmission Limited (Erstwhile Bhind Guna Transmission Limited)<sup>3</sup>
- (xvii) Powergrid Ajmer Phagi Transmission Limited (Erstwhile Ajmer Phagi Transco Limited)<sup>4</sup>
- (xviii) Powergrid Fatehgarh Transmission Limited (Erstwhile Fatehgarh-II Transco Limited)<sup>5</sup>
- (xix) Rampur Sambhal Transco Limited<sup>6</sup>
- (xx) Meerut-Simbhawali Transmission Limited<sup>7</sup>

<sup>1</sup> 100% equity acquired from REC Transmission Projects Limited on 29<sup>th</sup> August, 2019.

<sup>2</sup> 100% equity acquired from PFC Consulting Limited on 16<sup>th</sup> October, 2019.

<sup>3</sup> 100% equity acquired from REC Transmission Projects Limited on 11<sup>th</sup> September, 2019.

<sup>4</sup> 100% equity acquired from REC Transmission Projects Limited on 03<sup>rd</sup> October, 2019.

<sup>5</sup> 100% equity acquired from PFC Consulting Limited on 14<sup>th</sup> October, 2019.

<sup>6</sup> 100% equity acquired from REC Transmission Projects Limited on 12<sup>th</sup> December, 2019.

<sup>7</sup> 100% equity acquired from PFC Consulting Limited on 19<sup>th</sup> December, 2019.

#### **List of Joint Ventures:**

- (i) Powerlinks Transmission Limited
- (ii) Torrent Powergrid Limited
- (iii) Jaypee Powergrid Limited
- (iv) Parbati Koldam Transmission Company Limited
- (v) Teestavalley Power Transmission Limited
- (vi) North East Transmission Company Limited
- (vii) National High Power Test Lab Pvt Limited
- (viii) Bihar Grid Company Limited
- (ix) Kalinga Bidyut Parasaran Nigam Pvt Limited<sup>1</sup>
- (x) Cross Border Transmission Limited
- (xi) RINL POWERGRID TLT Pvt. Limited<sup>2</sup>
- (xii) Power Transmission Company Nepal Ltd<sup>3</sup>

<sup>1</sup> The shareholders of M/s Kalinga Bidyut Prasaran Nigam Pvt Ltd (KBPNL), JV between M/s POWERGRID & M/s OPTCL in their Extra Ordinary General Meeting held on 02.01.2020 approved the striking off of the name of the company.

<sup>2</sup> The Holding company's board of directors has accorded in-principle approval for closure of the JV company.

<sup>3</sup> located outside India.

(b) is presented in accordance with the requirements of the Regulation, in this regard; and

(c) give a true and fair view, in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the consolidated net profit including other comprehensive income and other financial information of the Group for the quarter ended March 31, 2020 and year to date results for the year ended 31 March 2020.

#### **Basis for Opinion**

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



## **Emphasis of Matter**

Considering the requirement of Standard on Auditing (SA 600) on 'Using the work of Another Auditor' including materiality, we draw attention to the following matter in the notes to the aforesaid consolidated financial results:

- In respect of recognition of revenue from transmission assets for which final tariff orders are yet to be issued by the CERC [Refer Note No. 2 (b)].

Our opinion is not modified in respect of the above matters.

## **Management's Responsibilities for the Consolidated Financial Results**

These quarterly financial results as well as the year to date consolidated financial results have been prepared on the basis of the consolidated financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial results that give a true and fair view of the net profit and other comprehensive income and other financial information of the Group including its joint ventures in accordance with the applicable Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its joint ventures 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial results by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Results, the respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for assessing the ability of the Group and its joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for overseeing the financial reporting process of the Group and of its joint ventures.

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Results**

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

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

- Identify and assess the risks of material misstatement of the consolidated financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error,

as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control 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 controls with reference to financial statements 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 Board of Directors.
- Conclude on the appropriateness of the Board of Directors 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 ability of the Group and its joint ventures 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 consolidated financial results 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 Group and its joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group and its joint ventures to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the consolidated Financial Results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial results of which we are the independent auditors 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.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

### **Other Matters**

The consolidated financial results include the audited Financial Results of

- a) 20 subsidiaries whose financial statements reflect Group's share of total assets of Rs. 17244.26 crore as at 31 March 2020, Group's share of total revenue of Rs. 473.26 crore and Rs. 1667.98 crore and Group's share of total net profit after tax of Rs. 126.54 crore and Rs. 366.24 crore for the quarter and year ended 31 March 2020 respectively and
- b) 4 joint ventures whose financial statements reflect Group's share of net profit after tax (including other comprehensive income) of Rs. 20.32 crore and Rs. 94.37 crore for the quarter and year ended 31 March 2020,

as considered in the consolidated financial results, which have been audited by their respective independent auditors. The independent auditors' reports on financial statements of these entities have been furnished to us and our opinion on the consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.

The consolidated Financial Results include the unaudited Financial Results of 8 joint ventures, whose financial statements / financial information reflect Group's share of net profit / (loss) after tax (including other comprehensive income) of Rs.27.19crore and Rs. 56.61 Crore for the quarter and year ended 31 March 2020, as considered in the consolidated financial results. These unaudited Financial Statements / financial information have been furnished to us by the Board of Directors and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures is based solely on such unaudited Financial Statements /financial information. In our opinion and according to the information and explanations given to us by the Board of Directors, these Financial Statements / financial information are not material to the Group.

Our opinion on the consolidated Financial Results is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the Financial Results/financial information certified by the Board of Directors.

The Statement include the results for the quarter ended 31 March 2020 and the corresponding quarter ended in the previous year as reported in these Consolidated financial results which are the balancing figure between the audited figures in respect of the full financial year and the published year to date figures up to the end of third quarter of the current and previous financial year respectively which were subject to limited review, as required under the Listing Regulations.

The statement includes comparative figures for the corresponding quarter and year ended March 31, 2019, reviewed/audited by the joint auditors of the Company who were the predecessor audit firms, who had expressed an unmodified opinion vide their report dated May 29, 2019 on such standalone financial results.

For **T R CHADHA & CO LLP**  
Chartered Accountants  
FRN : 006711N/N500028

For **UMAMAHESWARA RAO & CO**  
Chartered Accountants  
FRN : 004453S

**Neena Goel**  
Partner  
M. No. 057986  
UDIN: 20057986AAAAFU9992  
Place: Gurugram

**Krishna Sai G.H.**  
Partner  
M. No. 233399  
UDIN: 20233399AAAAAQ5071  
Place: Hyderabad

For **B M CHATRATH & CO LLP**  
Chartered Accountants  
FRN : 301011E/E300025

For **PSD & ASSOCIATES**  
Chartered Accountants  
FRN : 004501C

**Sanjay Sarkar**  
Partner  
M. No. 064305  
UDIN: 20064305AAAADC3530  
Place: Kolkata

**Prakash Sharma**  
Partner  
M. No. 072332  
UDIN: 20072332AAAAAB7707  
Place: Jaipur

**Date: 20 June, 2020**

## Notes to Separate Financial Statements

### 1. Corporate and General Information

Power Grid Corporation of India Limited ('the Company') is a public company domiciled and incorporated in India under the provisions of The Companies Act and its shares are listed on the National Stock Exchange (NSE) and BSE Limited (BSE) in India. The registered office of the Company is situated at B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi, India and its Corporate Office is located at Saudamini, Plot No.2, Sector-29, Gurgaon, Haryana.

The Company is notified as the Central Transmission Utility (CTU) under The Electricity Act, 2003. It is principally engaged in planning, implementation, operation and maintenance of Inter-State Transmission System (ISTS), Telecom and consultancy services.

The financial statements of the company for the year ended March 31, 2020 were approved for issue by the Board of Directors on 20th June, 2020.

### 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 following which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value (refer Note no. 2.13 for accounting policy regarding financial instruments),
- Defined benefit plans – plan assets measured at fair value

##### 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 crore 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 on-going 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

The Company had opted to consider the carrying value of Property, Plant and Equipment as per previous GAAP on the date of transition to Ind AS (1st April, 2015) to be the deemed cost as per Ind AS 101 'First time Adoption of Indian Accounting Standards'.

#### 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 component 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, deposit works/cost- plus contracts 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.

Assets and systems common to more than one transmission system are capitalized on the basis of technical estimates/ assessments.

Transmission system assets are considered as ready for intended use from the date of commercial operation declared in terms of CERC Tariff Regulations 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 levelling, clearing and grading of land is capitalized as part of cost of the related buildings.

Spares parts whose cost is ₹500000/- 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 & Equipment is recognized in the carrying amount of the item if it is probable that future economic benefits 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 & 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 their 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 Corporate office, Regional Offices 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.

Deposit works/cost-plus contracts are accounted for on the basis of statement received from the contractors or technical assessment of work completed.

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

The Company had opted to consider the carrying value of Intangible Assets as per previous GAAP on the date of transition to Ind AS (1st April, 2015) to be the deemed cost as per Ind AS 101 'First time Adoption of Indian Accounting Standards'.

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 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.

Expenditure on research is recognised as an expense when it is incurred.

Expenditure on development activities 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.

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 Investment property

The Company had opted to consider the carrying value of Investment Property as per previous GAAP on the date of transition to Ind AS (1st April, 2015) to be the deemed cost as per Ind AS 101 'First time Adoption of Indian Accounting Standards'.

Investment property comprises portions of land and/or buildings that are held for long term rental yields and/or for capital appreciation.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are carried at cost less accumulated depreciation and accumulated impairment loss, if any.

Transfers to or from investment property is made when there is a change in use i.e. an asset meets or ceases to meet the definition of investment property and there is evidence of the change in use.

Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised as profit or loss in the period of derecognition.

## 2.6 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 following the rates and methodology notified by the CERC for the purpose of recovery of tariff and on property, plant and equipment of telecom and consultancy business is provided on straight line method as per useful life specified in Schedule II of the Companies Act, 2013 except for property, plant and equipment specified in the following paragraphs.

ULDC assets commissioned prior to 1st April 2014 are depreciated on Straight Line Method @ 6.67% per annum. Such assets commissioned on or after 1st April 2014 are depreciated on straight line method following the rates and methodology notified by the CERC for the purpose of recovery of tariff.

In the case of property, plant and equipment of National Thermal Power Corporation Limited (NTPC), National Hydro-Electric Power Corporation Limited (NHPC), North-Eastern Electric Power Corporation Limited (NEEPCO), Neyveli Lignite Corporation Limited (NLC) transferred w.e.f. April 1, 1992, Jammu and Kashmir Lines w.e.f. April 1, 1993, and Tehri Hydro Development Corporation Limited (THDC) w.e.f. August 1, 1993, depreciation is charged based on gross block as indicated in transferor's books with necessary adjustments so that the life of the assets as laid down in the CERC notification for tariff is maintained.

Depreciation on buildings held as investment property is provided on straight line method as specified in Schedule II of The Companies Act, 2013.

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, following the rates and methodology notified by the CERC.

Depreciation on following items of property, plant and equipment is provided based on estimated useful life as per technical assessment.



Particulars	Useful life
a. Computers & Peripherals	3 Years
b. Servers & Network Components	5 years

Residual value of above assets is considered as Nil.

Mobile phones are charged off in the year of purchase.

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 at the rates and methodology as specified by the CERC Tariff Regulations, except for telecom and consultancy business assets where residual life is determined on the basis of useful life of property, plant and equipment as specified in Schedule II of the Companies Act, 2013.

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 other than items of property, plant and equipment related to transmission business 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 in accordance with the rates and methodology specified in CERC Tariff Regulation. 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 rates and methodology notified by Central Electricity Regulatory Commission (CERC) Tariff Regulations.

Telecom Licenses are amortised on straight line basis over their respective useful lives.

Expenditure on development of 1200kv Transmission System shall be amortised over a period of 10 years.

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 an intangible asset are 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".

## **2.7 Borrowing Costs**

All the borrowed funds (except short term funds for working capital) are earmarked to specific projects. The borrowing costs (including bond issue expenses, interest, discount on bonds, front end fee, guarantee fee, management fee etc.) are allocated to the projects in proportion to the funds so earmarked.

Exchange differences arising from foreign currency borrowing to the extent regarded as an adjustment to interest costs are treated as borrowing cost.

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalised (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.

## **2.8 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.

## 2.9 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.

## 2.10 Inventories

Inventories are valued at lower of the cost, determined on weighted average basis and 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 ₹500000/- 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.

## 2.11 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 2.8 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 2.7 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.

State sector Unified Load Dispatch Centre (ULDC)/ Fiber Optic Communication Assets (FOC)/Bilateral line assets leased to the beneficiaries are considered as Finance Lease. Net investment in such leased assets are recorded as receivable at the lower of the fair value of the leased property and the present value of the minimum lease payments along with accretion in subsequent years is accounted for as Lease Receivables under current and non-current other financial assets. Wherever grant-in-aid is received for construction of State Sector ULDC, lease receivable is accounted for net of such grant.

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 as per the tariff notified by CERC.

FERV on foreign currency loans relating to leased assets is adjusted to the amount of lease receivables and is amortised over the remaining tenure of lease. FERV recovery (as per CERC norms) from the constituents is recognised net of such amortised amount.

### **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.

## **2.12 Employee benefits**

### **2.12.1 Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into separate entities (Funds) and will have no legal or constructive obligation to pay further contributions, if the Fund does not hold sufficient assets to pay all employee's benefits related to employee service in the current and prior periods. Obligations for contribution to defined contribution plans are recognized as an employee benefits expense in the statement of profit and loss in the period during which services are rendered by employees.

The Company has a defined contribution pension scheme which is administered through a separate trust. The obligation of the Company is to contribute to the trust to the extent of amount not exceeding 30% of basic pay and dearness allowance less employer's contribution towards provident fund, gratuity, post-retirement medical facility (PRMF) or any other retirement benefits. The contributions to the fund for the year are recognized as an expense and charged to the statement of profit and loss.

### **2.12.2 Defined benefit plans**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's liability towards gratuity, post-retirement medical facility, baggage allowance for settlement at home town after retirement, long service award on retirement and provident fund scheme to the extent of interest liability on provident fund contribution are in the nature of defined benefit plans.

The gratuity is funded by the Company and is managed by separate trust. The Company has Post-Retirement Medical Facility (PRMF), under which retired employee and the spouse are provided medical facilities in the Company empanelled hospitals. They can also avail treatment as out-patient subject to a ceiling fixed by the Company.

The Company pays fixed contribution to Provident Fund at predetermined rates to a separate trust, which invests the funds in permitted securities. The contributions to the fund for the year are recognized as expense and are charged to the statement of profit and loss. The obligation of the Company is limited to such fixed contributions and to ensure a minimum rate of interest on contributions to the members as specified by the Government of India (GoI).

The Company has schemes for payment of baggage allowance towards expenses for settlement at hometown for the superannuated employees & their dependents and for providing a Long Service Award to all regular employees of the Company on superannuation.

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognized asset is limited to the total of any unrecognized past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. An economic benefit is available to the Company if it is realizable during the life of the plan, or on settlement of the plan liabilities. Any actuarial gains or losses are recognized in OCI in the period in which they arise and subsequently not reclassified to profit or loss.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized in the statement of profit and loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognized immediately in the statement of profit and loss.

### **2.12.3 Other long-term employee benefits**

Benefits under the Company's leave encashment and employee family economic rehabilitation scheme constitute other long term employee benefits.

The Company's net obligation in respect of leave encashment is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Company's obligations. The calculation is performed using the projected unit credit method. Any actuarial gains or losses are recognized in the statement of profit and loss in the period in which they arise.

As per 'POWERGRID Employee Family Economic Rehabilitation Scheme', which is optional, in the event of death or permanent total disability of an employee, the dependent(s) or the employee, as the case may be, is paid a fixed amount based on the last salary drawn by the employee till the notional date of superannuation of the employee upon depositing the final provident fund and gratuity amount which will be interest free.

#### 2.12.4 Short-term benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under performance related pay if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

### 2.13 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

##### 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.

##### Equity investments

All equity investments in scope of Ind AS 109 'Financial Instruments' are measured at fair value. The company may, on initial recognition, make an irrevocable election to present subsequent changes in the fair value in other comprehensive income (FVOCI) on an instrument by-instrument basis.

For equity instruments classified as at FVOCI, all fair value changes on the instrument, excluding dividends are recognized in the OCI. There is no recycling of the amounts from OCI to Profit or Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

##### Derecognition 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 unbilled revenue, 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 Expected Credit Loss (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 unfavourable to the Company.

The Company's financial liabilities include loans & borrowings, trade and other payables.

**Classification, initial recognition and measurement**

Financial liabilities are recognised initially at fair value minus 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 derecognised.

The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

**Derecognition 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.

**2.14 Investment in Subsidiaries**

A subsidiary is an entity controlled by the Company. Control exists when the Company has power over the entity, is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity.

Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns.

Investments in subsidiaries are carried at cost less impairment, if any. The cost comprises price paid to acquire investment and directly attributable cost.

**2.15 Investment in Joint Ventures and Associates**

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The investment in joint ventures and associates are carried at cost less impairment, if any. The cost comprises price paid to acquire investment and directly attributable cost.

**2.16 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.

Foreign exchange gains and losses (other than related to foreign currency loans outstanding) are presented in the statement of profit and loss on a net basis within other gains/ (losses).

The Company has availed the exemption available in Ind AS 101, to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary liabilities outstanding as on March 31, 2016.

#### **Foreign currency loans outstanding as on March 31, 2016:**

Foreign Exchange Rate Variation (FERV) arising on settlement / translation of such foreign currency loans relating to property, plant and equipment/ capital work-in-progress is adjusted to the carrying cost of related assets and is recoverable/payable from the beneficiaries on actual payment basis as per Central Electricity Regulatory Commission (CERC) norms w.e.f. 1st April, 2004 or Date of Commercial Operation (DOCO) whichever is later. The above FERV to the extent recoverable or payable as per the CERC norms is accounted for as follows:

- i) FERV recoverable/payable adjusted to carrying cost of property, plant and equipment is accounted for as 'Deferred foreign currency fluctuation asset/liability a/c' with a corresponding credit/debit to 'Deferred income/expenditure from foreign currency fluctuation a/c'.
- ii) 'Deferred income/expenditure from foreign currency fluctuation a/c' is amortized in the proportion in which depreciation is charged on such FERV.
- iii) The amount recoverable/payable as per CERC norms on year to year basis is adjusted to the 'Deferred foreign currency fluctuation asset/liability a/c' with corresponding debit / credit to the trade receivables.

FERV earlier charged to Statement of Profit and Loss & included in the capital cost for the purpose of tariff is adjusted against 'Deferred foreign currency fluctuation asset/liability a/c'.

FERV arising out of settlement/translation of long term monetary items (other than foreign currency loans) relating to Property Plant & Equipment /CWIP is adjusted in the carrying cost of related assets.

FERV arising during the construction period from settlement/translation of monetary items (other than non-current loans) denominated in foreign currency to the extent recoverable/payable to the beneficiaries as capital cost as per CERC tariff Regulation are accounted as Regulatory Deferral Account Balances. Transmission charges recognised on such amount is adjusted against above account. Other exchange differences are recognized as income or expenses in the period in which they arise.

#### **Foreign currency loans drawn on or after April 1, 2016:**

Exchange differences arising from foreign currency borrowing to the extent regarded as an adjustment to interest costs are treated as borrowing cost. Other exchange differences are recognized in the Statement of Profit and Loss.

Exchange difference to the extent recoverable as per CERC tariff regulations are recognized as Regulatory Deferral Account Balances through Statement of Profit and Loss.

### **2.17 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 countries 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.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

### **2.18 Regulatory Deferral Account Balances**

Certain expenses and income, allowed under CERC regulations to be reimbursed by/passed on to beneficiaries in future, are to be accounted in the Statement of Profit and Loss as per the provisions of Ind AS 114 'Regulatory Deferral Accounts'. Such expenses and income, to the extent recoverable /payable as part of tariff under CERC Regulations are treated as Regulatory Deferral Assets/Liabilities.



The Company presents separate line items in the Balance Sheet for:

- (a) the total of all Regulatory Deferral Account Debit Balances; and
- (b) the total of all Regulatory Deferral Account Credit Balances.

A separate line item is presented in the profit or loss section of the Statement of Profit and Loss for the net movement in all Regulatory Deferral Account Balances for the reporting period.

Regulatory deferral accounts balances are adjusted in the year in which the same become recoverable from or payable to the beneficiaries.

### 2.19 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.

#### Significant Financing Component

Where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year, the Company assesses the effects of significant financing component in the contract. As a consequence, the Company makes adjustment in the transaction prices for the effects of time value of money.

#### 2.19.1 Revenue from Operations

##### Transmission

Transmission Income is accounted for based on tariff orders notified by the CERC. In case of transmission projects where final tariff orders are yet to be notified, transmission income is accounted for on provisional basis as per tariff regulations and orders of the CERC in similar cases. Difference, if any, is accounted on issuance of final tariff orders by the CERC. Transmission Income in respect of additional capital expenditure incurred after the date of commercial operation is accounted for based on expenditure incurred on year to year basis as per CERC tariff regulations. As at each reporting date, transmission income includes an accrual for services rendered to the customers but not yet billed i.e. Unbilled Revenue.

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 (RPCs) and in accordance with the CERC tariff regulations. 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.

Advance against depreciation (AAD), forming part of tariff pertaining upto the block period 2004-09, to facilitate repayment of loans, was reduced from transmission income and considered as deferred income to be included in transmission income in subsequent years. The outstanding deferred income in respect of AAD is recognized as transmission income, after twelve years from the end of the financial year in which the asset was commissioned, to the extent depreciation recovered in the tariff during the year is lower than depreciation charged in the accounts.

##### Telecom Services

Income from Telecom Services, net of downtime credit, is recognised on the basis of terms of agreements/purchase orders from the customers. Upfront fee received in advance under long term contracts providing Indefeasible Right to Use (IRU), is recognised as revenue on the basis of estimation of revenue over the period of contract

##### Consultancy Services

In respect of 'Cost-plus-consultancy contracts', involving execution on behalf of the client, revenue is recognized in proportion to the stage of completion of the work performed at the reporting date, which is determined based on input method.

Income from other consultancy contracts are accounted for on technical assessment of progress of services rendered.

#### 2.19.2 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.

Application Fees towards Long Term Open Access (LTOA) as per CERC Guidelines is accounted for on receipt.

Scrap other than steel scrap & conductor scrap are accounted for as and when sold.

Dividend income is recognized when right to receive payment is established.

Insurance claims for loss of profit are accounted for in the year of acceptance. Other 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.

## 2.20 Government Grants

Grants-in-aid from Central Government or other authorities towards capital expenditure for projects, betterment of transmission systems and specific depreciable assets initially are treated as deferred income when there is a reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant. Deferred Income is recognized in the Statement of Profit and Loss over the useful life of related asset in proportion to which depreciation on these assets is provided.

Grants that compensate the Company for expenses incurred are recognized over the period in which the related costs are incurred and deducted from the related expenses.

## 2.21 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.

## 2.22 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.

## 2.23 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 Gross Block of Property, Plant and Equipment 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'.

## 2.24 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.

## 2.25 Operating Segments

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

The operating segments have been identified on the basis of the nature of products / services.

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

- Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets.

### 2.26 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.

Additionally, basic and diluted earnings per share are computed using the earnings amounts excluding the movements in Regulatory Deferral Account Balances.

### 2.27 Statement of Cash Flows

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

## 3. Critical Estimates and Judgments

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

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

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

#### Revenue Recognition:

Transmission income is accounted for based on tariff orders notified by the CERC. In case of transmission projects where final tariff orders are yet to be notified, transmission income is accounted for as per tariff regulations and other orders of the CERC in similar cases. Differences, if any, are accounted on issuance of final tariff orders by the CERC. Transmission income in respect of additional capital expenditure incurred after the date of commercial operation is accounted for based on expenditure incurred on year to year basis as per CERC tariff regulations.

#### Regulatory Deferral Balances:

Recognition of Regulatory Deferral Balances involves significant judgments including about future tariff regulations since these are based on estimation of the amounts expected to be recoverable/payable through tariff in future.

#### Estimation of defined benefit obligation

Estimation of defined benefit obligation involves certain significant actuarial assumptions which are listed in Note 64.

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.

#### 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, other than the assets of transmission business which are governed by CERC Regulations, 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.

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

In assessing the recoverability of trade receivables, unbilled revenue and investments, the company has considered internal and external information up to the date of approval of these financial statements including credit reports and economic forecasts. In view of the nature of the Company's business, the regulated tariff mechanism applicable to the major part of the company's revenue and based on the current indicators of future economic conditions, the company expects to recover the carrying amount of these assets.

## Standalone Financial Statements

**Note 4/Property, Plant and Equipment (Contd.)**

Particulars	Cost					Accumulated depreciation			Net Book Value	
	As at 1 <sup>st</sup> April, 2018	Additions during the year	Disposal	Adjustment during the year	As at 31 <sup>st</sup> March, 2019	As at 1 <sup>st</sup> April, 2018	Additions during the year	Disposal	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Land</b>										
a) Freehold	2,179.20	48.06	-	-	2,227.26	-	-	-	2,227.26	2,179.20
b) Leasehold	305.72	132.46	-	-	438.18	31.22	11.53	-	395.43	274.50
<b>Buildings</b>										
a) Sub-Stations & Office	1,281.79	218.06	-	(10.19)	1,510.04	103.46	53.74	-	1,572.6	1,178.33
b) Township	514.94	72.19	-	(0.67)	587.80	63.75	23.91	-	87.67	451.19
Temporary Erection	0.95	0.07	-	-	1.02	0.94	0.01	-	0.95	0.01
Roads & Bridges	163.90	8.76	-	(0.01)	172.67	21.99	7.16	-	29.15	141.91
Water Supply Drainage & Sewerage	96.54	1.50	-	(0.36)	98.40	12.87	4.32	-	17.19	83.67
<b>Plant &amp; Equipment</b>										
a) Transmission	109,907.90	11,038.38	45.99	(879.64)	121,779.93	14,832.94	6,442.16	17.83	21,262.21	95,074.96
b) Sub-station	58,240.88	7,268.68	66.25	(368.65)	65,811.96	7,537.79	3,591.27	33.88	11,096.12	50,703.09
c) Unified Load Despatch & Communication	755.98	206.62	-	12.57	950.03	149.96	56.25	-	203.93	606.02
d) Telecom	1,057.15	43.20	-	(17.57)	1,117.92	289.87	102.63	-	401.07	767.28
Furniture Fixtures	109.52	21.14	0.25	0.07	130.34	20.50	8.54	0.06	28.96	89.02
Vehicles	3.33	0.28	0.71	-	2.90	1.11	0.32	0.16	1.32	2.22
Office equipment	190.20	18.84	0.37	(2.26)	210.93	27.17	13.43	0.13	41.04	163.03
Electronic Data Processing & Word Processing Machines	91.47	20.71	1.66	(0.17)	110.69	56.24	21.10	1.59	75.83	35.23
Construction and Workshop equipment	286.30	13.07	1.25	(0.02)	298.14	42.33	17.58	0.64	59.64	243.97
Electrical Installation	92.79	13.24	-	-	106.03	17.58	5.83	-	23.41	75.21
Laboratory Equipments	45.46	2.44	0.40	-	47.50	9.53	3.02	0.03	12.52	35.93
Workshop & Testing Equipments	155.78	79.50	0.14	1.68	233.46	14.95	10.78	0.03	25.70	140.83
Miscellaneous Assets/Equipments	0.04	0.11	-	(0.01)	0.16	0.01	0.01	-	0.02	0.03
<b>Total</b>	<b>175,479.84</b>	<b>19,207.31</b>	<b>117.02</b>	<b>(1,265.23)</b>	<b>195,835.36</b>	<b>23,234.21</b>	<b>10373.59</b>	<b>54.35</b>	<b>33,566.74</b>	<b>152,245.63</b>
Less: Provision for assets discarded	1.74	-	-	-	1.74	-	-	-	-	1.74
<b>Grand Total</b>	<b>175,478.10</b>	<b>19,207.31</b>	<b>117.02</b>	<b>(1,265.23)</b>	<b>195,833.62</b>	<b>23,234.21</b>	<b>10373.59</b>	<b>54.35</b>	<b>33,566.74</b>	<b>152,243.89</b>

## **Note 4/Property, Plant and Equipment (Contd.)**

### **Further Notes:**

- a) The Company owns 7350 hectare (Previous Year 7172 hectare) of land amounting to ₹2713.14crore (Previous Year ₹2665.44crore) which has been classified into freehold land 6257 hectare (Previous Year 6100 hectare) amounting to ₹2252.71crore (Previous Year ₹2227.26crore) and Right of Use - leasehold land 1093 hectare (Previous Year 1072 hectare) amounting to ₹460.43crore (Previous Year ₹438.18crore) based on available documentation.
- b) Freehold land acquired by the company includes 188.93 hectare (Previous Year 189.11 hectare) amounting to ₹149.17crore (Previous Year ₹146.01crore) in respect of which conveyance deed in favour of the company is pending and 84.59 hectare (Previous Year 118.00 hectare) amounting to ₹52.03crore (Previous Year ₹58.76crore) in respect of land acquired by the company for which only mutation in revenue records is pending.
- c)
  - i) The land classified as Right of Use - leasehold land held in the state of Jammu and Kashmir with area of 113.88 hectare (Previous Year 113.88 hectare) amounting to ₹94.01crore (Previous Year ₹85.51crore) is acquired by state government as per procedures under State Land Acquisition Act. As per prevailing law the state government remains the owner of the land so acquired and company is only given possession for the specific use.
  - ii) The transmission system situated in the state of Jammu and Kashmir have been taken over by the company w.e.f. 1st April 1993 from National Hydroelectric Power Corporation of India Limited (NHPC) upon mutually agreed terms pending completion of legal formalities.
  - iii) Right of Use - leasehold land includes area of 2.65 hectare (Previous Year 2.65 hectare) amounting to ₹12.36crore (Previous Year ₹12.36crore) in respect of land in Chamba (HP) acquired from NHPC by the company for which legal formalities are pending.
  - iv) Right of Use - leasehold land other than above includes 142.87 hectare (Previous Year 133.91 hectare) amounting to ₹185.88crore (Previous Year ₹185.86crore) in respect of which lease agreements/ legal formalities are pending.
- d) Right of Use - leasehold land includes area of 0.41 hectare (Previous Year 0.41 hectare) amounting to ₹7.64crore (Previous Year ₹7.64crore) in respect of land acquired for office complex on perpetual lease basis and hence not amortised.
- e) Township building includes ₹2.95crore (Previous Year ₹2.95crore) for 28 flats (Previous Year 28 flats) at Mumbai, for which registration in favour of the company is pending. Out of the above flats, 17 flats are occupied by employees of M/S Power System Operation Corporation Ltd.
- f) 5.63 hectare (Previous Year 5.63 hectare) having value of ₹0.04crore (Previous Year ₹0.04crore) has been transferred to National High Power Test Laboratory Pvt. Ltd. on right to use without granting ownership.
- g) Refer note no. 50 for disclosure on Right of Use Assets as per Ind AS 116 – “Leases”.
- h) Refer note no. 23 for information on property, plant and equipment pledged as security by the company.



## Note 5/Capital work in progress

(₹ in crore)

Particulars	As at 1 <sup>st</sup> April, 2019	Additions during the year	Adjustments	Capitalised during the year	As at 31 <sup>st</sup> March, 2020
<b>Land</b>					
Development of land	6.44	3.68	-	9.94	0.18
<b>Buildings</b>					
a) Sub-Stations & Office	98.15	60.68	2.13	61.03	95.67
b) Township	115.73	73.84	11.46	41.34	136.77
Roads & Bridges	18.27	8.94	0.69	1.18	25.34
Water Supply Drainage and Sewerage	3.54	1.85	-	0.22	5.17
<b>Plant &amp; Equipments (including associated civil works)</b>					
a) Transmission	9597.94	5390.72	-	5371.84	9616.82
b) Sub-Station	9864.47	9543.74	-	7535.00	11873.21
c) Unified Load Despatch & Communication	478.34	145.78	-	253.47	370.65
d) Telecom	75.32	110.34	-	85.99	99.67
Other office equipments	9.83	23.81	31.65	-	1.99
Electrical Installations	3.44	2.09	-	2.92	2.61
Construction Stores (Net of Provision)	10462.16	5738.53	11743.20	-	4457.49
<b>Expenditure pending allocation</b>					
i) Survey, investigation, consultancy & supervision Charges	6.43	2.70	-	2.97	6.16
ii) Difference in Exchange on foreign currency loans	127.33	84.76	-	133.06	79.03
iii) Expenditure during construction period(net) (Note 43)	2498.89	2321.37	(82.38)	1491.06	3411.58
	<b>33366.28</b>	<b>23512.83</b>	<b>11706.75</b>	<b>14990.02</b>	<b>30182.34</b>
Less: Provision for unserviceable Assets	2.26	-	-	-	2.26
<b>Grand Total</b>	<b>33364.02</b>	<b>23512.83</b>	<b>11706.75</b>	<b>14990.02</b>	<b>30180.08</b>

(₹ in crore)

Particulars	As at 1 <sup>st</sup> April, 2018	Additions during the year	Adjustments	Capitalised during the year	As at 31 <sup>st</sup> March, 2019
<b>Land</b>					
Development of land	10.76	0.39	-	4.71	6.44
<b>Buildings</b>					
a) Sub-Stations & Office	151.65	89.18	-	142.68	98.15
b) Township	97.00	88.24	-	69.51	115.73
Roads & Bridges	18.66	5.24	-	5.63	18.27
Water Supply Drainage and Sewerage	3.22	0.32	-	-	3.54
<b>Plant &amp; Equipments (including associated civil works)</b>					
a) Transmission	11851.80	7293.42	-	9547.28	9597.94
b) Sub-Station	7000.35	9637.03	(0.01)	6772.92	9864.47
c) Unified Load Despatch & Communication	464.29	228.66	20.93	193.68	478.34
d) Telecom	46.90	52.18	-	23.76	75.32
Furniture & Fixtures	-	0.57	-	0.57	-
Other office equipments	8.88	7.73	-	6.78	9.83
Electrical Installations	0.93	11.72	-	9.21	3.44
Construction Stores (Net of Provision)	7589.19	2872.97	-	-	10462.16
<b>Expenditure pending allocation</b>					
i) Survey, investigation, consultancy & supervision Charges	32.95	-	8.42	18.10	6.43
ii) Difference in Exchange on foreign currency loans	187.89	(14.97)	-	45.59	127.33
iii) Expenditure during construction period(net) (Note 43)	2798.96	1653.67	4.86	1948.88	2498.89
	<b>30263.43</b>	<b>21926.35</b>	<b>34.20</b>	<b>18789.30</b>	<b>33366.28</b>
Less: Provision for unserviceable Assets	2.26	-	-	-	2.26
<b>Grand Total</b>	<b>30261.17</b>	<b>21926.35</b>	<b>34.20</b>	<b>18789.30</b>	<b>33364.02</b>

**Note 5/Capital work in progress (Contd.)**  
**(Details of Construction stores) (At Cost)**

(₹ in crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Construction Stores		
Towers	<b>518.17</b>	1169.06
Conductors	<b>1001.54</b>	2566.47
Other Line Materials	<b>263.18</b>	489.92
Sub-Station Equipments	<b>1253.79</b>	2333.70
High Voltage Direct Current (HVDC) Equipments	<b>1087.60</b>	3473.09
Unified Load Despatch & Communication(ULDC) Materials	<b>197.95</b>	219.08
Telecom Materials	<b>60.00</b>	52.29
Others	<b>75.26</b>	158.55
<b>Total</b>	<b>4457.49</b>	10462.16
<b>Construction Stores include:</b>		
<b>i) Material in transit</b>		
Towers	<b>21.09</b>	0.35
Conductors	<b>6.22</b>	-
Other Line Materials	<b>1.03</b>	18.18
Sub-Station Equipments	<b>122.66</b>	155.15
High Voltage Direct Current (HVDC) Equipments	<b>138.09</b>	723.53
Others	<b>-</b>	2.22
<b>Total</b>	<b>289.09</b>	899.43
<b>ii) Material with Contractors</b>		
Towers	<b>497.08</b>	1168.71
Conductors	<b>995.32</b>	2566.47
Other Line Materials	<b>262.15</b>	471.73
Sub-Station Equipments	<b>1131.13</b>	2178.56
High Voltage Direct Current (HVDC) Equipments	<b>949.51</b>	2749.55
Unified Load Despatch & Communication (ULDC) Materials	<b>197.95</b>	219.08
Telecom Materials	<b>60.00</b>	52.29
Others	<b>75.26</b>	156.34
<b>Total</b>	<b>4168.40</b>	9562.73
<b>Grand total</b>	<b>4457.49</b>	10462.16

**Further Notes:**

Materials with Contractors amounting to ₹229.28 crore (Previous Year ₹334.62 crore) in respect of commissioned lines is pending for reconciliation. However reconciliation are carried out on ongoing basis.

**Note 6/Investment Property**

(₹ in crore)

Particulars	Cost					Accumulated Amortisation				Net Book Value	
	As at 1 <sup>st</sup> April, 2019	Additions during the year	Disposal	Adjustment during the year	As at 31 <sup>st</sup> March, 2020	As at 1 <sup>st</sup> April, 2019	Additions during the year	Disposal	Adjustment during the year	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Land (Freehold)	0.02	-	-	-	0.02	-	-	-	-	-	0.02
Buildings	0.01	-	-	-	0.01	-	-	-	-	-	0.01
<b>Total</b>	<b>0.03</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.03</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.03</b>

(₹ in crore)

Particulars	Cost				Accumulated Amortisation				Net Book Value		
	As at 1 <sup>st</sup> April, 2018	Additions during the year	Disposal	Adjustment during the year	As at 31 <sup>st</sup> March, 2019	As at 1 <sup>st</sup> April, 2018	Additions during the year	Disposal	Adjustment during the year	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Land (Freehold)	0.02	-	-	-	0.02	-	-	-	-	0.02	0.02
Buildings	0.01	-	-	-	0.01	-	-	-	-	0.01	0.01
<b>Total</b>	<b>0.03</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.03</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.03</b>	<b>0.03</b>

**Note 6/Investment Property (Contd.)**
**Further Notes:**

(i) Amount recognised in profit or loss for investment property

(₹ in Crore)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Rental income	Nil	Nil
Direct operating expenses from property that generated rental income	Nil	Nil
Direct operating expenses from property that did not generate rental income	Nil	Nil
Profit from investment property before depreciation	Nil	Nil
Depreciation	Nil	Nil
<b>Profit from investment property</b>	<b>Nil</b>	<b>Nil</b>

(ii) There are no contractual obligation for future repairs and maintenance which not recognised as a liability as at 31.03.2020 and 31.03.2019.

(iii) There are no Leasing arrangements as at 31.03.2020 and 31.03.2019.

(iv) Fair value

(₹ in Crore)

Particulars	As at 31.03.2020	As at 31.03.2019
Investment property	2.87	2.83

**Estimation of fair value**

The fair value of investment property has been determined by independent valuer. The main inputs used are the rental growth rates, expected vacancy rates, terminal yields and discount rates based on comparable transactions and industry data. All resulting fair value estimates for investment property are included in level 2.

**Note 7 / Intangible assets**

(₹ in crore)

Particulars	Cost				Accumulated Amortisation				Net Book Value		
	As at 1 <sup>st</sup> April, 2019	Additions during the year	Disposal	Adjustment during the year	As at 31 <sup>st</sup> March, 2020	As at 1 <sup>st</sup> April, 2019	Additions during the year	Disposal	Adjustment during the year	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Electronic Data Processing Software	54.86	3.01	-	-	57.87	47.10	4.42	-	-	51.52	7.76
Right of Way-Afforestation Expenses	1829.55	18.20	-	(0.38)	1848.13	298.35	105.50	-	0.02	403.83	1531.20
Telecom Licenses	2.80	-	-	-	2.80	0.27	0.14	-	-	0.41	2.53
Development of 1200 KV TS*	71.86	-	-	-	71.86	20.25	7.24	-	-	27.49	51.61
Total	1959.07	21.21	-	(0.38)	1980.66	365.97	117.30	-	0.02	483.25	1593.10

\*Internally generated intangible asset

Particulars	Cost				Accumulated Amortisation				Net Book Value		
	As at 1 <sup>st</sup> April, 2018	Additions during the year	Disposal	Adjustment during the year	As at 31 <sup>st</sup> March, 2019	As at 1 <sup>st</sup> April, 2018	Additions during the year	Disposal	Adjustment during the year	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Electronic Data Processing Software	46.97	7.77	-	(0.12)	54.86	42.17	4.81	-	(0.12)	47.10	4.80
Right of Way-Afforestation Expenses	1502.81	275.13	-	(51.61)	1829.55	200.38	97.97	-	-	298.35	1302.43
Telecom Licenses	2.80	-	-	-	2.80	0.13	0.14	-	-	0.27	2.67
Development of 1200 KV TS*	69.57	2.29	-	-	71.86	13.01	7.24	-	-	20.25	56.56
<b>Total</b>	<b>1622.15</b>	<b>285.19</b>	<b>-</b>	<b>(51.73)</b>	<b>1959.07</b>	<b>255.69</b>	<b>110.16</b>	<b>-</b>	<b>(0.12)</b>	<b>365.97</b>	<b>1366.46</b>

\*Internally generated intangible asset

## Note 8/Intangible assets under development

(₹ in Crore)

Particulars	As at 1 <sup>st</sup> April, 2019	Additions	Adjustments	Capitalised during the year	As at 31 <sup>st</sup> March, 2020
Electronic Data Processing Software	-	-	-	-	-
Right of Way-Afforestation expenses	214.06	9.53	-	4.04	219.55
Development of 1200 KV TS	-	-	-	-	-
<b>Total</b>	<b>214.06</b>	<b>9.53</b>	<b>-</b>	<b>4.04</b>	<b>219.55</b>

(₹ in Crore)

Particulars	As at 1 <sup>st</sup> April, 2018	Additions	Adjustments	Capitalised during the year	As at 31 <sup>st</sup> March, 2019
Electronic Data Processing Software	-	4.47	-	4.47	-
Right of Way-Afforestation expenses	45.95	328.17	-	160.06	214.06
Development of 1200 KV TS	-	5.68	3.39	2.29	-
<b>Total</b>	<b>45.95</b>	<b>338.32</b>	<b>3.39</b>	<b>166.82</b>	<b>214.06</b>

## Note 9/Investments

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Investments in Equity Instruments (Fully paid up)</b>		
<b>Investments at Fair Value through Other Comprehensive Income (OCI)</b>		
<b>Quoted</b>		
PTC India Limited		
12000006 (Previous Year 12000006) Equity Shares of ₹10/- each	<b>46.50</b>	88.14
<b>Unquoted</b>		
Energy Efficiency Services Limited		
56118350 (Previous Year 37704350) Equity Shares of ₹10/- each	<b>52.40</b>	41.70
<b>Investments at Cost (Fully paid up)</b>		
<b>Unquoted</b>		
<b>i) Subsidiary Companies</b>		
Powergrid NM Transmission Limited		
278400000 (Previous Year 264000000) Equity Shares of ₹10 each.	<b>278.40</b>	264.00
Powergrid Vemagiri Transmission Limited		
50000 (Previous Year 50000) Equity Shares of ₹10 each.	<b>0.05</b>	0.05
Less: Provision for diminution in the value of Investment	<b>0.05</b>	0.05
	-	-
Powergrid Vizag Transmission Limited		
209730000 (Previous Year 209730000) Equity Shares of ₹10 each.	<b>209.73</b>	209.73
Powergrid Unchahar Transmission Limited		
12961067 (Previous Year 12961067) Equity Shares of ₹10 each.	<b>12.96</b>	12.96
Powergrid Kala Amb Transmission Limited		
61000000 (Previous Year 61000000) Equity Shares of ₹10 each.	<b>61.00</b>	61.00
Powergrid Jabalpur Transmission Limited		
217150000 (Previous Year 173150000) Equity Shares of ₹10 each.	<b>217.15</b>	173.15
Powergrid Warora Transmission Limited		
393300000 (Previous Year 326300000) Equity Shares of ₹10 each.	<b>393.30</b>	326.30
Powergrid Parli Transmission Limited		
319500000 (Previous Year 228500000) Equity Shares of ₹10 each.	<b>319.50</b>	228.50
Powergrid Southern Interconnector Transmission System Limited		
709004000 (Previous Year 515504000) Equity Shares of ₹10 each.	<b>709.00</b>	515.50
Powergrid Medinipur Jeerat Transmission Limited		
289330000 (Previous Year 10000) Equity Shares of ₹10 each.	<b>289.33</b>	0.01
Powergrid Mithilanchal Transmission Limited		
120000000 (Previous Year 50000) Equity Shares of ₹10 each.	<b>120.00</b>	0.05
Powergrid Varanasi Transmission System Limited		
125050000 (Previous Year 50000) Equity Shares of ₹10 each.	<b>125.05</b>	0.05
Powergrid Jawaharpur Firozabad Transmission Limited		
50000 (Previous Year 50000) Equity Shares of ₹10 each.	<b>0.05</b>	0.05
Powergrid Khetri Transmission System Limited		
50000 (Previous year NIL ) Equity Shares of ₹ 10 each	<b>0.05</b>	-
Powergrid Bhind Guna Transmission Limited		
50000 (Previous year NIL ) Equity Shares of ₹ 10 each	<b>0.05</b>	-



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### Note 9/Investments (Contd.)

Particulars	As at 31 <sup>st</sup> March, 2020	(₹ in Crore) As at 31 <sup>st</sup> March, 2019
Powergrid Ajmer Phagi Transmission Limited 50000 (Previous Year NIL) Equity Shares of ₹10 each. Powergrid Fatehgarh Transmission Limited 10000 (Previous Year NIL) Equity Shares of ₹10 each Powergrid Bhuj Transmission Limited 10000 (Previous Year NIL) Equity Shares of ₹10 each Powergrid Rampur Sambhal Transmission Limited 50000 (Previous Year NIL) Equity Shares of ₹10 each Powergrid Meerut Simbhavali Transmission Limited 10000 (Previous Year NIL) Equity Shares of ₹10 each	0.05  0.01  0.01  0.05  0.01  <b>2735.70</b>	-  -  -  -  -  1791.30
<b>ii) Joint Venture Companies</b>		
Torrent Power Grid Limited 23400000 (Previous Year 23400000) Equity Shares of ₹10/- each. Jaypee Powergrid Limited 78000000 (Previous Year 78000000) Equity Shares of ₹10/- each. Parbati Koldam Transmission Company Limited 70937620 (Previous Year 70937620) Equity Shares of ₹10/- each. Teestavalley Power Transmission Limited 120120000 (Previous Year 105560000) Equity Shares of ₹10/- each. Powerlinks Transmission Limited 229320000 (Previous Year 229320000) Equity Shares of ₹10/- each. North East Transmission Company Limited 106964000 (Previous Year 106964000) Equity Shares of ₹10/- each. National High Power Test Laboratory Private Limited 30400000 (Previous Year 30400000) Equity Shares of ₹10/- each. Cross Border Power Transmission Company Limited 12612473 (Previous Year 12612473) Equity Shares of ₹10/- each. Kalinga Bidyut Prasaran Nigam Private Limited Nil (Previous Year 5000) Equity Shares of ₹10/- each. (Refer further note 4 below) Less: Provision for diminution in the value of Investment	23.40  78.00  70.94  120.12  229.32  106.96  30.40  12.62  -  -  -	23.40  78.00  70.94  105.56  229.32  106.96  30.40  12.62  0.01  0.01  -
Bihar Grid Company Limited 250795526 (Previous Year 171685600) Equity Shares of ₹10/- each. Power Transmission Company Nepal Limited 1170000 (Previous Year 1170000) Equity Shares of Nepali ₹100/- each. RINL POWERGRID TLT Private Limited 4000000 (Previous Year 4000000) Equity Shares of ₹10/- each. (Refer further note 5 below) Less: Provision for diminution in the value of Investment	250.80  6.50  4.00  4.00  -  <b>929.06</b>	171.69  6.50  4.00  4.00  -  835.39
<b>iii) Others</b>		
Bharat Broadband Network Limited (₹ 10/-) 1 (Previous Year 1) share of ₹10/- each.		
<b>Total</b>	<b>3763.66</b>	<b>2756.53</b>
<b>Further notes:</b>		(₹ in Crore)
1) a) Aggregate amount of Quoted Investments At Cost Market Value b) Aggregate amount of Unquoted Investments c) Aggregate amount of impairment in value of Investment	12.00 46.50 <b>3717.16</b> 4.05	12.00 88.14 2668.39 4.06
2) During the financial year, the pledge on 229319997 equity shares held by POWERGRID in M/s Powerlinks Transmission Limited has been released from IDFC FIRST Bank (formerly IDFC Ltd) being the Trustee on behalf of Security lenders in terms of Share pledge agreement dated 15.04.2004.		
3) Investments have been valued as per accounting policy no. 2.13, 2.14 & 2.15.		
4) Shareholders of M/s Kalinga Bidyut Prasaran Nigam Pvt Ltd (KBPNL), JV between M/s POWERGRID & M/s OPTCL in their Extra Ordinary General Meeting held on 02.01.2020 approved the striking-off of the name of the company pursuant to section 248 (2) of the Companies Act, 2013. Accordingly, e-form STK-2 vide SRN NO- R30789564 has been filed in Registrar of Companies (ROC), Odisha on Dated 21.01.2020 for removal of name of the Company. The present status of striking off of the Company (M/s KBPNL) as per MCA website is "Under Process of Striking Off". Accordingly, investment of ₹ 0.01 crore in Kalinga Bidyut Prasaran Nigam Private Limited has been written off during the year.		
5) POWERGRID's Board of Directors in its meeting held on 1st May 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 01st March, 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 05th November, 2019 has advised to put up the closure proposal again to Ministry of steel for onward submission to NITI Ayog. The Approval from Government is awaited.		
6) Refer remarks at Note No 11 for Powergrid Vemagiri Transmission Limited.		

**Note 10/Loans (considered good unless otherwise stated)**

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Loans to Related Parties **</b>		
Loans to Subsidiaries-Unsecured	<b>12512.17</b>	10520.86
Loans to JVs-Unsecured	<b>18.40</b>	6.00
Loan to Directors & Key Managerial Personnel (KMP)		
Secured #	<b>0.02</b>	0.01
Unsecured	<b>0.03</b>	0.09
	<b>12530.62</b>	10526.96
<b>Loans to Employees (including interest accrued)</b>		
Secured #	<b>218.92</b>	143.15
Unsecured	<b>34.21</b>	38.88
	<b>253.13</b>	182.03
<b>Total</b>	<b>12783.75</b>	<b>10708.99</b>

**Further Notes:**

\*\* Details of loans to related parties is provided in Note 56.

# House building loans and conveyance advance to Directors, KMP and Employees are secured against the mortgage of the house properties or hypothecation of vehicles for which such loans have been given in line with the policies of the Company.

**Note 11/Other Non-current Financial Assets**

(Unsecured considered good unless otherwise stated)

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Lease receivables	<b>601.69</b>	589.82
Unbilled Revenue \$		
i) Considered good	-	307.33
ii) Considered doubtful	-	105.71
	-	413.04
Less: Provision	-	105.71
	-	307.33
Bank deposits with more than 12 months maturity #	<b>11.11</b>	163.47
Recoverable for GOI fully serviced bonds ##	<b>3487.50</b>	3487.75
Advances to related parties (Subsidiaries and Others)*		
Considered doubtful**	<b>19.40</b>	19.40
	<b>19.40</b>	19.40
Less: Provision for Doubtful advances**	<b>19.40</b>	19.40
	-	-
<b>Share Application Money</b>		
Joint Venture Companies		
Bihar Grid Company Limited ###	<b>6.50</b>	-
<b>Total</b>	<b>4106.80</b>	<b>4548.37</b>

**Further Notes:**

\$ Refer Note 46 for disclosure as per Ind AS 115 'Revenue from Contracts with Customers'.

# Bank deposits against designated accounts for consultancy work.

## In the FY 2018-19, the Company issued 'GoI fully serviced bonds' for an amount of ₹ 3487.50 crore for raising of Extra Budgetary Resources (EBR) for GoI scheme of Power System Development Fund (PSDF) in terms of letter No: 7/1/2018-OM dated 21st January, 2019 of Ministry of Power, Govt. of India (GoI) for meeting accrued liabilities for creation of Capital Assets. The repayment of principal and the interest payment on such bonds shall be met by GoI. Out of the proceeds of bond issue, an amount of ₹ 62.87 Crore (Previous Year ₹ 3424.63 Crore) has been recognised as Grant in aid.

\*Details of advances to related parties are provided in Note 56.

\*\*CERC vide order dated 06/04/2015 in petition no.127/2012 had directed that 80% of the acquisition price incurred by the Company for Vemagiri Transmission Company Limited (VTSL) shall be reimbursed by the Long Term Transmission Customers (LTTCS) and balance 20% along with the expenditure incurred by VTSL from the date of acquisition till the liquidation of the company shall be borne by the Company. Subsequently, on a review petition filed by the Company, CERC vide order dated 20/10/2016 held that there are sufficient reasons to review the liability of the Company to pay 20% of the acquisition price and accordingly, directed that the issue shall be decided afresh by taking a holistic view in the matter after disposal of appeals filed by the LTTCS on the issue in Appellate Tribunal of Electricity (ATE). APTEL directed all parties to file written submission. Final hearing was concluded on 02.03.2020 and order is reserved.

### Equity Share allotted on 5th May, 2020.

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### Note 12/Other non-current Assets

(Unsecured considered good unless otherwise stated)

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Advances for Capital Expenditure</b>		
Unsecured		
a. Against bank guarantees	487.52	1025.02
b. Others	84.93	31.96
Unsecured considered doubtful	1.19	1.25
	573.64	1058.23
Less: Provision for bad & doubtful Advances	1.19	1.25
	572.45	1056.98
<b>Advances other than for Capital Expenditure</b>		
Security Deposits	19.34	15.08
Deferred Employee Cost	61.05	52.66
Deferred Foreign currency Fluctuation Asset	5247.96	3675.22
Advances recoverable in kind or for value to be received		
Employees	2.77	6.76
Balance with Customs Port Trust and other authorities	23.93	26.64
Advance tax and Tax deducted at source #	-	77.03
Other Taxes	1.67	0.33
Others**	198.01	154.74
	226.38	265.50
Considered doubtful	0.91	2.90
	227.29	268.40
Less: Provision for doubtful Advances	0.91	2.90
	226.38	265.50
<b>Total</b>	<b>6127.18</b>	<b>5065.44</b>

#### Further Notes:

\*\*Others include amount recoverable from Customers & State Governments, insurance claims etc.

# Net of Current Tax Liabilities - Note 33.

### Note 13/Inventories

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>(For mode of valuation refer Note 2.10)</b>		
Components, Spares & other spare parts	1383.78	1216.47
Loose tools	23.52	20.02
Consumable stores	11.17	12.50
	1418.47	1248.99
Less Provision for Shortages/damages etc.	17.91	22.71
<b>Total</b>	<b>1400.56</b>	<b>1226.28</b>
<b>Inventories includes material in transit</b>		
Components, Spares & other spare parts	0.23	10.34

### Note 14/Trade receivables

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Trade receivables - Unsecured</b>		
Considered good	4798.30	4557.56
Considered Doubtful	315.82	337.48
	5114.12	4895.04
Receivable from related parties - Unsecured *		
Considered good	69.60	92.24
	5183.72	4987.28
Less: Provision for doubtful trade receivables	315.82	337.48
<b>Total</b>	<b>4867.90</b>	<b>4649.80</b>

**Note 14/Trade receivables (Contd.)**
**Further Notes:**

\*Details of trade receivables from related parties are provided in Note 56.

Refer Note 46 for disclosure as per Ind AS 115 'Revenue from Contracts with Customers'.

Based on arrangements between the Company, banks and beneficiaries, the bills of the beneficiaries have been discounted. Accordingly, trade receivables have been disclosed net off bills discounted amounting to ₹1030.24 crore (Previous Year Nil). Refer Note No 59 for details.

**Note 15/Cash and Cash Equivalents**

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Balance with banks-</b>		
-In Current accounts	<b>136.79</b>	142.33
-In designated Current accounts (For Consultancy clients and others)	<b>433.90</b>	205.61
In term deposits (with maturity less than 3 months)*	<b>4224.95</b>	3265.40
Drafts/Cheques in hand/Remittances in transit	<b>0.02</b>	29.79
Others (Stamps and Imprest)	<b>0.01</b>	0.01
<b>Total</b>	<b>4795.67</b>	<b>3643.14</b>

**Further Notes:**

\*Term deposit includes ₹ 4224.95 crore (Previous Year ₹ 3265.40 crore) for Consultancy clients and others.

**Note 16/ Bank Balances other than Cash & Cash Equivalents**

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Earmarked balance with banks*	<b>21.35</b>	20.18
In Term Deposits having maturity over 3 months but upto 12 months (For Consultancy clients and others)	<b>577.48</b>	668.72
<b>Total</b>	<b>598.83</b>	<b>688.90</b>

**Further Notes:**

\*Earmarked balance with Bank includes unpaid dividend and refund of FPO proceeds

**Note 17/Loans**

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Loans to Related Parties**</b>		
Loans to Subsidiaries - Unsecured	<b>544.50</b>	285.88
Loans to Joint Venture - Unsecured	<b>77.12</b>	77.12
Loan to Directors & Key Managerial Personnel (KMP)		
Secured #	<b>0.01</b>	-
Unsecured Considered good	<b>0.03</b>	0.08
	<b>621.66</b>	363.08
<b>Loans to Employees (including interest accrued)</b>		
Secured #	<b>35.64</b>	23.60
Unsecured Considered good	<b>39.57</b>	30.19
	<b>75.21</b>	53.79
<b>Total</b>	<b>696.87</b>	<b>416.87</b>

**Further Notes:**

\*\* Details of loans to related parties is provided in Note No 56.

# House building loans and conveyance advance to Directors, KMP and Employees are secured against the mortgage of the house properties or hypothecation of vehicles for which such loans have been given in line with the policies of the Company.

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### Note 18/Other Current Financial Assets

(Unsecured considered good unless otherwise stated)

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Lease Receivables	48.28	46.33
Unbilled Revenue*	5163.51	6154.31
Interest accrued but not due		
Interest accrued on Term/Fixed Deposits	10.41	2.62
Interest accrued on Loan to Subsidiaries	51.71	106.90
Interest accrued on Loan to JVs	1.17	1.62
Interest accrued on Others **	41.54	38.57
	104.83	149.71
Advance to/Receivable from Related Parties #	130.70	99.21
Others ##		
Considered Good	381.52	468.98
<b>Total</b>	<b>5828.84</b>	<b>6918.54</b>

#### Further Notes:

\* Unbilled revenue includes transmission charges for the month of March including bill 3 for previous quarter, of the financial year amounting to ₹ 3924.36 crore (Previous Year ₹ 3187.29 crore) billed to beneficiaries in the month of April of subsequent financial year. Further refer note no 46 for disclosure as per Ind AS 115 'Revenue from Contracts with Customers'.

\*\* Interest accrued on Others includes accrued interest on recoverable for GOI fully serviced bonds, advance to contractors.

# Details of related parties are provided in Note 56.

## Others include:-

(a) an amount of ₹ 30.85 crore (Previous Year ₹ 30.85 crore) recoverable from M/s Delhi Transco Limited towards transfer of 1.167 hectare (Previous Year 1.167 hectare) land at Tughlaqabad Sub-station pending completion of legal formalities for transfer of title.

(b) amount recoverable from Customers, Advance rent for Residential and Office accommodation, Other advance etc.

### Note 19/Other Current Assets

(Unsecured considered good unless otherwise stated)

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Advances other than for Capital Expenditure</b>		
<b>Advances recoverable in kind or for value to be received</b>		
Contractors & Suppliers	3.02	14.22
Employees	24.77	15.18
Balance with Customs Port Trust and other authorities	54.29	122.38
Claims recoverable	0.54	0.54
	82.62	152.32
<b>Others*</b>		
Considered Good	137.83	176.46
Considered Doubtful	0.01	0.01
	137.84	176.47
<b>Less: Provision for Doubtful Advances</b>	<b>0.01</b>	<b>0.01</b>
	137.83	176.46
<b>Total</b>	<b>220.45</b>	<b>328.78</b>

#### Further Notes:

\*Others include advance given for CSR activities, prepaid expenses and input tax credit - GST.

### Note 20/Regulatory Deferral Account Balances

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Assets</b>		
Deferred assets for deferred tax liability	8814.19	7516.50
Foreign Currency Fluctuation	1174.71	432.61
Employee Benefits Expense	134.16	134.16
<b>Total</b>	<b>10123.06</b>	<b>8083.27</b>

#### Further Notes:

Refer to note no 52 for detailed disclosure on Regulatory Deferral Account Balances.

**Note 21/Equity Share capital**

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Equity Share Capital		
<b>Authorised</b>		
10000000000 (Previous Year 10000000000) equity shares of ₹10/- each at par	<b>10000.00</b>	10000.00
<b>Issued, subscribed and paid up</b>		
5,23,15,89,648 (Previous Year 5,23,15,89,648) equity shares of ₹10/-each at par fully paid up	<b>5231.59</b>	5231.59

**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 31 <sup>st</sup> March, 2020		For the year ended 31 <sup>st</sup> March, 2019	
	No. of Shares	Amount (₹ in crore)	No. of Shares	Amount (₹ in crore)
Shares outstanding at the beginning of the year	<b>5231589648</b>	<b>5231.59</b>	5231589648	5231.59
Additions during the year	-	-	-	-
Deduction during the year	-	-	-	-
Shares outstanding at the end of the year	<b>5231589648</b>	<b>5231.59</b>	5231589648	5231.59

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 to voting rights proportionate to their shareholding at meetings of the Shareholders.

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

Particulars	As at 31 <sup>st</sup> March, 2020		As at 31 <sup>st</sup> March, 2019	
	No. of Shares	% of holding	No. of Shares	% of holding
Government of India	2685872408	51.34	2896495942	55.37
Life Insurance Corporation of India	274430207	5.25	335385684	6.41

**Note 22/Other Equity**

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Reserves and Surplus</b>		
Securities Premium	<b>9578.29</b>	9578.29
Bonds Redemption Reserve	<b>8638.92</b>	9884.80
Self Insurance Reserve	<b>807.93</b>	882.18
Corporate Social Responsibility (CSR) Activity Reserve	-	114.54
General Reserve	<b>36828.05</b>	31376.63
Retained Earnings	<b>3327.57</b>	1872.42
<b>Other Reserves</b>		
Other Comprehensive Income Reserve	<b>27.34</b>	76.69
<b>Total</b>	<b>59208.10</b>	<b>53785.55</b>

**22.1 Securities Premium**

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Balance at the beginning of the year	<b>9578.29</b>	9578.29
Addition during the year	-	-
Deduction during the year	-	-
<b>Balance at the end of the year</b>	<b>9578.29</b>	<b>9578.29</b>

Securities premium is used to record the premium on issue of shares/securities. This amount is utilised in accordance with the provision of the Companies Act 2013.

**22.2 Bonds Redemption Reserve**

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Balance at the beginning of the year	<b>9884.80</b>	9158.59
Addition during the year	<b>439.88</b>	2029.20
Deduction during the year	<b>1685.76</b>	1302.99
<b>Balance at the end of the year</b>	<b>8638.92</b>	<b>9884.80</b>

Bonds Redemption Reserve is created for the purpose of redemption of debentures in term of the Companies Act 2013. As per the Companies (Share Capital and Debentures) rule 2014, listed companies are not required to create Bonds Redemption Reserve w.e.f. 16.08.2019.



**Note 22/Other Equity (Contd.)****22.3 Self Insurance Reserve**

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Balance at the beginning of the year	882.18	735.03
Addition during the year	262.63	249.07
Deduction during the year	336.88	101.92
<b>Balance at the end of the year</b>	<b>807.93</b>	<b>882.18</b>

Self-Insurance Reserve is created @ 0.12% p.a. (0.12% p.a. in previous year) on the Gross Block of Property Plant & Equipments (except ROU Assets) not covered under insurance as at the end of the year to meet future losses which may arise from un-insured risks and for procurement of towers and other transmission line materials including strengthening of towers and equipments of AC sub-station to take care of future contingencies.

**22.4 Corporate Social Responsibility (CSR) Activity Reserve**

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Balance at the beginning of the year	114.54	123.33
Addition during the year	-	-
Deduction during the year	114.54	8.79
<b>Balance at the end of the year</b>	<b>-</b>	<b>114.54</b>

Corporate Social Responsibility Reserve is created to the extent of shortfall in the actual expenditure in any year vis-à-vis the amount stipulated as per the Companies Act, 2013.

**22.5 General Reserve**

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Balance at the beginning of the year	31376.63	26911.55
Add/(Less): Ind AS 115 Adjustments	-	104.37
	31376.63	27015.92
Addition during the year	5451.42	4360.71
Deduction during the year	-	-
<b>Balance at the end of the year</b>	<b>36828.05</b>	<b>31376.63</b>

General Reserve is retained earnings of the company which are kept aside out of company's profits. It is a free reserve which can be utilized to meet any unknown future contingencies and to pay dividends to shareholders

**22.6 Retained Earnings**

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Balance at the beginning of the year	1872.42	2585.74
Add: Additions		
Net Profit for the period	10811.18	9938.55
Items of other comprehensive income recognised directly in surplus balance		
- Remeasurements of post employment benefit obligations	(54.67)	(2.15)
Transfer from Bond Redemption Reserve	1685.76	1302.99
Less: Appropriations		
General Reserve	5000.00	4250.00
Bonds Redemption Reserve	439.88	2029.20
Self Insurance Reserve	262.63	249.07
Interim dividend paid	3118.02	3050.02
Tax on Interim dividend	601.93	612.65
Final Dividend (refer note 60(b))	1307.90	1464.85
Tax on Final Dividend	256.76	296.92
<b>Balance at the end of the year</b>	<b>3327.57</b>	<b>1872.42</b>

## Note 22/Other Equity (Contd.)

### 22.7 Other Comprehensive Income Reserve

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Balance at the beginning of the year	76.69	90.84
Addition during the year	(49.35)	(14.15)
<b>Balance at the end of the year</b>	<b>27.34</b>	<b>76.69</b>

Other Comprehensive Income Reserve is created from increase/decrease in valuation of Non Current Investments in Equity instruments classified as fair valued through Other Comprehensive Income (FVOCI).

## Note 23/ Borrowings

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>A) BONDS</b>		
<b>A1) Secured (Taxable, Redeemable, Non-Cumulative, Non-Convertible)</b>		
<b>A1.1 i) Bonds of ₹10 Lakh each</b>		
<b>LV Issue-7.55% Redeemable at par on 21.09.2031</b>	<b>1,238.93</b>	1,238.92
<b>LX Issue-7.20% Redeemable at par on 09.08.2027</b>	<b>3,059.80</b>	3,059.78
<b>LIX Issue-7.30% Redeemable at par on 19.06.2027</b>	<b>3,069.80</b>	3,069.78
<b>XXXIX Issue-9.40% redeemable at par on 29.03.2027</b>	<b>1,799.87</b>	1,799.86
<b>LVIII Issue-7.89% redeemable at par on 09.03.2027</b>	<b>2,059.45</b>	2,059.44
<b>XXXVIII Issue-9.25% redeemable at par on 09.03.2027</b>	<b>854.73</b>	854.72
<b>LVI Issue-7.36% redeemable at par on 18.10.2026</b>	<b>1,064.12</b>	1,064.10
<b>LXII Issue-8.36% Redeemable at par in 05 (five) equal installments w.e.f. 07.01.2025</b>	<b>1,999.78</b>	1,999.75
<b>XLII Issue-8.80% redeemable at par on 13.03.2023</b>	<b>1,989.55</b>	1,989.52
<b>LVII Issue-7.20% redeemable at par on 21.12.2021</b>	<b>2,118.85</b>	2,118.79
ii) Bonds of ₹30 Lakh each consisting of 3 STRPPs of ₹10 lakh each redeemable at par in 3 (Three) equal installments on 15.07.2021, 15.07.2026 and 15.07.2031		
<b>LIV Issue-7.97% Redeemable w.e.f. 15.07.2021</b>	<b>2,997.95</b>	2,997.93
iii) Bonds of ₹30 Lakh each consisting of 3 STRPPs of ₹10 lakh each redeemable at par in 3 (Three) equal installments on 23.12.2020 23.12.2025 and 23.12.2030		
<b>LII Issue-8.32% redeemable w.e.f. 23.12.2020</b>	<b>931.05</b>	1,396.95
iv) Bonds of ₹1.20 crore each consisting of 12 STRPPs of ₹10 lakh each redeemable at par in 12 (Twelve) equal installments		
<b>LIII Issue-8.13% Redeemable w.e.f. 25.04.2020</b>	<b>3,663.08</b>	3,995.76
v) Bonds of ₹30 Lakh each consisting of 3 STRPPs of ₹10 lakh each redeemable at par in 3 (Three) equal installments on 09.03.2020 09.03.2025 and 09.03.2030		
<b>XLIX Issue-8.15% redeemable w.e.f. 09.03.2020</b>	<b>869.70</b>	869.63
vi) Bonds of ₹40 Lakh each consisting of 4 STRPPs of ₹10 lakh each redeemable at par in 4 (Four) equal installments on 23.01.2020 23.01.2022, 23.01.2025 and 23.01.2030		
<b>XLVIII Issue-8.20% redeemable w.e.f. 23.01.2020</b>	<b>1,934.07</b>	1,933.70
vii) Bonds of ₹1.20 crore each consisting of 12 STRPPs of ₹10 lakh each redeemable at par in 12 (Twelve) equal installments		
<b>LI Issue-8.40% redeemable w.e.f. 14.09.2019</b>	<b>2,497.56</b>	2,747.80
viii) Bonds of ₹30 Lakh each consisting of 3 STRPPs of ₹10 lakh each redeemable at par in 3 (Three) equal installments on 04.09.2019, 04.09.2024 and 04.09.2029		
<b>XLVI Issue-9.30% redeemable w.e.f. 04.09.2019</b>	<b>2,905.01</b>	2,903.53
ix) Bonds of ₹1.20 crore each consisting of 12 STRPPs of ₹10 lakh each redeemable at par in 12 (Twelve) equal installments		
<b>L Issue-8.40% redeemable w.e.f. 27.05.2019</b>	<b>2,438.94</b>	2,682.75

## Note 23/ Borrowings (Contd.)

		(₹ in Crore)	
Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019	
x) Bonds of ₹1.20 crore each consisting of 12 STRPPs of ₹10 lakh each redeemable at par in 12 (Twelve) equal installments <b>XLVII Issue-8.93% redeemable w.e.f. 20.10.2018</b>	<b>1,977.76</b>	2,197.98	
xi) Bonds of ₹30 Lakh each redeemable at par in 3 equal instalments on 15.07.2018, 15.07.2023 and 15.07.2028 <b>XLIV Issue-8.70% redeemable w.e.f. 15.07.2018</b>	<b>2,641.91</b>	2,641.89	
xii) Bonds of ₹1.2 crores each consisting of 12 STRPPs of ₹10 lakhs each redeemable at par in 12 (Twelve) equal annual instalments <b>XLV Issue-9.65% redeemable w.e.f. 28.02.2018</b> <b>XLIII Issue-7.93% redeemable w.e.f. 20.05.2017</b>	<b>1,332.72</b> <b>2,083.07</b>	1,499.14 2,343.46	
xiii) Bonds of ₹1.5 crores each consisting of 12 STRPPs of ₹ 12.50 Lakhs each redeemable at par in 12 (Twelve) equal annual instalments. <b>XLI Issue-8.85% redeemable w.e.f. 19.10.2016</b>	<b>1,656.31</b>	1,892.95	
xiv) Bonds of ₹1.50 crores each, consisting of 15 STRPPs of ₹10.00 Lakhs each redeemable at par in 15 (Fifteen) equal annual instalments <b>XXXVI Issue- 9.35% redeemable w.e.f. 29.08.2016</b>	<b>2,057.72</b>	2,263.49	
xv) Bonds of ₹1.5 crores each consisting of 12 STRPPs of ₹12.50 Lakhs each redeemable at par in 12 (Twelve) equal annual instalments. <b>XL Issue-9.30% redeemable w.e.f. 28.06.2016</b> <b>XXXVII Issue- 9.25% redeemable w.e.f 26.12.2015</b> <b>XXXV Issue- 9.64% redeemable w.e.f 31.05.2015</b> <b>XXXIV Issue- 8.84% redeemable w.e.f 21.10.2014</b> <b>XXXIII Issue- 8.64% redeemable w.e.f 08.07.2014</b> <b>XXXII Issue- 8.84% redeemable w.e.f 29.03.2014</b> <b>XXXI Issue- 8.90% redeemable w.e.f 25.02.2014</b> <b>XXX Issue- 8.80% redeemable w.e.f 29.09.2013</b> <b>XXIX Issue- 9.20% redeemable w.e.f 12.03.2013</b> <b>XXVIII Issue- 9.33% redeemable w.e.f 15.12.2012</b> <b>XXVII Issue- 9.47% redeemable w.e.f 31.03.2012</b> <b>XXVI Issue- 9.30% redeemable w.e.f 07.03.2012</b> <b>XXV Issue- 10.10% redeemable w.e.f 12.06.2011</b> <b>XXIV Issue- 9.95% redeemable w.e.f 26.03.2011</b> <b>XXIII Issue- 9.25% redeemable w.e.f 09.02.2011</b> <b>XXII Issue- 8.68% redeemable w.e.f 07.12.2010</b> <b>XXI Issue- 8.73% redeemable w.e.f 11.10.2010</b> <b>XX Issue- 8.93% redeemable w.e.f 07.09.2010</b> <b>XIX Issue- 9.25% redeemable w.e.f 24.07.2010</b> <b>XVIII Issue- 8.15% redeemable w.e.f 09.03.2010</b>	<b>2,329.81</b> <b>996.55</b> <b>978.02</b> <b>1,451.49</b> <b>1,198.96</b> <b>344.97</b> <b>682.20</b> <b>776.58</b> <b>324.27</b> <b>599.30</b> <b>117.45</b> <b>166.43</b> <b>177.29</b> <b>66.61</b> <b>25.60</b> <b>57.41</b> <b>42.42</b> <b>124.76</b> <b>41.18</b> <b>-</b>	2,662.67 1,162.66 1,141.04 1,741.84 1,438.78 431.21 852.77 970.77 432.37 799.13 176.18 249.66 265.97 133.23 51.21 114.86 84.88 249.65 82.39 83.22	
	<b>59,743.03</b>	64,746.11	
<b>A2) Unsecured</b>			
<b>A2.1 Redeemable Domestic Loan</b>			
i) Bonds of ₹10 Lakh each <b>LXVI Issue-7.38% Redeemable at par on 12.04.2030</b>	<b>499.75</b>	-	
ii) Bonds of ₹50 Lakhs each consisting of 05 STRPPs of ₹10.00 Lakhs each redeemable at par in 05 (Five) equal annual instalments. <b>LXI Issue-7.74% redeemable w.e.f. 12.12.2028</b>	<b>2,999.78</b>	2,999.77	
iii) Bonds of ₹10 Lakhs each consisting of 03 STRPPs of ₹ 3.00 Lakhs, ₹ 3.00 Lakhs & ₹ 4.00 Lakhs each redeemable at par in 03 (Three) equal annual instalments. <b>LXIV Issue-7.49% redeemable w.e.f. 25.10.2024</b>	<b>2,519.76</b>	-	

**Note 23/ Borrowings (Contd.)**

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
iv) Bonds of ₹ 30 Lakhs each consisting of 03 STRPPs of ₹10.00 Lakhs each redeemable at par in 03 (Three) equal annual instalments. <b>LXIII Issue-7.34% redeemable w.e.f. 15.07.2024</b>	<b>1,799.76</b>	-
v) Bonds of ₹10 Lakh each <b>LXV Issue-6.35% Redeemable at par on 14.04.2023</b>	<b>199.91</b>	-
<b>A2.2 Redeemable Foreign Currency Bonds</b>		
3.875% Foreign Currency Bonds to be redeemed at par on 17.01.2023	<b>3,788.75</b>	3,470.63
	<b>11,807.71</b>	6,470.40
<b>Total (A)</b>	<b>71,550.74</b>	71,216.51
<b>B) Term loans</b>		
<b>From Banks</b>		
<b>Secured</b>		
Foreign Currency Loans (Guaranted by Government of India (GOI))	<b>25,800.30</b>	24,891.44
Other Foreign Currency Loans	<b>6,705.41</b>	3,401.76
Rupee Loans	<b>10,730.00</b>	12,184.00
	<b>43,235.71</b>	40,477.20
<b>Unsecured</b>		
Foreign Currency Loans (Guaranted by GOI)	<b>3,607.10</b>	3,657.84
Other Foreign Currency Loans	<b>3,104.16</b>	3,135.96
Rupee Loans	<b>13,923.40</b>	12,552.00
	<b>20634.66</b>	19,345.80
<b>Total (B)</b>	<b>63,870.37</b>	59,823.00
<b>TOTAL (A to B)</b>	<b>135,421.11</b>	131,039.51

**Further Notes:**
**Details of terms of repayment and rate of interest**

- Secured Foreign Currency Loans (Guaranteed by GoI) carry floating rate of interest linked to 6M LIBOR. These loans are repayable in semi annual installments, as per terms of the respective loan agreement, commencing after moratorium period of 3 to 5 years except for one loan ₹374.16 Crore (Previous year ₹342.93 Crore) which carry fixed rate of interest of 0.25% p.a.
- Secured other Foreign Currency Loans carry floating rate of interest linked to 6M (LIBOR /EURIBOR/STIBOR) .These loans are repayable in semi annual installments, as per terms of the respective loan agreements, commencing after moratorium period of 3 to 5 years.
- Secured Rupee loan from banks carry floating rate of interest linked to 3M MCLR . These loans are repayable in semi annual installments, as per terms of the respective loan agreements, commencing after moratorium period of 5 years.
- Unsecured Foreign Currency Loans (Guaranteed by GoI) carry fixed rate of interest ranging from 1.63% p.a. to 2.30% p.a. These loans are repayable in semi annual installments as per terms of the respective loan agreements.
- Unsecured Foreign Currency Loans carry floating rate of interest linked to 6M (STIBOR/EURIBOR). These loans are repayable in semi annual installments as per terms of the respective loan agreements, commencing after moratorium period as per terms of the respective loan agreements.
- Unsecured Foreign Currency Loans carry floating rate of interest linked to 6M JPYLIBOR. This loan is repayable in five equal annual installments as per the terms of the loan agreement.
- Unsecured Rupee loan from bank carry floating rate of interest linked to 3 months MCLR. These loans are repayable in semi annual installments, as per terms of the respective loan agreements, commencing after moratorium period as per terms of the respective loan agreements .
- There has been no default in repayment of loans or payment of interest thereon as at the end of the year

**Details of Securities**

- Domestic Bonds are Secured by way of Registered Bond Trust Deed ranking pari passu on immovable property situated at Mouje Ambheti Taluka Kaparada in district Valsad Gujarat and floating charge on the assets of the company.
- Secured Foreign Currency Loans (Guaranteed by GoI) are secured by pari passu interest in the lien created on the assets as security for the debts.
- Secured Other Foreign Currency Loans and Rupee Loans are secured by the way of
  - pari passu charge on the assets of the company except investments, land and building, roads and bridges, water supply, drainage and sewerage and current assets or
  - pari passu charge on the assets of the company except investments and current assets or
  - floating charge on the immovable properties of the company.
as per the terms of respective loan agreements.

**Note 24/Other Non-current financial liabilities**

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Deposits/Retention money from contractors and others.	15.43	409.94
Govt. of India fully serviced bonds *	3487.50	3487.50
Lease Liabilities #	12.70	-
<b>Total</b>	<b>3515.63</b>	<b>3897.44</b>

**Further Notes:**

Disclosure with regard to Micro and Small enterprises as required under "The Micro, Small and Medium Enterprises Development Act, 2006" is given in Note No 49.

\* Govt. of India fully serviced bonds issued @ 8.24% redeemable at par on 14.02.2029. Refer Note No 11 for details.

# Refer note no 50 for disclosure on Lease liabilities as per Ind AS 116 – "Leases".

**Note 25/ Provisions**

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Employee Benefits</b>		
As per last balance sheet	368.15	716.87
Additions/(adjustments) during the year	56.56	(348.72)
<b>Closing Balance</b>	<b>424.71</b>	<b>368.15</b>

**Further Notes:**

Provision is created for the purpose of leave encashment, Settlement Allowance, Long Service Award and other benefits. Refer Note No 64 for detailed disclosure related to Employee Benefit Obligations.

**Note 26/ Deferred tax liabilities (Net)**

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>A. Deferred Tax Liability</b>		
Difference in book depreciation and tax depreciation	19898.33	16894.24
Finance lease assets	76.96	83.23
Others	43.15	37.60
<b>Deferred Tax Liability (A)</b>	<b>20018.44</b>	<b>17015.07</b>
<b>B. Deferred Tax Assets</b>		
Income during Construction Period	24.88	20.95
Provisions allowable on payment basis	467.85	481.93
Advance Against Depreciation	409.12	462.47
MAT Credit Entitlement	7710.30	5935.70
Others	24.44	21.00
<b>Deferred Tax Assets (B)</b>	<b>8636.59</b>	<b>6922.05</b>
<b>Deferred Tax Liability (Net) (A-B)</b>	<b>11381.85</b>	<b>10093.02</b>

**Further Notes:****Movement in Deferred Tax Liabilities**

(₹ in Crore)

Particulars	Property Plant and Equipment	Finance Leased Assets	Others	Total
<b>As at 01.04.2018</b>	<b>14,209.42</b>	<b>88.37</b>	<b>48.27</b>	<b>14,346.06</b>
Charged/(credited) to profit or loss	2,684.82	(5.14)	(10.67)	2,669.01
<b>As at 31.03.2019</b>	<b>16,894.24</b>	<b>83.23</b>	<b>37.60</b>	<b>17,015.07</b>
Charged/(credited) to profit or loss	3,004.09	(6.27)	5.55	3,003.37
<b>As at 31.03.2020</b>	<b>19,898.33</b>	<b>76.96</b>	<b>43.15</b>	<b>20018.44</b>

A charge of ₹1,288.83crore (Previous year credit of ₹ 3465.87 crore) has been made in the Statement of Profit & Loss.

**Note 26/ Deferred tax liabilities (Net) (Contd.)**
**Movement in Deferred Tax Asset**

(₹ in Crore)							
Particulars	Property Plant & Equipment-Income during construction period	Self-insurance reserve	Provisions allowable on payment basis	Advance against depreciation	MAT Credit	Others	Total
<b>As at 01.04.2018</b>	<b>16.76</b>	<b>8.11</b>	<b>215.92</b>	<b>525.59</b>	<b>-</b>	<b>20.79</b>	<b>787.17</b>
Charged/(credited) to profit or loss	4.19	(8.11)	266.01	(63.12)	5,935.70	0.21	6,134.88
<b>As at 31.03.2019</b>	<b>20.95</b>	<b>-</b>	<b>481.93</b>	<b>462.47</b>	<b>5,935.70</b>	<b>21.00</b>	<b>6,922.05</b>
Charged/(credited) to profit or loss	3.93	-	(14.08)	(53.35)	1,774.60	3.44	1,714.54
<b>As at 31.03.2020</b>	<b>24.88</b>	<b>-</b>	<b>467.85</b>	<b>409.12</b>	<b>7,710.30</b>	<b>24.44</b>	<b>8,636.59</b>

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

(₹ in Crore)		
Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Increase/ (Decrease) in Deferred Tax Liabilities	<b>3,003.37</b>	2,669.01
Decrease / (Increase) in Deferred Tax Assets	<b>(1,714.54)</b>	(6,134.88)
<b>Total</b>	<b>1,288.83</b>	<b>(3,465.87)</b>

- c) In the opinion of the management, it is probable that future economic benefits will flow to the company in the form of availability of set off against future income tax liability by recognizing MAT credit as follows:  
Future taxable profits will be adjusted against (a) tax holiday u/s 80-IA of Income Tax Act, 1961 for the projects commissioned upto 31st March, 2017 (b) initial depreciation on the assets to be commissioned in future and (c) regular income tax depreciation u/s 32 of Income Tax Act, 1961 and thereafter tax amount will be set off against MAT credit to the extent of ₹1,774.60crore (Previous Year ₹5935.70crore). Hence, the same has been recognised as Deferred Tax Assets during the year.
- d) MAT credit available to the company in future but not recognised in the books:

(₹ in Crore)				
For the Financial Year	As at 31.03.2020	Expiry Date	As at 31.03.2019	Expiry Date
2015-16	<b>1,421.20</b>	31.03.2026	1,421.20	31.03.2026
2014-15	<b>1,281.23</b>	31.03.2025	1,281.23	31.03.2025
2013-14	<b>1,085.14</b>	31.03.2024	1,085.14	31.03.2024
2012-13	<b>1,071.31</b>	31.03.2023	1,071.31	31.03.2023
2011-12	<b>239.01</b>	31.03.2022	239.01	31.03.2022
2010-11	<b>9.36</b>	31.03.2021	9.36	31.03.2021
2008-09	<b>-</b>	31.03.2019	277.91	31.03.2019

**Note 27/Other non-current liabilities**

(₹ in Crore)		
Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Advance from customers (Consultancy/Telecom services) \$	<b>233.51</b>	359.04
Others*	<b>127.53</b>	127.53
<b>Total</b>	<b>361.04</b>	<b>486.57</b>

**Further Notes:**

\$ Refer Note 46 for disclosure as per Ind AS 115 'Revenue from Contracts with Customers'.

\*Others includes amount payable to Customers upon recovery.

**Note 28/Borrowings**

(₹ in Crore)		
Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Short Term - Unsecured		
From Banks	-	1,300.00
Commercial Paper	<b>3000.00</b>	3000.00
<b>Total</b>	<b>3000.00</b>	<b>4300.00</b>

**Further Notes:**

- Commercial Papers/short term loan are unsecured in nature, with rate of interest ranging from 5.08% to 6.93% (Previous Year from 6.63% to 8.20%) and repayable within 28 days to 90 days (Previous Year in 30 days to 90 days) from the date of drawl.
- There has been no default in repayment of loans or payment of interest thereon as at the end of the year.



**Note 29/Trade payables**

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
For goods and services		
(A) total outstanding dues of micro enterprises and small enterprises	11.59	33.27
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	214.13	330.84
<b>Total</b>	<b>225.72</b>	<b>364.11</b>

**Further Notes:**

Disclosure with regard to Micro and Small enterprises as required under " Division II of Schedule III of The Companies Act, 2013" and "The Micro, Small and Medium Enterprises Development Act, 2006" is given in Note No 49.

**Note 30/Other Current Financial Liabilities**

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Current maturities of long term borrowings</b>		
<b>Secured</b>		
Bonds	5007.96	6742.98
Rupee Term Loans	1454.00	1454.00
Foreign Currency Loans	2434.48	2098.85
	8896.44	10295.83
<b>Un-secured</b>		
Foreign Currency Loans	662.09	451.02
	9558.53	10746.85
<b>Interest accrued but not due on borrowings from</b>		
Foreign Banks & Financial Institutions	225.00	251.70
Secured/Unsecured redeemable Bonds #	3065.52	3139.72
	3290.52	3391.42
<b>Others</b>		
Dues for capital expenditure	1400.86	2478.41
Employee related liabilities	70.57	158.03
Unclaimed dividends & FPO*	15.95	13.37
Deposits/Retention money from contractors and others.	4215.39	4401.05
Related parties**	2.78	2.72
Dividend Payable	5.40	6.81
Lease liabilities ###	3.70	-
Others ###	2267.92	1687.52
	7982.57	8747.91
<b>Total</b>	<b>20831.62</b>	<b>22886.18</b>

**Further Notes:**

Disclosure with regard to Micro and Small enterprises as required under "The Micro, Small and Medium Enterprises Development Act, 2006" is given in Note No 49.

# includes ₹ 36.90 Crore (Previous Year ₹ 36.22 Crore) interest accrued but not due on GoI fully serviced bonds.

\* No amount is due for payment to Investor Education and Protection Fund.

\*\* Details of amount payable to related parties are provided in Note 56.

## Refer note no 50 for disclosure on Lease liabilities as per Ind AS 116 – "Leases".

### Others include liability for payment against Long Term Access (LTA), Short Term Open Access (STOA), ISTS License recovery, dead cheques, Price variation, etc.

**Note 31/Other current liabilities**

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Advances from customers *	4008.88	3500.58
Advances from customers - related parties #	79.27	80.42
Statutory dues	179.39	282.26
<b>Total</b>	<b>4267.54</b>	<b>3863.26</b>

**Further Notes:**

\* Refer Note 46 for disclosure as per Ind AS 115 'Revenue from Contracts with Customers'.

# Details of amount payable to related parties are provided in Note 56.

## Note 32/Provisions

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>A) Employee Benefits</b>		
<b>i) Performance related pay /special incentive</b>		
As per last balance sheet	444.50	163.33
Addition during the year	461.00	444.50
Amount paid/adjusted during the year	444.50	163.33
Closing Balance	461.00	444.50
<b>ii) Wage revision</b>		
As per last balance sheet	-	725.36
Additions/(adjustments) during the year	-	(725.36)
Closing Balance	-	-
<b>iii) Other Employee Benefits</b>		
(Leave Encashment, Settlement Allowance and Long Service Award etc.)		
As per last balance sheet	68.11	66.52
Additions/(adjustments) during the year	8.66	1.59
Closing Balance	76.77	68.11
<b>Total (A)</b>	<b>537.77</b>	<b>512.61</b>
<b>B) Others</b>		
<b>i) Downtime Service Credit-Telecom</b>		
As per last balance sheet	17.95	18.20
Additions during the year	4.25	5.49
Amounts adjusted during the year	10.84	5.74
Closing Balance	11.36	17.95
<b>ii) Provision Others</b>		
As per last balance sheet	170.03	86.17
Additions/(adjustments) during the year	22.79	83.86
Closing Balance	192.82	170.03
<b>Total (B)</b>	<b>204.18</b>	<b>187.98</b>
<b>Total (A+B)</b>	<b>741.95</b>	<b>700.59</b>

### Further Notes:

#### A) Employee Benefits

##### i) Performance Related Pay/Special Incentive:

Provision is created for Performance Related Pay to Executives and Non-Executives

##### ii) Wage Revision:

Pay revision of Executives and Non Executives was implemented during the FY 2018-19 and accordingly provision against wage revision was utilised/adjusted during the previous year.

##### iii) Other Employee Benefits:

Provision is created for the purpose of meeting out leave encashment, settlement allowance, long service award and POWERGRID Employee Family Rehabilitation Scheme.

#### B) Others:

##### i) Downtime Service Credit –Telecom:

Provision is created in case when actual downtime is in excess of the permissible service level agreement, in such cases the necessary credit is passed on to the customer on demand.

However, in some case, the downtime is not claimed by the customer then in such cases necessary provision on account of downtime is made in the books of accounts as per the links availability reports received from National Telecom Control Centre (NTCC) for the period of non-operation of links given to the customers. The calculation of downtime credit is based on the SLA signed with various customers.

##### ii) Provision Others:

It includes provision for entry tax ₹147.69crore (Previous Year ₹138.39crore) as per demand raised by revenue authorities disputed by the company and are under litigation. An amount of ₹8.24crore (Previous Year ₹8.24crore) has been paid under court order and shown as "Balance with custom port trust and other authorities" in note no. 19.

Also includes provision of ₹0.46crore (Previous Year ₹0.00crore) towards demand raised by the commercial taxes department of Telangana in relation to absence of statutory form and other evidences on account of inter-state sale not covered by 'C' form. The company is in the process of preferring an appeal.

**Note 33/Current Tax Liabilities (Net)**

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Taxation (Including interest on tax)</b>		
As per last balance sheet	6001.82	5781.65
Additions during the year	2575.56	1794.90
Amount adjusted during the year	2123.91	1574.73
<b>Total</b>	<b>6453.47</b>	6001.82
Net off against Advance tax and TDS	6430.69	6001.82
<b>Closing Balance</b>	<b>22.78</b>	-

**Note 34/Deferred Revenue**

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Advance against depreciation	1170.80	1323.45
Grants in aid (Refer Further Notes)		
As per last Balance Sheet	4173.32	559.56
Addition during the year	233.94	3684.53
Adjustments during the year	260.25	70.77
Closing balance	4147.01	4173.32
Deferred income from foreign currency fluctuation (Net)	5598.21	3960.26
<b>Total</b>	<b>10916.02</b>	<b>9457.03</b>

**Further Notes:**

- Grant in Aid of ₹74.68crore (Previous Year ₹667.78crore) was received from Power System Development Fund (PSDF) under Ministry of Power (MoP), Govt. of India (GoI) for installation of STATCOM in ER (ERSS-XI) and SR (System Strengthening in SR-XXI). In addition to Grant received, an interest of ₹4.44crore (Previous Year ₹1.24crore) credited to the Grant.
- Grant in Aid of ₹30.27crore (Previous Year ₹17.85crore) was received from Power System Development Fund (PSDF) under MoP, GoI for establishment of Unified Real Time Dynamic State Measurement (URTDMS). In addition to Grant received, an interest of ₹1.41crore (Previous Year ₹6.95crore) credited to the Grant.
- Grant in Aid, of ₹122.89crore (Previous Year ₹94.70crore) including interest has been recognised, from Ministry of New & Renewable Energy(MNRE), GoI for establishment of transmission system associated with Ultra Mega Solar Parks in Andhra Pradesh, Karnataka, Madhya Pradesh, Rajasthan and Gujarat.
- Grant in Aid of ₹0.25crore (Previous Year ₹7.01crore) has been recognised under achievement linked/incentive award scheme for Government Sector by Ministry of New & Renewable Energy (MNRE), GoI for establishing solar roof top plants in various buildings of the company.
- Grant in Aid of ₹0.00crore (Previous Year ₹2,889.00crore) was received from Power System Development Fund (PSDF) under MoP, GoI towards Transmission system associated with 'North East-Northern/Western Interconnector-I Project' and 'Transmission system for development of pooling station in Northern Part of West Bengal and transfer of power from Bhutan to NR/WR (BNC-Agra HVDC)'.

**Note 35/Revenue from operations**

(₹ in Crore)

Particulars	For the year ended 31 <sup>st</sup> March, 2020	For the year ended 31 <sup>st</sup> March, 2019
<b>Sales of services</b>		
<b>Transmission Business</b>		
Transmission Charges	33780.29	32436.35
Add: Revenue recognised out of Advance Against Depreciation	152.65	180.64
	<b>33932.94</b>	32616.99
<b>Other Operating Revenue</b>		
Interest on differential Provisional and Final Tariff	676.04	145.87
Income from lease lines	7.12	11.31
Recognised from deferred revenue - Grant in aid	260.25	70.77
	<b>943.41</b>	227.95
	<b>34876.35</b>	32844.94
<b>Telecom Business</b>	698.21	663.25
<b>Consultancy Project Management and Supervision</b>	610.98	610.93
<b>Total</b>	<b>36185.54</b>	<b>34119.12</b>

## Note 35/Revenue from operations (Contd.)

### Further Notes:

- In exercise of powers u/s 178 of the Electricity Act 2003, Central Electricity Regulatory Commission (CERC) has notified "CERC (Terms and Conditions of Tariff) Regulations, 2019" vide order dated 7th March, 2019 for the determination of transmission tariff for the block period 2019-24.
- Pending filing of petitions and issue of tariff orders by CERC, income on account of Transmission Charges for the current year has been provisionally recognized based on the transmission tariff norms applicable for the block period 2019-24. During the current year, the beneficiaries are being billed in accordance with the tariff approved and applicable as on 31.03.2019 as provided in the CERC (terms and Conditions of tariff) Regulations, 2019. However, in the previous year, ₹27229.59crore was recognised as per final tariff orders issued by CERC for block period 2014-19 and ₹5387.40crore was recognised in respect of transmission assets for which final tariff orders were yet to be issued as per CERC Tariff Regulations and other orders in similar cases.
- Consequent to the final order issued by CERC (for the block period 2014-19), transmission income includes ₹173.30crore (increase) (Previous Year ₹285.42crore (increase)) pertaining to earlier years.
- Revenue from transmission decreased by ₹613.08crore for the year ended 31.03.2020 due to change in MAT rate from 18.5% to 15% considered for grossing up of Return on Equity (ROE) as per CERC Regulations in accordance with the amendment in section 115JB of the Income Tax Act, 1961 announced by Government of India through Taxation Laws (Amendment) ordinance, 2019.
- Refer note no. 66 for disclosure on formation of wholly owned subsidiary of the company to undertake Telecommunications and Digital Technology Business of the company.
- Refer note no. 46 for disclosure as per Ind AS 115 "Revenue from Contracts with Customer".

## Note 36/Other income

(₹ in Crore)

Particulars	For the year ended 31 <sup>st</sup> March, 2020	For the year ended 31 <sup>st</sup> March, 2019
<b>Interest income from financial assets at amortised cost</b>		
Indian Banks	154.23	84.22
Interest on loan to Subsidiaries	920.12	759.93
Interest on Loan to Joint Ventures (JVs)	14.00	2.40
Others*	30.47	19.65
	1118.82	866.20
<b>Interest from advances to contractors</b>	17.05	35.18
	1135.87	901.38
<b>Dividend income from investment in</b>		
Subsidiaries	228.26	86.69
Joint Ventures	69.41	57.67
Equity investments designated at fair value through other comprehensive income	5.35	5.42
	303.02	149.78
<b>Others</b>		
Profit on sale of Property, Plant and Equipment	1.14	1.26
Finance Income from finance lease	85.13	69.66
Surcharge	297.54	196.74
FERV gain	0.31	0.16
Provisions written back	147.56	28.25
Fair Value gain on initial recognition of Financial liability/investment	69.74	55.73
Miscellaneous income **	147.58	185.90
	749.00	537.70
	2187.89	1588.86
Less: Transferred to expenditure during construction (Net) - Note 43	55.46	89.91
<b>Total</b>	<b>2132.43</b>	<b>1498.95</b>

### Further Notes:

\* Others include interest on employee loans, unwinding of finance cost on employee loans etc.

\*\* Miscellaneous income include Sale of Scrap, Insurance Claim Recovery, UI Charges etc.

**Note 37/Employee benefits expense**

(₹ in Crore)

Particulars	For the year ended 31 <sup>st</sup> March, 2020	For the year ended 31 <sup>st</sup> March, 2019
Salaries, wages, allowances & benefits	2019.71	1838.79
Contribution to provident and other funds	185.21	228.50
Staff Welfare expenses (Including Deferred Employee cost)	243.37	233.25
	2448.29	2300.54
Less: Transferred to Expenditure during Construction (Net) - Note 43	486.25	509.80
Transferred to CSR expenses - Note 40	2.57	7.17
<b>Total</b>	<b>1959.47</b>	<b>1783.57</b>

**Further Notes:**

- Refer note no. 56 for Remuneration to Key Managerial Personnel (KMPs).
- Pay revision of Executive and Non-executive implemented during the previous financial year and an amount of ₹18.67crore (Net of amount transferred to expenditure during construction) was written back against provision for wage revision.
- Special allowance was settled in previous year as per the rates approved by Ministry of Power and Department of Public Enterprises to employees who are posted in the difficult and far flung areas. An amount of ₹22.65crore was recovered from employees during the previous year being the excess amount paid in earlier period.
- Refer note no. 64 for details of Employee Benefit Obligations.

**Note 38/Finance costs**

(₹ in Crore)

Particulars	For the year ended 31 <sup>st</sup> March, 2020	For the year ended 31 <sup>st</sup> March, 2019
<b>Interest and finance charges on financial liabilities at amortised cost</b>		
Indian Banks & Financial Institutions	2353.69	2094.59
Foreign Banks and Financial Institutions	1047.19	956.83
Secured/Unsecured redeemable Bonds	6197.47	6401.86
Foreign Currency Bonds	150.49	147.78
<b>Unwinding of discount on financial liabilities</b>	<b>96.17</b>	<b>113.02</b>
<b>Interest - Others</b>	<b>0.27</b>	<b>34.51</b>
<b>Interest on Lease Liability</b>	<b>1.30</b>	<b>-</b>
	9846.58	9748.59
Other Finance charges		
Commitment charges	4.92	7.08
Guarantee Fee	363.69	449.17
Others*	36.22	116.96
	404.83	573.21
<b>Exchange differences regarded as adjustment to Borrowing Cost</b>	<b>1343.96</b>	<b>(112.00)</b>
	1748.79	461.21
	11595.37	10209.80
Less: Transferred to Expenditure during Construction (Net) - Note 43	1781.75	1118.38
<b>Total</b>	<b>9813.62</b>	<b>9091.42</b>

**Further Notes:**

\*Others includes agency fees, trustee fees, RTA & Listing Fees, Rating Fees, interest on land compensation, tree & crop compensation etc.

**Note 39/Depreciation and amortization expense**

(₹ in Crore)

Particulars	For the year ended 31 <sup>st</sup> March, 2020	For the year ended 31 <sup>st</sup> March, 2019
Depreciation of Property, Plant and Equipment	11289.93	10373.59
Amortization of Intangible assets	117.30	110.16
Depreciation on ROU Assets	16.90	-
	11424.13	10483.75
Less: Transferred to Expenditure During Construction (Net) - Note 43	10.40	10.29
	11413.73	10473.46
Less: Depreciation amortised due to FERV adjustment	340.55	272.79
<b>Charged to Statement of Profit &amp; Loss</b>	<b>11073.18</b>	<b>10200.67</b>

## Note 40/Other expenses

(₹ in Crore)

Particulars	For the year ended 31 <sup>st</sup> March, 2020	For the year ended 31 <sup>st</sup> March, 2019
<b>Repair &amp; Maintenance</b>		
Buildings	92.21	86.36
Plant & Machinery		
Sub-Stations	434.49	355.14
Transmission lines	153.11	290.53
Telecom equipments	38.85	35.96
Others	43.14	42.79
	669.59	724.42
System and Market Operation Charges	61.03	10.58
Power charges	285.82	259.35
Less: Recovery from contractors	3.07	3.03
	282.75	256.32
Expenses of Diesel Generating sets	4.54	4.95
Stores consumed	7.02	10.61
Water charges	4.01	9.77
Right of Way charges-Telecom	10.27	8.20
Patrolling Expenses-Telecom	0.39	1.38
Last Mile connectivity-Telecom	7.27	9.01
Training & Recruitment Expenses	35.85	31.67
Less:Fees for training and application	0.76	1.55
	35.09	30.12
Legal expenses	19.14	20.20
Professional charges	20.52	24.71
Consultancy expenses	2.00	2.23
Communication expenses	23.49	16.39
Inland Travelling Expenses	119.29	117.66
Foreign travel	8.94	11.09
	128.23	128.75
Tender expenses	2.99	13.27
Less: Sale of tenders	1.00	1.56
	1.99	11.71
<b>Payments to Statutory Auditors</b>		
Audit Fees	1.29	1.18
Tax Audit Fees	0.36	0.33
In Other Capacity	2.83	1.15
Arrears	0.04	0.03
Out of pocket Expenses	1.05	1.00
	5.57	3.69
Advertisement and publicity	17.44	13.95
Printing and stationery	6.92	7.22
Books Periodicals and Journals	1.30	1.77
EDP hire and other charges	11.88	17.84
Entertainment expenses	2.97	2.74
Brokerage & Commission	1.53	1.16
Research & Development expenses	9.54	12.67
Cost Audit and Physical verification Fees	1.23	1.35
Rent #	50.89	13.95
CERC petition & Other charges	82.28	74.16
Miscellaneous expenses	77.47	99.10
Horticulture Expenses	32.70	28.90
Security Expenses	284.36	260.11
Hiring of Vehicle	113.73	155.48
Insurance	96.78	104.35
Rates and taxes	45.68	39.63



**Note 40/Other expenses (Contd.)**

(₹ in Crore)

Particulars	For the year ended 31 <sup>st</sup> March, 2020	For the year ended 31 <sup>st</sup> March, 2019
License Fees to DOT	62.28	59.11
Bandwidth charges dark fibre lease charges (Telecom)	20.51	27.71
Corporate Social Responsibility (CSR) Expenses *	346.21	195.52
Transit Accomodation Expenses	29.03	25.42
Less : Income from Transit Accomodation	1.92	1.67
	27.11	23.75
Foreign Exchange Rate Variation	221.95	225.47
<b>Provisions for</b>		
Doubtful loans, advances, debts, claims etc.	6.34	396.19
Obsolescence in Stores	-	8.51
Others **	-	4.00
	6.34	408.70
	2896.21	3134.04
Less: Transferred to Expenditure during Construction (Net) - Note 43	90.20	107.45
	2806.01	3026.59
Loss on Disposal/Write off of Property, Plant & Equipment	18.34	26.84
<b>Total</b>	<b>2824.35</b>	<b>3053.43</b>

**Further Note:**

\* Includes an amount of ₹ 2.57 crore (Previous Year ₹ 7.17 crore) transferred from Note No 37- 'Employee Benefits Expense'

\*\* Provision for diminution in the value of Investment in JV Company (RINL POWERGRID TLT Private Limited) in the Previous Year

# Refer Note No 50 for Short-term leases expenses.

**Note 41/Net Movement in Regulatory Deferral Account Balances-Incomes/(expenses) (net of tax)**

(₹ in Crore)

Particulars	For the year ended 31 <sup>st</sup> March, 2020	For the year ended 31 <sup>st</sup> March, 2019
Deferred assets for deferred tax liability	1297.69	(3472.89)
Foreign Currency Fluctuation	742.10	232.27
Employee Benefits Expense	-	19.67
	2039.79	(3220.95)
Tax on net movement in regulatory deferral account balances	356.39	(694.08)
<b>Total</b>	<b>1683.40</b>	<b>(2526.87)</b>

**Further Note:**

Refer to note no 52 for detailed disclosure on Regulatory Deferral Account Balances.

**Note 42/Other Comprehensive Income**

(₹ in Crore)

Particulars	For the year ended 31 <sup>st</sup> March, 2020	For the year ended 31 <sup>st</sup> March, 2019
Items that will not be reclassified to Profit or Loss		
Gain/(Loss) on valuation of Investment in Equity	(49.35)	(14.15)
Provisions for actuarial valuation	(74.47)	(0.26)
	(123.82)	(14.41)
Less: Transferred to Expenditure during Construction(Net) - Note 43	(8.23)	2.34
	(115.59)	(16.75)
Income Tax relating to items that will not be reclassified to Profit or Loss	(11.57)	(0.45)
Items that will not be reclassified to Profit or Loss (net of tax)	(104.02)	(16.30)

**Note 43/ Expenditure during Construction (Net)**

(₹ in Crore)

Particulars	For the year ended 31 <sup>st</sup> March, 2020	For the year ended 31 <sup>st</sup> March, 2019
<b>A. Employees Remuneration &amp; Benefits</b>		
Salaries wages allowances and benefits	421.35	424.68
Contribution to provident and other funds	39.18	53.81
Welfare expenses	25.72	31.31
<b>Total (A)</b>	<b>486.25</b>	<b>509.80</b>
<b>B. Other Expenses</b>		
Repair and maintenance	7.11	7.36
Power charges	5.37	5.11
Less: Recovery from contractors	1.82	1.87
	3.55	3.24
Expenses on Diesel Generating sets	0.01	0.29
Water charges	0.65	0.34
Legal expenses	3.07	1.86
Professional charges	1.86	3.58
Consultancy expenses	0.51	0.31
Communication expenses	3.32	2.65
Travelling & Conv.exp. (Including Foreign Travel)	26.14	28.54
Tender expenses	1.61	6.26
Less: Sale of tenders	0.94	1.44
	0.67	4.82
Payment to Auditors	0.08	0.13
Advertisement and Publicity	-	0.15
Printing and stationery	0.57	0.73
Books, Periodicals and Journals	0.03	0.04
EDP hire and other charges	0.19	0.18
Entertainment expenses	0.24	0.35
Brokerage and commission	0.10	-
Rent	2.49	2.68
Miscellaneous expenses	4.93	4.79
Horticulture Expenses	0.72	0.90
Security Expenses	13.10	16.67
Hiring of Vehicles	15.82	23.18
Insurance	-	0.01
Rates and taxes	3.87	3.27
Bandwidth charges, dark fibre lease charges(Telecom)	0.06	0.08
Transit Accomodation Expenses	1.23	1.30
Less : Income from Transit Accomodation	0.12	-
	1.11	1.30
<b>Total (B)</b>	<b>90.20</b>	<b>107.45</b>
<b>C. Depreciation/Amortisation</b>	<b>10.40</b>	<b>10.29</b>
<b>Total (C)</b>	<b>10.40</b>	<b>10.29</b>
<b>D. Finance Costs</b>		
a) Interest and finance charges on financial liabilities at amortised cost		
Indian Banks and Financial Institutions	341.47	405.33
Foreign Banks and Financial Institutions	299.10	256.27
Secured/Unsecured Redeemable Bonds	221.42	364.17
Foreign Currency Bonds	-	2.70
Others	44.42	54.87
	906.41	1083.34
b) Other finance charges		
Commitment charges	3.81	5.62
Guarantee fee	76.25	108.34

**Note 43/ Expenditure during Construction (Net)**

(₹ in Crore)

Particulars	For the year ended 31 <sup>st</sup> March, 2020	For the year ended 31 <sup>st</sup> March, 2019
Others	0.17	45.97
c) FERV adjustment to borrowing cost	80.23	159.93
<b>Total (D)</b>	<b>795.11</b>	<b>(124.89)</b>
	<b>1781.75</b>	<b>1118.38</b>
<b>E. Less: Other Income</b>		
Interest from Contractors	14.19	32.77
	14.19	32.77
Miscellaneous income	41.27	57.14
<b>Total (E)</b>	<b>55.46</b>	<b>89.91</b>
<b>F. Less: Other Comprehensive Income</b>		
Other Comprehensive Income	(8.23)	2.34
<b>Total (F)</b>	<b>(8.23)</b>	<b>2.34</b>
<b>Grand Total (A+B+C+D-E-F)</b>	<b>2321.37</b>	<b>1653.67</b>

44. Cash equivalent of deemed export benefits availed of ₹209.99crore in respect of supplies effected for East South Inter Connector-II Transmission Project (ESI) and Sasaram Transmission Project (STP), were paid to the Customs and Central Excise Authorities in accordance with direction from Ministry of Power (GOI) during 2002-03 due to non-availability of World Bank loan for the entire supplies in respect of ESI project and for the supplies prior to March 2000 in respect of STP project and the same was capitalised in the books of accounts. Thereafter, World Bank had financed both the ESI project and STP project as originally envisaged and they became eligible for deemed export benefits. Consequently, the company has lodged claims with the Customs and Excise Authorities.

In this regard the Cumulative amount received and de-capitalized upto 31st March, 2020 is ₹12.12crore (Previous Year ₹12.12crore). The company continued to show the balance of ₹197.87crore (Previous Year ₹197.87crore) in the capital cost of the respective assets / projects pending receipt of the same from Customs and Excise Authorities.

45. a) Some balances of Trade Receivables and recoverable shown under Assets and Trade and Other Payables shown under Liabilities include balances subject to confirmation/ reconciliation and consequential adjustments if any. However, reconciliations are carried out on ongoing basis. The management does not expect any material adjustment in the books of accounts as a result of the reconciliation.
- b) In the opinion of the management, the value of any of the assets other than Property, Plant and Equipment and non-current investments on realization in the ordinary course of business will not be less than the value at which they are stated in the Balance Sheet.

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

- a) For milestone based contracts (consultancy contracts), unsatisfied performance obligations are as follows:

(₹ in Crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Transaction price related to unsatisfied (or partially satisfied) performance obligation	2,611.14	2,110.24
These performance obligations are expected to be satisfied within	4 Years	5 Years

- b) The movement in unbilled revenue during the year is as follows:

(₹ in Crore)

Particulars	For the year ended 31 <sup>st</sup> March, 2020	For the year ended 31 <sup>st</sup> March, 2019
Balance at the beginning	6,461.64	4,087.40
Add: Revenue recognised during the period	2,423.74	5,140.34
Less: Invoiced during the period	3,827.58	2,660.39
Less: Impairment/reversal during the period	(105.71)	105.71
Add: Translation gain/(Loss)	-	-
Balance at the end	5,163.51	6,461.64

- c) The movement in contract liability during the year is as follows:

(₹ in Crore)

Particulars	For the year ended 31 <sup>st</sup> March, 2020	For the year ended 31 <sup>st</sup> March, 2019
Balance at the beginning	1,261.19	869.39
Add: Advance billing during the period	537.01	1,038.15
Less: revenue recognised during the period		
a) From contract liability as at beginning of the period	558.07	501.72
b) From contract liability recognised during the period	76.37	144.76
Add: Translation gain/(Loss)	0.26	0.13
Balance at the end	1,164.02	1,261.19

- d) The entity determines transaction price based on expected value method considering its past experiences of refunds or significant reversals in amount of revenue. In estimating significant financing component, management considers the financing element inbuilt in the transaction price based on imputed rate of return. Reconciliation of Contracted Price vis-a-vis revenue recognized in profit or loss statement is as follows:

(₹ in Crore)

Particulars	For the year ended 31 <sup>st</sup> March, 2020	For the year ended 31 <sup>st</sup> March, 2019
Contracted price	34,748.04	33,645.51
Add/ (Less)- Discounts/ rebates provided to customer	(130.99)	(209.11)
Add/ (Less)- Performance bonus	375.73	185.84
Add/ (Less)- Adjustment for significant financing component	96.70	88.29
Add/ (Less)- Other adjustments	1,096.06	408.59
Revenue recognized in profit or loss statement	36,185.54	34,119.12

47. (i) FERV Loss of ₹2,079.72crore (Previous Year ₹1,441.50crore) has been adjusted in the respective carrying amount of Property, Plant and Equipment/Capital work in Progress (CWIP)/Lease Receivables  
(ii) FERV Loss of ₹221.64crore (Previous Year ₹225.31crore) has been recognised in the Statement of Profit and Loss.
48. Borrowing cost capitalised during the year is ₹1,781.75crore (Previous Year ₹1,118.38crore) in the respective carrying amount of Property, Plant and Equipment/Capital work in Progress (CWIP) as per Ind AS 23 'Borrowing Costs'.
49. 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 Crore)

Sr. No	Particulars	Trade Payables		Others	
		As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
1	Principal amount and interest due thereon remaining unpaid to any supplier as at end of each accounting year:				
	Principal	11.58	33.27	2.98	22.30
	Interest	0.01	0.05	-	-
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	0.04	-	-	-
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	-	0.01	-	-
4	The amount of interest accrued and remaining unpaid at the end of each accounting year	0.01	0.04	-	-
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	-	-	-	-

## 50. Application of new and revised Ind AS

- A)** The company adopted Ind AS 116 with effect from 01.04.2019. The nature and effect of the changes as a result of adoption of the new accounting standard is described below.

Several other amendments and interpretations apply with effect from 01.04.2019, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

### **B) Ind AS 116 – Leases**

Under the new standard, all lease contracts, with limited exceptions, are recognized in the financial statements by way of Right-of-Use (ROU) assets and corresponding lease liabilities. The Company has applied the standard to its leases, using the modified prospective method at the date of initial application (i.e. 01.04.2019), with the option to measure the ROU asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet immediately before the date of initial application. Accordingly, the Company has not restated comparative information and therefore will continue to be reported under the accounting policies included as part of our annual report for the year ended 31.03.2019.

The company has applied the new standard to service contracts of Dark Fiber, colocation & repeater shelter spaces, Office buildings on rent etc. to evaluate whether these contracts contains a lease or not. Based on evaluation of the terms and conditions of the arrangements, the Company has evaluated such arrangements to be leases.

The Company has applied following practical expedients on transition to Ind AS 116 on initial application:

- Use of single discount rate to portfolio of leases of similar assets in similar economic environment with similar end date
- Exclusion of initial direct cost from the measurement of the ROU asset at the date of initial application
- Not to recognize ROU assets and lease liabilities for leases with remaining lease term of upto 12 months from the date of initial application (i.e. 01.04.2019) by class of asset and leases of low value asset on lease by lease basis.

The adoption of the new standard resulted in recognition of "Right-of-Use asset" of ₹19.86crore and a corresponding Lease liability of ₹18.99crore. The remaining ₹0.87 crore pertains to the prepaid lease payments recognized in the balance sheet immediately before the date of initial application.

In respect of leasehold land that were classified as leases applying Ind AS 17, an amount of ₹438.18crore (gross carrying amount) and ₹42.75crore (accumulated depreciation) has been reclassified as ROU assets.

The following table provides a reconciliation of the Company's operating lease commitments as at 31.03.2019 to the total lease liability recognized on the balance sheet in accordance with Ind AS 116 as at 01.04.2019:

Particulars	Amount (₹ in crore)
Operating lease commitments as at 31.03.2019	83.24
Less: Short-term leases	5.38
Less: Effect of discounting (@ 7.16%)	58.87
Total lease liabilities at 01.04.2019	18.99

Short term leases: As part of transition, the Company has availed the practical expedient of not to apply the recognition requirements of Ind AS 116 to short term leases for recognition of assets and liabilities related to leases.

#### **a) As a Lessor - Finance Leases:-**

The Company has classified and accounted for the arrangements for state sector ULDC assets and bilateral assets as finance leases. Agreements for State Sector ULDC are for a period of 15 years and Bilateral Line Assets with the beneficiary are for the period as specified in CERC Regulations.

Other Non-Current Financial Assets and Other Current Financial Assets include lease receivables representing the present value of future lease rentals receivable on the finance lease transactions entered into by the company with the constituents in respect of State Sector ULDC and Bilateral Line Assets. Disclosure requirements of Ind AS 116 'Leases' notified under the Companies Act, 2013 are given as under:

(i) Details of gross investment in lease, un-earned finance income and present value of minimum lease payments receivables at the end of financial year are given as under:

(₹ in Crore)

Particulars	As at 31.03.2020	As at 31.03.2019
Gross investment in Lease	1547.26	1597.41
Un-earned Finance Income	980.06	1052.92
Present value of Minimum Lease Payment (MLP)	567.20	544.49

(ii) The value of contractual maturity of such leases is as under:

(₹ in Crore)

Particulars	Gross Investment in Lease		Present Value of MLP	
	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
Not later than one year	<b>132.37</b>	132.39	<b>50.15</b>	47.50
Later than one year and not later than two years	<b>127.38</b>	129.40	<b>46.21</b>	45.72
Later than two years and not later than three years	<b>127.19</b>	124.40	<b>47.02</b>	41.73
Later than three years and not later than four years	<b>127.19</b>	124.21	<b>48.14</b>	42.51
Later than four years and not later than five years	<b>127.19</b>	124.21	<b>49.39</b>	43.58
Later than five years	<b>905.94</b>	962.80	<b>326.29</b>	323.45
<b>Total</b>	<b>1,547.26</b>	<b>1,597.41</b>	<b>567.20</b>	<b>544.49</b>

(iii) There are differences in balance lease receivable as at year end as per accounts and tariff records on account of:

- (a) Undischarged liabilities amounting to ₹61.30crore (Previous Year ₹74.43crore). Such cost become part of project cost only on discharge of such liabilities.
- (b) Unamortized FERV on loans included in lease receivable amounting to ₹21.47crore (Previous Year ₹17.23crore). Such FERV are allowed to be recovered as part of tariff on actual payment basis.

**b) As a Lessee:-**

The company has taken assets on lease such as dark fiber, colocation & repeater shelter spaces and office buildings etc. for various periods which are assessed and accounted as per the requirements of Ind AS 116 – “Leases” and required disclosures as per the said Ind AS are as follows:

- (i) ROU Assets:  
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.
- (ii) Lease Liabilities:  
Interest expense on lease liabilities for the year is shown under note no. 38 and total cash outflow for leases for the year has been disclosed in statement of cash flow under financing activities as separate line item and maturity analysis of lease liabilities has been disclosed in note no. 62.
- (iii) Short term leases:  
The company, during the financial year, has incurred ₹48.85crore with respect to short term leases.  
The company was committed to short term leases and the total commitment of such leases at the end of financial year was ₹4.83crore.

**51. Additional demand of License fee raised by DoT**

The company holds National Long distance (NLD) and Internet Service Provider (ISP) licenses and is regularly paying the applicable license fee to DoT. The company has received additional demand of license fee amounting to ₹ 44039.23 crore (including penalty and interest up to 31.03.2020) for previous periods in respect of the above licenses by adding non-telecom revenue i.e., revenue related to transmission and consultancy as “Miscellaneous income” in Adjusted Gross Revenue (AGR).

In the light of judgment dated 24.10.2019 of Hon’ble Supreme Court on the dispute between DoT and Telecom Service Providers (TSPs) regarding interpretation of AGR, DoT vide communication dated 05.12.2019 requested submission of a comprehensive representation since all the demands are being re-examined w.r.t. the Hon’ble Supreme Court Judgement. The company has represented to DoT stating inter-alia that the demands raised are not sustainable either in law or on facts as the nature of license in case of telecom service providers is different and distinct from the licenses given to the company.

The Hon’ble Supreme Court vide its order dated 11.06.2020 has also observed that the licenses of Public Sector Undertakings (PSUs) are different and their judgment in the case between DoT and TSPs could not have been made the basis for raising the demand against the PSUs. The Hon’ble Supreme court has further ordered that the Department of Telecom should reconsider the demand that has been sprung and report compliance of the action taken.

In view of the above and based upon legal advice received, the management is of the opinion that the aforesaid demands are not payable by the Company.

**52. Disclosures relating to Regulatory Deferral Account Balances**

**i) Nature of rate regulated activities**

The company is mainly engaged in the business of transmission of power. The tariff for transmission of power is determined by the CERC through tariff regulations. The tariff is based on capital cost admitted by CERC and provides for transmission charges recovery of annual fixed cost consisting of Return on equity, Interest on loan capital, Depreciation, interest on working capital and Operation & Maintenance expenses.



**ii) Recognition and measurement**

FERV arising during the construction period for settlement/translation of monetary items (other than non-current loans) denominated in foreign currency to the extent recoverable/payable to the beneficiaries as capital cost as per CERC Tariff Regulations are accounted as Regulatory Deferral Account Balances. In respect of long term foreign currency loan drawn on or after 1st April, 2016, exchange difference to the extent recoverable as per CERC Tariff Regulations are recognised as Regulatory Deferral Account Balances. The company expects to recover these amounts through depreciation component of the tariff over the life of the asset or as exchange rate variation on repayment of the loan.

The tariff norms for the block period 2019-2024 notified by the Central Electricity Regulatory Commission (CERC) provide for grossing up of the return on equity based on effective tax rate for the financial year based on the actual tax paid during the year on the transmission income. Accordingly, deferred tax provided during the year ended 31.03.2020 on the transmission income is accounted as 'Deferred Assets against Deferred Tax Liability'. Deferred Assets against Deferred Tax Liability for the year will be reversed in future years (including tax holiday period) when the related deferred tax liability forms a part of current tax.

The company has recognized an amount of ₹ Nil crore (Previous Year ₹19.67crore) on account of pay revision as recoverable from the beneficiaries in subsequent periods under Regulatory Deferral Account Balances. These balances are to be adjusted in the year in which they become recoverable from beneficiaries as per CERC. Amount of regulatory deferral account balances is on undiscounted basis.

**iii) Risk associated with future recovery/ reversal of regulatory deferral account balances**

(a) regulatory risk on account of changes in regulations.

(b) other risks including currency or other market risks, if any.

Any change in the Tariff regulations beyond the current tariff period ending on 31.03.2024 may have an impact on the recovery of Regulatory Deferral Account Balances.

The Regulatory Deferral Account Balances (assets) recognized in the books to be recovered from the beneficiaries in future periods are as follows:

(₹ in Crore)

Particulars	As at 31.03.2020	As at 31.03.2019
A. Opening Balance	8,083.27	11,304.22
B. Addition/(deduction) during the year	2,045.17	(3,220.95)
C. Amount collected/refunded during the year	5.38	-
D. Regulated Income/(Expense) recognized in the statement of Profit and Loss	2,039.79	(3,220.95)
E. Closing Balance	10123.06	8,083.27
F. Tax on Regulated Income/(Expense) recognized in the statement of Profit and Loss	356.39	(694.08)

**53. Disclosure as required by Regulation 34 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015****A. Loans and Advances in nature of Loans:****1. To Subsidiary Companies and Joint Ventures**

(₹ in Crore)

Name of the Company	Outstanding balance		Maximum amount outstanding	
	As at 31.03.2020	As at 31.03.2019	For the year ended 31.03.2020	For the year ended 31.03.2019
<b>Subsidiary</b>				
Powergrid NM Transmission Limited	1,088.90	1,085.90	1,088.90	1,085.90
Powergrid Vizag Transmission Limited	531.50	614.50	614.50	708.43
Powergrid Unchahar Transmission Limited	40.32	46.32	46.32	55.92
Powergrid Kala Amb Transmission Limited	203.26	225.28	225.28	248.36
Powergrid Jabalpur Transmission Limited	1,221.56	1,289.58	1,289.58	1,289.58
Powergrid Warora Transmission Limited	1,564.00	1,682.00	1,682.00	1,754.55
Powergrid Parli Transmission Limited	1,366.50	1,475.50	1,475.50	1,531.52
Powergrid Southern Interconnector Transmission System Limited	2,863.66	2,707.56	2,863.66	2,707.56

Name of the Company	Outstanding balance		Maximum amount outstanding	
	As at 31.03.2020	As at 31.03.2019	For the year ended 31.03.2020	For the year ended 31.03.2019
Powergrid Medinipur Jeerat Transmission Limited	<b>2,082.26</b>	1,269.78	<b>2,082.26</b>	1,269.78
Powergrid Mithilanchal Transmission Limited	<b>647.97</b>	203.53	<b>647.97</b>	203.53
Powergrid Varanasi Transmission System Limited	<b>536.26</b>	202.19	<b>536.26</b>	202.19
Powergrid Jawaharpur Firozabad Transmission Limited	<b>211.34</b>	4.60	<b>211.34</b>	4.60
Powergrid Khetri Transmission System Limited	<b>212.47</b>	NA	<b>212.47</b>	NA
Powergrid Bhuj Transmission Limited	<b>83.01</b>	NA	<b>83.01</b>	NA
Powergrid Bhind Guna Transmission Limited	<b>48.05</b>	NA	<b>48.05</b>	NA
Powergrid Ajmer Phagi Transmission Limited	<b>162.70</b>	NA	<b>162.70</b>	NA
Powergrid Fatehgarh Transmission Limited	<b>146.79</b>	NA	<b>146.79</b>	NA
Powergrid Rampur Sambhal Transmission Limited	<b>15.14</b>	NA	<b>15.14</b>	NA
Powergrid Meerut Simbhavali Transmission Limited	<b>30.98</b>	NA	<b>30.98</b>	NA
<b>Joint Ventures</b>				
National High Power Test Laboratory Private Limited	<b>18.40</b>	6.00	<b>18.40</b>	6.00
Teestavalley Power Transmission Limited	<b>77.12</b>	77.12	<b>191.72</b>	77.12
<b>Total</b>	<b>13,152.19</b>	<b>10889.86</b>	<b>13,672.83</b>	<b>11,145.04</b>

2. To firms/companies in which directors are interested : NIL

B. Investment by the loanee (as detailed above) in the shares of Power Grid Corporation of India Ltd: NIL

#### 54. Corporate Social Responsibility (CSR) Expenses

As per Section 135 of the Companies Act, 2013 along with Companies (Corporate Social Responsibility Policy) Rules, 2014 read with DPE guidelines no F.No.15 (13)/2013-DPE (GM), the Company is required to spend, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years in accordance with its CSR Policy. The details of CSR expenses for the year are as under:-

		(₹ in Crore)	
SI. No.	PARTICULARS	For the year ended 31.03.2020	For the year ended 31.03.2019
A	Amount required to be spent during the year	<b>209.92</b>	186.72
B	Amount spent on CSR –		
	(i) Construction or acquisition of any asset	<b>111.12</b>	44.26
	(ii) on Purpose other than (i) above	<b>235.09</b>	151.26
C	Total Shortfall/(Excess) amount	<b>(136.29)</b>	(8.79)
D	Break-up of the amount spent on CSR		
	1 Education and Skill Development expenses	<b>46.89</b>	14.50
	2 Ecology and Environment Expenses	<b>37.30</b>	16.71
	3 Health and Sanitation expenses	<b>219.30</b>	102.79
	4 Sports, Art and Culture expenses	<b>0.09</b>	2.55
	5 Protection of national heritage, art and culture including restoration of building and sites of historical importance	<b>2.32</b>	8.50
	6 Other CSR activities	<b>36.97</b>	43.30
	7 Salaries, wages and other benefits of Company's own CSR personnel limited to 5% of total amount required to be spent on CSR	<b>3.34</b>	7.17
	<b>Total Amount spent on CSR</b>	<b>346.21</b>	195.52
	Amount spent in Cash out of above	<b>337.65</b>	188.28
	Amount yet to be spent in Cash	<b>8.56</b>	7.24

## 55. Fair Value Measurement

(₹ in Crore)

Financial Instruments by category	As at 31.03.2020		As at 31.03.2019	
	FVOCI	Amortised cost	FVOCI	Amortised cost
<b>Financial Assets</b>				
<u>Investments</u>				
<u>Equity Instruments</u>				
PTC India Limited (12000006 shares of ₹ 10 each)	46.50		88.14	
Energy Efficiency Services Limited (56118350 (Previous Year 37704350) shares of ₹ 10 each)	52.40		41.70	
Trade Receivables		4,867.90		4,649.80
Loans		13,480.62		11,125.86
Cash & cash Equivalents		4,795.67		3,643.14
Bank Balance		609.94		852.37
<u>Other Financial Assets</u>				
Current		5,828.84		6,918.54
Non-Current		4,095.69		4,384.90
<b>Total Financial assets</b>	<b>98.90</b>	<b>33,678.66</b>	<b>129.84</b>	<b>31,574.61</b>
<b>Financial Liabilities</b>				
Borrowings		1,51,270.16		1,49,477.78
Trade Payables		225.72		364.11
Other Financial Liabilities				
Current		7,982.57		8,747.91
Non-Current		3,515.63		3,897.44
<b>Total financial liabilities</b>	<b>-</b>	<b>1,62,994.08</b>	<b>-</b>	<b>1,62,487.24</b>

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

## Financial instruments that are measured at Fair value:

(₹ in Crore)

Particulars	Level 1	Level 2	Level 3	Total
<b>As at 31.03.2020</b>				
<b>Financial Assets</b>				
<u>Investments</u>				
<u>Equity Instruments</u>				
PTC India Limited (12000006 shares of ₹ 10 each)	46.50	-	-	46.50
Energy Efficiency Services Limited (56118350 shares of ₹ 10 each)	-	52.40	-	52.40
<b>Total Financial Assets</b>	<b>46.50</b>	<b>52.40</b>	<b>-</b>	<b>98.90</b>

(₹ in Crore)

Particulars	Level 1	Level 2	Level 3	Total
<b>As at 31.03.2019</b>				
<b>Financial Assets</b>				
<u>Investments</u>				
<u>Equity Instruments</u>				
PTC India Limited (12000006 shares of ₹ 10 each)	88.14	-	-	88.14
Energy Efficiency Services Limited (37704350 shares of ₹ 10 each)	-	41.70	-	41.70
<b>Total Financial Assets</b>	<b>88.14</b>	<b>41.70</b>	<b>-</b>	<b>129.84</b>

**Financial instruments that are measured at Amortised Cost:**

(₹ in Crore)

Particulars	Level	As at 31.03.2020		As at 31.03.2019	
		Carrying Amount	Fair value	Carrying Amount	Fair value
<b>Financial Assets</b>					
<b>Loans</b>					
Loans to Subsidiaries	2	13,056.67	13,042.90	10806.74	10662.48
Loan to Joint Venture	2	95.52	92.59	83.12	83.48
Loans to employees	2	328.43	320.73	235.99	224.22
<b>Total Financial Assets</b>		<b>13,480.62</b>	<b>13,456.22</b>	<b>11,125.85</b>	<b>10970.18</b>
<b>Financial Liabilities</b>					
Borrowings	2	1,51,270.16	1,56,200.86	1,49,477.78	1,47,699.95
Deposits/retention money from contractors and others	2	3,502.93	3,846.38	3,897.44	3,918.78
<b>Total financial liabilities</b>		<b>1,54,773.09</b>	<b>1,60,047.24</b>	<b>1,53,375.22</b>	<b>1,51,618.73</b>

The carrying amounts of trade receivables, trade payables, cash and cash equivalents 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 include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of Energy Efficiency Services Limited has been determined by making qualitative adjustment to trading multiples such as P/E, EV/EBITDA of comparable listed prices. The same has been included in Level 2 fair value hierarchy.
- 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 apart from equity instruments of PTC India Limited which is included in Level 1 fair value hierarchy.

Fair value of financial instruments has been determined by an independent valuer.

**56. Disclosure as per Ind AS 24 - "Related Party Disclosures"**
**(a) Subsidiaries**

Name of entity	Place of business/ country of incorporation	Proportion of Ownership Interest	
		As at 31.03.2020	As at 31.03.2019
Powergrid Vizag Transmission Limited	India	100%	100%
Powergrid NM Transmission Limited	India	100%	100%
Powergrid Unchahar Transmission Limited	India	100%	100%
Powergrid Kala Amb Transmission Limited	India	100%	100%
Powergrid Jabalpur Transmission Limited	India	100%	100%
Powergrid Warora Transmission Limited	India	100%	100%
Powergrid Parli Transmission Limited	India	100%	100%
Powergrid Southern Interconnector Transmission System Limited	India	100%	100%

**56. Disclosure as per Ind AS 24 - "Related Party Disclosures" (Contd.)**

Name of entity	Place of business/ country of incorporation	Proportion of Ownership Interest	
		As at 31.03.2020	As at 31.03.2019
Powergrid Vemagiri Transmission Limited	India	100%	100%
Powergrid Medinipur Jeerat Transmission Limited	India	100%	100%
Powergrid Mithilanchal Transmission Limited (erstwhile ERSS XXI Transmission Limited)	India	100%	100%
Powergrid Varanasi Transmission System Limited (erstwhile WR-NR Power Transmission Limited )	India	100%	100%
Powergrid Jawaharpur Firozabad Transmission Limited (erstwhile Jawaharpur Firozabad Transmission Limited)	India	100%	100%
Powergrid Khetri Transmission System Limited (Erstwhile Khetri Transco Limited) <sup>1</sup>	India	100%	Not Applicable
Powergrid Bhuj Transmission Limited (Erstwhile Bhuj-II Transmission Limited) <sup>2</sup>	India	100%	Not Applicable
Powergrid Bhind Guna Transmission Limited (Erstwhile Bhind Guna Transmission Limited) <sup>3</sup>	India	100%	Not Applicable
Powergrid Ajmer Phagi Transmission Limited (Erstwhile Ajmer Phagi Transco Limited) <sup>4</sup>	India	100%	Not Applicable
Powergrid Fatehgarh Transmission Limited (Erstwhile Fatehgarh-II Transco Limited) <sup>5</sup>	India	100%	Not Applicable
Powergrid Rampur Sambhal Transmission Limited (Erstwhile Rampur Sambhal Transco Limited) <sup>6</sup>	India	100%	Not Applicable
Powergrid Meerut Simbhavali Transmission Limited (Erstwhile Meerut-Simbhavali Transmission Limited) <sup>7</sup>	India	100%	Not Applicable

<sup>1</sup> 100% equity acquired from REC Transmission Projects Limited on 29th August, 2019.

<sup>2</sup> 100% equity acquired from PFC Consulting Limited on 16th October, 2019.

<sup>3</sup> 100% equity acquired from REC Transmission Projects Limited on 11th September, 2019.

<sup>4</sup> 100% equity acquired from REC Transmission Projects Limited on 03rd October, 2019.

<sup>5</sup> 100% equity acquired from PFC Consulting Limited on 14th October, 2019.

<sup>6</sup> 100% equity acquired from REC Transmission Projects Limited on 12th December, 2019.

<sup>7</sup> 100% equity acquired from PFC Consulting Limited on 19th December, 2019.

**(b) Joint Ventures**

Name of entity	Place of business/ country of incorporation	Proportion of Ownership Interest	
		As at 31.03.2020	As at 31.03.2019
Powerlinks Transmission Limited	India	49%	49%
Torrent Power Grid Limited	India	26%	26%
Jaypee Powergrid Limited	India	26%	26%
Parbati Koldam Transmission Company Limited	India	26%	26%
Teestavalley Power Transmission Limited#	India	30.92%	28.23%
North East Transmission Company Limited	India	26%	26%
National High Power Test Laboratory Private Limited	India	20%	20%
Bihar Grid Company Limited	India	50%	50%
Kalinga Bidyut Prasaran Nigam Private Limited##	India	50%	50%
Cross Border Power Transmission Company Limited	India	26%	26%
RINL Powergrid TLT Private Limited###	India	50%	50%
Power Transmission Company Nepal Limited	Nepal	26%	26%

# POWERGRID & Teesta Urja Ltd are the Joint venture partners in Teestavalley Power Transmission Limited & holds 26% & 74 % equity, respectively as per Shareholding agreement. On call of additional equity by Teestavalley Power Transmission limited, POWERGRID contributed their share amounting ₹ 14.56 crore (previous year ₹ 11.28 crore) while the other JV partner has not yet contributed their share of money as on 31.03.2020. Consequently, the holding of POWERGRID increased to 30.92% (previous year 28.23%) as on 31.03.2020 against 26% provided in shareholding agreement.

## Shareholders of M/s Kalinga Bidyut Prasaran Nigam Pvt Ltd (KBPNL), JV between M/s POWERGRID & M/s OPTCL in their Extra Ordinary General Meeting held on 02.01.2020 approved the striking off of the name of the company pursuant to section 248 (2) of the

## 56. Disclosure as per Ind AS 24 - "Related Party Disclosures" (Contd.)

Companies Act, 2013. Accordingly, e-form STK-2 vide SRN NO- R30789564 has been filed in Registrar of Companies (ROC), Odisha on Dated 21.01.2020 for removal of name of the Company. The present status of striking off of the Company (M/s KBPNL) as per MCA website is "Under Process of Striking Off".

### POWERGRID's Board of Directors in its meeting held on 1st May 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 01st March, 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 05th November, 2019 has advised to put up the closure proposal again to Ministry of steel for onward submission to NITI Ayog. The Approval from Government is awaited.

### (c) Key Managerial Personnel

#### Whole Time Directors

Name	Designation
Shri K. Sreekant	Chairman & Managing Director (Relinquished the charge of post of Director (Finance) and assumed charge of Chairman & Managing Director w.e.f. 05.08.2019)
Shri Ravi P. Singh	Director (Personnel) & Additional Charge of Chairman & Managing Director w.e.f. 21.01.2019 to 05.08.2019 and superannuated on 31.01.2020
Ms. Seema Gupta	Director (Operations) & Additional Charge of Director (Finance) w.e.f. 30.09.2019 to 05.11.2019. Further Additional charge of Director (Finance) w.e.f. 06.02.2020
Shri Rajeev Kumar Chauhan	Director (Projects)
Shri Vinod Kumar Singh	Director (Personnel) w.e.f. 01.02.2020

#### Independent Directors

Name	Designation
Shri Tse Ten Dorji	Independent Director ceased to be director on 15.02.2020
Shri Manoj Kumar Mittal	Independent Director
Shri Sunil Kumar Sharma	Independent Director
Smt. A.R. Mahalakshmi	Independent Director
Shri M.N. Venkatesan	Independent Director w.e.f. 11.07.2019
Shri Jagdish Ishwar Bhai Patel	Independent Director ceased to be director on 26.09.2019

#### Government Nominee Directors and other KMP

Name	Designation
Shri S.K.G. Rahate	Government Nominee Director w.e.f. 27.09.2019 to 16.03.2020
Shri Vivek Kumar Dewangan	Government Nominee Director ceased to be director on 07.06.2019
Shri Ghanshyam Prasad	Government Nominee Director ceased to be director on 23.09.2019
Shri Anurag Agarwal	Government Nominee Director w.e.f. 27.06.2019 to 12.07.2019
Shri Dilip Nigam	Government Nominee Director w.e.f. 28.12.2019
Shri Sanjay Malhotra	Government Nominee Director w.e.f. 31.01.2020 to 16.03.2020
Shri Tanmay Kumar	Government Nominee Director w.e.f. 18.03.2020
Smt. Divya Tandon	Company Secretary
Shri K. S. R. Murty	CFO w.e.f. 27.08.2019

### (d) List of Other Related Parties

Name of Entity	Place of business/country of incorporation	Nature of Relationship
Powergrid Employees P.F. Trust	India	Post-employment benefit plan of Powergrid
Powergrid Self Contributory Superannuation Benefit (Pension) Fund Trust	India	Post-employment benefit plan of Powergrid
Powergrid Employees Gratuity Fund Trust	India	Post-employment benefit plan of Powergrid
Powergrid Employees Post-Retirement Medical Benefit Trust	India	Post Retirement Benefit plan of Powergrid



**56. Disclosure as per Ind AS 24 - "Related Party Disclosures" (Contd.)****(e) Government Related Entities**

The company is controlled by the Government of India (GOI), being a Central Public Sector Enterprise (CPSE) under the Ministry of Power, with GOI holding 51.34% (Previous Year 55.37%) of equity shares capital issued and paid up.

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

The above transactions are in the course of normal day-to-day business operations and are not considered to be significant keeping in view the size, either individually or collectively.

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

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

(₹ in crore)

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Amounts Receivable</b>		
<b>Loans to Subsidiaries</b>		
Powergrid NM Transmission Limited	1,088.90	1,085.90
Powergrid Vizag Transmission Limited	531.50	614.50
Powergrid Unchahar Transmission Limited	40.32	46.32
Powergrid Kala Amb Transmission Limited	203.26	225.28
Powergrid Jabalpur Transmission Limited	1,221.56	1,289.58
Powergrid Warora Transmission Limited	1,564.00	1,682.00
Powergrid Parli Transmission Limited	1,366.50	1,475.50
Powergrid Southern Interconnector Transmission System Limited	2,863.66	2,707.56
Powergrid Medinipur Jeerat Transmission Limited	2,082.26	1,269.78
Powergrid Mithilanchal Transmission Limited	647.97	203.53
Powergrid Varanasi Transmission System Limited	536.26	202.19
Powergrid Jawaharpur Firozabad Transmission Limited	211.34	4.60
Powergrid Khetri Transmission System Limited	212.47	-
Powergrid Bhuj Transmission Limited	83.01	-
Powergrid Bhind Guna Transmission Limited	48.05	-
Powergrid Ajmer Phagi Transmission Limited	162.70	-
Powergrid Fatehgarh Transmission Limited	146.79	-
Powergrid Rampur Sambhal Transmission Limited	15.14	-
Powergrid Meerut Simbhavali Transmission Limited	30.98	-
<b>Total</b>	<b>13,056.67</b>	<b>10806.74</b>
<b>Loans to Joint Ventures</b>		
National High Power Test Laboratory Private Limited	18.40	6.00
Teestavalley Power Transmission Limited	77.12	77.12
<b>Total</b>	<b>95.52</b>	<b>83.12</b>
<b>Interest Accrued on loan to Subsidiaries</b>		
Powergrid NM Transmission Limited	-	38.63
Powergrid Jabalpur Transmission Limited	-	15.26
Powergrid Southern Interconnector Transmission System Limited	-	43.77
Powergrid Medinipur Jeerat Transmission Limited	28.80	8.24
Powergrid Mithilanchal Transmission Limited	6.83	0.30
Powergrid Varanasi Transmission System Limited	6.36	0.70
Powergrid Jawaharpur Firozabad Transmission Limited	4.42	-

**56. Disclosure as per Ind AS 24 - "Related Party Disclosures" (Contd.)**

(₹ in crore)

Particulars	As at 31.03.2020	As at 31.03.2019
Powergrid Khetri Transmission System Limited	2.40	-
Powergrid Bhuj Transmission Limited	0.53	-
Powergrid Bhind Guna Transmission Limited	0.21	-
Powergrid Ajmer Phagi Transmission Limited	0.92	-
Powergrid Fatehgarh Transmission Limited	1.12	-
Powergrid Rampur Sambhal Transmission Limited	0.02	-
Powergrid Meerut Simbhavali Transmission Limited	0.10	-
<b>Total</b>	<b>51.71</b>	<b>106.90</b>
<b>Interest Accrued on loan to Joint Ventures</b>		
National High Power Test Laboratory Private Limited	0.27	-
Teestavalley Power Transmission Limited	0.90	1.62
<b>Total</b>	<b>1.17</b>	<b>1.62</b>
<b>Share Application Money</b>		
<u>Joint Ventures:</u>		
Bihar Grid Company Limited (allotted on 05.05.2020)	6.50	-
<b>Loans to Key Managerial Personnel</b>	<b>0.09</b>	<b>0.18</b>
<b>Other receivables</b>		
<u>Subsidiaries</u>		
Powergrid Vemagiri Transmission Limited (fully provided refer note no. 11)	19.40	19.40
Powergrid NM Transmission Limited	89.06	67.38
Powergrid Vizag Transmission Limited	0.15	-
Powergrid Unchahar Transmission Limited	0.72	0.09
Powergrid Jabalpur Transmission Limited	0.52	4.43
Powergrid Warora Transmission Limited	2.93	3.18
Powergrid Parli Transmission Limited	1.36	2.62
Powergrid Southern Interconnector Transmission System Limited	42.02	9.21
Powergrid Medinipur Jeerat Transmission Limited	12.78	30.48
Powergrid Mithilanchal Transmission Limited	10.90	3.22
Powergrid Varanasi Transmission System Limited	7.59	6.25
Powergrid Jawaharpur Firozabad Transmission Limited	3.08	1.58
Powergrid Khetri Transmission System Limited	3.94	-
Powergrid Bhuj Transmission Limited	1.06	-
Powergrid Bhind Guna Transmission Limited	0.85	-
Powergrid Ajmer Phagi Transmission Limited	3.01	-
Powergrid Fatehgarh Transmission Limited	2.51	-
Powergrid Rampur Sambhal Transmission Limited	2.45	-
Powergrid Meerut Simbhavali Transmission Limited	3.43	-
<b>Total</b>	<b>207.76</b>	<b>147.84</b>
<u>Joint Ventures</u>		
Powerlinks Transmission Limited	0.02	-
Torrent Power Grid Limited	0.19	0.01
Jaypee Powergrid Limited	0.02	0.02
Parbati Koldam Transmission Company Limited	0.38	0.38
Teestavalley Power Transmission Limited	8.06	-
North East Transmission Company Limited	1.42	-
National High Power Test Laboratory Private Limited	1.18	34.02

**Standalone Financial Statements**

**56. Disclosure as per Ind AS 24 - "Related Party Disclosures" (Contd.)**

(₹ in crore)

Particulars	As at 31.03.2020	As at 31.03.2019
Cross Border Power Transmission Company Limited	0.67	-
Power Transmission Company Nepal Limited	-	3.10
<b>Total</b>	<b>11.94</b>	<b>37.53</b>
<b>Other receivables</b>	<b>219.70</b>	<b>185.37</b>
<b><u>Advances /Amounts Payable</u></b>		
<u>Joint Ventures</u>		
Powerlinks Transmission Limited	2.78	2.72
Teestavalley Power Transmission Limited	47.56	35.32
North East Transmission Company Limited	20.29	7.96
Bihar Grid Company Limited	0.30	1.52
Cross Border Power Transmission Company Limited	11.12	10.14
<b>Total payables to related parties</b>	<b>82.05</b>	<b>57.66</b>
<b><u>Other Related Parties</u></b>		
<u>Outstanding balances with Employees Benefit Trust</u>		
Powergrid Employees P.F. Trust	34.74	35.54
Powergrid Self Contributory Superannuation Benefit (Pension) Fund Trust	11.01	11.77
Powergrid Employees Gratuity Fund Trust	16.22	5.47
Powergrid Employees Post-Retirement Medical Benefit Trust	27.14	20.53
<b>Total</b>	<b>89.11</b>	<b>73.31</b>

Refer note no. 59 for guarantee given on behalf of related parties.

**(g) Transactions with related parties**

The following transactions occurred with related parties:

(₹ in crore)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
<b><u>Services provided by the Company</u></b>		
<b><u>Consultancy Income</u></b>		
<u>Subsidiaries</u>		
Powergrid NM Transmission Limited	2.38	7.39
Powergrid Vizag Transmission Limited	4.05	3.92
Powergrid Unchahar Transmission Limited	0.36	0.34
Powergrid Kala Amb Transmission Limited	5.86	5.83
Powergrid Jabalpur Transmission Limited	4.14	18.33
Powergrid Warora Transmission Limited	13.78	13.77
Powergrid Parli Transmission Limited	13.69	14.45
Powergrid Southern Interconnector Transmission System Limited	8.06	36.65
Powergrid Medinipur Jeerat Transmission Limited	42.00	51.33
Powergrid Mithilanchal Transmission Limited	24.69	7.78
Powergrid Varanasi Transmission System Limited	19.14	11.17
Powergrid Jawaharpur Firozabad Transmission Limited	6.38	1.45
Powergrid Khetri Transmission System Limited	6.43	-
Powergrid Bhuj Transmission Limited	3.29	-
Powergrid Bhind Guna Transmission Limited	1.99	-
Powergrid Ajmer Phagi Transmission Limited	4.55	-
Powergrid Fatehgarh Transmission Limited	4.30	-
Powergrid Rampur Sambhal Transmission Limited	2.26	-

**56. Disclosure as per Ind AS 24 - "Related Party Disclosures" (Contd.)**

(₹ in crore)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Powergrid Meerut Simbhavali Transmission Limited	3.18	-
<b>Total</b>	<b>170.53</b>	<b>172.41</b>
<u>Joint Ventures</u>		
Torrent Power Grid Limited	0.64	1.37
Jaypee Powergrid Limited	0.64	1.12
Parbati Koldam Transmission Company Limited	-	0.01
Teestavalley Power Transmission Limited	1.61	5.80
North East Transmission Company Limited	4.49	5.22
National High Power Test Laboratory Private Limited	0.84	0.54
Bihar Grid Company Limited	13.11	16.26
Cross Border Power Transmission Company Limited	2.02	2.05
Power Transmission Company Nepal Limited	-	1.66
<b>Total</b>	<b>23.35</b>	<b>34.03</b>
<b>Consultancy Income</b>	<b>193.88</b>	<b>206.44</b>
<u>Interest on Loan</u>		
<u>Subsidiaries</u>		
Powergrid NM Transmission Limited	89.55	80.32
Powergrid Vizag Transmission Limited	47.30	56.37
Powergrid Unchahar Transmission Limited	3.61	4.29
Powergrid Kala Amb Transmission Limited	16.56	18.47
Powergrid Jabalpur Transmission Limited	101.62	95.96
Powergrid Warora Transmission Limited	126.71	131.71
Powergrid Parli Transmission Limited	110.93	117.12
Powergrid Southern Interconnector Transmission System Limited	217.90	196.60
Powergrid Medinipur Jeerat Transmission Limited	133.41	47.06
Powergrid Mithilanchal Transmission Limited	32.13	7.88
Powergrid Varanasi Transmission System Limited	26.82	4.14
Powergrid Jawaharpur Firozabad Transmission Limited	5.45	0.01
Powergrid Khetri Transmission System Limited	3.23	-
Powergrid Bhuj Transmission Limited	1.17	-
Powergrid Bhind Guna Transmission Limited	0.40	-
Powergrid Ajmer Phagi Transmission Limited	1.30	-
Powergrid Fatehgarh Transmission Limited	1.61	-
Powergrid Rampur Sambhal Transmission Limited	0.16	-
Powergrid Meerut Simbhavali Transmission Limited	0.26	-
<b>Total</b>	<b>920.12</b>	<b>759.93</b>
<u>Joint Ventures</u>		
National High Power Test Laboratory Private Limited	1.40	0.60
Teestavalley Power Transmission Limited	12.60	1.80
<b>Total</b>	<b>14.00</b>	<b>2.40</b>
<b>Interest on Loan</b>	<b>934.12</b>	<b>762.33</b>
<u>Dividend received</u>		
<u>Subsidiaries</u>		
Powergrid Vizag Transmission Limited	71.31	29.99
Powergrid Unchahar Transmission Limited	8.10	4.02
Powergrid Kala Amb Transmission Limited	10.52	9.03

**Standalone Financial Statements**

## 56. Disclosure as per Ind AS 24 - "Related Party Disclosures" (Contd.)

(₹ in crore)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Powergrid Jabalpur Transmission Limited	28.01	-
Powergrid Warora Transmission Limited	38.91	27.76
Powergrid Parli Transmission Limited	71.41	15.89
<b>Total</b>	<b>228.26</b>	<b>86.69</b>
<u>Joint Ventures</u>		
Powerlinks Transmission Limited	34.40	25.22
Torrent Power Grid Limited	5.38	2.34
Jaypee Powergrid Limited	4.29	12.09
Parbati Koldam Transmission Company Limited	9.93	11.35
North East Transmission Company Limited	12.83	5.35
Cross Border Power Transmission Company Limited	1.26	-
Power Transmission Company Nepal Limited	1.32	1.32
<b>Total</b>	<b>69.41</b>	<b>57.67</b>
<b>Dividend received</b>	<b>297.67</b>	<b>144.36</b>
<u>Other income</u>		
Powergrid Unchahar Transmission Limited	0.03	-
<b>Investments made during the year (Equity)</b>		
<u>Subsidiaries</u>		
Powergrid NM Transmission Limited	14.40	52.00
Powergrid Kala Amb Transmission Limited	-	5.00
Powergrid Jabalpur Transmission Limited	44.00	173.00
Powergrid Warora Transmission Limited	67.00	150.00
Powergrid Parli Transmission Limited	91.00	228.40
Powergrid Southern Interconnector Transmission System Limited	193.50	515.45
Powergrid Medinipur Jeerat Transmission Limited	289.32	-
Powergrid Mithilanchal Transmission Limited	119.95	-
Powergrid Varanasi Transmission System Limited	125.00	-
Powergrid Jawaharpur Firozabad Transmission Limited	-	0.05
Powergrid Khetri Transmission System Limited	0.05	-
Powergrid Bhuj Transmission Limited	0.01	-
Powergrid Bhind Guna Transmission Limited	0.05	-
Powergrid Ajmer Phagi Transmission Limited	0.05	-
Powergrid Fatehgarh Transmission Limited	0.01	-
Powergrid Rampur Sambhal Transmission Limited	0.05	-
Powergrid Meerut Simbhavali Transmission Limited	0.01	-
<b>Total</b>	<b>944.40</b>	<b>1,123.90</b>
<u>Joint Ventures</u>		
Teestavalley Power Transmission Limited	14.56	11.28
Bihar Grid Company Limited	85.61	15.45
RINL Powergrid TLT Pvt. Ltd	-	0.60
<b>Total</b>	<b>100.17</b>	<b>27.33</b>
<b>Investments made during the year (Equity)</b>	<b>1,044.57</b>	<b>1,151.23</b>
<b>Loans given during the year</b>		
<u>Subsidiaries</u>		
Powergrid NM Transmission Limited	3.00	161.60
Powergrid Kala Amb Transmission Limited	4.06	10.80

**56. Disclosure as per Ind AS 24 - "Related Party Disclosures" (Contd.)**

(₹ in crore)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Powergrid Jabalpur Transmission Limited	-	322.58
Powergrid Warora Transmission Limited	12.40	96.67
Powergrid Parli Transmission Limited	-	54.94
Powergrid Southern Interconnector Transmission System Limited	156.10	883.95
Powergrid Medinipur Jeerat Transmission Limited	812.48	1,017.21
Powergrid Mithilanchal Transmission Limited	444.44	203.53
Powergrid Varanasi Transmission System Limited	334.07	202.19
Powergrid Jawaharpur Firozabad Transmission Limited	206.75	4.60
Powergrid Khetri Transmission System Limited	229.06	-
Powergrid Bhuj Transmission Limited	83.01	-
Powergrid Bhind Guna Transmission Limited	53.34	-
Powergrid Ajmer Phagi Transmission Limited	172.89	-
Powergrid Fatehgarh Transmission Limited	161.32	-
Powergrid Rampur Sambhal Transmission Limited	22.74	-
Powergrid Meerut Simbhavali Transmission Limited	38.47	-
<b>Total</b>	<b>2,734.13</b>	<b>2,958.07</b>
<u>Joint Ventures</u>		
National High Power Test Laboratory Private Limited	12.40	-
Teestavalley Power Transmission Limited	114.60	77.12
<b>Total</b>	<b>127.00</b>	<b>77.12</b>
<b>Loans given during the year</b>	<b>2,861.13</b>	<b>3,035.19</b>
<b><u>Loans repayment received during the year</u></b>		
<u>Subsidiaries</u>		
Powergrid Vizag Transmission Limited	83.00	93.93
Powergrid Unchahar Transmission Limited	6.00	9.60
Powergrid Kala Amb Transmission Limited	26.08	32.36
Powergrid Jabalpur Transmission Limited	68.02	-
Powergrid Warora Transmission Limited	130.40	72.55
Powergrid Parli Transmission Limited	109.00	56.02
Powergrid Khetri Transmission System Limited	16.59	-
Powergrid Bhind Guna Transmission Limited	5.29	-
Powergrid Ajmer Phagi Transmission Limited	10.20	-
Powergrid Fatehgarh Transmission Limited	14.53	-
Powergrid Rampur Sambhal Transmission Limited	7.60	-
Powergrid Meerut Simbhavali Transmission Limited	7.49	-
<b>Total</b>	<b>484.20</b>	<b>264.46</b>
<u>Joint Ventures</u>		
Teestavalley Power Transmission Limited	114.60	-
<b>Total</b>	<b>114.60</b>	<b>-</b>
<b>Loans repayment received during the year</b>	<b>598.80</b>	<b>264.46</b>
<b><u>Reimbursement of Expenses</u></b>		
<u>Subsidiaries:</u>		
Powergrid Unchahar Transmission Limited	0.30	-
Powergrid Jabalpur Transmission Limited	0.03	-
Powergrid Warora Transmission Limited	0.07	0.06
Powergrid Parli Transmission Limited	0.14	0.06

**Standalone Financial Statements**



**56. Disclosure as per Ind AS 24 - "Related Party Disclosures" (Contd.)**

(₹ in crore)

<b>Particulars</b>	<b>For the year ended 31.03.2020</b>	<b>For the year ended 31.03.2019</b>
Powergrid Southern Interconnector Transmission System Limited	<b>0.12</b>	-
Powergrid Jawaharpur Firozabad Transmission Limited	-	0.14
Powergrid Khetri Transmission System Limited	<b>0.14</b>	-
Powergrid Bhuj Transmission Limited	<b>0.11</b>	-
Powergrid Bhind Guna Transmission Limited	<b>0.21</b>	-
Powergrid Ajmer Phagi Transmission Limited	<b>0.03</b>	-
Powergrid Fatehgarh Transmission Limited	<b>0.03</b>	-
Powergrid Rampur Sambhal Transmission Limited	<b>0.25</b>	-
Powergrid Meerut Simbhavali Transmission Limited	<b>0.29</b>	-
<b>Total</b>	<b>1.72</b>	<b>0.26</b>
<b><u>Other Related Parties</u></b>		
<u>Contribution made during the year</u>		
Powergrid Employees P.F. Trust	<b>110.45</b>	131.04
Powergrid Self Contributory Superannuation Benefit (Pension) Fund Trust	<b>33.43</b>	102.41
Powergrid Employees Gratuity Fund Trust	<b>30.42</b>	29.56
Powergrid Employees Post-Retirement Medical Benefit Trust	<b>62.77</b>	-
<b>Total</b>	<b>237.07</b>	<b>263.01</b>
<b><u>Recovery for Deputation of Employees</u></b>		
<u>Joint Ventures:</u>		
Torrent Power Grid Limited	<b>0.15</b>	-
Jaypee Powergrid Limited	<b>0.98</b>	0.48
Teestavalley Power Transmission Limited	<b>0.33</b>	0.21
North East Transmission Company Limited	<b>0.65</b>	0.13
Cross Border Power Transmission Company Limited	<b>0.94</b>	1.22
<b>Total</b>	<b>3.05</b>	<b>2.04</b>

**Terms and Conditions**

The loans to key management personnel are on the same terms and conditions as applicable to all other employees.

All other transactions were made on normal commercial terms and conditions and at market rates. All outstanding balances are unsecured and are repayable in cash.

Loans to Subsidiaries are given on cost to cost basis.

**h) Transaction in the capacity of Central Transmission Utility (CTU) with the related parties**

(₹ in crore)

<b>Particulars</b>	<b>For the year ended 31.03.2020</b>	<b>For the year ended 31.03.2019</b>
<u>Subsidiaries:</u>		
Powergrid NM Transmission Limited	<b>105.65</b>	6.03
Powergrid Vizag Transmission Limited	<b>313.24</b>	273.21
Powergrid Unchahar Transmission Limited	<b>22.20</b>	17.82
Powergrid Kala Amb Transmission Limited	<b>13.21</b>	11.09
Powergrid Jabalpur Transmission Limited	<b>239.85</b>	16.66
Powergrid Warora Transmission Limited	<b>110.56</b>	-
Powergrid Parli Transmission Limited	<b>337.85</b>	199.70
Powergrid Southern Interconnector Transmission System Limited	<b>128.57</b>	22.30
<u>Joint Ventures:</u>		
Powerlinks Transmission Limited	<b>227.61</b>	207.79
Torrent Power Grid Limited	<b>48.68</b>	46.91

## 56. Disclosure as per Ind AS 24 - "Related Party Disclosures" (Contd.)

(₹ in crore)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Jaypee Powergrid Limited	110.87	180.92
Parbati Koldam Transmission Company Limited	247.05	155.75
Teestavalley Power Transmission Limited	176.40	32.23
North East Transmission Company Limited	350.55	341.86
<b>Total</b>	<b>2,432.29</b>	<b>1,512.27</b>

### i) Remuneration to Key Managerial Personnel

(₹ in crore)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Short Term Employee Benefits	4.09	5.16
Post-Employment Benefits	0.24	0.19
Long Term Employee Benefits	1.76	0.44
Arrears to KMPs	-	0.72
<b>Total</b>	<b>6.09</b>	<b>6.51</b>
Sitting fee	0.35	0.37

In addition to the above remuneration, the whole time directors have been allowed to use the staff car (including for private journeys) on payment of ₹ 2000/- p.m. as contained in the Department of Public Enterprises (DPE) OM No. 2 (23)/11-DPE (WC)-GL-V/13 dated 21/01/2013.

## 57. Operating Segments

### a) Business Segment

The Board of Directors is the Company's Chief Operating Decision Maker (CODM) who monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Three reportable segments have been identified on the basis of services provided.

- **Transmission Services**-- Company's principal business is transmission of bulk power across different states of India.
- **Telecom Services**--The Company utilizes the spare Optical fibres available in the Optical Ground Wire (OPGW) laid on the transmission network for providing telecom services. It operates as a neutral carrier in the point to point bandwidth leasing business. Refer note no. 66 for disclosure on formation of wholly owned subsidiary of the company to undertake Telecommunications and Digital Technology Business of the company.
- **Consultancy Services**-- provides Consultancy Services in the Transmission, Distribution and Telecom sectors, including Planning Design, Engineering, Load Dispatch, OPGW on intra state Transmission network, Procurement Management, Operation & Maintenance, Financing and Project Management.

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

c) Information about major customer: Revenue from any single customer is not equal to or exceeds 10% of the company's total revenue.

### d) Segment Revenue and Expenses

Revenue directly attributable to the segments is considered as Segment Revenue. Expenses directly attributable to the segments and common expenses allocated on a reasonable basis are considered as segment expenses.

Revenue from external customer in India is ₹36,850.28crore (Previous Year ₹34,560.28crore) and outside India is ₹42.99crore (Previous Year ₹40.83crore).

### e) Segment Assets and Liabilities

Segment assets include all operating assets comprising of Property, Plant and Equipment, current assets and loan and advances. Construction, Work-in-progress, construction stores and advances and investments are included in unallocated assets. Segment facilities include operating liabilities and provisions.

## 57. Operating Segments (Contd.)

Particulars	Transmission Services		Consultancy Services		Telecom Services		Elimination		Total	
	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
<b>Revenue:</b>										
Revenue from Operations (including allocable other income)	<b>35,562.96</b>	33,317.17	<b>618.02</b>	615.74	<b>712.29</b>	668.20	-	-	<b>36,893.27</b>	34,601.11
Inter Segment Revenue					<b>69.94</b>	73.88	<b>(69.94)</b>	(73.88)	-	-
Net Revenue from Operations	<b>35,562.96</b>	33,317.17	<b>618.02</b>	615.74	<b>782.23</b>	742.08	<b>(69.94)</b>	(73.88)	<b>36,893.27</b>	34,601.11
Segment results	<b>22,369.95</b>	15,652.94	<b>277.00</b>	295.65	<b>429.11</b>	393.90			<b>23,076.06</b>	16,342.49
Unallocated Interest and Other Income									<b>1,424.70</b>	1,016.96
Unallocated Finance Costs									<b>9,813.62</b>	9,091.42
Profit before Tax (Including movement in Regulatory Deferral Account Balances)									<b>14,687.14</b>	8,268.03
Provision for Taxes									<b>3,875.96</b>	(1,670.52)
Profit after Tax									<b>10811.18</b>	9,938.55
<b>Other information:</b>										
Segment Assets	<b>1,99,636.30</b>	1,90893.00	<b>3,269.56</b>	2,586.55	<b>1,161.54</b>	999.71			<b>2,04,067.40</b>	1,94,479.26
Unallocated Assets									<b>51,482.26</b>	51,993.74
<b>Total Assets</b>									<b>2,55,549.66</b>	2,46,473.00
Segment Liabilities	<b>14,930.71</b>	13,099.71	<b>3,850.16</b>	3,357.64	<b>538.88</b>	660.41			<b>19,319.75</b>	17,117.76
Unallocated Other Liabilities (including loans)									<b>1,71,790.22</b>	1,70338.10
<b>Total liabilities</b>									<b>1,91,109.97</b>	1,87,455.86
Depreciation and Amortisation	<b>10972.59</b>	10106.27	<b>3.59</b>	1.24	<b>97.00</b>	93.16			<b>11,073.18</b>	10200.67
Non-cash expenditure other than Depreciation	<b>18.32</b>	435.54	<b>3.16</b>	4.75	<b>3.20</b>	1.07			<b>24.68</b>	441.36
Capital Expenditure	<b>17,261.36</b>	23,911.84	<b>7.10</b>	4.99	<b>129.69</b>	46.57			<b>17,398.15</b>	23,963.40

(₹ in crore)

## 58. Capital and other Commitments

	(₹ in crore)	
Particulars	As at 31.03.2020	As at 31.03.2019
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	<b>6,301.76</b>	11,027.08
Company's commitment towards further investment/loan in joint venture entities	<b>276.85</b>	201.22
Company's commitment towards further investment/loan in subsidiary companies	<b>9,793.99</b>	5,787.59
Company's commitment towards further investment in other entities	<b>23.17</b>	-

## 59. Contingent Liabilities and contingent assets

### A. Contingent Liabilities

1. Claims against the Company not acknowledged as debts in respect of:

#### (i) Capital Works

Some of the contractors for supply and installation of equipments and execution of works at our projects have lodged claims on the company seeking enhancement of the contract price, revision of work schedule with price escalation, compensation for the extended period of work, idle charges etc. These claims are being contested by the Company as being not admissible in terms of the provisions of the respective contracts.

The company is pursuing various options under the dispute resolution mechanism available in the contract for settlement of these claims. In such cases, contingent liability of ₹3,403.60crore (Previous Year ₹2,837.53crore) has been estimated.

#### (ii) Land compensation cases

In respect of land acquired for the projects, the land losers have claimed higher compensation before various authorities/courts which are yet to be settled. In such cases, contingent liability of ₹2,027.75crore (Previous Year ₹1,756.40crore) has been estimated.

#### (iii) Other claims

In respect of claims made by various State/Central Government Departments/Authorities towards building permission fees, penalty on diversion of agriculture land to non-agriculture use, Nala tax, water royalty etc. and by others, contingent liability of ₹27.41crore (Previous Year ₹26.62crore) has been estimated.

#### (iv) Disputed Income Tax/Sales Tax/Excise/Municipal Tax Matters

Disputed Income Tax/Sales Tax/Excise/Municipal Tax Matters amounting to ₹290.18crore (Previous Year ₹475.70crore) are being contested before various Appellate Authorities. Many of these matters have been disposed of in favour of the company but are disputed before higher authorities by the concerned departments. Against total claim of ₹182.13crore (Previous Year ₹172.83crore), provision of ₹147.69crore (Previous Year ₹138.39crore) is made and balance of ₹34.44crore (Previous Year ₹34.44crore) towards penalty is shown as contingent liability as it is not a wilful default and in management opinion, same is not expected to be upheld by the court.

#### (v) Others

- a) Contingent liability in respect of bills discounted with banks against trade receivables is amounting to ₹1030.24 crore (Previous Year Rs. Nil). In case of any claim on the company from the banks in this regard, entire amount shall be recoverable from the beneficiaries along with surcharge.
  - b) Other contingent liabilities amounts to ₹585.69crore (Previous Year ₹640.17crore) which includes claim of ₹282.87crore (Previous Year ₹258.03crore) related to Arbitration cases/Row cases.
  - c) Some of the beneficiaries have filed appeals against the tariff orders of the CERC. The amount of contingent liability in this regard is not ascertainable.
  - d) Under the Transmission Service Agreement (TSA) with Powerlinks Transmission Ltd, the company has an obligation to purchase the JV company (Powerlinks Transmission Ltd) at a buyout price determined in accordance with the TSA. Such an obligation may result in case JV company (Powerlinks Transmission Ltd) serves a termination notice either on "POWERGRID event of default" or on "force majeure event" prescribed under TSA. No contingent liability on this account has been considered as the same is not ascertainable.
2. a) Details of Bank guarantees given by the company on behalf of SPV companies, which were taken over to carry out the business awarded under tariff based bidding, towards performance of the work awarded are as under:

**59. Contingent Liabilities and contingent assets (Contd.)**

(₹ in crore)

<b>Name of SPV</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
Powergrid Jabalpur Transmission Limited	<b>31.50</b>	31.50
Powergrid Warora Transmission Limited	-	62.10
Powergrid Parli Transmission Limited	-	63.90
Powergrid Southern Interconnector Transmission System Limited	<b>110.04</b>	110.04
Powergrid Medinipur Jeerat Transmission Limited	<b>141.89</b>	141.89
Powergrid Mithilanchal Transmission Limited	<b>84.32</b>	84.32
Powergrid Varanasi Transmission System Limited	<b>30.38</b>	30.38
Powergrid Jawaharpur Firozabad Transmission Limited	<b>41.85</b>	41.85
Powergrid Khetri Transmission System Limited	<b>66.15</b>	-
Powergrid Bhuj Transmission Limited	<b>58.95</b>	-
Powergrid Bhind Guna Transmission Limited	<b>65.48</b>	-
Powergrid Ajmer Phagi Transmission Limited	<b>14.85</b>	-
Powergrid Fatehgarh Transmission Limited	<b>17.55</b>	-
Powergrid Rampur Sambhal Transmission Limited	<b>70.65</b>	-
Powergrid Meerut Simbhavali Transmission Limited	<b>85.05</b>	-

- b) The Company has given guarantee for the dues & punctual payment and discharge of the obligations amounting to ₹290.00crore (Previous Year ₹290.00crore) against bond issued by Powergrid Vizag Transmission Company Ltd(PVTL). PVTL has redeemed the said bonds along with interest on 10.06.2020 however, above guarantee is yet to be released by IDBI trustees.

**B. Contingent Assets**

While determining the tariff for some of the Company's Transmission Systems, CERC has disallowed certain capital expenditure incurred by the Company. The Company aggrieved over such issues has filed appeals with the Appellate Tribunal for Electricity (APTEL)/Hon'ble Supreme Court against the tariff orders issued by the CERC. Based on past experience, the Company believes that a favourable outcome is probable. However, it is impracticable to estimate the financial effect of the same as its receipt is dependent on the outcome of the judgement.

**60. Capital management****a) Risk Management**

The company's objectives when managing capital are to

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

For the purpose of the company's capital management, equity capital includes issued equity capital, securities premium Account 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, regulatory framework and requirements of financial covenants with lenders. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, regulate investments in new 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 policy is to keep the debt-equity ratio wherein the debt is less than 75% of total capital employed (i.e. debt to equity ratio less than 75:25). The company includes within long term debt, interest bearing loans and borrowings and current maturities of long term debt.

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

<b>Particulars</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
Long term debt (₹ in crore)	<b>1,44,979.64</b>	1,41,786.36
Equity (₹ in crore)	<b>64,439.69</b>	59,017.14
Long term debt to Equity ratio	<b>69:31</b>	71:29

Under the terms of the major borrowing facilities, the company is required to comply with the financial covenants. Breaches in meeting the financial covenants would permit the lenders to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current reporting period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31.03.2020 and 31.03.2019.

## 60. Capital management (Contd.)

### b) Dividends

(₹ in crore)

Particulars	As at 31.03.2020	As at 31.03.2019
(i) Equity shares		
Final dividend for the year ended 31.03.2019 of ₹2.50 (31.03.2018 – ₹2.80) per fully paid share	<b>1,307.90</b>	1,464.85
Interim dividend for the year ended 31.03.2020 of ₹5.96 (31.03.2019 – ₹5.83) per fully paid share	<b>3,118.02</b>	3,050.02

Dividend not recognized at the end of the reporting period:

In addition to above dividend, the Board of Directors on 20th June, 2020 recommended the payment of a final dividend of ₹4.04 per fully paid equity share. This proposed dividend is subject to the approval of shareholders in the ensuing Annual general meeting.

## 61. Earnings per share

(Amount in ₹)

(a) Basic and diluted earnings per share attributable to the equity holders of the company	As at 31.03.2020	As at 31.03.2019
Including movement in Regulatory deferral balances	<b>20.67</b>	19.00
Excluding movement in Regulatory deferral balances	<b>17.45</b>	23.83
<b>Total basic and diluted earnings per share attributable to the equity holders of the company</b>	<b>20.67</b>	19.00

(₹ in crore)

(b) Reconciliation of earnings used as numerator in calculating earnings per share	As at 31.03.2020	As at 31.03.2019
Earnings attributable to the equity holders of the company including movement in Regulatory deferral balances	<b>10,811.18</b>	9,938.55
Earnings attributable to the equity holders of the company excluding movement in Regulatory deferral balances	<b>9,127.78</b>	12,465.42
<b>Total Earnings attributable to the equity holders of the company</b>	<b>10,811.18</b>	9,938.55

(c) Weighted average number of shares used as the denominator	As at 31.03.2020	As at 31.03.2019
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	<b>5231589648</b>	5231589648
Adjustments for calculation of diluted earnings per share	-	-
<b>Total weighted average number of equity shares used as the denominator in calculating basic earnings per share</b>	<b>5231589648</b>	<b>5231589648</b>

## 62. 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 Company has also provided financial guarantee in respect of bonds issued by its wholly owned subsidiary, Powergrid Vizag Transmission Limited. 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.

### Risk management framework

The Company has a duly constituted Risk Management Committee headed by Director (Projects) with Director (Operations), Director (Finance) and independent directors as members. For the purpose of evaluating and managing the uncertainties the enterprise faces,



## 62. Financial Risk Management (Contd.)

Enterprise Risk Management framework has been implemented in the Company. The framework is a structured, consistent and continuous process for identification, assessment, monitoring and management of risks. As per this framework, the significant business processes / risks are monitored and controlled through various Key Performance Indicators (KPIs). The Committee meets at regular intervals and reviews KPIs and provides updates to the Audit Committee/Board.

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 and loans and advances and from its financing activities due to deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

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 Unbilled Revenue

The Company primarily provides transmission facilities to inter-state transmission service customers (DICs) comprising mainly state utilities owned by State Governments. The Company has a robust payment security mechanism in the form of Letters of Credit (LC) backed by the Tri-Partite Agreements (TPA). The TPA was signed among the GOI, Reserve Bank of India and the individual State Governments subsequent to the issuance of the One Time Settlement Scheme of State Electricity Boards dues during 2001-02 by the GOI, which was valid till October 2016. GOI has approved the extension of these TPAs for a further period of 10 years. Majority of the States have executed the agreements for extension of TPAs and matter is being pursued with the remaining states.

As per the provisions of the TPA, the customers are required to establish LC covering 105% of the average monthly billing of the Company for last 12 months. The TPA also provides that if there is any default in payment of current dues by any State Utility, the outstanding dues can be deducted from the State's RBI account and paid to the concerned CPSU. There is also provision for regulation of power by the Company in case of non-payment of dues and non-establishment of LC.

CERC tariff regulations allow payment against monthly bills towards transmission charges within a period of 45 days from the date of the bill and levy of surcharge on delayed payment beyond 45 days. A graded rebate is provided by the Company for payments made within 45 days.

Trade receivables consist of receivables relating to transmission services of ₹4,664.93crore (Previous Year ₹4,536.61crore), receivables relating to consultancy services of ₹197.77crore (Previous Year ₹211.09crore) and receivables relating to telecom business of ₹321.02crore (Previous Year ₹239.58crore).

Unbilled revenue primarily relates to the Company's right to consideration for work completed 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 unbilled revenue)

- **Cash and cash equivalents**

The Company held cash and cash equivalents of ₹570.72crore (Previous Year ₹377.74crore). The cash and cash equivalents are held with public sector banks and high rated private sector banks and do not have any significant credit risk.

- **Deposits with banks and financial institutions**

The Company held deposits with banks and financial institutions of ₹4,834.89crore (Previous Year ₹4,117.77crore). Term deposits are placed with public sector banks and have negligible credit risk.

- **Loans**

The Company has given loans to employees, subsidiaries, Joint Venture companies, Government of India and other parties. House building loans and conveyance advance to the employees are secured against the mortgage of the house properties or hypothecation of vehicles for which such loans have been given in line with the policies of the Company. The loans provided to group companies are for projects under Tariff Based Competitive Bidding route and Public private partnership. The risk of default in respect of these loans is considered negligible.

## 62. Financial Risk Management (Contd.)

### (iii) Exposure to credit risk

(₹ in Crore)

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)</b>		
Non-Current Loans	12,783.75	10708.99
Other non-current financial assets	4,115.09	4,096.97
Cash and cash equivalents	570.72	377.74
Deposits with banks and financial institutions	4,834.89	4,117.77
Current loans	696.87	416.87
Other current financial assets	665.33	764.23
<b>Total</b>	<b>23,666.65</b>	<b>20482.57</b>
<b>Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)</b>		
Trade receivables	5,183.72	4,987.28
Unbilled Revenue	5,163.51	6,567.35

### (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 unbilled revenue) 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

In respect of trade receivables and unbilled revenue from Telecom and Consultancy, customer credit risk is managed by regular monitoring of the outstanding receivables and follow-up with the consumer for realization.

With regard to transmission segment, 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 unbilled revenue continue to have a negligible credit risk on initial recognition and thereafter on each reporting date.

### (v) Ageing analysis of trade receivables

The ageing analysis of the trade receivables is as below:

(₹ in Crore)

Ageing	Not due	0-30 days past due	31-60 days past due	61-90 days past due	91-120 days past due	More than 120 days past due	Total
Gross carrying amount as on 31.03.2020	3.02	2,004.44	889.52	767.18	309.64	1,209.92	5,183.72
Gross carrying amount as on 31.03.2019	23.73	1,563.94	1,224.37	813.78	133.17	1,228.29	4,987.28

### (vi) Reconciliation of impairment loss provisions

The movement in the allowance for impairment in respect of financial assets during the year was as follows:

(₹ in crore)

Particulars	Trade receivables	Investments	Advances	Unbilled Debtors	Total
<b>Balance as at 01.04.2018</b>	<b>48.15</b>	<b>0.05</b>	<b>19.39</b>	<b>-</b>	<b>67.59</b>
Impairment loss recognized/ (reversed)	289.33	4.00	0.01	105.71	399.05
Amounts written off	-	-	-	-	-
<b>Balance as at 31.03.2019</b>	<b>337.48</b>	<b>4.05</b>	<b>19.40</b>	<b>105.71</b>	<b>466.64</b>
Impairment loss recognized/ (reversed)	(21.66)	-	-	-	(21.66)
Amounts written off	-	-	-	105.71	105.71
<b>Balance as at 31.03.2020</b>	<b>315.82</b>	<b>4.05</b>	<b>19.40</b>	<b>-</b>	<b>339.27</b>

Based on historic default rates, the Company believes that, apart from the above, no impairment allowance is necessary in respect of any other assets as the amounts are insignificant.

**62. Financial Risk Management (Contd.)****(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 monitors its risk of a shortage of funds using a liquidity planning tool. The Company has access to a variety of sources of funding such as commercial paper, bank loans, bonds and external commercial borrowings and retains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity position comprising the undrawn borrowing facilities below and cash and cash equivalents on the basis of expected cash flows.

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

**(i) Financial Arrangement**

The Company had access to the following undrawn borrowing facilities at the end of the reporting period.

(₹ in crore)

Particulars	As at 31.03.2020	As at 31.03.2019
Expiring within 1 year (bank overdraft and other facilities)	388.15	582.13
Expiring beyond one year (bank loans)	5,363.29	12,153.70

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time and have remaining availability period of 1 to 5 years (Previous Year 1 to 5 years).

**(ii) 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 crore)

Contractual maturities of financial liabilities	Within a year	Between 1-5 years	Beyond 5 years	Total
<b>As at 31.03.2020</b>				
Borrowings (including interest outflows)	21,669.02	81,187.92	1,02,699.76	2,05,556.70
Trade payables	225.72			225.72
<u>Other financial liabilities</u>				
Lease liabilities	4.53	5.21	64.38	74.12
Others	8,266.24	1,164.91	4,636.98	14,068.13
<b>Total</b>	<b>30165.51</b>	<b>82,358.04</b>	<b>1,07,401.12</b>	<b>2,19,924.67</b>
<b>As at 31.03.2019</b>				
Borrowings (including interest outflows)	24,733.50	77,230.69	1,08,167.14	2,10,131.33
Trade payables	364.11	-	-	364.11
Other financial liabilities	9,035.28	1,559.42	4,924.35	15,519.05
<b>Total</b>	<b>34,132.89</b>	<b>78,790.11</b>	<b>1,13,091.49</b>	<b>2,26,014.49</b>

**(C) MARKET RISK**

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

- (i) Currency risk
- (ii) Interest rate risk
- (iii) Other price risk, such as equity price risk and commodity risk.

**(i) Currency risk**

The Company is exposed to currency risk mainly in respect of foreign currency denominated loans and borrowings and procurement of goods and services whose purchase consideration is denominated in foreign currency. Transmission tariff are regulated by the CERC. According to the CERC tariff regulations for the block 2019-24 the Company may hedge foreign exchange exposure in respect of the interest on foreign currency loan and repayment of foreign loan acquired for the transmission system, in part or full in its discretion and recover the cost of hedging of foreign exchange rate variation corresponding to the normative foreign debt, in the relevant year.

## 62. Financial Risk Management (Contd.)

If hedging of the foreign exchange exposure is not undertaken, the extra rupee liability towards interest payment and loan repayment corresponding to the normative foreign currency loan in the relevant year is permissible to be recovered as part of transmission tariff provided it is not attributable to the generating Company or the transmission licensee or its suppliers or contractors. During the Current financial year, no hedging for foreign exchange exposure has been undertaken by the Company. In respect of goods and services procured for Capital Investment, the exchange rate variation is part of the project cost, for determination of transmission tariff. The currency risk in respect of goods and services procured for operation activities is not significant.

The Company's exposure to foreign currency risk not hedged by a derivative instrument or otherwise at the end of the reporting period is as follows:

Particulars	Amount in Foreign Currency ( in Crore)			Amount (₹ in Crore)	
		As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
Borrowings	USD	493.62	482.67	37,544.72	33,676.03
	EURO	62.88	51.73	5,309.08	4,078.18
	SEK	211.80	249.45	1,613.88	1,883.31
	JPY	2,327.24	2,345.42	1,645.13	1,487.70
Interest accrued but not due thereon including Agency Fee, Commitment Fee & other Charges	USD	3.01	3.68	229.27	256.90
	EURO	0.22	0.22	18.51	17.22
	SEK	1.27	1.09	9.68	8.22
	JPY	5.57	3.94	3.94	2.50
Trade Payables/deposits and retention money	USD	5.39	7.16	391.30	499.76
	EURO	3.80	1.05	314.54	82.74
	SEK	22.52	-	177.76	-
	CHF	0.02	0.03	1.94	2.36
	GBP	1.90	1.83	179.43	167.90
	JPY	95.43	-	63.07	-
	CAD	0.01	-	0.32	-
Trade receivables and Bank balances	USD	0.03	0.17	2.18	11.86
	NPR	23.95	1.65	14.97	1.03
	BDT	1.25	-	0.90	-
	FJI	-	0.002	-	0.07
Amount of contracts remaining to be executed	USD	2.12	13.61	156.55	949.43
	EURO	2.57	7.56	216.03	596.03
	SEK	3.44	31.91	26.18	240.92
	CHF	-	-	-	-
	GBP	1.04	2.68	98.25	245.89
	JPY	9.70	216.16	6.85	137.11

### Sensitivity Analysis

Since the impact of strengthening or weakening of Indian rupee against USD, Euro, JPY and other currencies on the statement of profit and loss would not be very significant; therefore, sensitivity analysis for currency risk is not disclosed.

### (ii) Interest rate risk

The Company is exposed to interest rate risk arising mainly from long term borrowings with floating interest rates. The Company is exposed to interest rate risk because the cash flows associated with floating rate borrowings will fluctuate with changes in interest rates. The Company manages the interest rate risks by maintaining a debt portfolio comprising a mix of fixed and floating rate borrowings in domestic and foreign currencies.

At the reporting date, the interest rate profile of the Company's variable interest rate-bearing financial instruments is as follows:  
(₹ in crore)

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Long Term Debt with floating rate of interest</b>		
- Domestic	26,107.40	26,190.00
- Foreign	37,907.16	33,427.30
<b>Sub Total</b>	<b>64,014.56</b>	<b>59,617.30</b>
<b>Long Term Debt with fixed rate of interest</b>		
- Domestic	72,769.95	74,488.86
- Foreign	8,195.13	7,680.20
<b>Sub Total</b>	<b>80,965.08</b>	<b>82,169.06</b>
<b>Total Long Term Debt</b>	<b>1,44,979.64</b>	<b>1,41,786.36</b>
<b>% of Floating Interest Rate Debt to Total Long Term Debt</b>	<b>44.15%</b>	<b>42.05%</b>

**62. Financial Risk Management (Contd.)****Fair value sensitivity analysis for interest-rate risk**

As per CERC Regulations, interest on loan during construction forms part of project cost for the purpose of tariff and after the date of commercial operation, interest on loans is recoverable through tariff calculated on the normative average loan of the year by applying the weighted average rate of interest of the actual loan portfolio.

Accordingly, the Company's interest rate risk is not considered significant; hence sensitivity analysis for the risk is not disclosed.

**(iii) Other price risk**

The Company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance sheet as fair value through OCI.

Considering the magnitude of equity investments, no significant risk is expected to arise.

**63. 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 crore)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
<b>Current Tax</b>		
Current tax on profits for the year	2,108.83	2,489.43
Adjustments for current tax of prior periods	121.91	-
Pertaining to regulatory deferral account balances (A)	356.39	(694.08)
<b>Total current tax expense (B)</b>	<b>2,587.13</b>	<b>1,795.35</b>
<b>Deferred Tax expense</b>		
Origination and reversal of temporary differences	1,288.83	741.01
Previously unrecognized tax credit recognized as Deferred Tax Asset this year	-	(4,206.88)
<b>Total deferred tax expense / benefit (C)</b>	<b>1,288.83</b>	<b>(3,465.87)</b>
<b>Income tax expense (B+C-A)</b>	<b>3,519.57</b>	<b>(976.44)</b>
<b>Pertaining to regulatory deferral account balances</b>	<b>356.39</b>	<b>(694.08)</b>
<b>Total tax expense including tax on movement in regulatory deferral account balances</b>	<b>3,875.96</b>	<b>(1,670.52)</b>

**(b) Income Tax recognized in Regulatory Deferral Account Balances:**

(₹ in crore)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Deferred assets for Deferred tax liability	1,297.69	(3,472.89)
Foreign Currency Fluctuation	742.10	232.27
Employee Benefits Expenses	-	19.67
Total Regulatory Deferral Account Balances Before Tax - Income / (Expenses)	2,039.79	(3,220.95)
Current Tax on Regulatory Deferral Account Balances	356.39	(694.08)
<b>Net Movement in Regulatory Deferral Account Balances - Income / (Expenses) (net of Tax)</b>	<b>1,683.40</b>	<b>(2,526.87)</b>

**(c) Income Tax recognized in other comprehensive income:**

(₹ in crore)

Particulars	For the year ended 31.03.2020			For the year ended 31.03.2019		
	Before Tax	Tax expense/ (benefit)	Net of Tax	Before Tax	Tax expense/ (benefit)	Net of Tax
Net gains/(losses) on fair valuation of equity instruments	(49.35)	-	(49.35)	(14.15)	-	(14.15)
Net actuarial losses on defined benefit plans	(74.47)	(13.01)	(61.46)	(0.26)	0.05	(0.31)
Less: Transferred to expenditure during construction (net)	8.23	1.44	6.79	(2.34)	(0.50)	(1.84)
<b>Other Comprehensive Income (Net of Tax)</b>	<b>(115.59)</b>	<b>(11.57)</b>	<b>(104.02)</b>	<b>(16.75)</b>	<b>(0.45)</b>	<b>(16.30)</b>

### 63. Income Tax expense (Contd.)

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

(₹ in crore)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Profit before income tax expense including movement in regulatory	14,687.14	8,268.03
<b>Tax at the Company's domestic tax rate of 34.944 %</b>	<b>5,132.27</b>	<b>2,889.18</b>
Tax effect of:		
Non Deductible tax items	(2,567.00)	(2,743.09)
Tax exempt income	(1,899.30)	(1,769.51)
Deferred Assets for Deferred Tax Liability	-	2,654.47
Previous Years tax liability	121.91	-
Unabsorbed tax losses	-	(964.96)
Deferred Tax expense/(income)	1,288.83	(3,465.87)
Minimum alternate tax adjustments	1,799.25	1,729.26
<b>Income tax expense</b>	<b>3,875.96</b>	<b>(1,670.52)</b>

### 64. Employee Benefit Obligations

(₹ in crore)

Particulars	31 <sup>st</sup> March, 2020			31 <sup>st</sup> March, 2019		
	Current	Non-current	Total	Current	Non-current	Total
Leave Obligations	41.96	382.50	424.46	39.77	331.92	371.69
Post-Retirement Medical Facility(PRMF)	20.82	522.05	542.87	16.86	422.12	438.98
Other Employee benefits /Long Service Award	1.12	15.91	17.03	1.15	13.60	14.75
Gratuity	74.08	527.83	601.91	111.45	514.99	626.44
Other Defined retirement benefits (ODRB)/ Baggage Allowance	2.06	18.90	20.96	2.06	16.67	18.73
<b>Total employee benefit obligations</b>	<b>140.04</b>	<b>1467.19</b>	<b>1607.23</b>	<b>171.29</b>	<b>1299.30</b>	<b>1470.59</b>

(i) Long Term Employee Benefits

A. Leave Obligations

The Company provides for earned leave benefit (including compensated absences) and half-pay leave to the employees of the company which accrue annually at 30 days and 20 days respectively. Earned leave is encashable while in service. Half pay leaves (HPL) are en-cashable only on separation beyond the age of 55 years upto the maximum of 300 days (HPL). However, total number of leave that can be encashed on superannuation shall be restricted to 300 days and no commutation of half pay leave shall be permissible. The liability for same is recognized on the basis of actuarial valuation.

B. Other employee benefits – POWERGRID Employee family rehabilitation scheme

The company has introduced POWERGRID Employees Family Economic Rehabilitation Scheme on 24.06.2017. The Objective of the scheme is to provide monetary assistance and support to an employee in case of his/her permanent total disablement and to his/her family in case of death while in service. The beneficiary would be entitled to monthly payment equivalent to the employee's 50% of one month pay last drawn provided the beneficiary deposits with the company an amount equal to PF (excluding VPF) balance, Gratuity amount and Group Insurance (EDLI) amount, Such monthly payment would continue till the normal notional date on which the employee concerned would have attained the age of superannuation had the employee continued in the service of the company. The scheme is optional. Provision for POWERGRID Employees Family Economic Rehabilitation Scheme amounting to ₹ 1.18 crore (up to Previous Year ₹ 6.91 crore) for the year has been made during the year based on actuarial valuation.

(ii) Post-employment obligations(Defined Employee Benefit/Contribution Schemes)

A. Post-Retirement Medical Facility ( PRMF)

The Company has Post-Retirement Medical Facility (PRMF), under which retired employees and the spouse are provided medical facilities in the empanelled hospitals. They can also avail treatment as Out-Patient subject to a ceiling fixed by the company. The liability for the same is recognized on the basis of actuarial valuation on annual basis on the Balance Sheet date. The scheme is funded by the company and is managed by a separate trust constituted on 1st May 2018.

B. Other employee benefits – Long Service Award

This benefit is applicable to all regular employees of the company (except for Directors and CMD) who have superannuated after completing at least 10 years of service. This scheme is unfunded and liability for the same is recognised on the basis of actuarial valuation on annual basis on the balance sheet date.

C. Gratuity

The company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to get gratuity at 15 days salary (15/26 x last drawn basic salary plus, dearness allowance) for each completed year of service on superannuation, resignation, termination, disablement or on death subject to a maximum of ₹ 20 lacs. The scheme is funded by the company and is managed by a separate trust. The liability for the same is recognized on the basis of



**64. Employee Benefit Obligations (Contd.)**

actuarial valuation on annual basis on the Balance Sheet date. Company has carried out the actuarial valuation of Gratuity benefit considering ceiling of ₹20 Lakhs.

**D. Other Defined Retirement Benefits (ODRB)/Baggage Allowance**

The Company has a scheme for settlement at the time of superannuation at anywhere in India and dependents to superannuated employees. The scheme is unfunded and liability for the same is recognized on the basis of actuarial valuation on annual basis on the Balance Sheet date.

**E. Provident Fund**

Company pays fixed contribution to Provident Fund at predetermined rate to a separate trust, which invests the funds in permitted securities. Contribution to family pension scheme is paid to the appropriate authorities. The contribution to the fund and EPS scheme for the year amounting to ₹ 124.43 crore (previous year ₹ 131.04 crore) has been recognized as expense and is charged to Statement of Profit and Loss. The obligation of the company is limited to such fixed contribution and to ensure a minimum rate of interest on contributions to the members as specified by GOI. As per the report of actuary overall interest earning and cumulative surplus is more than statutory interest payment requirement. Hence, no further provision is considered necessary. Since the company does not have unconditional right over the PF corpus, the surplus has not been recognized in the Balance Sheet.

(₹ in crore)

Particulars	31 <sup>st</sup> March, 2020			31 <sup>st</sup> March, 2019		
	Current	Non-current	Total	Current	Non-current	Total
Provident Fund (PF)	376.22	2679.65	3055.87	141.68	2615.90	2757.58

(₹ in crore)

Particulars	PF		
	Present value of obligation	Fair value of plan assets	Net amount
<b>1st April, 2019</b>	<b>2757.58</b>	<b>2844.43</b>	<b>(86.85)</b>
Service cost	111.20	-	111.20
Interest expense (income)	235.36	248.49	(13.13)
<b>Total</b>	<b>346.56</b>	<b>248.49</b>	<b>98.07</b>
<b>Re measurements</b>			
Return on plan assets, excluding amount included in interest expense/(income)	-	-	-
(Gain)/Loss from change in demographic assumptions	0.01	-	0.01
(Gain)/Loss from change in financial assumptions	0.59	-	0.59
Experience (Gain)/ Losses	9.16	-	9.16
<b>Total</b>	<b>9.76</b>	<b>-</b>	<b>9.76</b>
Employee contributions	250.63	361.83	(111.20)
Benefits payments	(308.66)	(308.66)	-
<b>31st March, 2020</b>	<b>3055.87</b>	<b>3146.09</b>	<b>(90.22)</b>

(₹ in crore)

Particulars	PF		
	Present value of obligation	Fair value of plan assets	Net amount
<b>1<sup>st</sup> April, 2018</b>	<b>2624.17</b>	<b>2649.00</b>	<b>(24.83)</b>
Service cost	98.18	-	98.18
Interest expense (income)	199.44	226.44	(27.00)
<b>Total</b>	<b>297.62</b>	<b>226.44</b>	<b>71.18</b>
<b>Re measurements</b>			
Return on plan assets, excluding amount included in interest expense/(income)	-	-	-
(Gain)/Loss from change in demographic assumptions	-	-	-
(Gain)/Loss from change in financial assumptions	(0.10)	-	(0.10)
Experience (Gain)/ Losses	(34.91)	-	(34.91)
<b>Total</b>	<b>(35.01)</b>	<b>-</b>	<b>(35.01)</b>
Employee contributions	111.69	209.88	(98.19)
Benefits payments	(240.89)	(240.89)	-
<b>31<sup>st</sup> March, 2019</b>	<b>2757.58</b>	<b>2844.43</b>	<b>(86.85)</b>

## 64. Employee Benefit Obligations (Contd.)

The net liability disclosed above relates to Provident Fund is as follows:

(₹ in crore)

Particulars	PF	
	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
Present value of funded obligations	3055.87	2757.58
Fair value of plan assets	3146.09	2844.43
<b>Deficit/(Surplus) of funded plan</b>	<b>(90.22)</b>	<b>(86.85)</b>

Sensitivity Analysis of Provident Fund:

(₹ in crore)

Particulars	PF
a) Impact of change in discount rate	
Present value of Obligation at the end of period	3055.87
- Impact due to increase of 0.5%	(0.35)
- Impact due to decrease of 0.5%	0.37

The major categories of plan assets (PF) are as follows:

(₹ in crore)

Particulars	31 <sup>st</sup> March, 2020				31 <sup>st</sup> March, 2019			
	Quoted	Unquoted	Total	In %	Quoted	Unquoted	Total	In %
Equity instruments (ETF)	30.49	-	30.49	1%	38.62	-	38.62	2%
<b>Debt instruments</b>								
Govt/State Bonds	1689.26	-	1689.26	54%	1570.27	-	1570.27	55%
PSU and Private Bonds	1238.94	-	1238.94	39%	1135.92	-	1135.92	40%
Bank Balance	25.09	-	25.09	1%	7.79	-	7.79	0%
Other Receivables	162.31	-	162.31	5%	91.83	-	91.83	3%
<b>Total</b>	<b>3146.09</b>	<b>-</b>	<b>3146.09</b>		<b>2844.43</b>	<b>-</b>	<b>2844.43</b>	

Fair value of company's own transferable financial instruments held as plan assets is ₹79.28 crore as on 31st March, 2020 (₹ 85.50 crore as on 31st March, 2019).

The expected maturity analysis of provident fund is as follows:

(₹ in crore)

Particulars	Less than a year	Between 1-2 year	Between 2-5 years	Over 5 years	Total
<b>31<sup>st</sup> March, 2020</b>	<b>376.21</b>	<b>242.77</b>	<b>677.75</b>	<b>1759.14</b>	<b>3055.87</b>
31 <sup>st</sup> March, 2019	141.68	125.82	356.78	2133.30	2757.58

### F. Pension

The Company has scheme of employees defined Pension Contribution. Company contribution is paid to separate trust. Amount of contribution paid/payable for the year is ₹ 114.82crore (previous year ₹ 102.41crore) has been recognized as expense and is charged to Statement of Profit & Loss.

The summarized position of various employee benefit obligations is as follows:

(₹ in crore)

Particulars	Gratuity			ODRB			Leaves			PRMF		
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount
<b>1<sup>st</sup> April, 2019</b>	<b>626.44</b>	<b>590.28</b>	<b>36.16</b>	<b>18.74</b>	<b>-</b>	<b>18.74</b>	<b>371.69</b>	<b>-</b>	<b>371.69</b>	<b>438.98</b>	<b>418.68</b>	<b>20.30</b>
Service cost	25.51	-	25.51	1.24	-	1.24	31.39	-	31.39	11.55	-	11.55
Interest expense (income)	48.55	47.22	1.33	1.45	-	1.45	28.80	-	28.80	34.02	39.58	(5.56)
<b>Total amount recognized in profit or loss</b>	<b>74.06</b>	<b>47.22</b>	<b>26.84</b>	<b>2.69</b>	<b>-</b>	<b>2.69</b>	<b>60.19</b>	<b>-</b>	<b>60.19</b>	<b>45.57</b>	<b>39.58</b>	<b>5.99</b>
<b>Re measurements</b>												
Return on plan assets, excluding amount included in interest expense/(income)	-	0.93	(0.93)	-	-	-	-	-	-	-	22.57	(22.57)
(Gain)/Loss from change in demographic assumptions	(0.37)	-	(0.37)	(0.01)	-	(0.01)	0.09	-	0.09	(0.28)	-	(0.28)

**64. Employee Benefit Obligations (Contd.)**

(₹ in Crore)

Particulars	Gratuity			ODRB			Leaves			PRMF		
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount
(Gain)/Loss from change in financial assumptions	42.77	-	42.77	1.81	-	1.81	36.83	-	36.83	55.69	-	55.69
Experience (Gain)/Losses	(37.70)	-	(37.70)	(2.18)	-	(2.18)	22.91	-	22.91	23.99	-	23.99
<b>Total amount recognized in other comprehensive income</b>	<b>4.70</b>	<b>0.93</b>	<b>3.77</b>	<b>(0.38)</b>	<b>-</b>	<b>(0.38)</b>	<b>59.83</b>	<b>-</b>	<b>59.83</b>	<b>79.40</b>	<b>22.57</b>	<b>56.83</b>
Employer contributions	-	19.85	(19.85)	-	-	-	-	-	-	-	58.41	(58.41)
Benefits payments	(103.29)	(103.29)	-	(0.09)	-	(0.09)	(67.25)	-	(67.25)	(21.08)	(21.08)	-
<b>31<sup>st</sup> March, 2020</b>	<b>601.91</b>	<b>554.99</b>	<b>46.92</b>	<b>20.96</b>	<b>-</b>	<b>20.96</b>	<b>424.46</b>	<b>-</b>	<b>424.46</b>	<b>542.87</b>	<b>518.16</b>	<b>24.71</b>

(₹ in crore)

Particulars	Gratuity			ODRB			Leaves			PRMF		
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount
<b>1<sup>st</sup> April, 2018</b>	<b>631.48</b>	<b>579.51</b>	<b>51.97</b>	<b>18.43</b>	<b>-</b>	<b>18.43</b>	<b>354.94</b>	<b>-</b>	<b>354.94</b>	<b>386.66</b>	<b>-</b>	<b>386.66</b>
Service cost	29.64	-	29.64	0.98	-	0.98	40.75	-	40.75	12.84	-	12.84
Interest expense (income)	47.99	44.04	3.95	1.40	-	1.40	26.97	-	26.97	29.38	3.00	26.38
<b>Total amount recognized in profit or loss</b>	<b>77.63</b>	<b>44.04</b>	<b>33.59</b>	<b>2.38</b>	<b>-</b>	<b>2.38</b>	<b>67.72</b>	<b>-</b>	<b>67.72</b>	<b>42.22</b>	<b>3.00</b>	<b>39.22</b>
<b>Re measurements</b>												
Return on plan assets, excluding amount included in interest expense/(income)	-	7.53	(7.53)	-	-	-	-	-	-	-	-	-
(Gain)/Loss from change in demographic assumptions	-	-	-	-	-	-	-	-	-	-	-	-
(Gain)/Loss from change in financial assumptions	(5.95)	-	(5.95)	(0.21)	-	(0.21)	(4.91)	-	(4.91)	(7.60)	-	(7.60)
Experience (Gain)/Losses	(6.36)	-	(6.36)	(1.63)	-	(1.63)	(2.28)	-	(2.28)	33.66	-	33.66
<b>Total amount recognized in other comprehensive income</b>	<b>(12.31)</b>	<b>7.53</b>	<b>(19.84)</b>	<b>(1.84)</b>	<b>-</b>	<b>(1.84)</b>	<b>(7.19)</b>	<b>-</b>	<b>(7.19)</b>	<b>26.06</b>	<b>-</b>	<b>26.06</b>
Employer contributions	-	29.56	(29.56)	-	-	-	-	-	-	-	431.64	(431.64)
Benefits payments	(70.36)	(70.36)	-	(0.23)	-	(0.23)	(43.78)	-	(43.78)	(15.96)	(15.96)	-
<b>31<sup>st</sup> March, 2019</b>	<b>626.44</b>	<b>590.28</b>	<b>36.16</b>	<b>18.74</b>	<b>-</b>	<b>18.74</b>	<b>371.69</b>	<b>-</b>	<b>371.69</b>	<b>438.98</b>	<b>418.68</b>	<b>20.30</b>

The net disclosed above relates to funded and unfunded plans are as follows:

(₹ in crore)

Particulars	Gratuity		ODRB		Leaves		PRMF	
	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
Present value of funded obligations	601.91	626.44	-	-	-	-	542.87	438.98
Fair value of plan assets	554.99	590.28	-	-	-	-	518.16	418.68
<b>Deficit/(Surplus) of funded plan</b>	<b>46.92</b>	<b>36.16</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24.71</b>	<b>20.30</b>
<b>Unfunded plans</b>	<b>-</b>	<b>-</b>	<b>20.96</b>	<b>18.74</b>	<b>424.46</b>	<b>371.69</b>	<b>-</b>	<b>-</b>

The company expects to contribute ₹ 39.58 crore to the gratuity trust during the FY 2020-21.

## 64. Employee Benefit Obligations (Contd.)

### (iii) Significant actuarial assumptions for Post-Employment Benefits :

#### Economic Assumptions

Particulars	Gratuity, ODRB, Pension, PRMF, PF	
	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
Discount rate	6.75%	7.75%
Salary growth rate(except for PF)	6.50%	6.50%

The discount rate is generally based upon the market yields available on Govt. Bonds at the accounting date relevant to currency of benefit payments for a term that matches the liabilities. Salary growth rate is companies' long term best estimate as to salary increases and takes account of inflation, seniority, promotion, business plan, HR Policy and other relevant factors on long term basis.

#### Demographic Assumptions

Particulars	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
i) Retirement Age	60	60
ii) Mortality rates inclusive of provision for disability	100% of IALM (2012-14)	100% of IALM (2006-08)
iii) Ages		
	Withdrawal rate %	Withdrawal %
Upto 30 years	3	3
From 31 to 44 years	2	2
Above 44 years	1	1

Mortality rates for specimen ages

Age	Mortality rate	Age	Mortality rate	Age	Mortality rate
15	0.000698	45	0.002579	75	0.038221
20	0.000924	50	0.004436	80	0.061985
25	0.000931	55	0.007513	85	0.100979
30	0.000977	60	0.011162	90	0.163507
35	0.001202	65	0.015932	95	0.259706
40	0.00168	70	0.024058	100	0.397733

### (iv) Sensitivity Analysis of the defined benefit obligation

(₹ in crore)

Particulars	Gratuity	ODRB	Leave	PRMF
a) Impact of change in discount rate				
Present value of Obligation at the end of period	601.91	20.96	424.46	542.87
- Impact due to increase of 0.5%	(22.27)	(0.79)	(19.24)	(29.86)
- Impact due to decrease of 0.5%	24.22	0.80	21.00	30.47
b) Impact of change in salary increase				
Present value of Obligation at the end of period	601.91	20.96	424.46	542.87
- Impact due to increase of 0.5%	8.33	-	20.93	31.02
- Impact due to decrease of 0.5%	(8.87)	-	(19.31)	(30.01)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. This analysis may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated

### (v) The major categories of plan assets (Gratuity) are as follows:

(₹ in crore)

Particulars	31 <sup>st</sup> March, 2020				31 <sup>st</sup> March, 2019			
	Quoted	Unquoted	Total	In %	Quoted	Unquoted	Total	In %
Equity instruments (ETF)	3.14	-	3.14	1%	3.35	-	3.35	1%
<b>Debt instruments</b>								
Govt/State Bonds	280.98	-	280.98	49%	292.45	-	292.45	48%
PSU and Private Bonds	286.85	-	286.85	50%	307.27	-	307.27	51%
<b>Total*</b>	<b>570.97</b>	<b>-</b>	<b>570.97</b>		<b>603.07</b>	<b>-</b>	<b>603.07</b>	

\*Fair valuation as per actuarial valuation is ₹ 554.99 crore (Previous Year ₹ 590.27 crore).

**64. Employee Benefit Obligations (Contd.)**

Fair value of company's own transferable financial instruments held as plan assets is ₹65.11 crore (Previous Year ₹ 73.83crore).

**(vi) The major categories of plan assets (PRMF) are as follows:**

(₹ in crore)

Particulars	31 <sup>st</sup> March, 2020				31 <sup>st</sup> March, 2019			
	Quoted	Unquoted	Total	In %	Quoted	Unquoted	Total	In %
Equity instruments (ETF)	-	-	-	-	-	-	-	-
<b>Debt instruments</b>								
Govt/State Bonds	265.64	-	265.64	52%	171.85	-	171.85	41%
PSU and Private Bonds	240.87	-	240.87	48%	246.56	-	246.56	59%
Total#	506.51	-	506.51		418.41	-	418.41	

#Fair valuation as per actuarial valuation is ₹ 518.16crore (Previous Year ₹ 418.69 crore)

**(vii) Description of Risk exposures**

Valuation is based on certain assumptions which are dynamic in nature and vary over time. As such company is exposed to various risks as follows:

- A) Salary Increases (except for PF) – Actual salary increase will increase the plan's liability. Increase in salary increase rate assumptions in future valuation will also increase the liability.
- B) Investment risk – If plan is funded then assets liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability
- C) Discount Rate – Reduction in discount rate in subsequent valuations can increase the plan's liability.
- D) Mortality & disability – Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- E) Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

**(viii) Defined benefit liability and employee contribution**

The weighted average duration of the defined benefit obligations is 40.18 years (Previous Year 41.39 years). The expected maturity analysis of undiscounted pension, gratuity, other defined retirement benefit and post-employment medical benefits is as follows:

(₹ in crore)

Particulars	Less than a year	Between 1-2 year	Between 2-5 years	Over 5 years	Total
<b>31<sup>st</sup> March, 2020</b>					
Defined benefit obligation (Gratuity)	74.08	67.03	170.22	290.58	601.91
Post-employment medical benefits	20.82	26.55	103.69	391.81	542.87
ODRB	2.06	1.95	5.37	11.58	20.96
Other employee benefits(LSA)	1.12	1.11	3.11	11.69	17.03
<b>Total</b>	<b>98.08</b>	<b>96.64</b>	<b>282.39</b>	<b>705.66</b>	<b>1182.77</b>
<b>31<sup>st</sup> March, 2019</b>					
Defined benefit obligation (Gratuity)	78.80	9.56	172.02	366.06	626.44
Post-employment medical benefits	16.86	18.13	70.80	333.19	438.98
ODRB	2.06	0.20	0.96	15.51	18.73
Other employee benefits(LSA)	1.15	1.00	2.90	9.70	14.75
<b>Total</b>	<b>98.87</b>	<b>28.89</b>	<b>246.68</b>	<b>724.46</b>	<b>1098.90</b>

**65. Disclosure of material impact of COVID-19 pandemic on listed entities under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

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 CERC Tariff Regulations which provide for recovery of the annual transmission charges based on system availability.

Due to the COVID pandemic, a lockdown was announced by the Government of India effective from 25th March 2020. As per the Government guidelines, transmission units and services were exempted from the lockdown. The Company has issued guidelines and protocols to be followed by its various units for the operation and maintenance of its transmission network during the pandemic. The Company has also implemented digital solutions such as e-office, ERP systems, Virtual Private Network, Video Conferencing etc. to facilitate Work from Home of its employees. Due to the various steps taken by the Company, there has been no significant impact due to

## 65. Disclosure of material impact of COVID-19 pandemic on listed entities under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Contd.)

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 March 31, 2020.

There has been no material impact on the operations or profitability of the company during the financial year due to the pandemic. Due to the lockdown, there has been a general fall in the demand for electricity in the country and the revenue realisation of the distribution utilities has been adversely impacted. As a result, delay in realisation of transmission charges from the customers is expected in the next financial year. The Government of India has announced measures to facilitate the liquidation of outstanding dues of the utilities to the generators and transmission licensees which are expected to facilitate the realisation of the company's trade receivables. Further, the company has adequate credit limits and strong credit ratings to mobilise the required short term funds for its operations including for meeting its debt service obligations. The Company has also approved a consolidated one-time rebate of ₹ 1075crore to the DISCOMs and Power Departments of States / Union Territories against the billing of April'20 and May'20.

The Company has made an assessment of 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 investments 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.

## 66. Other Notes

### A. Incorporation of wholly owned subsidiary of POWERGRID to undertake Telecommunications and Digital Technology Business of the company

On 7th November 2019, the Board of directors resolved to form a wholly owned subsidiary of the Company to undertake the said business. The Company has obtained approval from Ministry of Power (MOP) for the formation of aforesaid subsidiary and is in the process of obtaining approval from CERC for undertaking the telecom business through a subsidiary company. The Company is evaluating the methodology of transfer of said business including but not limited to identification of assets and liabilities.

The Company will continue to operate the Telecommunication and Digital Technology business until the above significant activities are completed. As the said business is not available for immediate sale in its present condition, hence the same is not classified as "disposal group held for sale".

### B. Asset Monetization in POWERGRID through Infrastructure Investment Trust (InvIT)

Board of Directors in their meeting held on 01.10.2019 had granted in-principle approval to raise upto ₹10000crore by way of asset monetization through Infrastructure Investment Trust (InvIT) as per direction of MOP. The Board had also accorded its approval to set up and register an Infrastructure Investment Trust with POWERGRID acting as Sponsor as per SEBI (Infrastructure Investment Trusts) Regulations, 2014. The company has sought various approvals from Govt. of India, Regulatory authorities and others which are awaited.

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

**For and on behalf of the Board of Directors**

**Divya Tandon**  
Company Secretary

**K. S. R. Murthy**  
CFO

**Seema Gupta**  
Director (Finance)

**K. Sreekant**  
Chairman & Managing  
Director

**As per our report of even date**

**For T R CHADHA & CO LLP**  
Chartered Accountants  
FRN : 006711N/N500028

**For UMAMAHESWARA RAO & CO**  
Chartered Accountants  
FRN : 004453S

**For B M CHATRATH & CO LLP**  
Chartered Accountants  
FRN : 301011E/E300025

**For PSD & ASSOCIATES**  
Chartered Accountants  
FRN : 004501C

**CA Neena Goel**  
Partner  
M. No.057986  
Place: Gurugram

**CA Krishna Sai G.H.**  
Partner  
M. No. 233399  
Place: Hyderabad

**CA Sanjay Sarkar**  
Partner  
M. No. 064305  
Place: Kolkata

**CA Prakash Sharma**  
Partner  
M. No. 072332  
Place: Jaipur

Date: 20.06.2020  
Place: Gurugram



**INDEPENDENT AUDITOR'S REPORT****TO THE MEMBERS OF POWER GRID CORPORATION OF INDIA LIMITED****Report on the Audit of the Standalone Financial Statements****Opinion**

We have audited the accompanying standalone financial statements of Power Grid Corporation of India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020 the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020 the profit & total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) 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 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 (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

**Emphasis of Matter**

We draw attention to the following matter in the notes to the Standalone financial statements:

- In respect of recognition of revenue from transmission assets for which final tariff orders are yet to be issued by the CERC [Refer Note No. 35(b)]

Our opinion is not modified in respect of the above matter.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year ended 31st March 2020. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
1	<b>Recognition of Revenue from Transmission Income</b> Transmission Income is accounted for based on tariff orders notified by the CERC. In case of transmission projects where final tariff orders are yet to be notified, transmission income is accounted for on provisional basis as per Tariff Regulations and Orders of the CERC in earlier cases. Difference, if any, is accounted for on issuance of final Tariff Orders by the CERC. As at each reporting date, transmission income also includes an accrual for services rendered to the customers but not yet billed i.e. Unbilled Revenue. This is considered as Key Audit Matter due to the nature and extent of estimates made as per CERC Tariff Regulations and contracts with customers for recognition of revenue. (Refer Note No. 35(b) Standalone Financial Statement)	Our audit approach involved: We have obtained an understanding of the CERC Tariff Regulations, Orders, Circulars, Guidelines and the Company's internal circulars and procedures in respect of recognition and measurement of revenue from transmission of power. <ul style="list-style-type: none"> <li>Evaluated and tested the effectiveness of the design of Internal controls relating to recognition and measurement of revenue from Transmission.</li> <li>Verified the transmission revenue based on the CERC Tariff Regulation, Orders, Circulars, Guidelines and the company's internal circulars.</li> <li>Verified on test basis, the income recognised on provisional basis consistently as per the regulatory guidelines, for the assets whose final orders are yet to be notified by CERC, based on the date of commercial operation (DOCO) letters issued by Regional technical heads, and capital cost, as certified by the Management.</li> </ul>
2	<b>Deferred Tax Assets relating to MAT credit entitlement</b> The Company has considered MAT credit in anticipation of set off against the tax payable in future years and created Deferred Tax Asset for the same during the year. Corresponding to the said MAT Credit Entitlement, a Deferred Regulatory liability payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations has been recognized. We identified this as a key audit matter because of the importance of this matter to the intended users of the financial statements and its materiality and requirement of judgement in assessing future taxable profits for recognition of MAT credit entitlement. (Refer Note No.26 of Standalone financial statements.)	Our audit approach involved: <ul style="list-style-type: none"> <li>Understanding the current status of availability of MAT credits.</li> <li>We assessed the related forecasts of future taxable profits, evaluated the reasonableness and consistency of the considerations/assumptions underlying the preparation of these forecasts.</li> <li>Based on the above procedures performed, the recognition and measurement of Deferred tax asset relating to MAT credit entitlement and corresponding Regulatory Deferral Liability towards customers, is considered adequate and reasonable.</li> </ul>

3	<p><b>Assessment of Contingent liabilities in respect of certain litigations including land compensation, direct and indirect taxes, various claims filed by other parties not acknowledged as debt.</b></p> <p>There is a high level of judgement required in estimating the contingent liabilities. The company's assessment of contingent liabilities is supported by the facts of the matter, Company's judgement thereon, past experience and advices from legal and independent tax consultants wherever necessary.</p> <p>We identified the above area as Key Audit Matters in view of associated uncertainty relating to the outcome of these matter. (Refer Note No. 59 of Standalone financial statements)</p>	<p>Our audit approach involved:</p> <ul style="list-style-type: none"> <li>• Understanding the current status of the litigation for land compensations/tax assessments.</li> <li>• Examining recent orders from competent authorities and/or communication received from various authorities, judicial forums and follow-up action thereon.</li> <li>• Review and analysis of evaluation of the contentions of the company through discussions, collection of details of the subject matter under consideration, the likely outcome and consequent potential outflows on those issues.</li> </ul>
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### Other Matter

The statement includes comparative figures for the corresponding year ended March 31, 2019, audited by the joint auditors of the Company who were the predecessor audit firms, who had expressed an unmodified opinion vide their report dated May 29, 2019 on such standalone financial statements.

### Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our Auditor's Report thereon. The other information as identified above is expected to be made available to us after the date of this Auditor's Report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read those documents including annexures, if any thereon, if we conclude that there is a material misstatement therein, we shall communicate the matter to those charged with the governance.

### Management's Responsibility for the Standalone 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 financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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 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 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 financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

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

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls 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 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 Company'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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in **Annexure '1'** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. In terms of section 143(5) of the Companies Act, 2013, we give in the **Annexure '2'** our report on the directions issued by the Comptroller and Auditor General of India.
3. As required by Section 143(3) of the Act, based on our audit 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;
  - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with the relevant rules issued thereunder;
  - (e) In view of exemption given vide notification no. G.S.R. 463(E) dated June 5, 2015, issued by the Ministry of Corporate Affairs, provisions of Section 164(2) of the Act regarding disqualification of Directors, are not applicable to the Company;
  - (f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the company and the operating effectiveness of such controls, refer to our separate report in **Annexure '3'**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Standalone financial statements.
  - (g) Pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of Section 197 of the Companies Act, 2013, are not applicable to the Company, being a Government Company; and
  - (h) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i) The Company has disclosed the impact of pending litigations on its financial position in its Standalone financial statements – Refer Note 59 to the Standalone financial statements.
- ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For T R CHADHA & CO LLP**  
Chartered Accountants  
FRN : 006711N/N500028

**For UMAMAHESWARA RAO & CO**  
Chartered Accountants  
FRN : 004453S

**For B M CHATRATH & CO LLP**  
Chartered Accountants  
FRN : 301011E/E300025

**For PSD & ASSOCIATES**  
Chartered Accountants  
FRN : 004501C

**Neena Goel**  
Partner  
M. No. 057986  
UDIN: 20057986AAAAFV6067  
Place: Gurugram

**Krishna Sai G. H.**  
Partner  
M. No. 233399  
UDIN: 20233399AAAAAR3055  
Place: Hyderabad

**Sanjay Sarkar**  
Partner  
M. No. 064305  
UDIN: 20064305AAAADD4942  
Place: Kolkata

**Prakash Sharma**  
Partner  
M. No. 072332  
UDIN: 20072332AAAAAC3687  
Place: Jaipur

Date: 20 June, 2020

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

As referred to in our Independent Auditors' Report of even date to the members of the **Power Grid Corporation of India Limited**, on the standalone Ind AS financial statements for the year ended 31st March, 2020 we report that:

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

	<b>No. of Cases</b>	<b>Cost (₹ in Crores)</b>	<b>Net Block (₹ in Crores)</b>
Leasehold Land	11	198.24	185.59
Freehold Land	25	149.17	149.17
Buildings (Flats in Mumbai)	28	2.95	1.34

- (ii) The inventories have been physically verified by the management during the year. In our opinion, frequency of verification is reasonable having regard to the size of the Company and nature of its business. No material discrepancies were noticed on such verification.
- (iii) According to the information and explanations given to us, the Company has not granted loans, secured or unsecured, during the year, to any companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. In view of the above, the clause 3(iii) (a), clause 3(iii) (b) and clause 3(iii) (c) of the Order are not applicable.
- (iv) In our opinion and according to information and explanation given to us, the company has complied with the provisions of section 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- (v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposit from the public in accordance with the provisions of the sections 73 to 76 or any other relevant provisions of the Act, and the rules framed thereunder. Accordingly, paragraph 3(v) of the order is not applicable to the company.
- (vi) We have broadly reviewed the cost records maintained by the company specified by the Central Government under sub section (1) of section 148 of the Companies Act, 2013, in respect of Transmission & Telecom Operations of the Company and we are of the opinion that prima facie the prescribed records have been made and maintained. However, we have not made detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues with appropriate authorities including Provident Fund, Income Tax, Goods and Services Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and other statutory dues applicable to the Company and that there are no undisputed statutory dues outstanding as at 31st March, 2020 for a period of more than six months from the date they became payable. As informed, provisions of the Employees State Insurance Act are not applicable to the Company.
- b) According to information and explanations given to us, there are no disputed dues of Duty of Customs or Duty of Excise which have not been deposited. However, the following disputed demands of Income Tax, Sales Tax, Service Tax, Value Added Tax and Cess dues have not been deposited:

<b>Name of the Statute</b>	<b>Nature of dues</b>	<b>Amount* (₹ in Crores)</b>	<b>Period to which the amount relates</b>	<b>Forum where dispute is pending</b>
Income Tax Act, 1961	Income Tax	102.31	For the F.Y. 2005-06, F.Y. 2006-07, F.Y. 2008-09, F.Y. 2012-13, F.Y. 2014-15, F.Y. 2015-16 & F.Y. 2016-17	Jurisdictional Assessing Officer, Delhi
Income Tax Act, 1961	Income Tax	4.54	For the F.Y. 2007-08 to F.Y. 2016-17 & F.Y. 2018-19 to F.Y. 2019-20	Jurisdictional Assessing Officers of TANS
Chhattisgarh Entry Tax Act, 1976	Entry Tax	173.89	For the F.Y. 2011-12 to 2017-18	Chhattisgarh High Court
Finance Act, 1994	Service Tax	0.28	For the F.Y. 2003-04	Patna High Court
Central Sales Tax and Sales Tax/VAT Acts of various states	Sales Tax	6.47	From F.Y. 1996-97 to 2013-14	Sales Tax Appellate Tribunal, J&K

Name of the Statute	Nature of dues	Amount* (₹ in Crores)	Period to which the amount relates	Forum where dispute is pending
Punjab VAT Act, 2005 (Entry Tax)	Entry Tax	9.64	From F.Y. 2011-12 to F.Y. 2013-14	Hon'ble High Court Punjab, Haryana & Chandigarh
Service Tax Act	Service Tax	0.79	From F.Y. 2015-16 to F.Y. 2016-17	Assistant commissioner, Central GST & Central Excise, Division-III, Vadodara
Building & Other Construction Workers (BOCW) Cess Act, 1996	BOCW	3.71	For F.Y. 2007-08	Hon'ble High Court Himachal Pradesh, Shimla
Central Sales Tax Act	Sales Tax	0.46	For F.Y. 2015-16	Appellate Deputy Commissioner
	<b>Total</b>	<b>302.09</b>		

\* Demand amount including interest, net of amount paid under protest.

- (viii) In our opinion and according to the information and explanations given to us the Company has not defaulted during the year in repayment of loans to its financial institutions, bankers and dues to the Bond holders.
- (ix) The company has not raised money by way of initial public offer or further public offer during the year. The company has raised funds by issuance of debt instruments (bonds) during the year. In our opinion, on an overall basis and according to the information and explanations given to us, the company has applied the term loans including funds raised through bonds for the purpose they were obtained.
- (x) According to the information and explanations given to us and as represented by the management, we have been informed that no case of fraud has been committed on or by the company during the year.
- (xi) In view of exemption given vide notification no. G. S. R. 463(E) dated June 5, 2015, issued by Ministry of Corporate Affairs, provisions of Section 197 read with Schedule V of the Act regarding managerial remuneration are not applicable to the Company. Accordingly, paragraph 3(xi) 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, paragraph 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) According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) is not applicable to the company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) is not applicable to the company.
- (xvi) According to the information and explanations given to us the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) is not applicable to the company.

**For T R CHADHA & CO LLP**  
Chartered Accountants  
FRN : 006711N/N500028

**For UMAMAHESWARA RAO & CO**  
Chartered Accountants  
FRN : 004453S

**For B M CHATRATH & CO LLP**  
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**Neena Goel**  
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**Sanjay Sarkar**  
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UDIN: 20064305AAAADD4942  
Place: Kolkata

**Prakash Sharma**  
Partner  
M. No. 072332  
UDIN: 20072332AAAAAC3687  
Place: Jaipur

Date: 20 June, 2020



**Annexure '2' to the Auditors Report**

As referred to in our Independent Auditors' Report of even date to the members of the **Power Grid Corporation of India Limited**, on the standalone Ind AS financial statements for the year ended 31st March, 2020

<b>S. No.</b>	<b>Directions</b>	<b>Auditors' Comments</b>
1.	Whether the Company has a system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The company is having ERP system (SAP) in place for processing all accounting transactions. Based on our verification, no accounting transaction is being recorded/ processed other than through the ERP system in place.
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/ interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	Based on our verification and explanations and information given to us, there were no cases of restructuring of an existing loan or cases of waiver/ write off of debts/loan/interest etc. made by a lender to the company due to the company's inability to repay the loan.
3.	Whether funds received/receivable for specific schemes from Central/State agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.	Based on our verification and explanations and information given to us, funds received/receivable for specific scheme from Central/State agencies were properly accounted for and utilized as per its terms and conditions. No deviations were noticed by us.

**For T R CHADHA & CO LLP**  
Chartered Accountants  
FRN : 006711N/N500028

**For UMAMAHESWARA RAO & CO**  
Chartered Accountants  
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Place: Kolkata

**Prakash Sharma**  
Partner  
M. No. 072332  
UDIN: 20072332AAAAAC3687  
Place: Jaipur

Date: 20 June, 2020

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

As referred to in our Independent Auditors' Report of even date to the members of the **Power Grid Corporation of India Limited**, on the standalone Ind AS financial statements for the year ended 31st March, 2020

### **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 with reference to Ind AS financial statements of the company as at 31st March 2020 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 Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls with reference to Ind AS financial statements that were operating effectively for ensuring the orderly and efficient conduct of business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to Ind AS financial statements 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 Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. 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 with reference to Ind AS financial statements 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 with reference to Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting with reference to Ind AS financial statements included obtaining an understanding of internal financial controls over financial reporting with reference to Ind AS financial statements, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal controls 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 with reference to Ind AS financial statements.

#### **Meaning of Internal Financial Controls Over Financial Reporting With Reference to Ind AS Financial Statements**

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

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

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to Ind AS Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to Ind AS financial statements, 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 with reference to Ind AS financial statements to future periods are subject to the risk that the internal financial controls over financial reporting with reference to Ind AS financial statements 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 Ind AS financial statements and such internal financial controls over financial reporting with reference to Ind AS financial statements were operating effectively as at 31st March, 2020 based on the internal financial controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For T R CHADHA & CO LLP**

Chartered Accountants  
FRN : 006711N/N500028

**For UMAMAHESWARA RAO & CO**

Chartered Accountants  
FRN : 004453S

**For B M CHATRATH & CO LLP**

Chartered Accountants  
FRN : 301011E/E300025

**For PSD & ASSOCIATES**

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**Neena Goel**

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Place: Kolkata

**Prakash Sharma**

Partner

M. No. 072332

UDIN: 20072332AAAAAC3687

Place: Jaipur

Date: 20 June, 2020

## Consolidated Balance Sheet as at 31<sup>st</sup> March, 2020

(₹ in crore)

Particulars	Note No	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	4	179449.82	171057.99
Capital work-in-progress	5	34904.41	37388.47
Investment Property	6	0.03	0.03
Intangible assets	7	1662.28	1681.60
Intangible assets under development	8	273.00	242.59
Investments in Joint Ventures accounted for using the equity method	9A	1332.18	1166.58
Financial Assets			
Investments	9	98.90	129.84
Loans	10	271.58	188.13
Other non-current financial assets	11	4100.30	4548.37
Other non-current assets	12	6325.73	5208.83
		<b>228418.23</b>	<b>221612.43</b>
<b>Current assets</b>			
Inventories	13	1433.46	1247.25
Financial Assets			
Trade receivables	14	5040.71	4728.10
Cash and cash equivalents	15	4840.12	3647.73
Bank balances other than Cash and cash equivalents	16	598.85	688.92
Loans	17	152.37	130.99
Other current financial assets	18	5818.40	6881.04
Other current assets	19	228.02	337.86
		<b>18111.93</b>	<b>17661.89</b>
<b>Regulatory Deferral Account Balances</b>	20	<b>10123.06</b>	<b>8083.27</b>
<b>Total Assets</b>		<b>256653.22</b>	<b>247357.59</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	21	5231.59	5231.59
Other Equity	22	59463.76	53856.80
		<b>64695.35</b>	<b>59088.39</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial Liabilities			
Borrowings	23	135421.11	131329.51
Other non-current financial liabilities	24	3523.13	3994.53
Provisions	25	424.71	368.15
Deferred tax liabilities(Net)	26	11228.78	10018.48
Other non-current liabilities	27	362.54	486.57
		<b>150960.27</b>	<b>146197.24</b>
<b>Current liabilities</b>			
Financial Liabilities			
Borrowings	28	3000.00	4300.00
Trade payables			
(A) total outstanding dues of micro enterprises and small enterprises	29	11.59	33.27
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	29	214.95	331.86
Other current financial liabilities	30	21784.15	23359.68
Other current liabilities	31	4305.93	3888.98
Provisions	32	742.04	701.14
Current Tax Liabilities (Net)	33	22.92	-
		<b>30081.58</b>	<b>32614.93</b>
<b>Deferred Revenue</b>	34	<b>10916.02</b>	<b>9457.03</b>
<b>Total Equity and Liabilities</b>		<b>256653.22</b>	<b>247357.59</b>

The accompanying notes (1 to 69) form an integral part of financial statements

**Divya Tandon**  
Company Secretary

**K.S.R. Murty**  
CFO

For and on behalf of the Board of Director

**Seema Gupta**  
Director (Finance)

**K. Sreekant**  
Chairman & Managing Director

As per our report of even date

For **T R CHADHA & CO LLP**  
Chartered Accountants  
FRN : 006711N/N500028

**CA Neena Goel**  
Partner  
M. No. 057986  
Place : Gurugram

Date : 20.06.2020  
Place : Gurugram

For **UMAMAHESWARA RAO & CO**  
Chartered Accountants  
FRN : 004453S

**CA Krishna Sai G.H.**  
Partner  
M. No. 233399  
Place : Hyderabad

For **B M CHATRATH & CO LLP**  
Chartered Accountants  
FRN : 301011E/E300025

**CA Sanjay Sarkar**  
Partner  
M. No. 064305  
Place : Kolkata

For **PSD & ASSOCIATES**  
Chartered Accountants  
FRN : 004501C

**CA Prakash Sharma**  
Partner  
M. No. 072332  
Place : Jaipur

**Consolidated Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2020**

(₹ in crore)

Particulars	Note No.	For the Year ended 31 <sup>st</sup> March, 2020	For the Year ended 31 <sup>st</sup> March, 2019
Revenue From Operations	35	<b>37743.54</b>	35059.12
Other Income	36	<b>927.42</b>	602.20
<b>Total Income</b>		<b>38670.96</b>	35661.32
<b>EXPENSES</b>			
Employee benefits expense	37	<b>1959.75</b>	1783.57
Finance costs	38	<b>9509.00</b>	8736.57
Depreciation and amortization expense	39	<b>11607.04</b>	10540.95
Other expenses	40	<b>2843.55</b>	3055.01
<b>Total expenses</b>		<b>25919.34</b>	24116.10
<b>Profit before share of net profits of investments in Joint Ventures accounted for using Equity Method and tax</b>		<b>12751.62</b>	11545.22
Share of net profits of investments in Joint Ventures accounted for using Equity Method		<b>155.13</b>	128.82
<b>Profit Before Tax and Regulatory Deferral Account Balances</b>		<b>12906.75</b>	11674.04
Tax expense:			
Current tax     - Current Year		<b>2,198.54</b>	2568.02
- Earlier Years		<b>121.91</b>	-
Deferred tax	26	<b>1210.30</b>	(3454.37)
		<b>3530.75</b>	(886.35)
<b>Profit for the period before Regulatory Deferral Account Balances</b>		<b>9376.00</b>	12560.39
Net movement in Regulatory Deferral Account Balances- Income/(Expenses) (net of tax)	41	<b>1683.40</b>	(2526.87)
<b>Profit for the period</b>		<b>11059.40</b>	10033.52
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss (net of tax)	42	<b>(104.02)</b>	(16.30)
Share of other comprehensive income of Joint Ventures accounted for using Equity Method		-	(0.04)
<b>Total Comprehensive Income for the period</b>		<b>10955.38</b>	10017.18
Earnings per equity share including movement in Regulatory Deferral Account Balances (Par value ₹ 10/- each):			
Basic & Diluted (₹)	63	<b>21.14</b>	19.18
Earnings per equity share excluding movement in Regulatory Deferral Account Balances (Par value ₹ 10/- each):			
Basic & Diluted (₹)	63	<b>17.92</b>	24.01

The accompanying notes (1 to 69) form an integral part of financial statements

**For and on behalf of the Board of Director**

**Divya Tandon**  
Company Secretary

**K.S.R. Murty**  
CFO

**Seema Gupta**  
Director (Finance)

**K. Sreekant**  
Chairman & Managing Director

**As per our report of even date**

For **T R CHADHA & CO LLP**  
Chartered Accountants  
FRN : 006711N/N500028

**CA NEENA GOEL**  
Partner  
M. No. 057986  
Place : Gurugram  
Date : 20.06.2020  
Place : Gurugram

For **UMAMAHESWARA RAO & CO**  
Chartered Accountants  
FRN : 004453S

**CA KRISHNA SAI G.H.**  
Partner  
M. No. 233399  
Place : Hyderabad

For **B M CHATRATH & CO LLP**  
Chartered Accountants  
FRN : 301011E/E300025

**CA SANJAY SARKAR**  
Partner  
M. No. 064305  
Place : Kolkata

For **PSD & ASSOCIATES**  
Chartered Accountants  
FRN : 004501C

**CA PRAKASH SHARMA**  
Partner  
M. No. 072332  
Place : Jaipur

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**
**Consolidated Statement of Changes in Equity for the period ended 31st March, 2020**
**A. Equity Share Capital**
**(₹ in crore)**

<b>As at 1<sup>st</sup> April, 2019</b>	5231.59
Changes during the year	-
<b>As at 31<sup>st</sup> March, 2020</b>	<b>5231.59</b>
<b>As at 1<sup>st</sup> April, 2018</b>	5231.59
Changes during the year	-
<b>As at 31<sup>st</sup> March, 2019</b>	<b>5231.59</b>

**B. Other Equity**
**(₹ in crore)**

Particulars	Reserves and Surplus					Other Comprehensive Income		Total
	Securities Premium	Bond Redemption Reserve	Self Insurance Reserve	CSR Reserve	General Reserve	Retained Earnings	Equity instruments through other comprehensive income	
<b>As at 1<sup>st</sup> April, 2019</b>	<b>9578.29</b>	<b>9942.79</b>	<b>893.37</b>	<b>114.54</b>	<b>31454.07</b>	<b>1797.05</b>	<b>76.69</b>	<b>53856.80</b>
Profit for the year						11059.40		11059.40
Other Comprehensive Income						(54.67)	(49.35)	(104.02)
<b>Total Comprehensive Income</b>						<b>11004.73</b>	<b>(49.35)</b>	<b>10955.38</b>
<b>Adjustments during the year</b>								
Transfer to General Reserve					5,000.00	(5000.00)		-
Transfer to Bond redemption reserve		439.88				(439.88)		-
Transfer from Bond Redemption Reserve		(1,685.76)				1685.76		-
Transfer to Self Insurance Reserve			275.60			(275.60)		-
Transfer from Self Insurance Reserve			(336.88)		336.88			-
Transfer from CSR Reserve				(114.54)	114.54			-
Final Dividend F.Y. 2018-19						(1307.90)		(1307.90)
Tax on Final Dividend F.Y. 2018-19						(280.14)		(280.14)
Interim Dividend F.Y. 2019-20						(3118.02)		(3118.02)
Tax on Interim dividend F.Y. 2019-20						(637.94)		(637.94)
Other Changes						(4.42)		(4.42)
<b>As at 31<sup>st</sup> March, 2020</b>	<b>9578.29</b>	<b>8696.91</b>	<b>832.09</b>	<b>-</b>	<b>36905.49</b>	<b>3423.64</b>	<b>27.34</b>	<b>59463.76</b>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Contd.)**  
**B Other Equity (Contd.)**

Particulars	Reserves and Surplus						Other Comprehensive Income	Total
	Scurities Premium	Bond Redemption Reserve	Self Insurance Reserve	CSR Reserve	General Reserve	Retained Earnings		
<b>As at 1<sup>st</sup> April, 2018</b>	<b>9578.29</b>	<b>9187.58</b>	<b>737.60</b>	<b>123.33</b>	<b>26988.99</b>	<b>2487.77</b>	<b>90.84</b>	<b>49194.40</b>
Profit for the year						10033.52		10033.52
Other Comprehensive Income						(2.19)	(14.15)	(16.34)
<b>Total Comprehensive Income</b>						<b>10031.33</b>	<b>(14.15)</b>	<b>10017.18</b>
<b>Adjustments during the year</b>								-
Transfer to General Reserve					4250.00	(4250.00)		-
Transfer to Bond redemption reserve		2058.20				(2058.20)		-
Transfer from Bond Redemption Reserve		(1302.99)				1302.99		-
Transfer to Self Insurance Reserve			257.69			(257.69)		-
Transfer from Self Insurance Reserve			(101.92)			101.92		-
Transfer from CSR Reserve				(8.79)		8.79		-
Final Dividend F.Y. 2017-18						(1464.85)		(1464.85)
Tax on Final Dividend F.Y. 2017-18						(312.92)		(312.92)
Interim Dividend F.Y. 2018-19						(3050.02)		(3050.02)
Tax on Interim dividend F.Y. 2018-19						(627.58)		(627.58)
Other Changes					104.37	(3.78)		100.59
<b>As at 31<sup>st</sup> March, 2019</b>	<b>9578.29</b>	<b>9942.79</b>	<b>893.37</b>	<b>114.54</b>	<b>31454.07</b>	<b>1797.05</b>	<b>76.69</b>	<b>53856.80</b>

The accompanying notes (1 to 69) form an integral part of financial statements

Refer to Note No 22 for nature and movement of Reserve and Surplus.

<b>Divya Tandon</b> Company Secretary	<b>K.S.R. Murty</b> CFO	<b>Seema Gupta</b> Director (Finance)	<b>K. Sreekant</b> Chairman & Managing Director
<b>For and on behalf of the Board of Director</b>			
<b>For T R CHADHA &amp; CO LLP</b> Chartered Accountants FRN : 006711IN/N500028	<b>For UMAMAHESWARA RAO &amp; CO</b> Chartered Accountants FRN : 0044535	<b>For B M CHATRATH &amp; CO LLP</b> Chartered Accountants FRN : 301011E/E300025	<b>For PSD &amp; ASSOCIATES</b> Chartered Accountants FRN : 004501C
<b>CA NEENA GOEL</b> Partner M. No. 057986 Place : Gurugram Date : 20.06.2020 Place : Gurugram	<b>CA KRISHNA SAI G.H.</b> Partner M. No. 233399 Place : Hyderabad	<b>CA SANJAY SARKAR</b> Partner M. No. 064305 Place : Kolkata	<b>CA PRAKASH SHARMA</b> Partner M. No. 072332 Place : Jaipur

As per our report of even date



**Consolidated Statement of Cash Flows for the year ended 31<sup>st</sup> March, 2020**

(₹ in crore)

Particulars	For the year ended 31 <sup>st</sup> March, 2020	For the year ended 31 <sup>st</sup> March, 2019
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit Before Tax and Regulatory Deferral Account Balances	<b>12906.75</b>	11674.04
Add: Net movement in Regulatory Deferral Account Balances (net of tax)	<b>1683.40</b>	(2526.87)
Add: Tax on Net movement in Regulatory Deferral Account Balances	<b>356.39</b>	(694.08)
Net Profit Before Tax (including Net movement in regulatory deferral account balances)	<b>14946.54</b>	8453.09
<b>Adjustment for :</b>		
Depreciation & amortization expenses	<b>11607.04</b>	10540.95
Transfer from Grants in Aid	<b>(260.25)</b>	(70.77)
Deferred revenue - Advance against Depreciation	<b>(152.65)</b>	(180.64)
Provisions	<b>6.34</b>	410.58
Changes in fair value of financial assets through profit or loss	<b>(39.89)</b>	(8.02)
Share of net profits of joint ventures accounted for using equity method	<b>(155.13)</b>	(128.82)
Net Loss on Disposal / Write off of Property, Plant & Equipment	<b>17.20</b>	25.58
Deferred Foreign Currency Fluctuation Asset	<b>(1572.74)</b>	(941.06)
Deferred Income from Foreign Currency Fluctuation	<b>1637.95</b>	1056.50
Regulatory Deferral Account Debit Balances	<b>(2039.79)</b>	3220.95
Finance Costs	<b>9509.00</b>	8736.57
Provisions Written Back	<b>(147.56)</b>	(28.25)
FERV loss / (gain)	<b>(0.31)</b>	(0.16)
Interest income on Deposits, Bonds and loans to JVs	<b>(168.33)</b>	(86.62)
Dividend income	<b>(5.35)</b>	(5.42)
	<b>18235.53</b>	22541.37
<b>Operating profit before Changes in Assets and Liabilities</b>	<b>33182.07</b>	30994.46
<b>Adjustment for Changes in Assets and Liabilities:</b>		
(Increase)/Decrease in Inventories	<b>(181.36)</b>	(182.30)
(Increase)/Decrease in Trade Receivables	<b>(290.95)</b>	(1379.29)
(Increase)/Decrease in Other Financial Assets	<b>1,665.97</b>	(6000.30)
(Increase)/Decrease in Other Non-current Assets	<b>(55.41)</b>	(87.21)
(Increase)/Decrease in Other Current Assets	<b>109.84</b>	166.64
Increase/(Decrease) in Liabilities & Provisions	<b>(820.97)</b>	2039.91
	<b>427.12</b>	(5442.55)
<b>Cash generated from operations</b>	<b>33609.19</b>	25551.91
Direct taxes paid	<b>(2568.71)</b>	(2280.75)
<b>Net Cash from Operating Activities</b>	<b>31040.48</b>	23271.16
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Property, Plant & Equipment and Capital Work in Progress (Including Advances for Capital Expenditure)	<b>(11367.12)</b>	(22450.66)
Receipt of Grant	<b>233.94</b>	3684.53
Investments in joint venture companies	<b>(100.17)</b>	(27.33)
(Increase)/Decrease in Investments in other companies	<b>(18.40)</b>	(15.21)
Loans & Advances to JVs (including repayments)	<b>(12.40)</b>	(77.12)
Lease receivables	<b>(13.82)</b>	10.21
Interest received on Deposits, Bonds & loans to JVs	<b>160.96</b>	85.04
Dividend received from joint venture companies	<b>69.41</b>	57.67
Dividend received from other investments	<b>5.35</b>	5.42
<b>Net Cash used in Investing Activities</b>	<b>(11042.25)</b>	(18727.45)

**Consolidated Statement of Cash Flows for the year ended 31st March, 2020 (Contd.)**

(₹ in crore)

Particulars	For the year ended 31 <sup>st</sup> March, 2020	For the year ended 31 <sup>st</sup> March, 2019
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Borrowings		
Non Current	<b>10325.96</b>	19489.58
Current	<b>18020.00</b>	17420.00
Repayment of Borrowings		
Non Current	<b>(10765.64)</b>	(9495.60)
Current	<b>(19320.00)</b>	(14120.00)
Adjustment for Fair Valuation of Long Term Loans	<b>12.80</b>	22.96
Repayment of Lease Liabilities	<b>(4.82)</b>	-
Finance Costs paid	<b>(11730.14)</b>	(10292.35)
Dividend paid	<b>(4425.92)</b>	(4514.87)
Dividend Tax paid	<b>(918.08)</b>	(940.50)
<b>Net Cash (used in)/from Financing Activities</b>	<b>(18805.84)</b>	(2430.78)
D. Net change in Cash and Cash equivalents (A+B+C)	<b>1192.39</b>	2112.93
E. Cash and Cash equivalents (Opening balance)	<b>3647.73</b>	1534.80
F. Cash and Cash equivalents (Closing balance) (Refer Note No 15)*	<b>4840.12</b>	3647.73

The accompanying notes (1 to 69) form an integral part of financial statements

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\* Includes ₹ 4658.85 crore (Previous Year ₹ 3471.01 crore) held in designated accounts which is not available for use by the Group.

**Notes:**

1. Cash and cash equivalents consist of cheques, drafts, stamps in hands, balances with banks and deposits with original maturity of upto three months.
2. Previous year figures have been re-grouped / re-arranged wherever necessary.
3. Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities.

(₹ in crore)

Particulars	Non-current borrowings	Current borrowings
<b>Opening Balance as at 1st April, 2019</b>	145488.58	4300.00
Net Cash Flows during the year	(10315.24)	(1300.00)
Non-cash changes due to :		
- Interest on borrowings	9774.73	
- Variation in exchange rates	3620.16	
- Fair value adjustments	12.80	
<b>Closing Balance as at 31st March, 2020</b>	<b>148581.03</b>	<b>3000.00</b>

(₹ in crore)

Particulars	Non-current borrowings	Current borrowings
<b>Opening Balance as at 1st April, 2018</b>	133971.34	1000.00
Net Cash Flows during the year	310.94	3300.00
Non-cash changes due to :		
- Interest on borrowings	9626.88	
- Variation in exchange rates	1556.46	
- Fair value adjustments	22.96	
<b>Closing Balance as at 31st March, 2019</b>	<b>145488.58</b>	<b>4300.00</b>

**For and on behalf of the Board of Director**

**Divya Tandon**  
Company Secretary

**K.S.R. Murty**  
CFO

**Seema Gupta**  
Director (Finance)

**K. Sreekanth**  
Chairman & Managing Director

**As per our report of even date**

For **T R CHADHA & CO LLP**  
Chartered Accountants  
FRN : 006711N/N500028

**CA NEENA GOEL**  
Partner  
M. No. 057986  
Place : Gurugram  
Date : 20.06.2020  
Place : Gurugram

For **UMAMAHESWARA RAO & CO**  
Chartered Accountants  
FRN : 004453S

**CA KRISHNA SAI G.H.**  
Partner  
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Place : Hyderabad

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**CA SANJAY SARKAR**  
Partner  
M. No. 064305  
Place : Kolkata

For **PSD & ASSOCIATES**  
Chartered Accountants  
FRN : 004501C

**CA PRAKASH SHARMA**  
Partner  
M. No. 072332  
Place : Jaipur

## Notes to Consolidated Financial Statements

### 1. Group Information

Power Grid Corporation of India Limited ('the Company') is a public company domiciled and incorporated in India under the provisions of The Companies Act and its shares are listed on the National Stock Exchange (NSE) and BSE Limited (BSE) in India. The Registered Office of the Company is situated at B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi, India and its Corporate Office is located at Saudamini, Plot No.2, Sector-29, Gurgaon, Haryana.

The Company is notified as the Central Transmission Utility (CTU) under The Electricity Act, 2003. It is principally engaged in planning, implementation, operation and maintenance of Inter-State Transmission System (ISTS), Telecom and consultancy services.

The consolidated financial statements of the group for the year ended March 31, 2020 were approved for issue by the Board of Directors on 20th June, 2020.

### 2. Significant Accounting Policies

A summary of the significant accounting policies applied in the preparation of the consolidated financial statements are as given below. These accounting policies have been applied consistently to all periods presented in the consolidated financial statements. The Consolidated financial statements of the group are consisting of the Company and its subsidiaries and the Group's interest in joint ventures.

#### 2.1 Basis of Preparation

##### i) Compliance with Ind AS

The consolidated 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 consolidated financial statements have been prepared on accrual basis and under the historical cost convention except following which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value (refer Note no. 2.14 for accounting policy regarding financial instruments),
- Defined benefit plans – plan assets measured at fair value.

##### iii) Functional and presentation currency

The consolidated 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 crore and two decimals thereof, except as stated otherwise.

##### iv) Use of estimates

The preparation of consolidated 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 Group 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 Group recognizes twelve months period as its operating cycle.

#### 2.2 Principle of Consolidation and Equity Accounting

##### Subsidiaries

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combination by the group.

The Group combines the financial statement of the subsidiaries line by line adding together like items of assets, liabilities, equity, income, and expenses. Inter Group transactions, balances and unrealized gains on transactions between companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The consolidated financial statements have been prepared in accordance with Indian Accounting Standard (Ind AS) 110 – 'Consolidated Financial Statements' and Indian Accounting Standard (Ind AS) 28 – 'Investments in Associates and Joint Ventures.

#### **Joint Arrangements**

Under Ind AS 111 Joint Arrangements, investment in joint arrangements is classified as either joint operation or joint ventures. The classification depends on the contractual right and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has only joint ventures.

#### **Joint Ventures**

Interest in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

#### **Equity Method**

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognize the Group's share of the post – acquisition profits or losses of the investee company in Statement of Profit and Loss, and the Group's share of other comprehensive income of the investee Company in other comprehensive income. Dividends received from joint ventures are recognised as reduction in the carrying amount of the investment.

When the Group's share of losses in an investment accounted under Equity method equals or exceeds its interest in the entity, including any other unsecured long term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the Joint Venture Entities.

Unrealized gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of asset transferred. Accounting policies of equity accounted investees have been changed where necessary.

The financial statements of the subsidiary companies and joint venture companies in the consolidation are drawn up to the same reporting date as of the Group.

#### **Changes in ownership interests**

When the group ceases to account for an investment under equity method due to loss of joint control, the retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in Statement of Profit and Loss. The fair value becomes the initial carrying amount for the purpose of subsequent accounting of the retained interest as a financial asset.

#### **Difference in Accounting Policies and Impact thereon:**

For certain items the Group and joint venture entities have followed different accounting policies. However, the impact of same is not material.

### **2.3 Property, Plant and Equipment**

The Group had opted to consider the carrying value of Property, Plant and Equipment as per previous GAAP on the date of transition to Ind AS (1st April 2015) to be the deemed cost as per Ind AS 101 'First-time Adoption of Indian Accounting Standards'.

#### **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 component 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, deposit works/cost- plus contracts 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.

Assets and systems common to more than one transmission system are capitalized on the basis of technical estimates/ assessments.

Transmission system assets are considered as ready for intended use from the date of commercial operation declared in terms of CERC Tariff Regulations and capitalized accordingly. However in case of subsidiaries, transmission system assets are considered as ready for intended use after meeting the conditions 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 levelling, clearing and grading of land is capitalized as part of cost of the related buildings.

Spares parts whose cost is ₹500000/- 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 Group and cost of the item can be measured reliably.

The cost of replacing part of an item of Property, Plant & Equipment is recognized in the carrying amount of the item if it is probable that

future economic benefits embodied within the part will flow to the Group 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 & 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 their 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.

### **2.4 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 Corporate office, Regional Offices 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.

Deposit works/cost-plus contracts are accounted for on the basis of statement received from the contractors or technical assessment of work completed.

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

### **2.5 Intangible Assets and Intangible Assets under development**

The Group had opted to consider the carrying value of Intangible Assets as per previous GAAP on the date of transition to Ind AS (1st April 2015) to be the deemed cost as per Ind AS 101 'First-time Adoption of Indian Accounting Standards'.

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 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.

Expenditure on research is recognised as an expense when it is incurred.

Expenditure on development activities 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.

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.

### **2.6 Investment property**

The Group had opted to consider the carrying value of Investment Property as per previous GAAP on the date of transition to Ind AS (1st April 2015) to be the deemed cost as per Ind AS 101 'First-time Adoption of Indian Accounting Standards'.

Investment property comprises portions of land and/or buildings that are held for long term rental yields and/or for capital appreciation.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are carried at cost less accumulated depreciation and accumulated impairment loss, if any.

Transfers to or from investment property is made when there is a change in use - i.e. an asset meets or ceases to meet the definition of investment property and there is evidence of the change in use.

Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised as profit or loss in the period of derecognition.

### **2.7 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 following the rates and methodology notified by the CERC for the purpose of recovery of tariff and on property, plant and equipment of telecom and consultancy business is provided on straight line method as per useful life specified in Schedule II of the Companies Act, 2013 except for property, plant and equipment specified in the following paragraphs.

ULDC assets commissioned prior to 1st April 2014 are depreciated on Straight Line Method @ 6.67% per annum. Such assets commissioned on or after 1st April 2014 are depreciated on straight line method following the rates and methodology notified by the CERC for the purpose of recovery of tariff.

In the case of property, plant and equipment of National Thermal Power Corporation Limited (NTPC), National Hydro-Electric Power Corporation Limited (NHPC), North-Eastern Electric Power Corporation Limited (NEEPCO), Neyveli Lignite Corporation Limited (NLC)

transferred w.e.f. April 1, 1992, Jammu and Kashmir Lines w.e.f. April 1, 1993, and Tehri Hydro Development Corporation Limited (THDC) w.e.f. August 1, 1993, depreciation is charged based on gross block as indicated in transferor's books with necessary adjustments so that the life of the assets as laid down in the CERC notification for tariff is maintained.

Depreciation on buildings held as investment property is provided on straight line method as specified in Schedule II of The Companies Act, 2013.

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, following the rates and methodology notified by the CERC.

Depreciation on following items of property, plant and equipment is provided based on estimated useful life as per technical assessment.

Particulars	Useful life
a. Computers & Peripherals	3 Years
b. Servers & Network Components	5 years

Residual value of above assets is considered as Nil.

Mobile phones are charged off in the year of purchase.

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 at the rates and methodology as specified by the CERC Tariff Regulations, except for telecom and consultancy business assets where residual life is determined on the basis of useful life of property, plant and equipment as specified in Schedule II of the Companies Act, 2013.

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 other than items of property, plant and equipment related to transmission business 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 in accordance with the rates and methodology specified in CERC Tariff Regulation. 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 rates and methodology notified by Central Electricity Regulatory Commission (CERC) Tariff Regulations.

Telecom Licenses are amortised on straight line basis over their respective useful lives.

Expenditure on development of 1200kv Transmission System shall be amortised over a period of 10 years.

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 an intangible asset are 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".

## 2.8 Borrowing Costs

All the borrowed funds (except short term funds for working capital) are earmarked to specific projects. The borrowing costs (including bond issue expenses, interest, discount on bonds, front end fee, guarantee fee, management fee etc.) are allocated to the projects in proportion to the funds so earmarked.

Exchange differences arising from foreign currency borrowing to the extent regarded as an adjustment to interest costs are treated as borrowing cost.

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalised (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.

## 2.9 Impairment of non-financial assets

The carrying amounts of the Groups'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.

## 2.10 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.

## 2.11 Inventories

Inventories are valued at lower of the cost, determined on weighted average basis and 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 ₹500000/- 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.

## 2.12 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 Group 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 Group 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 Group 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 Group 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 2.9 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 2.8 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.

State sector Unified Load Dispatch Centre (ULDC)/ Fiber Optic Communication Assets (FOC)/Bilateral line assets leased to the beneficiaries are considered as Finance Lease. Net investment in such leased assets are recorded as receivable at the lower of the fair value of the leased property and the present value of the minimum lease payments along with accretion in subsequent years is accounted for as Lease Receivables under current and non-current other financial assets. Wherever grant-in-aid is received for construction of State Sector ULDC, lease receivable is accounted for net of such grant.

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 as per the tariff notified by CERC.

FERV on foreign currency loans relating to leased assets is adjusted to the amount of lease receivables and is amortised over the remaining tenure of lease. FERV recovery (as per CERC norms) from the constituents is recognised net of such amortised amount.

#### 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.



### 2.13 Employee benefits

#### 2.13.1 Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into separate entities (Funds) and will have no legal or constructive obligation to pay further contributions, if the Fund does not hold sufficient assets to pay all employee's benefits related to employee service in the current and prior periods. Obligations for contributions to defined contribution plans are recognized as an employee benefits expense in the statement of profit and loss in the period during which services are rendered by employees.

The Group has a defined contribution pension scheme which is administered through a separate trust. The obligation of the Group is to contribute to the trust to the extent of amount not exceeding 30% of basic pay and dearness allowance less employer's contribution towards provident fund, gratuity, post retirement medical facility (PRMF) or any other retirement benefits. The contributions to the fund for the year are recognized as an expense and charged to the statement of profit and loss.

#### 2.13.2 Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's liability towards gratuity, post-retirement medical facility, baggage allowance for settlement at home town after retirement, long service award on retirement and provident fund scheme to the extent of interest liability on provident fund contribution are in the nature of defined benefit plans.

The gratuity is funded by the Group and is managed by separate trust. The Group has Post-Retirement Medical Facility (PRMF), under which retired employee and the spouse are provided medical facilities in the Group empanelled hospitals. They can also avail treatment as out-patient subject to a ceiling fixed by the Group.

The Group pays fixed contribution to Provident Fund at predetermined rates to a separate trust, which invests the funds in permitted securities. The contributions to the fund for the year are recognized as expense and are charged to the statement of profit and loss. The obligation of the Group is limited to such fixed contributions and to ensure a minimum rate of interest on contributions to the members as specified by the Government of India (GoI).

The Group has schemes for payment of baggage allowance towards expenses for settlement at hometown for the superannuated employees & their dependents and for providing a Long Service Award to all regular employees of the Group on superannuation.

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognized asset is limited to the total of any unrecognized past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. An economic benefit is available to the Group if it is realizable during the life of the plan, or on settlement of the plan liabilities. Any actuarial gains or losses are recognized in OCI in the period in which they arise and subsequently not reclassified to profit or loss.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized in the statement of profit and loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognized immediately in the statement of profit and loss.

#### 2.13.3 Other long-term employee benefits

Benefits under the Group's leave encashment and Employee Family Economic Rehabilitation Scheme constitute other long term employee benefits.

The Group's net obligation in respect of leave encashment is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Group's obligations. The calculation is performed using the projected unit credit method. Any actuarial gains or losses are recognized in the statement of profit and loss in the period in which they arise.

As per the Group's Employee Family Economic Rehabilitation scheme, which is optional, in the event of death or permanent total disability of an employee, the dependent(s) or the employee, as the case may be, is paid a fixed amount based on the last salary drawn by the employee till the notional date of superannuation of the employee upon depositing the final provident fund and gratuity amount which will be interest free.

#### 2.13.4 Short-term benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under performance related pay if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

### 2.14 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

##### Classification

The Group 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.

### **Equity investments**

All equity investments in scope of Ind AS 109 'Financial Instruments' are measured at fair value. The Group may, on initial recognition, make an irrevocable election to present subsequent changes in the fair value in other comprehensive income (FVOCI) on an instrument by-instrument basis.

For equity instruments classified as at FVOCI, all fair value changes on the instrument, excluding dividends are recognized in the OCI. There is no recycling of the amounts from OCI to Profit or Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

### **De-recognition of financial assets**

A financial asset is derecognized only when

- i) The right to receive cash flows from the assets have expired, or
- ii) a) The group 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 group has transferred substantially all the risks and rewards of the asset (or) the group 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 unbilled revenue, the group 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 Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month Expected Credit Loss (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 Group 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 unfavourable to the Group.

The Group's financial liabilities include loans & borrowings, trade and other payables.

### **Classification, initial recognition and measurement**

Financial liabilities are recognised initially at fair value minus 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 derecognised.

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.

### **2.15 Foreign Currency Translation**

#### **a) Functional and presentation currency**

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). The financial statements are presented in Indian Rupees (Rupees or ₹), which is the Group'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.

Foreign exchange gains and losses (other than related to foreign currency loans outstanding) are presented in the statement of profit and loss on a net basis within other gains/(losses).

The Group has availed the exemption available in Ind AS 101, to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary liabilities outstanding as on March 31, 2016.

#### **Foreign currency loans outstanding as on March 31, 2016:**

Foreign Exchange Rate Variation (FERV) arising on settlement / translation of such foreign currency loans relating to property, plant and equipment/ capital work-in-progress is adjusted to the carrying cost of related assets and is recoverable/payable from the beneficiaries on actual payment basis as per Central Electricity Regulatory Commission (CERC) norms w.e.f. 1st April, 2004 or Date of Commercial Operation (DOCO) whichever is later. The above FERV to the extent recoverable or payable as per the CERC norms is accounted for as follows:

- i) FERV recoverable/payable adjusted to carrying cost of property, plant and equipment is accounted for as 'Deferred foreign currency fluctuation asset/liability a/c' with a corresponding credit/debit to 'Deferred income/expenditure from foreign currency fluctuation a/c'.
- ii) 'Deferred income/expenditure from foreign currency fluctuation a/c' is amortized in the proportion in which depreciation is charged on such FERV.
- iii) The amount recoverable/payable as per CERC norms on year to year basis is adjusted to the 'Deferred foreign currency fluctuation asset/liability a/c' with corresponding debit / credit to the trade receivables.

FERV earlier charged to Statement of Profit and Loss & included in the capital cost for the purpose of tariff is adjusted against 'Deferred foreign currency fluctuation asset/liability a/c'.

FERV arising out of settlement/translation of long term monetary items (other than foreign currency loans) relating to Property Plant & Equipment /CWIP is adjusted in the carrying cost of related assets.

FERV arising during the construction period from settlement/translation of monetary items (other than non current loans) denominated in foreign currency to the extent recoverable/payable to the beneficiaries as capital cost as per CERC tariff Regulation are accounted as Regulatory Deferral Account Balances. Transmission charges recognised on such amount is adjusted against above account. Other exchange differences are recognized as income or expenses in the period in which they arise.

#### **Foreign currency loans drawn on or after April 1, 2016:**

Exchange differences arising from foreign currency borrowing to the extent regarded as an adjustment to interest costs are treated as borrowing cost. Other exchange differences are recognized in the Statement of Profit and Loss.

Exchange difference to the extent recoverable as per CERC tariff regulations are recognized as Regulatory Deferral Account Balances through Statement of Profit and Loss.

#### **c) Foreign Group Companies**

The results and financial position of foreign operations (none of which has the currency of a hyper inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- i. Assets and liabilities are translated at closing rate at the date of that balance sheet.
- ii. Income and expenses are translated at average exchange rates (unless this is not the reasonable approximation of the cumulative effect of the rates prevailing on the transaction date in which case income and expenses are translated at the date of transactions) and
- iii. All the exchange differences are recognised in other comprehensive income.

### **2.16 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 countries

where the group operate and generate 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 Group'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 liabilities are not recognised for temporary differences between the carrying amount and tax bases of investment in subsidiaries where the group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in foreseeable future.

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.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

## **2.17 Regulatory Deferral Account Balances**

Certain expenses and income, allowed under CERC regulations to be reimbursed by/passed on to beneficiaries in future, are to be accounted in the Statement of Profit and Loss as per the provisions of Ind AS 114 'Regulatory Deferral Accounts'. Such expenses and income, to the extent recoverable /payable as part of tariff under CERC Regulations are treated as Regulatory Deferral Assets/Liabilities.

The Group presents separate line items in the Balance Sheet for:

- (a) the total of all Regulatory Deferral Account Debit Balances; and
- (b) the total of all Regulatory Deferral Account Credit Balances.

A separate line item is presented in the profit or loss section of the Statement of Profit and Loss for the net movement in all Regulatory Deferral Account Balances for the reporting period.

Regulatory deferral accounts balances are adjusted in the year in which the same become recoverable from or payable to the beneficiaries.

## **2.18 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 Group recognizes revenue when it transfers control over a product or service to a customer.

### **Significant Financing Component**

Where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year, the Group assesses the effects of significant financing component in the contract. As a consequence, the Group makes adjustment in the transaction prices for the effects of time value of money.

### **2.18.1 Revenue from Operations**

#### **Transmission**

Transmission Income is accounted for based on tariff orders notified by the CERC. In case of transmission projects where final tariff orders are yet to be notified, transmission income is accounted for on provisional basis as per tariff regulations and orders of the CERC in similar cases. Difference, if any, is accounted on issuance of final tariff orders by the CERC. Transmission Income in respect of additional capital expenditure incurred after the date of commercial operation is accounted for based on expenditure incurred on year to year basis as per CERC tariff regulations. As at each reporting date, transmission income includes an accrual for services rendered to the customers but not yet billed i.e. Unbilled Revenue. However in case of subsidiaries transmission Income is accounted for based on orders issued by CERC u/s 63 of Electricity Act 2003 for adoption of transmission charges.

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 (RPCs) and in accordance with the CERC tariff regulations. Where certification by RPCs is not available, incentive/disincentive is accounted for on provisional basis as per estimate of availability by the Group and differences, if any is accounted upon certification by RPCs.

Advance against depreciation (AAD), forming part of tariff pertaining upto the block period 2004-09, to facilitate repayment of loans, was reduced from transmission income and considered as deferred income to be included in transmission income in subsequent years. The outstanding deferred income in respect of AAD is recognized as transmission income, after twelve years from the end of the financial year in which the asset was commissioned, to the extent depreciation recovered in the tariff during the year is lower than depreciation charged in the accounts.

#### **Telecom Services**

Income from Telecom Services, net of downtime credit, is recognised on the basis of terms of agreements/purchase orders from the customers. Upfront fee received in advance under long term contracts providing Indefeasible Right to Use (IRU), is recognised as revenue on the basis of estimation of revenue over the period of contract.

### Consultancy Services

In respect of 'Cost-plus-consultancy contracts', involving execution on behalf of the client, revenue is recognized in proportion to the stage of completion of the work performed at the reporting date, which is determined based on input method.

Income from other consultancy contracts are accounted for on technical assessment of progress of services rendered.

### 2.18.2 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.

Application Fees towards Long Term Open Access (LTOA) as per CERC Guidelines is accounted for on receipt.

Scrap other than steel scrap & conductor scrap are accounted for as and when sold.

Dividend income is recognized when right to receive payment is established.

Insurance claims for loss of profit are accounted for in the year of acceptance. Other 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.

### 2.19 Government Grants

Grants-in-aid from Central Government or other authorities towards capital expenditure for projects, betterment of transmission systems and specific depreciable assets initially are treated as deferred income when there is a reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant. Deferred Income is recognized in the Statement of Profit and Loss over the useful life of related asset in proportion to which depreciation on these assets is provided. Grants that compensate the Group for expenses incurred are recognized over the period in which the related costs are incurred and deducted from the related expenses.

### 2.20 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.

### 2.21 Provisions and Contingencies

#### a) Provisions

Provisions are recognised when the Group 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 Group 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.

### 2.22 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 Gross Block of Property, Plant and Equipment 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'.

### 2.23 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.

### 2.24 Operating Segments

The Board of Directors is the Group's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108 'Operating Segments'. CODM monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.



The operating segments have been identified on the basis of the nature of products / services.

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

## 2.25 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.

Additionally, basic and diluted earnings per share are computed using the earnings amounts excluding the movements in Regulatory Deferral Account Balances.

## 2.26 Statement of Cash Flows

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

## 3. Critical Estimates and Judgments

The preparation of consolidated 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 group'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:**

### Revenue Recognition:

Transmission income is accounted for based on tariff orders notified by the CERC. In case of transmission projects where final tariff orders are yet to be notified, transmission income is accounted for as per tariff regulations and other orders of the CERC in similar cases. Differences, if any, are accounted on issuance of final tariff orders by the CERC. Transmission income in respect of additional capital expenditure incurred after the date of commercial operation is accounted for based on expenditure incurred on year to year basis as per CERC tariff regulations.

### Regulatory Deferral Balances:

Recognition of Regulatory Deferral Balances involves significant judgments including about future tariff regulations since these are based on estimation of the amounts expected to be recoverable/payable through tariff in future.

### Estimation of defined benefit obligation

Estimation of defined benefit obligation involves certain significant actuarial assumptions which are listed in Note 66.

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 Group and that are believed to be reasonable under the circumstances.

### 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 Group reviews at the end of each reporting date the useful life of plant and equipment, other than the assets of transmission business which are governed by CERC Regulations, 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.

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

In assessing the recoverability of trade receivables, unbilled revenue and investments, the group has considered internal and external information up to the date of approval of these financial statements including credit reports and economic forecasts. In view of the nature of the Group's business, the regulated tariff mechanism applicable to the major part of the group's revenue and based on the current indicators of future economic conditions, the group expects to recover the carrying amount of these assets.

## Note 4/Property, Plant and Equipment

Note 4/Property, Plant and Equipment														(₹ in crore)
Particulars	Cost					As at 31 <sup>st</sup> March, 2020	Accumulated depreciation					Net Book Value		
	As at 1 <sup>st</sup> April, 2019	Initial recognition/ Reclassification on account of adoption of Ind AS 116	Additions during the year	Disposal	Adjustment during the year		As at 1 <sup>st</sup> April, 2019	Reclassification on account of adoption of Ind AS 116	Additions during the year	Disposal	Adjustment during the year	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019	
<b>Land</b>														
a) Freehold	2330.78		37.73	-	(0.50)	<b>2369.01</b>	-	-	-	-	-	<b>2369.01</b>	2330.78	
b) Leasehold	491.28	(491.28)	-	-	-	-	43.24	(43.24)	-	-	-	-	448.04	
<b>Buildings</b>														
a) Sub-Stations & Office	1528.46		157.59	-	(0.03)	<b>1686.08</b>	158.14		60.86	-	0.01	<b>218.99</b>	1370.32	
b) Township	587.80		49.20	-	1.61	<b>635.39</b>	87.67		26.68	-	-	<b>114.35</b>	500.13	
Temporary Erection	1.02		0.16	-	(0.01)	<b>1.19</b>	0.95		0.18	-	(0.01)	<b>0.05</b>	0.07	
Roads & Bridges	172.67		8.93	-	(1.37)	<b>182.97</b>	29.15		7.44	-	(0.07)	<b>36.66</b>	143.52	
Water Supply Drainage - & Sewerage	99.28		2.56	-	(0.04)	<b>101.88</b>	17.22		4.34	-	-	<b>21.56</b>	82.06	
<b>Plant &amp; Equipment</b>														
a) Transmission	129913.92		8696.79	14.44	(1249.00)	<b>139845.27</b>	21743.47		7395.55	3.71	0.45	<b>29134.86</b>	108170.45	
b) Sub-station	66824.94		8753.51	18.01	(641.64)	<b>76202.08</b>	11152.96		4048.58	-	(2.49)	<b>15204.03</b>	55671.98	
c) Unified Load Despatch & Communication	956.97		183.78	-	(1.89)	<b>1142.64</b>	204.70		71.28	-	0.01	<b>275.97</b>	752.27	
d) Telecom	1117.92		160.23	0.40	(13.66)	<b>1291.41</b>	401.07		106.20	0.22	(0.32)	<b>507.37</b>	716.85	
Furniture Fixtures	131.56		10.84	0.20	0.19	<b>142.01</b>	29.07		9.49	0.08	0.02	<b>38.46</b>	102.49	
Vehicles	2.90		0.25	0.37	-	<b>2.78</b>	1.32		0.21	0.30	0.04	<b>1.19</b>	1.58	
Office equipment	211.01		17.58	0.18	0.06	<b>228.35</b>	41.05		14.58	0.03	0.03	<b>55.57</b>	169.96	
Electronic Data Processing & Word Processing Machines	110.77		55.48	0.88	0.08	<b>165.29</b>	75.88		24.85	0.43	0.03	<b>100.27</b>	34.89	
Construction and Workshop equipment	298.17		46.75	-	0.77	<b>344.15</b>	59.63		19.07	-	(0.08)	<b>78.78</b>	238.54	
Electrical Installation	106.30		38.90	0.01	0.03	<b>145.16</b>	23.44		8.24	-	0.03	<b>31.65</b>	82.86	
Laboratory Equipments	47.50		33.43	0.02	-	<b>80.91</b>	12.52		4.41	-	-	<b>16.93</b>	34.98	
Workshop & Testing Equipments	233.51		58.91	-	(0.03)	<b>292.45</b>	25.70		14.41	-	(0.03)	<b>40.14</b>	207.81	
Miscellaneous Assets/Equipments	0.17		0.30	-	0.03	<b>0.44</b>	0.02		0.04	-	-	<b>0.06</b>	0.15	
Right-of-use (ROU) Assets														
a) ROU Assets- Leasehold Land	-	503.27	15.50	-	(2.33)	<b>521.10</b>	-	43.24	13.60	-	0.04	<b>464.30</b>	-	
b) ROU Asset- Buildings	-	8.41	0.93	0.01	(0.18)	<b>9.51</b>	-	-	3.73	0.01	(0.04)	<b>3.76</b>	-	
c) ROU Asset- Plant & Machinery- Telecom	-	0.05	0.15	-	0.14	<b>0.06</b>	-	-	0.06	-	0.03	<b>0.03</b>	-	
<b>Total</b>	<b>205166.93</b>	<b>20.45</b>	<b>18329.50</b>	<b>34.52</b>	<b>(1907.77)</b>	<b>225390.13</b>	<b>34107.20</b>	-	<b>11833.80</b>	<b>4.78</b>	<b>(2.35)</b>	<b>45938.57</b>	<b>171059.73</b>	
Less: Provision for assets discarded	1.74	-	-	-	-	<b>1.74</b>	-	-	-	-	-	<b>1.74</b>	1.74	
<b>Grand Total</b>	<b>205165.19</b>	<b>20.45</b>	<b>18329.50</b>	<b>34.52</b>	<b>(1907.77)</b>	<b>225388.39</b>	<b>34107.20</b>	-	<b>11833.80</b>	<b>4.78</b>	<b>(2.35)</b>	<b>45938.57</b>	<b>171057.99</b>	



## Note 4/Property, Plant and Equipment (Contd.)

(₹ in crore)

Particulars	Cost				Accumulated depreciation				Net Book Value		
	As at 1 <sup>st</sup> April, 2018	Additions during the year	Disposal	Adjustment during the year	As at 31 <sup>st</sup> March, 2019	As at 1 <sup>st</sup> April, 2018	Additions during the year	Disposal	Adjust- ment during the year	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Land											
a) Freehold	2220.25	110.53	-	-	2330.78	-	-	-	-	2330.78	2220.25
b) Leasehold	319.39	171.89	-	-	491.28	31.25	11.99	-	-	448.04	288.14
Buildings											
a) Sub-Stations & Office	1296.39	221.90	-	(10.17)	1528.46	103.81	54.27	-	(0.06)	1370.32	1192.58
b) Township	514.94	72.19	-	(0.67)	587.80	63.75	23.91	-	(0.01)	500.13	451.19
Temporary Erection	0.95	0.07	-	-	1.02	0.94	0.01	-	-	0.95	0.01
Roads & Bridges	163.90	8.76	-	(0.01)	172.67	21.99	7.16	-	-	29.15	143.52
Water Supply Drainage & Sewerage	97.42	1.50	-	(0.36)	99.28	12.87	4.35	-	-	17.22	82.06
Plant & Equipment											
a) Transmission	112334.62	16745.63	45.99	(879.66)	129913.92	15022.65	6733.72	17.83	(4.93)	21743.47	97311.97
b) Sub-station	58527.96	7994.58	66.25	(368.65)	66824.94	7548.71	3637.19	33.88	(0.94)	11152.96	50979.25
c) Unified Load Despatch & Communication	760.00	209.54	-	12.57	956.97	150.35	56.63	-	2.28	204.70	752.27
d) Telecom	1057.15	43.20	-	(17.57)	1117.92	289.87	102.63	-	(8.57)	401.07	716.85
Furniture Fixtures	110.09	21.79	0.25	0.07	131.56	20.55	8.60	0.06	0.02	29.07	102.49
Vehicles	3.33	0.28	0.71	-	2.90	1.11	0.32	0.16	(0.05)	1.32	1.58
Office equipment	190.26	18.86	0.37	(2.26)	211.01	27.18	13.43	0.13	(0.57)	41.05	169.96
Electronic Data Processing & Word Processing Machines	91.53	20.73	1.66	(0.17)	110.77	56.29	21.10	1.59	(0.08)	75.88	34.89
Construction and Workshop equipment	286.33	13.07	1.25	(0.02)	298.17	42.32	17.58	0.64	(0.37)	59.63	238.54
Electrical Installation	93.06	13.24	-	-	106.30	17.59	5.85	-	-	23.44	82.86
Laboratory Equipments	45.46	2.44	0.40	-	47.50	9.53	3.02	0.03	-	12.52	34.98
Workshop & Testing Equipments	155.77	79.56	0.14	1.68	233.51	14.95	10.78	0.03	-	25.70	207.81
Miscellaneous Assets/Equipments	0.04	0.12	-	(0.01)	0.17	0.01	0.01	-	-	0.02	0.15
Total	178268.84	25749.88	117.02	(1265.23)	205166.93	23435.72	10712.55	54.35	(13.28)	34107.20	171059.73
Less: Provision for assets discarded	1.74	-	-	-	1.74	-	-	-	-	1.74	1.74
Grand Total	178267.10	25749.88	117.02	(1265.23)	205165.19	23435.72	10712.55	54.35	(13.28)	34107.20	171057.99
											154831.38

**Note 4/Property, Plant and Equipment (Contd.)****Further Notes:**

- a) The Group owns 7598 hectare (Previous Year 7392 hectare) of land amounting to ₹2890.11crore (Previous Year ₹2822.06crore) which has been classified into freehold land 6421 hectare (Previous Year 6244 hectare) amounting to ₹2369.01crore (Previous Year ₹2330.78crore) and Right of Use - leasehold land 1177 hectare (Previous Year 1148 hectare) amounting to ₹521.10crore (Previous Year ₹491.28crore) based on available documentation.
- b) Freehold land acquired by the group includes 241.46 hectare (Previous Year 221.99 hectare) amounting to ₹219.44crore (Previous Year ₹204.67crore) in respect of which conveyance deed in favour of the group is pending and 86.70 hectare (Previous Year 122.96 hectare) amounting to ₹54.34crore (Previous Year ₹61.70crore) in respect of land acquired by the group for which only mutation in revenue records is pending.
- c) i) The land classified as Right of Use - leasehold land held in the state of Jammu and Kashmir with area of 113.88 hectare (Previous Year 113.88 hectare) amounting to ₹94.01crore (Previous Year ₹85.51crore) is acquired by state government as per procedures under State Land Acquisition Act. As per prevailing law the state government remains the owner of the land so acquired and group is only given possession for the specific use.
- ii) The transmission system situated in the state of Jammu and Kashmir have been taken over by the group w.e.f. 1st April 1993 from National Hydroelectric Power Corporation of India Limited (NHPC) upon mutually agreed terms pending completion of legal formalities.
- iii) Right of Use - leasehold land includes area of 2.65 hectare (Previous Year 2.65 hectare) amounting to ₹12.36crore (Previous Year ₹12.36crore) in respect of land in Chamba (HP) acquired from NHPC by the group for which legal formalities are pending.
- iv) Right of Use - leasehold land other than above includes 171.86 hectare (Previous Year 176.16 hectare) amounting to ₹217.32crore (Previous Year ₹225.29crore) in respect of which lease agreements/ legal formalities are pending.
- d) Right of Use - leasehold land includes area of 44.28 hectare (Previous Year 42.66 hectare) amounting to ₹48.87crore (Previous Year ₹47.07crore) in respect of land acquired for office complex and substation on perpetual lease basis and hence not amortised.
- e) Township building includes ₹2.95crore (Previous Year ₹2.95crore) for 28 flats (Previous Year 28 flats) at Mumbai, for which registration in favour of the group is pending. Out of the above flats, 17 flats are occupied by employees of M/S Power System Operation Corporation Ltd.
- f) 5.63 hectare (Previous Year 5.63 hectare) having value of ₹0.04crore (Previous Year ₹0.04crore) has been transferred to National High Power Test Laboratory Pvt. Ltd. on right to use without granting ownership.
- g) Refer note no. 51 for disclosure on Right of Use Assets as per Ind AS 116 – “Leases”.
- h) Refer note no. 23 for information on property, plant and equipment, pledged as security by the group.

## Note 5/Capital work in progress

(₹ in crore)

Particulars	As at 1 <sup>st</sup> April, 2019	Additions during the year	Adjustments	Capitalised during the year	As at 31 <sup>st</sup> March, 2020
<b>Land</b>					
Development of land	6.44	5.48	-	11.74	<b>0.18</b>
<b>Buildings</b>					
a) Sub-Stations & Office	98.15	63.37	2.13	63.72	<b>95.67</b>
b) Township	117.19	77.74	11.46	41.34	<b>142.13</b>
Roads & Bridges	18.27	8.94	0.69	1.18	<b>25.34</b>
Water Supply Drainage and Sewerage	3.54	1.85	-	0.22	<b>5.17</b>
<b>Plant &amp; Equipments (including associated civil works)</b>					
a) Transmission	11999.74	6632.32	20.23	7369.33	<b>11242.50</b>
b) Sub-Station	10210.84	10002.25	(0.01)	7871.78	<b>12341.32</b>
c) Unified Load Despatch & Communication	478.34	145.78	-	253.47	<b>370.65</b>
d) Telecom	75.32	110.34	-	85.99	<b>99.67</b>
Furniture & Fixtures	-	-	-	-	-
Other office equipments	9.83	23.81	31.65	-	<b>1.99</b>
Electrical Installations	3.44	2.09	-	2.92	<b>2.61</b>
Construction Stores (Net of Provision)	11399.93	7188.90	11860.57	-	<b>6728.26</b>
<b>Expenditure pending allocation -</b>					
i) Survey, investigation, consultancy & supervision Charges	6.43	2.70	-	2.97	<b>6.16</b>
ii) Difference in Exchange on foreign currency loans	127.33	84.76	-	133.06	<b>79.03</b>
iii) Expenditure during construction period(net) (Note 43)	2835.94	2813.51	(82.43)	1965.89	<b>3765.99</b>
	<b>37390.73</b>	<b>27163.84</b>	<b>11844.29</b>	<b>17803.61</b>	<b>34906.67</b>
Less: Provision for unserviceable Assets	2.26	-	-	-	<b>2.26</b>
<b>Grand Total</b>	<b>37388.47</b>	<b>27163.84</b>	<b>11844.29</b>	<b>17803.61</b>	<b>34904.41</b>

(₹ in crore)

Particulars	As at 1 <sup>st</sup> April, 2018	Additions during the year	Adjustments	Capitalised during the year	As at 31 <sup>st</sup> March, 2019
<b>Land</b>					
Development of land	10.78	39.82	0.02	44.14	6.44
<b>Buildings</b>					
a) Sub-Stations & Office	189.76	112.63	-	204.24	98.15
b) Township	97.00	89.70	-	69.51	117.19
Roads & Bridges	18.66	5.24	-	5.63	18.27
Water Supply Drainage and Sewerage	3.22	0.32	-	-	3.54
<b>Plant &amp; Equipments (including associated civil works)</b>					
a) Transmission	16749.96	9864.75	-	14614.97	11999.74
b) Sub-Station	7688.19	9871.38	(0.01)	7348.74	10210.84
c) Unified Load Despatch & Communication	464.29	228.66	20.93	193.68	478.34
d) Telecom	46.90	52.18	-	23.76	75.32
Furniture & Fixtures	-	0.57	-	0.57	-
Other office equipments	8.88	7.73	-	6.78	9.83
Electrical Installations	0.93	11.72	-	9.21	3.44
Construction Stores (Net of Provision)	8721.55	3586.84	908.26	0.19	11399.93
<b>Expenditure pending allocation</b>					
i) Survey, investigation, consultancy & supervision Charges	33.30	-	8.42	18.45	6.43
ii) Difference in Exchange on foreign currency loans	187.89	(14.97)	-	45.59	127.33
iii) Expenditure during construction period(net) (Note 43)	3384.85	2141.48	3.68	2686.71	2835.94
	<b>37606.16</b>	<b>25998.05</b>	<b>941.30</b>	<b>25272.17</b>	<b>37390.73</b>
Less: Provision for unserviceable Assets	2.26	-	-	-	<b>2.26</b>
<b>Grand Total</b>	<b>37603.90</b>	<b>25998.05</b>	<b>941.30</b>	<b>25272.17</b>	<b>37388.47</b>

**Note 5/Capital work in progress (Contd.)**

(Details of Construction stores) (At cost)

(₹ in crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Construction Stores</b>		
Towers	<b>1203.12</b>	1581.26
Conductors	<b>1845.49</b>	2793.60
Other Line Materials	<b>434.44</b>	571.39
Sub-Station Equipments	<b>1788.77</b>	2503.63
High Voltage Direct Current (HVDC) Equipments	<b>1087.74</b>	3473.09
Unified Load Despatch & Communication(ULDC) Materials	<b>209.93</b>	222.94
Telecom Materials	<b>80.75</b>	87.55
Others	<b>78.02</b>	166.47
<b>Total</b>	<b>6728.26</b>	<b>11399.93</b>
Construction Stores include:		
<b>i) Material in transit</b>		
Towers	<b>68.94</b>	0.35
Conductors	<b>31.42</b>	-
Other Line Materials	<b>1.03</b>	18.18
Sub-Station Equipments	<b>170.61</b>	183.99
High Voltage Direct Current (HVDC) Equipments	<b>138.09</b>	723.53
Others	-	2.22
<b>Total</b>	<b>410.09</b>	<b>928.27</b>
<b>ii) Material with Contractors</b>		
Towers	<b>1134.18</b>	1580.91
Conductors	<b>1814.07</b>	2793.60
Other Line Materials	<b>433.40</b>	553.21
Sub-Station Equipments	<b>1618.16</b>	2319.64
High Voltage Direct Current (HVDC) Equipments	<b>949.65</b>	2749.56
Unified Load Despatch & Communication (ULDC) Materials	<b>209.93</b>	222.94
Telecom Materials	<b>80.75</b>	87.55
Others	<b>78.03</b>	164.25
<b>Total</b>	<b>6318.17</b>	<b>10471.66</b>
<b>Grand total</b>	<b>6728.26</b>	<b>11399.93</b>

**Further Notes:**

Materials with Contractors amounting to ₹229.28 crore (Previous Year ₹342.68 crore) in respect of commissioned lines is pending for reconciliation. However reconciliation are carried out on ongoing basis.

## Note 6/Investment Property

(₹ in crore)

Particulars	Cost				Accumulated Amortisation				Net Book Value		
	As at 1 <sup>st</sup> April, 2019	Additions during the year	Disposal	Adjustment during the year	As at 31 <sup>st</sup> March, 2020	As at 1 <sup>st</sup> April, 2019	Additions during the year	Disposal	Adjustment during the year	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Land (Freehold)	0.02	-	-	-	0.02	-	-	-	-	0.02	0.02
Buildings	0.01	-	-	-	0.01	-	-	-	-	0.01	0.01
<b>Total</b>	<b>0.03</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.03</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.03</b>	<b>0.03</b>

(₹ in crore)

Particulars	Cost				Accumulated Amortisation				Net Book Value		
	As at 1 <sup>st</sup> April, 2018	Additions during the year	Disposal	Adjustment during the year	As at 31 <sup>st</sup> March, 2019	As at 1 <sup>st</sup> April, 2018	Additions during the year	Disposal	Adjustment during the year	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Land (Freehold)	0.02	-	-	-	0.02	-	-	-	-	-	0.02
Buildings	0.01	-	-	-	0.01	-	-	-	-	-	0.01
<b>Total</b>	<b>0.03</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.03</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.03</b>	<b>0.03</b>

**Note 6/Investment Property (Contd.)**

Further Notes:

(i) Amount recognised in profit or loss for investment property

(₹ in Crore)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Rental income	Nil	Nil
Direct operating expenses from property that generated rental income	Nil	Nil
Direct operating expenses from property that did not generate rental income	Nil	Nil
Profit from investment property before depreciation	Nil	Nil
Depreciation	Nil	Nil
<b>Profit from investment property</b>	<b>Nil</b>	<b>Nil</b>

(ii) There are no contractual obligation for future repairs and maintenance which not recognised as a liability as at 31.03.2020 and 31.03.2019.

(iii) There are no Leasing arrangements as at 31.03.2020 and 31.03.2019.

(iv) Fair value

(₹ in Crore)

Particulars	As at 31.03.2020	As at 31.03.2019
Investment property	2.87	2.83

**Estimation of fair value**

The fair value of investment property has been determined by independent valuer. The main inputs used are the rental growth rates, expected vacancy rates, terminal yields and discount rates based on comparable transactions and industry data. All resulting fair value estimates for investment property are included in level 2.

## Note 7/Intangible assets

(₹ in crore)

Particulars	Cost			Accumulated Amortisation				Net Book Value	
	As at 1 <sup>st</sup> April, 2019	Additions during the year	Disposal	Adjustment during the year	As at 31 <sup>st</sup> March, 2020	As at 1 <sup>st</sup> April, 2019	Additions during the year	Disposal	Adjustment during the year
Electronic Data Processing Software	54.87	3.01	-	-	57.88	47.10	4.42	-	(0.01)
Right of Way-Afforestation Expenses	1919.85	61.29	-	(41.11)	2022.25	300.16	112.90	-	(0.02)
Telecom Licenses	2.80	-	-	-	2.80	0.27	0.14	-	-
Development of 1200 KV TS*	71.86	-	-	-	71.86	20.25	7.24	-	-
<b>Total</b>	<b>2049.38</b>	<b>64.30</b>	<b>-</b>	<b>(41.11)</b>	<b>2154.79</b>	<b>367.78</b>	<b>124.70</b>	<b>-</b>	<b>(0.03)</b>

\*Internally generated intangible asset

(₹ in crore)

Particulars	Cost			Accumulated Amortisation				Net Book Value	
	As at 1 <sup>st</sup> April, 2018	Additions during the year	Disposal	Adjustment during the year	As at 31 <sup>st</sup> March, 2019	As at 1 <sup>st</sup> April, 2018	Additions during the year	Disposal	Adjustment during the year
Electronic Data Processing Software	46.98	7.77	-	(0.12)	54.87	42.17	4.81	-	(0.12)
Right of Way-Afforestation Expenses	1503.22	365.02	-	(51.61)	1919.85	200.40	99.76	-	-
Telecom Licenses	2.80	-	-	-	2.80	0.13	0.14	-	-
Development of 1200 KV TS*	69.57	2.29	-	-	71.86	13.01	7.24	-	-
<b>Total</b>	<b>1622.57</b>	<b>375.08</b>	<b>-</b>	<b>(51.73)</b>	<b>2049.38</b>	<b>255.71</b>	<b>111.95</b>	<b>-</b>	<b>(0.12)</b>

\*Internally generated intangible asset



**Note 8/Intangible assets under development**

(₹ in crore)

Particulars	As at 1 <sup>st</sup> April, 2019	Additions	Adjustments	Capitalised during the year	As at 31 <sup>st</sup> March, 2020
Electronic Data Processing Software	-	-	-	-	-
Right of Way-Afforestation expenses	242.59	69.94	-	39.53	<b>273.00</b>
Development of 1200 KV TS	-	-	-	-	-
<b>Total</b>	<b>242.59</b>	<b>69.94</b>	<b>-</b>	<b>39.53</b>	<b>273.00</b>

(₹ in crore)

Particulars	As at 1 <sup>st</sup> April, 2018	Additions	Adjustments	Capitalised during the year	As at 31 <sup>st</sup> March, 2019
Electronic Data Processing Software	-	4.47	-	4.47	-
Right of Way-Afforestation expenses	64.67	357.49	-	179.57	242.59
Development of 1200 KV TS	-	5.68	3.39	2.29	-
<b>Total</b>	<b>64.67</b>	<b>367.64</b>	<b>3.39</b>	<b>186.33</b>	<b>242.59</b>

**Note 9A/Investments in Joint Ventures accounted for using the equity method**

(₹ in crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Investments in Equity Instruments (fully paid up)</b>		
<b>Unquoted</b>		
<b>Joint Venture Companies</b>		
Torrent Power Grid Limited		
23400000 (Previous Year 23400000) Equity Shares of ₹10/- each.	<b>33.86</b>	35.56
Jaypee Powergrid Limited		
78000000 (Previous Year 78000000) Equity Shares of ₹10/- each.	<b>112.46</b>	105.45
Parbati Koldam Transmission Company Limited		
70937620 (Previous Year 70937620) Equity Shares of ₹10/- each.	<b>105.39</b>	95.30
Teestavalley Power Transmission Limited		
120120000 (Previous Year 105560000) Equity Shares of ₹10/- each.	<b>128.67</b>	101.47
Powerlinks Transmission Limited		
229320000 (Previous Year 229320000) Equity Shares of ₹10/- each.	<b>465.45</b>	447.58
North East Transmission Company Limited		
106964000 (Previous Year 106964000) Equity Shares of ₹10/- each.	<b>121.10</b>	125.71
National High Power Test Laboratory Private Limited		
30400000 (Previous Year 30400000) Equity Shares of ₹10/- each.	<b>21.96</b>	26.08
Cross Border Power Transmission Company Limited		
12612473 (Previous Year 12612473) Equity Shares of ₹10/- each.	<b>28.57</b>	23.03
Kalinga Bidyut Prasaran Nigam Private Limited		
Nil (Previous Year 5000) Equity Shares of ₹10/- each. (Refer further note 3 below)	-	-
Less: Provision for diminution in the value of Investment	-	-
	-	-
Bihar Grid Company Limited		
250795526 (Previous Year 171685600) Equity Shares of ₹10/- each.	<b>303.59</b>	195.94
Power Transmission Company Nepal Limited		
1170000 (Previous Year 1170000) Equity Shares of Nepali ₹100/- each.	<b>11.13</b>	10.46
RINL POWERGRID TLT Private Limited		
4000000 (Previous Year 4000000) Equity Shares of ₹10/- each.	-	3.97
(Refer further note 4 below)	-	3.97
Less: Provision for diminution in the value of Investment	-	-
	-	-
<b>TOTAL</b>	<b>1332.18</b>	<b>1166.58</b>

## Note 9A/Investments in Joint Ventures accounted for using the equity method (Contd.)

### Further notes:

- During the financial year, the pledge on 229319997 equity shares held by POWERGRID in M/s Powerlinks Transmission Limited has been released from IDFC FIRST Bank (formerly IDFC Ltd) being the Trustee on behalf of Security lenders in terms of Share pledge agreement dated 15.04.2004.
- Investments have been valued as per accounting policy no. 2.2 & 2.14.
- Shareholders of M/s Kalinga Bidyut Prasaran Nigam Pvt Ltd (KBPNL), JV between M/s POWERGRID & M/s OPTCL in their Extra Ordinary General Meeting held on 02.01.2020 approved the striking off of the name of the company pursuant to section 248 (2) of the Companies Act, 2013. Accordingly, e-form STK-2 vide SRN NO- R30789564 has been filed in Registrar of Companies (ROC), Odisha on Dated 21.01.2020 for removal of name of the Company. The present status of striking off of the Company (M/s KBPNL) as per MCA website is "Under Process of Striking Off". Accordingly, investment of ₹ 0.01 crore in Kalinga Bidyut Prasaran Nigam Private Limited has been written off during the year.
- POWERGRID's Board of Directors in its meeting held on 1st May 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 01st March, 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 05th November, 2019 has advised to put up the closure proposal again to Ministry of steel for onward submission to NITI Ayog. The Approval from Government is awaited.

## Note 9/Investments

(₹ in crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Investments in Equity Instruments (fully paid up)</b>		
<b>Investments at Fair Value through Other Comprehensive Income (OCI)</b>		
<b>Quoted</b>		
PTC India Limited		
12000006 (Previous Year 12000006) Equity Shares of ₹10/- each	<b>46.50</b>	88.14
<b>Unquoted</b>		
Energy Efficiency Services Limited		
56118350 (Previous Year 37704350) Equity Shares of ₹10/- each	<b>52.40</b>	41.70
Others		
1 (Previous Year 1) share of ₹10/- each in Bharat Broadband Network Limited (₹ 10/-)	-	-
<b>TOTAL</b>	<b>98.90</b>	<b>129.84</b>

### Further notes:

- Aggregate amount of Quoted Investments (₹ in crore)
  - At Cost **12.00** 12.00
  - Market Value **46.50** 88.14
  - Aggregate amount of Unquoted Investments **52.40** 41.70
- Investments have been valued as per accounting policy no. 2.2 & 2.14.

**Note 10/Loans (considered good unless otherwise stated)**

(₹ in crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Loans to Related Parties **</b>		
Loans to JVs-Unsecured	<b>18.40</b>	6.00
Loan to Directors & Key Managerial Personnel (KMP)		
Secured #	<b>0.02</b>	0.01
Unsecured	<b>0.03</b>	0.09
	<b>18.45</b>	6.10
<b>Loans to Employees (including interest accrued)</b>		
Secured #	<b>218.92</b>	143.15
Unsecured	<b>34.21</b>	38.88
	<b>253.13</b>	182.03
<b>Total</b>	<b>271.58</b>	<b>188.13</b>

**Further notes:**

\*\* Details of loans to related parties is provided in Note 58.

# House building loans and conveyance advance to Directors, KMP and Employees are secured against the mortgage of the house properties or hypothecation of vehicles for which such loans have been given in line with the policies of the Company.

**Note 11/Other Non-current Financial Assets**

(Unsecured considered good unless otherwise stated)

(₹ in crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Lease receivables	<b>601.69</b>	589.82
Unbilled Revenue \$		
i) Considered good	-	307.33
ii) Considered doubtful	-	105.71
	-	413.04
Less: Provision	-	105.71
	-	307.33
Bank deposits with more than 12 months maturity #	<b>11.11</b>	163.47
Recoverable for GOI fully serviced bonds ##	<b>3487.50</b>	3487.75
<b>TOTAL</b>	<b>4100.30</b>	<b>4548.37</b>

**Further notes:**

\$ Refer Note 47 for disclosure as per Ind AS 115 'Revenue from Contracts with Customers'.

# Bank deposits against designated accounts for consultancy work.

## In the FY 2018-19, the Company issued 'GoI fully serviced bonds' for an amount of ₹ 3487.50 crore for raising of Extra Budgetary Resources (EBR) for GoI scheme of Power System Development Fund (PSDF) in terms of letter No: 7/1/2018-OM dated 21st January, 2019 of Ministry of Power, Govt. of India (GoI) for meeting accrued liabilities for creation of Capital Assets. The repayment of principal and the interest payment on such bonds shall be met by GoI. Out of the proceeds of bond issue, an amount of ₹ 62.87 Crore (Previous Year ₹3424.63 Crore) has been recognised as Grant in aid.

**Note 12/Other non-current Assets**

(Unsecured considered good unless otherwise stated)

(₹ in crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Advances for Capital Expenditure</b>		
Unsecured		
a. Against bank guarantees	<b>671.05</b>	1160.62
b. Others	<b>84.93</b>	35.05
Unsecured considered doubtful	<b>1.19</b>	1.25
	<b>757.17</b>	1196.92
Less: Provision for bad & doubtful Advances	<b>1.19</b>	1.25
	<b>755.98</b>	1195.67
<b>Advances other than for Capital Expenditure</b>		
Security Deposits	<b>19.78</b>	15.14
Deferred Employee Cost	<b>61.05</b>	52.66
Deferred Foreign currency Fluctuation Asset	<b>5247.96</b>	3675.22
Advances recoverable in kind or for value to be received		
Employees	<b>2.77</b>	6.76
Balance with Customs Port Trust and other authorities	<b>25.12</b>	27.56
Advance tax and Tax deducted at source #	<b>7.10</b>	80.74
Other Taxes	<b>1.67</b>	0.33
Others*	<b>204.30</b>	154.75
	<b>240.96</b>	270.14
Considered doubtful	<b>0.91</b>	2.90
	<b>241.87</b>	273.04
Less: Provision for doubtful Advances	<b>0.91</b>	2.90
	<b>240.96</b>	270.14
<b>TOTAL</b>	<b>6325.73</b>	<b>5208.83</b>

**Further notes:**

\*Others include amount recoverable from Customers &amp; State Governments, insurance claims etc.

# Net of Current Tax Liabilities - Note 33.

**Note 13/Inventories**

(₹ in crore)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>(For mode of valuation refer Note 2.11)</b>		
Components, Spares & other spare parts	<b>1416.61</b>	1237.40
Loose tools	<b>23.59</b>	20.06
Consumable stores	<b>11.17</b>	12.50
	<b>1451.37</b>	1269.96
Less: Provision for Shortages/damages etc	<b>17.91</b>	22.71
<b>TOTAL</b>	<b>1433.46</b>	<b>1247.25</b>
<b>Inventories includes material in transit</b>		
Components, Spares & other spare parts	<b>0.23</b>	10.34

**Note 14/Trade receivables**

(₹ in crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Trade receivables - Unsecured</b>		
Considered good	<b>5031.81</b>	4698.97
Considered Doubtful	<b>317.70</b>	339.32
	<b>5349.51</b>	5038.29
Receivable from related parties - Unsecured *		
Considered good	<b>8.90</b>	29.17
	<b>5358.41</b>	5067.46
Less: Provision for doubtful trade receivables	<b>317.70</b>	339.36
<b>TOTAL</b>	<b>5040.71</b>	<b>4728.10</b>

**Further notes:**

\*Details of trade receivables from related parties are provided in Note 58.

Refer Note 47 for disclosure as per Ind AS 115 'Revenue from Contracts with Customers'.

Based on arrangements between the Company, banks and beneficiaries, the bills of the beneficiaries have been discounted. Accordingly, trade receivables have been disclosed net off bills discounted amounting to ₹1030.24 crore (Previous Year Nil). Refer Note 61 for details.

**Note 15/Cash and Cash Equivalents**

(₹ in crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Balance with banks-</b>		
- In Current accounts	<b>147.71</b>	146.91
- In designated Current accounts (For Consultancy clients and others)	<b>433.90</b>	205.61
In term deposits (with maturity less than 3 months)*	<b>4258.48</b>	3265.40
Drafts/Cheques in hand/Remittances in transit	<b>0.02</b>	29.80
Others (Stamps and Imprest)	<b>0.01</b>	0.01
<b>Total</b>	<b>4840.12</b>	<b>3647.73</b>

**Further notes:**

\*Term deposit includes ₹ 4224.95 crore (Previous Year ₹ 3265.40 crore) for Consultancy clients and others.

**Note 16/ Bank Balances other than Cash & cash equivalents**

(₹ in crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Earmarked balance with banks*	<b>21.35</b>	20.18
In Term Deposits having maturity over 3 months but upto 12 months (For Consultancy clients and others)	<b>577.50</b>	668.74
<b>TOTAL</b>	<b>598.85</b>	<b>688.92</b>

**Further notes:**

\*Earmarked balance with Bank includes unpaid dividend and refund of FPO proceeds

**Note 17/Loans**

(₹ in crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Loans to Related Parties**</b>		
Loans to Joint Venture - Unsecured	<b>77.12</b>	77.12
Loan to Directors & Key Managerial Personnel (KMP)		
Secured #	<b>0.01</b>	-
Unsecured Considered good	<b>0.03</b>	0.08
	<b>77.16</b>	77.20
<b>Loans to Employees (including interest accrued)</b>		
Secured #	<b>35.64</b>	23.60
Unsecured Considered good	<b>39.57</b>	30.19
	<b>75.21</b>	53.79
<b>TOTAL</b>	<b>152.37</b>	<b>130.99</b>

**Further notes:**

\*\* Details of loans to related parties is provided in Note 58.

# House building loans and conveyance advance to Directors, KMP and Employees are secured against the mortgage of the house properties or hypothecation of vehicles for which such loans have been given in line with the policies of the Company.

**Note 18/Other Current Financial Assets**

(Unsecured considered good unless otherwise stated)

(₹ in crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Lease Receivables	<b>48.28</b>	46.33
Unbilled Revenue*	<b>5351.17</b>	6307.82
Less: Provision for Unbilled revenue	<b>18.92</b>	18.92
	<b>5332.25</b>	6288.90
<b>Interest accrued but not due</b>		
Interest accrued on Term/Fixed Deposits	<b>10.44</b>	2.62
Interest accrued on Loan to JVs	<b>1.17</b>	1.62
Interest accrued on Others **	<b>41.54</b>	38.57
	<b>53.15</b>	<b>42.81</b>
Advances to/Recoverable from Related Parties #	<b>3.04</b>	33.83
Others ##		
Considered Good	<b>381.68</b>	469.17
<b>Total</b>	<b>5818.40</b>	<b>6881.04</b>

**Further notes:**

\* Unbilled revenue includes transmission charges for the month of March in the financial year amounting to ₹4063.20crore (Previous Year ₹ 3296.44 crore) billed to beneficiaries in the month of April of subsequent financial year. Further refer note no 47 for disclosure as per Ind AS 115 'Revenue from Contracts with Customers'.

\*\* Interest accrued on Others includes accrued interest on recoverable for GOI fully serviced bonds, advance to contractors.

# Details of advances to related parties are provided in Note 58.

## Others include:-

- an amount of ₹ 30.85 crore (Previous Year ₹ 30.85 crore) recoverable from M/s Delhi Transco Limited towards transfer of 1.167 hectare (Previous Year 1.167 hectare) land at Tughlaqabad Sub-station pending completion of legal formalities for transfer of title.
- amount recoverable from Customers, Advance rent for Residential and Office accommodation, Other advance etc.

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## Note 19/Other Current Assets

(Unsecured considered good unless otherwise stated)

(₹ in crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Advances other than for Capital Expenditure</b>		
<b>Advances recoverable in kind or for value to be received</b>		
Contractors & Suppliers	3.29	14.22
Employees	24.77	15.18
Balance with Customs Port Trust and other authorities	58.22	125.77
Claims recoverable	0.54	0.54
	<b>86.82</b>	<b>155.71</b>
<b>Others*</b>		
Considered Good	141.20	182.15
Considered Doubtful	0.01	0.01
	<b>141.21</b>	<b>182.16</b>
Less: Provision for Doubtful Advances	0.01	0.01
	<b>141.20</b>	<b>182.15</b>
<b>Total</b>	<b>228.02</b>	<b>337.86</b>

### Further notes:

\*Others include advance given for CSR activities, prepaid expenses and input tax credit - GST.

## Note 20/Regulatory Deferral Account Balances

(₹ in crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Assets</b>		
Deferred assets for deferred tax liability	8814.19	7516.50
Foreign Currency Fluctuation	1174.71	432.61
Employee Benefits Expense	134.16	134.16
<b>TOTAL</b>	<b>10123.06</b>	<b>8083.27</b>

### Further Note:

Refer to note no 53 for detailed disclosure on Regulatory Deferral Account Balances.

## Note 21/Equity Share capital

(₹ in crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Equity Share Capital</b>		
<b>Authorised</b>		
10,00,00,00,000 (Previous Year 10,00,00,00,000) equity shares of ₹10/- each at par	10000.00	10000.00
<b>Issued, subscribed and paid up</b>		
5,23,15,89,648 (Previous Year 5,23,15,89,648) equity shares of ₹10/-each at par fully paid up	5231.59	5231.59

### Further Notes:

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

Particulars	As at 31 <sup>st</sup> March, 2020		As at 31 <sup>st</sup> March, 2019	
	No. of Shares	Amount (₹ in crore)	No. of Shares	Amount (₹ in crore)
Shares outstanding at the beginning of the year	5231589648	5231.59	5231589648	5231.59
Additions during the year	-	-	-	-
Deduction during the year	-	-	-	-
Shares outstanding at the end of the year	5231589648	5231.59	5231589648	5231.59



**Note 21/Equity Share capital** (Contd.)

- 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 to voting rights proportionate to their shareholding at meetings of the Shareholders.
- 4) Shareholders holding more than 5% equity shares of the Company

Particulars	As at 31 <sup>st</sup> March, 2020		As at 31 <sup>st</sup> March, 2019	
	No. of Shares	% of holding	No. of Shares	% of holding
Government of India	2685872408	51.34	2896495942	55.37
Life Insurance Corporation of India	274430207	5.25	335385684	6.41

**Note 22/Other Equity**

(₹ in crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Reserves and Surplus</b>		
Securities Premium	9578.29	9578.29
Bonds Redemption Reserve	8696.91	9942.79
Self Insurance Reserve	832.09	893.37
Corporate Social Responsibility (CSR) Activity Reserve	-	114.54
General Reserve	36905.49	31454.07
Retained Earnings	3423.64	1797.05
Other Reserves		
Other Comprehensive Income Reserve	27.34	76.69
<b>Total</b>	<b>59463.76</b>	<b>53856.80</b>

**22.1 Securities Premium**

(₹ in crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Balance at the beginning of the year	9578.29	9578.29
Addition during the year	-	-
Deduction during the year	-	-
<b>Balance at the end of the year</b>	<b>9578.29</b>	<b>9578.29</b>

Securities premium is used to record the premium on issue of shares/securities. This amount is utilised in accordance with the provision of the Companies Act, 2013.

**22.2 Bonds Redemption Reserve**

(₹ in crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Balance at the beginning of the year	9942.79	9187.58
Addition during the year	439.88	2058.20
Deduction during the year	1685.76	1302.99
<b>Balance at the end of the year</b>	<b>8696.91</b>	<b>9942.79</b>

Bonds Redemption Reserve is created for the purpose of redemption of debentures in term of the Companies Act, 2013. As per the Companies (Share Capital and Debentures) rule 2014, listed companies are not required to create Bonds Redemption Reserve w.e.f. 16.08.2019.

**22.3 Self Insurance Reserve**

(₹ in crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Balance at the beginning of the year	893.37	737.60
Addition during the year	275.60	257.69
Deduction during the year	336.88	101.92
<b>Balance at the end of the year</b>	<b>832.09</b>	<b>893.37</b>

Self-Insurance Reserve is created @ 0.12% p.a. (0.12% p.a. in previous year) on the Gross Block of Property, Plant & Equipments (except ROU Assets) not covered under insurance as at the end of the year to meet future losses which may arise from un-insured risks and for procurement of towers and other transmission line materials including strengthening of towers and equipments of AC sub-station to take care of future contingencies.

**Note 22/Other Equity (Contd.)****22.4 Corporate Social Responsibility (CSR) Activity Reserve**

(₹ in crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Balance at the beginning of the year	<b>114.54</b>	123.33
Addition during the year	-	-
Deduction during the year	<b>114.54</b>	8.79
<b>Balance at the end of the year</b>	<b>-</b>	<b>114.54</b>

Corporate Social Responsibility Reserve is created to the extent of shortfall in the actual expenditure in any year vis-à-vis the amount stipulated as per the Companies Act, 2013.

**22.5 General Reserve**

(₹ in crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Balance at the beginning of the year	<b>31454.07</b>	26988.99
Add/(Less): Ind AS 115 Adjustments	-	104.37
	<b>31454.07</b>	27093.36
Addition during the year	<b>5451.42</b>	4360.71
Deduction during the year	-	-
<b>Balance at the end of the year</b>	<b>36905.49</b>	<b>31454.07</b>

General Reserve is retained earnings of the company which are kept aside out of company's profits. It is a free reserve which can be utilized to meet any unknown future contingencies and to pay dividends to shareholders.

**22.6 Retained Earnings**

(₹ in crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Balance at the beginning of the year	<b>1797.05</b>	2487.77
Add: Additions		
Net Profit for the period	<b>11059.40</b>	10033.52
Items of other comprehensive income recognised directly in surplus balance		
- Remeasurements of post employment benefit obligations	<b>(54.67)</b>	(2.19)
Transfer from Bond Redemption Reserve	<b>1685.76</b>	1302.99
Other Adjustments	<b>(4.42)</b>	(3.78)
Less: Appropriations		
General Reserve	<b>5000.00</b>	4250.00
Bonds Redemption Reserve	<b>439.88</b>	2058.20
Self Insurance Reserve	<b>275.60</b>	257.69
Interim dividend paid	<b>3118.02</b>	3050.02
Tax on Interim dividend	<b>637.94</b>	627.58
Final Dividend (refer note 62(b))	<b>1307.90</b>	1464.85
Tax on Final Dividend	<b>280.14</b>	312.92
<b>Balance at the end of the year</b>	<b>3423.64</b>	<b>1797.05</b>

**22.7 Other Comprehensive Income Reserve**

(₹ in crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Balance at the beginning of the year	<b>76.69</b>	90.84
Addition during the year	<b>(49.35)</b>	(14.15)
<b>Balance at the end of the year</b>	<b>27.34</b>	<b>76.69</b>

Other Comprehensive Income Reserve is created from increase/decrease in valuation of Non Current Investments in Equity instruments classified as fair valued through Other Comprehensive Income (FVOCI).

**Note 23/ Borrowings**

(₹ in crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>A) BONDS</b>		
<b>A1) Secured (Taxable, Redeemable, Non-Cumulative, Non-Convertible)</b>		
<b>A1.1</b> i) Bonds of ₹10 Lakh each		
<b>LV Issue-7.55% Redeemable at par on 21.09.2031</b>	<b>1238.93</b>	1238.92
<b>LX Issue-7.20% Redeemable at par on 09.08.2027</b>	<b>3059.80</b>	3059.78
<b>LIX Issue-7.30% Redeemable at par on 19.06.2027</b>	<b>3069.80</b>	3069.78
<b>XXXIX Issue-9.40% redeemable at par on 29.03.2027</b>	<b>1799.87</b>	1799.86
<b>LVIII Issue-7.89% redeemable at par on 09.03.2027</b>	<b>2059.45</b>	2059.44
<b>XXXVIII Issue-9.25% redeemable at par on 09.03.2027</b>	<b>854.73</b>	854.72
<b>LVI Issue-7.36% redeemable at par on 18.10.2026</b>	<b>1064.12</b>	1064.10
<b>LXII Issue-8.36% Redeemable at par in 05 (five) equal installments w.e.f. 07.01.2025</b>	<b>1999.78</b>	1999.75
<b>XLII Issue-8.80% redeemable at par on 13.03.2023</b>	<b>1989.55</b>	1989.52
<b>LVII Issue-7.20% redeemable at par on 21.12.2021</b>	<b>2118.85</b>	2118.79
ii) Bonds of ₹30 Lakh each consisting of 3 STRPPs of ₹10 lakh each redeemable at par in 3 (Three) equal installments on 15.07.2021, 15.07.2026 and 15.07.2031		
<b>LIV Issue-7.97% Redeemable w.e.f. 15.07.2021</b>	<b>2997.95</b>	2997.93
iii) Bonds of ₹30 Lakh each consisting of 3 STRPPs of ₹10 lakh each redeemable at par in 3 (Three) equal installments on 23.12.2020, 23.12.2025 and 23.12.2030		
<b>LII Issue-8.32% redeemable w.e.f. 23.12.2020</b>	<b>931.05</b>	1396.95
iv) Bonds of ₹1.20 crore each consisting of 12 STRPPs of ₹10 lakh each redeemable at par in 12 (Twelve) equal installments		
<b>LIII Issue-8.13% Redeemable w.e.f. 25.04.2020</b>	<b>3663.08</b>	3995.76
v) Bonds of ₹30 Lakh each consisting of 3 STRPPs of ₹10 lakh each redeemable at par in 3 (Three) equal installments on 09.03.2020, 09.03.2025 and 09.03.2030		
<b>XLIX Issue-8.15% redeemable w.e.f. 09.03.2020</b>	<b>869.70</b>	869.63
vi) Bonds of ₹ 0.10 crore each redeemable at par at the end of 5th year		
2900 Bonds-8.90% redeemable on 10.06.2020	-	290.00
vii) Bonds of ₹40 Lakh each consisting of 4 STRPPs of ₹10 lakh each redeemable at par in 4 (Four) equal installments on 23.01.2020, 23.01.2022, 23.01.2025 and 23.01.2030		
<b>XLVIII Issue-8.20% redeemable w.e.f. 23.01.2020</b>	<b>1934.07</b>	1933.70
viii) Bonds of ₹1.20 crore each consisting of 12 STRPPs of ₹10 lakh each redeemable at par in 12 (Twelve) equal installments		
<b>LI Issue-8.40% redeemable w.e.f. 14.09.2019</b>	<b>2497.56</b>	2747.80
ix) Bonds of ₹30 Lakh each consisting of 3 STRPPs of ₹10 lakh each redeemable at par in 3 (Three) equal installments on 04.09.2019, 04.09.2024 and 04.09.2029		
<b>XLVI Issue-9.30% redeemable w.e.f. 04.09.2019</b>	<b>2905.01</b>	2903.53
x) Bonds of ₹1.20 crore each consisting of 12 STRPPs of ₹10 lakh each redeemable at par in 12 (Twelve) equal installments		
<b>L Issue-8.40% redeemable w.e.f. 27.05.2019</b>	<b>2438.94</b>	2682.75
xi) Bonds of ₹1.20 crore each consisting of 12 STRPPs of ₹10 lakh each redeemable at par in 12 (Twelve) equal installments		
<b>XLVII Issue-8.93% redeemable w.e.f. 20.10.2018</b>	<b>1977.76</b>	2197.98
xii) Bonds of ₹30 Lakh each redeemable at par in 3 equal instalments on 15.07.2018, 15.07.2023 and 15.07.2028		
<b>XLIV Issue-8.70% redeemable w.e.f. 15.07.2018</b>	<b>2641.91</b>	2641.89
xiii) Bonds of ₹1.2 crores each consisting of 12 STRPPs of ₹10 lakhs each redeemable at par in 12 (Twelve) equal annual instalments		
<b>XLV Issue-9.65% redeemable w.e.f. 28.02.2018</b>	<b>1332.72</b>	1499.14
<b>XLIII Issue-7.93% redeemable w.e.f. 20.05.2017</b>	<b>2083.07</b>	2343.46

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## Note 23/ Borrowings (Contd.)

(₹ in crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
xiv) Bonds of ₹1.5 crores each consisting of 12 STRPPs of ₹ 12.50 Lakhs each redeemable at par in 12 (Twelve) equal annual instalments. <b>XLI Issue-8.85% redeemable w.e.f. 19.10.2016</b>	<b>1656.31</b>	1892.95
xv) Bonds of ₹1.50 crores each, consisting of 15 STRPPs of ₹10.00 Lakhs each redeemable at par in 15 (Fifteen) equal annual instalments <b>XXXVI Issue- 9.35% redeemable w.e.f. 29.08.2016</b>	<b>2057.72</b>	2263.49
xvi) Bonds of ₹1.5 crores each consisting of 12 STRPPs of ₹12.50 Lakhs each redeemable at par in 12 (Twelve) equal annual instalments. <b>XL Issue-9.30% redeemable w.e.f. 28.06.2016</b>	<b>2329.81</b>	2662.67
<b>XXXVII Issue- 9.25% redeemable w.e.f 26.12.2015</b>	<b>996.55</b>	1162.66
<b>XXXV Issue- 9.64% redeemable w.e.f 31.05.2015</b>	<b>978.02</b>	1141.04
<b>XXXIV Issue- 8.84% redeemable w.e.f 21.10.2014</b>	<b>1451.49</b>	1741.84
<b>XXXIII Issue- 8.64% redeemable w.e.f 08.07.2014</b>	<b>1198.96</b>	1438.78
<b>XXXII Issue- 8.84% redeemable w.e.f 29.03.2014</b>	<b>344.97</b>	431.21
<b>XXXI Issue- 8.90% redeemable w.e.f 25.02.2014</b>	<b>682.20</b>	852.77
<b>XXX Issue- 8.80% redeemable w.e.f 29.09.2013</b>	<b>776.58</b>	970.77
<b>XXIX Issue- 9.20% redeemable w.e.f 12.03.2013</b>	<b>324.27</b>	432.37
<b>XXVIII Issue- 9.33% redeemable w.e.f 15.12.2012</b>	<b>599.30</b>	799.13
<b>XXVII Issue- 9.47% redeemable w.e.f 31.03.2012</b>	<b>117.45</b>	176.18
<b>XXVI Issue- 9.30% redeemable w.e.f 07.03.2012</b>	<b>166.43</b>	249.66
<b>XXV Issue- 10.10% redeemable w.e.f 12.06.2011</b>	<b>177.29</b>	265.97
<b>XXIV Issue- 9.95% redeemable w.e.f 26.03.2011</b>	<b>66.61</b>	133.23
<b>XXIII Issue- 9.25% redeemable w.e.f 09.02.2011</b>	<b>25.60</b>	51.21
<b>XXII Issue- 8.68% redeemable w.e.f 07.12.2010</b>	<b>57.41</b>	114.86
<b>XXI Issue- 8.73% redeemable w.e.f 11.10.2010</b>	<b>42.42</b>	84.88
<b>XX Issue- 8.93% redeemable w.e.f 07.09.2010</b>	<b>124.76</b>	249.65
<b>XIX Issue- 9.25% redeemable w.e.f 24.07.2010</b>	<b>41.18</b>	82.39
<b>XVIII Issue- 8.15% redeemable w.e.f 09.03.2010</b>	-	83.22
	<b>59743.03</b>	<b>65036.11</b>
<b>A2) Unsecured</b>		
<b>A2.1 Redeemable Domestic Loan</b>		
i) Bonds of ₹10 Lakh each <b>LXVI Issue-7.38% Redeemable at par on 12.04.2030</b>	<b>499.75</b>	-
ii) Bonds of ₹50 Lakhs each consisting of 05 STRPPs of ₹10.00 Lakhs each redeemable at par in 05 (Five) equal annual instalments. <b>LXI Issue-7.74% redeemable w.e.f. 12.12.2028</b>	<b>2999.78</b>	2999.77
iii) Bonds of ₹10 Lakhs each consisting of 03 STRPPs of ₹ 3.00 Lakhs, ₹ 3.00 Lakhs & ₹ 4.00 Lakhs each redeemable at par in 03 (Three) equal annual instalments. <b>LXIV Issue-7.49% redeemable w.e.f. 25.10.2024</b>	<b>2519.76</b>	-
iv) Bonds of ₹ 30 Lakhs each consisting of 03 STRPPs of ₹10.00 Lakhs each redeemable at par in 03 (Three) equal annual instalments. <b>LXIII Issue-7.34% redeemable w.e.f. 15.07.2024</b>	<b>1799.76</b>	-
v) Bonds of ₹10 Lakh each <b>LXV Issue-6.35% Redeemable at par on 14.04.2023</b>	<b>199.91</b>	-
<b>A2.2 Redeemable Foreign Currency Bonds</b>		
<b>3.875% Foreign Currency Bonds to be redeemed at par on 17.01.2023</b>	<b>3788.75</b>	3470.63
	<b>11807.71</b>	6470.40
<b>Total (A)</b>	<b>71550.74</b>	<b>71506.51</b>

**Note 23/ Borrowings (Contd.)**

(₹ in crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>B) Term loans</b>		
<b>From Banks</b>		
<b>Secured</b>		
Foreign Currency Loans (Guaranteed by Government of India (GOI))	<b>25800.30</b>	24891.44
Other Foreign Currency Loans	<b>6705.41</b>	3401.76
Rupee Loans	<b>10730.00</b>	12184.00
	<b>43235.71</b>	<b>40477.20</b>
<b>Unsecured</b>		
Foreign Currency Loans (Guaranteed by GOI)	<b>3607.10</b>	3657.84
Other Foreign Currency Loans	<b>3104.16</b>	3135.96
Rupee Loans	<b>13923.40</b>	12552.00
	<b>20634.66</b>	19345.80
<b>Total (B)</b>	<b>63870.37</b>	<b>59823.00</b>
<b>TOTAL (A to B)</b>	<b>135421.11</b>	<b>131329.51</b>

**Further notes:**
**Details of terms of repayment and rate of interest**

- Secured Foreign Currency Loans (Guaranteed by GoI) carry floating rate of interest linked to 6M LIBOR. These loans are repayable in semi annual installments, as per terms of the respective loan agreement, commencing after moratorium period of 3 to 5 years except for one loan ₹374.16 Crore (Previous year ₹342.93 Crore) which carry fixed rate of interest of 0.25% p.a.
- Secured other Foreign Currency Loans carry floating rate of interest linked to 6M (LIBOR /EURIBOR/STIBOR) .These loans are repayable in semi annual installments, as per terms of the respective loan agreements, commencing after moratorium period of 3 to 5 years .
- Secured Rupee loan from banks carry floating rate of interest linked to 3M MCLR . These loans are repayable in semi annual installments, as per terms of the respective loan agreements, commencing after moratorium period of 5 years.
- Unsecured Foreign Currency Loans (Guaranteed by GoI) carry fixed rate of interest ranging from 1.63% p.a. to 2.30% p.a. These loans are repayable in semi annual installments as per terms of the respective loan agreements.
- Unsecured Foreign Currency Loans carry floating rate of interest linked to 6M (STIBOR/EURIBOR). These loans are repayable in semi annual installments as per terms of the respective loan agreements, commencing after moratorium period as per terms of the respective loan agreements.
- Unsecured Foreign Currency Loans carry floating rate of interest linked to 6M JPYLIBOR. This loan is repayable in five equal annual installments as per the terms of the loan agreement.
- Unsecured Rupee loan from bank carry floating rate of interest linked to 3 months MCLR. These loans are repayable in semi annual installments, as per terms of the respective loan agreements, commencing after moratorium period as per terms of the respective loan agreements .
- There has been no default in repayment of loans or payment of interest thereon as at the end of the year

**Details of Securities**

- Domestic Bonds are Secured by way of Registered Bond Trust Deed ranking pari passu on immovable property situated at Mouje Ambheti Taluka Kaparada in district Valsad Gujarat and floating charge on the assets of the company.
- Secured Foreign Currency Loans (Guaranteed by GoI) are secured by pari passu interest in the lien created on the assets as security for the debts.
- Secured Other Foreign Currency Loans and Rupee Loans are secured by the way of
  - pari passu charge on the assets of the company except investments, land and building, roads and bridges, water supply, drainage and sewerage and current assets or
  - pari passu charge on the assets of the company except investments and current assets or
  - floating charge on the immovable properties of the company.
as per the terms of respective loan agreements.

**Note 24/Other Non-current financial liabilities**

(₹ in crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Deposits/Retention money from contractors and others	22.34	507.03
Govt. of India fully serviced bonds *	3487.50	3487.50
Lease Liabilities#	13.29	-
<b>Total</b>	<b>3523.13</b>	<b>3994.53</b>

**Further Notes:**

Disclosure with regard to Micro and Small enterprises as required under "The Micro, Small and Medium Enterprises Development Act, 2006" is given in Note No 50.

\* Govt of India fully serviced bonds issued @ 8.24% redeemable at par on 14.02.2029. Refer Note 11 for details.

# Refer note no 51 for disclosure on Lease Liabilities as per Ind AS 116 – "Leases".

**Note 25/ Provisions**

(₹ in crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Employee Benefits		
As per last balance sheet	368.15	716.87
Additions/(adjustments) during the year	56.56	(348.72)
Closing Balance	424.71	368.15

**Further Notes:**

Provision is created for the purpose of leave encashment, Settlement Allowance, Long Service Award and other benefits. Refer Note 66 for detailed disclosure related to Employee Benefit Obligations.

**Note 26/ Deferred tax liabilities (Net)**

(₹ in crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>A. Deferred Tax Liability</b>		
Difference in book depreciation and tax depreciation	20961.12	17606.33
Finance lease assets	76.96	83.23
Others	43.15	37.60
Share of undistributed dividends in Joint Ventures	-	69.79
<b>Deferred Tax Liability (A)</b>	<b>21081.23</b>	<b>17796.95</b>
<b>B. Deferred Tax Assets</b>		
Income during Construction Period	24.88	20.95
Self Insurance Reserve	-	-
Provisions allowable on payment basis	467.85	481.93
Advance Against Depreciation	409.12	462.47
Unused Tax Losses	917.94	668.65
MAT Credit Entitlement	7906.46	6043.80
Others	126.20	100.67
<b>Deferred Tax Assets (B)</b>	<b>9852.45</b>	<b>7778.47</b>
<b>Deferred Tax Liability (Net) (A-B)</b>	<b>11228.78</b>	<b>10018.48</b>

**Note 26/ Deferred tax liabilities (Net) (Contd.)**
**Further Notes:**
Movement in Deferred Tax Liabilities

(₹ in Crore)

Particulars	Property Plant and Equipment	Finance Leased Assets	Others	Undistributed Dividend in JVs	Total
<b>As at 01.04.2018</b>	<b>14398.61</b>	<b>88.37</b>	<b>48.27</b>	<b>58.82</b>	<b>14594.07</b>
Charged/(credited) to profit or loss	3207.72	(5.14)	(10.67)	10.97	3202.88
<b>As at 31.03.2019</b>	<b>17606.33</b>	<b>83.23</b>	<b>37.60</b>	<b>69.79</b>	<b>17796.95</b>
Charged/(credited) to profit or loss	3354.79	(6.27)	5.55	(69.79)	3284.28
<b>As at 31.03.2020</b>	<b>20961.12</b>	<b>76.96</b>	<b>43.15</b>	<b>-</b>	<b>21081.23</b>

a) A charge of ₹ 1210.30 crore (Previous year credit of ₹ 3454.37crore) has been made in the Statement of Profit &amp; Loss.

Movement in Deferred Tax Asset

(₹ in Crore)

Particulars	Property Plant & Equipment- Income during construction period	Self-insurance reserve	Provisions allowable on payment basis	Advance against depreciation	MAT Credit	Others	Total
<b>As at 01.04.2018</b>	<b>16.78</b>	<b>8.11</b>	<b>215.92</b>	<b>525.59</b>	<b>30.15</b>	<b>324.67</b>	<b>1121.22</b>
Charged/(credited) to profit or loss	4.17	(8.11)	266.01	(63.12)	6013.65	444.65	6657.25
<b>As at 31.03.2019</b>	<b>20.95</b>	<b>-</b>	<b>481.93</b>	<b>462.47</b>	<b>6043.80</b>	<b>769.32</b>	<b>7778.47</b>
Charged/(credited) to profit or loss	3.93	-	(14.08)	(53.35)	1862.66	274.82	2073.98
<b>As at 31.03.2020</b>	<b>24.88</b>	<b>-</b>	<b>467.85</b>	<b>409.12</b>	<b>7906.46</b>	<b>1044.14</b>	<b>9852.45</b>

Amount taken to Statement of Profit and Loss

(₹ in Crore)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Increase/ (Decrease) in Deferred Tax Liabilities	<b>3284.28</b>	3202.88
Decrease / (Increase) in Deferred Tax Assets	<b>(2073.98)</b>	(6657.25)
<b>Total</b>	<b>1210.30</b>	<b>(3454.37)</b>

c) In the opinion of the management, it is probable that future economic benefits will flow to the group in the form of availability of set off against future income tax liability by recognizing MAT credit as follows:

Future taxable profits will be adjusted against (a) tax holiday u/s 80-IA of Income Tax Act, 1961 for the projects commissioned upto 31st March, 2017 (b) initial depreciation on the assets to be commissioned in future and (c) regular income tax depreciation u/s 32 of Income Tax Act, 1961 and thereafter tax amount will be set off against MAT credit to the extent of ₹1862.66crore (Previous Year ₹6013.65crore). Hence, the same has been recognised as Deferred Tax Assets during the year.

d) MAT credit available to the group in future but not recognised in the books:

(₹ in Crore)

For the Financial Year	As at 31.03.2020	Expiry Date	As at 31.03.2019	Expiry Date
2015-16	<b>1421.20</b>	<b>31.03.2026</b>	1421.20	31.03.2026
2014-15	<b>1281.23</b>	<b>31.03.2025</b>	1281.23	31.03.2025
2013-14	<b>1085.14</b>	<b>31.03.2024</b>	1085.14	31.03.2024
2012-13	<b>1071.31</b>	<b>31.03.2023</b>	1071.31	31.03.2023
2011-12	<b>239.01</b>	<b>31.03.2022</b>	239.01	31.03.2022
2010-11	<b>9.36</b>	<b>31.03.2021</b>	9.36	31.03.2021
2008-09	<b>-</b>	<b>31.03.2019</b>	277.91	31.03.2019



**Note 27/Other non-current liabilities**

(₹ in crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Advance from customers (Consultancy/Telecom services) \$	<b>233.51</b>	359.04
Others*	<b>129.03</b>	127.53
<b>Total</b>	<b>362.54</b>	<b>486.57</b>

**Further Notes:**

\$ Refer Note 47 for disclosure as per Ind AS 115 'Revenue from Contracts with Customers'.

\*Others includes amount payable to Customers upon recovery.

**Note 28/Borrowings**

(₹ in crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Short Term - Unsecured		
From Banks	-	1300.00
Commercial Paper	<b>3000.00</b>	3000.00
<b>Total</b>	<b>3000.00</b>	<b>4300.00</b>

**Further Notes:**

1. Commercial Papers/short term loan are unsecured in nature, with rate of interest ranging from 5.08% to 6.93% (Previous Year from 6.63% to 8.20%) and repayable within 28 days to 90 days (Previous Year in 30 days to 90 days) from the date of drawl.
2. There has been no default in repayment of loans or payment of interest thereon as at the end of the year.

**Note 29/Trade payables**

(₹ in crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
For goods and services		
(A) total outstanding dues of micro enterprises and small enterprises	<b>11.59</b>	33.27
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	<b>214.95</b>	331.86
<b>Total</b>	<b>226.54</b>	<b>365.13</b>

**Further Notes:**

Disclosure with regard to Micro and Small enterprises as required under " Division II of Schedule III of The Companies Act, 2013" and "The Micro, Small and Medium Enterprises Development Act, 2006" is given in Note No 50.

**Note 30/Other Current Financial Liabilities**

(₹ in crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Current maturities of long term borrowings</b>		
<b>Secured</b>		
Bonds	5297.96	6742.98
Rupee Term Loans	1454.00	1454.00
Foreign Currency Loans	2434.48	2098.85
	<b>9186.44</b>	<b>10295.83</b>
<b>Un-secured</b>		
Foreign Currency Loans	662.09	451.02
	<b>9848.53</b>	<b>10746.85</b>
<b>Interest accrued but not due on borrowings from</b>		
Foreign Banks & Financial Institutions	225.00	251.70
Secured/Unsecured redeemable Bonds #	3086.39	3160.52
	<b>3311.39</b>	<b>3412.22</b>
<b>Others</b>		
Dues for capital expenditure	1640.64	2597.66
Employee related liabilities	70.57	158.03
Unclaimed dividends & FPO*	15.95	13.37
Deposits/Retention money from contractors and others.	4603.44	4723.65
Related parties**	2.78	2.69
Dividend Payable	5.40	6.81
Lease Liabilities##	3.74	-
Others ###	2281.71	1698.40
	<b>8624.23</b>	<b>9200.61</b>
<b>Total</b>	<b>21784.15</b>	<b>23359.68</b>

**Further notes:**

Disclosure with regard to Micro and Small enterprises as required under "The Micro, Small and Medium Enterprises Development Act, 2006" is given in Note No 50.

# includes ₹ 36.90 Crore (Previous Year ₹ 36.22 Crore) interest accrued but not due on GoI fully serviced bonds.

\* No amount is due for payment to Investor Education and Protection Fund.

\*\*Details of amount payable to related parties are provided in Note 58.

## Refer note no 51 for disclosure on Lease Liabilities as per Ind AS 116 – "Leases".

### Others include liability for payment against Long Term Access (LTA), Short Term Open Access (STOA), ISTS License recovery, dead cheques, Price variation etc.

**Note 31/Other current liabilities**

(₹ in crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Advances from customers *	4008.89	3500.58
Advances from customers - related parties #	79.27	80.42
Statutory dues	217.77	307.98
<b>Total</b>	<b>4305.93</b>	<b>3888.98</b>

**Further notes:**

\* Refer Note 47 for disclosure as per Ind AS 115 'Revenue from Contracts with Customers'.

#Details of amount payable to related party are provided in Note 58

**Note 32/Provisions**

(₹ in crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>A) Employee Benefits</b>		
<b>i) Performance related pay /special incentive</b>		
As per last balance sheet	<b>444.50</b>	163.33
Addition during the year	<b>3148.03</b>	444.50
Amount paid/adjusted during the year	<b>3131.53</b>	163.33
Closing Balance	<b>461.00</b>	444.50
<b>ii) Wage revision</b>		
As per last balance sheet	-	725.36
Additions/(adjustments) during the year	-	(725.36)
Closing Balance	-	-
<b>iii) Other Employee Benefits</b> (Leave Encashment, Settlement Allowance and Long Service Award etc.)		
As per last balance sheet	<b>68.11</b>	66.52
Additions/(adjustments) during the year	<b>8.66</b>	1.59
Closing Balance	<b>76.77</b>	68.11
<b>Total (A)</b>	<b>537.77</b>	512.61
<b>B) Others</b>		
<b>i) Downtime Service Credit-Telecom</b>		
As per last balance sheet	<b>17.95</b>	18.20
Additions during the year	<b>4.25</b>	5.49
Amounts adjusted during the year	<b>10.84</b>	5.74
Closing Balance	<b>11.36</b>	17.95
<b>ii) Provision Others</b>		
As per last balance sheet	<b>170.58</b>	86.19
Additions/(adjustments) during the year	<b>22.33</b>	84.39
Closing Balance	<b>192.91</b>	170.58
<b>Total (B)</b>	<b>204.27</b>	<b>188.53</b>
<b>Total (A+B)</b>	<b>742.04</b>	<b>701.14</b>

**Further Notes:****a) Employee Benefits****i) Performance Related Pay/Special Incentive:**

Provision is created for Performance Related Pay to Executives and Non-Executives

**ii) Wage Revision:**

Pay revision of Executives and Non Executives was implemented during the FY 2018-19 and accordingly provision against wage revision was utilised/adjusted during the previous year.

**iii) Other Employee Benefits:**

Provision is created for the purpose of meeting out leave encashment, settlement allowance, long service award and POWERGRID Employee Family Rehabilitation Scheme.

**b) Others:****i) Downtime Service Credit –Telecom:**

Provision is created in case when actual downtime is in excess of the permissible service level agreement, in such cases the necessary credit is passed on to the customer on demand.

However, in some case, the downtime is not claimed by the customer then in such cases necessary provision on account of downtime is made in the books of accounts as per the links availability reports received from National Telecom Control Centre (NTCC) for the period of non-operation of links given to the customers. The calculation of downtime credit is based on the SLA signed with various customers.

**ii) Provision Others:**

It includes provision for entry tax ₹147.69crore (Previous Year ₹138.39crore) as per demand raised by revenue authorities disputed by the company and are under litigation. An amount of ₹8.24crore (Previous Year ₹8.24crore) has been paid under court order and shown as "Balance with custom port trust and other authorities" in note no. 19.

Also includes provision of ₹0.46crore (Previous Year ₹Nil crore) towards demand raised by the commercial taxes department of Telangana in relation to absence of statutory form and other evidences on account of inter-state sale not covered by 'C' form. The company is in the process of preferring an appeal.

**Note 33/Current Tax Liabilities (Net)**

(₹ in crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Taxation (Including interest on tax)		
As per last balance sheet	<b>6117.42</b>	5809.21
Additions during the year	<b>2665.27</b>	1873.49
Amount adjusted during the year	<b>2158.51</b>	1565.28
<b>Total</b>	<b>6624.18</b>	<b>6117.42</b>
Net off against Advance tax and TDS	<b>6601.26</b>	6117.42
<b>Closing Balance</b>	<b>22.92</b>	-

**Note 34/Deferred Revenue**

(₹ in crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Advance against depreciation	<b>1170.80</b>	1323.45
Grants in aid (Refer Further Notes)		
As per last Balance Sheet	<b>4173.32</b>	559.56
Addition during the year	<b>233.94</b>	3684.53
Adjustments during the year	<b>260.25</b>	70.77
Closing balance	<b>4147.01</b>	4173.32
Deferred income from foreign currency fluctuation (Net)	<b>5598.21</b>	3960.26
<b>TOTAL</b>	<b>10916.02</b>	<b>9457.03</b>

**Further Notes:**

- Grant in Aid of ₹74.68crore (Previous Year ₹667.78crore) was received from Power System Development Fund (PSDF) under Ministry of Power (MoP), Govt. of India (GoI) for installation of STATCOM in ER (ERSS-XI) and SR (System Strengthening in SR-XXI). In addition to Grant received, an interest of ₹4.44crore (Previous Year ₹1.24crore) credited to the Grant.
- Grant in Aid of ₹30.27crore (Previous Year ₹17.85crore) was received from Power System Development Fund (PSDF) under MoP, GoI for establishment of Unified Real Time Dynamic State Measurement (URTDSM). In addition to Grant received, an interest of ₹1.41crore (Previous Year ₹6.95crore) credited to the Grant.
- Grant in Aid, of ₹122.89crore (Previous Year ₹94.70crore) including interest has been recognised, from Ministry of New & Renewable Energy (MNRE), GoI for establishment of transmission system associated with Ultra Mega Solar Parks in Andhra Pradesh, Karnataka, Madhya Pradesh, Rajasthan and Gujarat.
- Grant in Aid of ₹0.25crore (Previous Year ₹7.01crore) has been recognised under achievement linked/incentive award scheme for Government Sector by Ministry of New & Renewable Energy (MNRE), GoI for establishing solar roof top plants in various buildings of the company.
- Grant in Aid of ₹Nil crore (Previous Year ₹2889.00crore) was received from Power System Development Fund (PSDF) under MoP, GoI towards Transmission system associated with 'North East-Northern/Western Interconnector-I Project' and 'Transmission system for development of pooling station in Northern Part of West Bengal and transfer of power from Bhutan to NR/WR (BNC-Agra HVDC)'.

**Note 35/Revenue from operations**

(₹ in crore)

Particulars	For the year ended 31 <sup>st</sup> March, 2020	For the year ended 31 <sup>st</sup> March, 2019
<b>Sales of services</b>		
<b>Transmission Business</b>		
Transmission Charges	<b>35435.46</b>	33485.68
Add: Revenue recognised out of Advance Against Depreciation	<b>152.65</b>	180.64
	<b>35588.11</b>	33666.32
<b>Other Operating Revenue</b>		
Interest on differential Provisional and Final Tariff	<b>676.04</b>	145.87
Income from lease lines	<b>7.12</b>	11.31
Recognised from deferred revenue - Grant in aid	<b>260.25</b>	70.77
	<b>943.41</b>	227.95
	<b>36531.52</b>	33894.27
<b>Telecom Business</b>	<b>698.21</b>	<b>663.25</b>
<b>Consultancy Project Management and Supervision</b>	<b>513.81</b>	<b>501.60</b>
<b>Total</b>	<b>37743.54</b>	<b>35059.12</b>

**Further Notes:**

- a) In exercise of powers u/s 178 of the Electricity Act 2003 Central Electricity Regulatory Commission (CERC) has notified "CERC (Terms and Conditions of Tariff) Regulations, 2019" vide order dated 7th March, 2019 for the determination of transmission tariff for the block period 2019-24.
- b) In respect of projects whose tariffs are determined by CERC, pending filing of petitions and issue of tariff orders by CERC, income on account of Transmission Charges for the current year has been provisionally recognized based on the transmission tariff norms applicable for the block period 2019-24. During the current year, beneficiaries are being billed in accordance with the tariff approved and applicable as on 31.03.2019 as provided in the CERC (terms and Conditions of tariff) Regulations, 2019. However, in the previous year, ₹27278.92crore was recognised as per final tariff orders issued by CERC for block period 2014-19 and ₹5387.40crore was recognised in respect of transmission assets for which final tariff orders were yet to be issued as per CERC Tariff Regulations and other orders in similar cases.
- c) Consequent to the final order issued by CERC (for the block period 2014-19), transmission income includes ₹173.30crore (increase) (Previous Year ₹285.42crore (increase)) pertaining to earlier years.
- d) Revenue from transmission decreased by ₹613.08crore for the year ended 31.03.2020 due to change in MAT rate from 18.5% to 15% considered for grossing up of Return on Equity (ROE) as per CERC Regulations in accordance with the amendment in section 115JB of the Income Tax Act, 1961 announced by Government of India through Taxation Laws (Amendment) ordinance, 2019.
- e) Refer note no. 68 for disclosure on formation of wholly owned subsidiary of the company to undertake Telecommunications and Digital Technology Business of the company.
- g) Refer note no. 47 for disclosure as per Ind AS 115 "Revenue from Contracts with Customer".

**Note 36/Other income**

(₹ in crore)

Particulars	For the year ended 31 <sup>st</sup> March, 2020	For the year ended 31 <sup>st</sup> March, 2019
<b>Interest income from financial assets at amortised cost</b>		
Indian Banks	154.33	84.22
Interest on Loan to Joint Ventures (JVs)	14.00	2.40
Others*	30.47	19.69
	<b>198.80</b>	106.31
<b>Interest from advances to contractors</b>	<b>27.56</b>	49.01
	<b>226.36</b>	155.32
<b>Dividend income from investment in</b>		
Equity investments designated at fair value through other comprehensive income	5.35	5.42
	<b>5.35</b>	5.42
<b>Others</b>		
Profit on sale of Property, Plant and Equipment	1.14	1.26
Finance Income from finance lease	85.13	69.66
Surcharge	308.76	203.08
FERV gain	0.31	0.16
Provisions written back	147.56	28.25
Fair Value gain on initial recognition of Financial liability/investment	75.76	58.26
Miscellaneous income **	149.91	187.72
	<b>768.57</b>	548.39
	<b>1000.28</b>	709.13
Less: Transferred to expenditure during construction(Net)-Note 43	72.86	106.93
<b>TOTAL</b>	<b>927.42</b>	<b>602.20</b>

**Further Notes:**

\* Others include interest on employee loans &amp; unwinding of finance cost on employee loans.

\*\* Miscellaneous income include Sale of Scrap, Insurance Claim Recovery, UI Charges etc.

**Note 37/ Employee benefits expense**

(₹ in crore)

Particulars	For the year ended 31 <sup>st</sup> March, 2020	For the year ended 31 <sup>st</sup> March, 2019
Salaries, wages, allowances & benefits	2019.95	1838.79
Contribution to provident and other funds	185.24	228.50
Staff Welfare expenses (Including Deferred Employee cost)	243.38	233.25
	<b>2448.57</b>	2300.54
Less: Transferred to Expenditure during Construction(Net)-Note 43	486.25	509.80
Transferred to CSR expenses- Note 40	2.57	7.17
<b>Total</b>	<b>1959.75</b>	<b>1783.57</b>

**Further Notes:**

- Refer note no. 58 for Remuneration to Key Managerial Personnel (KMPs).
- Pay revision of Executive and Non-executive implemented during the previous financial year and an amount of ₹18.67crore (Net of amount transferred to expenditure during construction) was written back against provision for wage revision.
- Special allowance was settled in previous year as per the rates approved by Ministry of Power and Department of Public Enterprises to employees who are posted in the difficult and far flung areas. An amount of ₹22.65crore was recovered from employees during the previous year being the excess amount paid in earlier period.
- Refer note no. 66 for details of Employee Benefit Obligations.

**Note 38/Finance costs**

(₹ in crore)

Particulars	For the year ended 31 <sup>st</sup> March, 2020	For the year ended 31 <sup>st</sup> March, 2019
<b>Interest and finance charges on financial liabilities at amortised cost</b>		
Indian Banks & Financial Institutions	<b>2353.74</b>	2094.61
Foreign Banks and Financial Institutions	<b>1047.19</b>	956.83
Secured/Unsecured redeemable Bonds	<b>6223.31</b>	6427.66
Foreign Currency Bonds	<b>150.49</b>	147.78
<b>Unwinding of discount on financial liabilities</b>	<b>102.13</b>	113.53
<b>Interest - Others</b>	<b>1.34</b>	34.53
<b>Interest on Lease Liability</b>	<b>0.50</b>	-
	<b>9878.70</b>	9774.94
<b>Other Finance charges</b>		
Commitment charges	<b>4.92</b>	7.08
Guarantee Fee	<b>363.69</b>	449.17
Others*	<b>38.04</b>	117.00
	<b>406.65</b>	573.25
<b>Exchange differences regarded as adjustment to Borrowing Cost</b>	<b>1343.96</b>	(112.00)
	<b>1750.61</b>	461.25
Total	<b>11629.31</b>	10236.19
Less: Transferred to Expenditure during Construction(Net)-Note 43	<b>2120.31</b>	1499.62
<b>Total</b>	<b>9509.00</b>	<b>8736.57</b>

**Further Notes:**

\*Others includes management fees, agency fees, trustee fees, front-end fees, interest on land compensation, tree &amp; crop compensation etc

**Note 39/Depreciation and amortization expense**

(₹ in crore)

Particulars	For the year ended 31 <sup>st</sup> March, 2020	For the year ended 31 <sup>st</sup> March, 2019
Depreciation of Property, Plant and Equipment	<b>11816.41</b>	10712.55
Amortization of Intangible assets	<b>124.70</b>	111.95
Depreciation on ROU Assets	<b>17.39</b>	-
	<b>11958.50</b>	10824.50
Less: Transferred to Expenditure During Construction(Net)-Note 43	<b>10.91</b>	10.76
	<b>11947.59</b>	10813.74
Less: Depreciation amortised due to FERV adjustment	<b>340.55</b>	272.79
<b>Charged to Statement of Profit &amp; Loss</b>	<b>11607.04</b>	<b>10540.95</b>



**Note 40/Other expenses**

(₹ in crore)

Particulars	For the year ended 31 <sup>st</sup> March, 2020	For the year ended 31 <sup>st</sup> March, 2019
<b>Repair &amp; Maintenance</b>		
Buildings	92.23	86.40
Plant & Machinery		
Sub-Stations	439.19	363.07
Transmission lines	154.81	304.03
Telecom equipments	38.85	35.96
Others	43.14	42.93
	<b>675.99</b>	745.99
System and Market Operation Charges	63.07	10.77
Power charges	286.17	259.39
Less: Recovery from contractors	3.14	3.03
	<b>283.03</b>	256.36
Expenses of Diesel Generating sets	4.54	4.95
Stores consumed	7.02	10.61
Water charges	4.01	9.77
Right of Way charges-Telecom	10.27	8.20
Patrolling Expenses-Telecom	0.39	1.38
Last Mile connectivity-Telecom	7.27	9.01
Training & Recruitment Expenses	35.85	31.67
Less:Fees for training and application	0.76	1.55
	<b>35.09</b>	30.12
Legal expenses	25.87	26.69
Professional charges	80.70	24.99
Consultancy expenses	100.16	84.67
Communication expenses	23.49	16.39
Inland Travelling Expenses	119.30	117.67
Foreign travel	8.94	11.09
	<b>128.24</b>	128.76
Tender expenses	3.25	13.42
Less: Sale of tenders	1.00	1.56
	<b>2.25</b>	11.86
<b>Payments to Statutory Auditors</b>		
Audit Fees	1.50	1.31
Tax Audit Fees	0.36	0.33
In Other Capacity	2.83	1.15
Arrears	0.04	0.03
Out of pocket Expenses	1.07	1.02
	<b>5.80</b>	3.84
Advertisement and publicity	17.49	14.00
Printing and stationery	6.93	7.25
Books Periodicals and Journals	1.30	1.77
EDP hire and other charges	11.88	17.85
Entertainment expenses	2.97	2.74
Brokerage & Commission	1.53	1.18
Research & Development expenses	9.54	12.67
Cost Audit and Physical verification Fees	1.23	1.35
Rent #	50.89	13.95

**Note 40/Other expenses (Contd.)**

(₹ in crore)

Particulars	For the year ended 31 <sup>st</sup> March, 2020	For the year ended 31 <sup>st</sup> March, 2019
CERC petition & Other charges	<b>85.84</b>	76.51
Miscellaneous expenses	<b>85.09</b>	100.59
Horticulture Expenses	<b>32.70</b>	28.90
Security Expenses	<b>284.36</b>	260.12
Hiring of Vehicle	<b>113.83</b>	156.29
Insurance	<b>96.78</b>	104.35
Rates and taxes	<b>46.30</b>	45.01
License Fees to DOT	<b>62.28</b>	59.11
Bandwidth charges dark fibre lease charges (Telecom)	<b>20.51</b>	27.71
Corporate Social Responsibility (CSR) Expenses*	<b>349.36</b>	196.28
Transit Accomodation Expenses	<b>29.06</b>	25.42
Less : Income from Transit Accomodation	<b>1.92</b>	1.67
	<b>27.14</b>	23.75
Foreign Exchange Rate Variation	<b>222.17</b>	226.02
<b>Provisions for</b>		
Doubtful loans, advances, debts, claims etc.	<b>6.34</b>	398.07
Obsolescence in Stores	-	8.51
Others**	-	4.00
	<b>6.34</b>	410.58
	<b>3085.88</b>	<b>3258.74</b>
Less: Transferred to Expenditure during Construction(Net)-Note 43	<b>260.67</b>	230.57
	<b>2825.21</b>	3028.17
Loss on Disposal/Write off of Property, Plant & Equipment	<b>18.34</b>	26.84
<b>Total</b>	<b>2843.55</b>	<b>3055.01</b>

**Further Note:**

\* Includes an amount of ₹ 2.57 crore (Previous Year ₹ 7.17 crore) transferred from Note No 37- 'Employee Benefits Expense'.

\*\* Provision for diminution in the value of Investment in JV Company (RINL POWERGRID TLT Private Limited) in the previous year.

# Refer Note 51 for Short term lease expenses.

**Note 41/Net Movement in Regulatory Deferral Account Balances-Incomes/(expenses) (net of tax)**

(₹ in crore)

Particulars	For the year ended 31 <sup>st</sup> March, 2020	For the year ended 31 <sup>st</sup> March, 2019
Deferred assets for deferred tax liability	<b>1297.69</b>	(3472.89)
Foreign Currency Fluctuation	<b>742.10</b>	232.27
Employee Benefits Expense	-	19.67
	<b>2039.79</b>	(3220.95)
Tax on net movement in regulatory deferral account balances	<b>356.39</b>	(694.08)
<b>TOTAL</b>	<b>1683.40</b>	<b>(2526.87)</b>

**Further Note:**

Refer to note no 53 for detailed disclosure on Regulatory Deferral Account Balances.

**Note 42/Other Comprehensive Income**

(₹ in crore)

Particulars	For the year ended 31 <sup>st</sup> March, 2020	For the year ended 31 <sup>st</sup> March, 2019
Items that will not be reclassified to Profit or Loss		
Gain/(Loss) on valuation of Investment in Equity	(49.35)	(14.15)
Provisions for actuarial valuation	(74.47)	(0.26)
	(123.82)	(14.41)
Less: Transferred to Expenditure during Construction(Net)-Note 43	(8.23)	2.34
	(115.59)	(16.75)
Income Tax relating to items that will not be reclassified to Profit or Loss	(11.57)	(0.45)
<b>Items that will not be reclassified to Profit or Loss (net of tax)</b>	<b>(104.02)</b>	<b>(16.30)</b>

**Note 43/ Expenditure during Construction (Net)**

(₹ in crore)

Particulars	For the year ended 31 <sup>st</sup> March, 2020	For the year ended 31 <sup>st</sup> March, 2019
<b>A. Employees Remuneration &amp; Benefits</b>		
Salaries wages allowances and benefits	421.35	424.68
Contribution to provident and other funds	39.18	53.81
Welfare expenses	25.72	31.31
<b>Total (A)</b>	<b>486.25</b>	<b>509.80</b>
<b>B. Other Expenses</b>		
Repair and maintenance	7.13	7.45
Power charges	5.72	5.12
Less: Recovery from contractors	1.89	1.87
	3.83	3.25
Expenses on Diesel Generating sets	0.01	0.29
Water charges	0.65	0.34
Training & Recruitment Expenses	-	0.11
Legal expenses	8.73	5.89
Professional charges	83.71	3.79
Consultancy expenses	75.79	114.98
Communication expenses	3.32	2.65
Travelling & Conv.exp. (Including Foreign Travel)	26.14	28.55
Tender expenses	1.63	6.31
Less: Sale of tenders	0.94	1.44
	0.69	4.87
Payment to Auditors	0.19	0.17
Advertisement and Publicity	0.05	0.20
Printing and stationery	0.57	0.75
Books, Periodicals and Journals	0.03	0.04

**Note 43/ Expenditure during Construction (Net) (Contd.)**

(₹ in crore)

<b>Particulars</b>	<b>For the year ended 31<sup>st</sup> March, 2020</b>	<b>For the year ended 31<sup>st</sup> March, 2019</b>
EDP hire and other charges	0.19	0.19
Entertainment expenses	0.24	0.35
Brokerage and commission	0.10	0.01
Rent	2.49	2.68
Miscellaneous expenses	11.88	7.30
Horticulture Expenses	0.72	0.90
Security Expenses	13.10	16.67
Hiring of Vehicles	15.82	23.92
Insurance	-	0.01
Rates and taxes	4.12	3.83
Bandwidth charges, dark fibre lease charges(Telecom)	0.06	0.08
Transit Accomodation Expenses	1.23	1.30
Less : Income from Transit Accomodation	0.12	-
	<b>1.11</b>	<b>1.30</b>
<b>Total (B)</b>	<b>260.67</b>	<b>230.57</b>
<b>C. Depreciation/Amortisation</b>	<b>10.91</b>	<b>10.76</b>
<b>Total (C)</b>	<b>10.91</b>	<b>10.76</b>
<b>D. Finance Costs</b>		
a) Interest and finance charges on financial liabilities at amortised cost		
Government of India		
Indian Banks and Financial Institutions	341.47	405.33
Foreign Banks and Financial Institutions	299.10	256.27
Secured/Unsecured Redeemable Bonds	351.82	744.89
Foreign Currency Bonds	-	2.70
Others	250.81	55.32
	<b>1243.20</b>	<b>1464.51</b>
b) Other finance charges		
Commitment charges	3.81	5.62
Guarantee fee	76.25	108.34
Others	1.94	46.04
	<b>82.00</b>	<b>160.00</b>
c) FERV adjustment to borrowing cost	795.11	(124.89)
<b>Total (D)</b>	<b>2120.31</b>	<b>1499.62</b>
<b>E. Less: Other Income</b>		
Interest from		
Contractors	24.70	48.04
Others	-	1.35
	<b>24.70</b>	<b>49.39</b>
Miscellaneous income	48.16	57.54
<b>Total (E)</b>	<b>72.86</b>	<b>106.93</b>
<b>F. Less: Other Comprehensive Income</b>		
Other Comprehensive Income	(8.23)	2.34
<b>Total (F)</b>	<b>(8.23)</b>	<b>2.34</b>
<b>GRAND TOTAL (A+B+C+D-E-F)</b>	<b>2813.51</b>	<b>2141.48</b>

## 44. Interest in Other Entities

### 1. Subsidiaries:

The Group's subsidiaries at 31.03.2020 are set out below. Unless otherwise stated, they have share capital consists solely of equity share that are held directly by the Group, and the proportion of ownership interest held equals the voting rights held by the Group:

Name of entity	Place of business/country of incorporation	Proportion (%) of Shareholding as on		Principle activities
		As at 31.03.2020	As at 31.03.2019	
Powergrid Vizag Transmission Limited	India	100%	100%	Transmission
Powergrid NM Transmission Limited	India	100%	100%	Transmission
Powergrid Unchahar Transmission Limited	India	100%	100%	Transmission
Powergrid Kala Amb Transmission Limited	India	100%	100%	Transmission
Powergrid Jabalpur Transmission Limited	India	100%	100%	Transmission
Powergrid Warora Transmission Limited	India	100%	100%	Transmission
Powergrid Parli Transmission Limited	India	100%	100%	Transmission
Powergrid Southern Interconnector Transmission System Limited	India	100%	100%	Transmission
Powergrid Vemagiri Transmission Limited*	India	100%	100%	Transmission
Powergrid Medinipur Jeerat Transmission Limited	India	100%	100%	Transmission
Powergrid Mithilanchal Transmission Limited (erstwhile ERSS XXI Transmission Limited)	India	100%	100%	Transmission
Powergrid Varanasi Transmission System Limited (erstwhile WR-NR Power Transmission Limited )	India	100%	100%	Transmission
Powergrid Jawaharpur Firozabad Transmission Limited (erstwhile Jawaharpur Firozabad Transmission Limited)	India	100%	100%	Transmission
Powergrid Khetri Transmission System Limited (Erstwhile Khetri Transco Limited) <sup>1</sup>	India	100%	Not Applicable	Transmission
Powergrid Bhuj Transmission Limited (Erstwhile Bhuj-II Transmission Limited) <sup>2</sup>	India	100%	Not Applicable	Transmission
Powergrid Bhind Guna Transmission Limited (Erstwhile Bhind Guna Transmission Limited) <sup>3</sup>	India	100%	Not Applicable	Transmission
Powergrid Ajmer Phagi Transmission Limited (Erstwhile Ajmer Phagi Transco Limited) <sup>4</sup>	India	100%	Not Applicable	Transmission
Powergrid Fatehgarh Transmission Limited (Erstwhile Fatehgarh-II Transco Limited) <sup>5</sup>	India	100%	Not Applicable	Transmission
Powergrid Rampur Sambhal Transmission Limited (Erstwhile Rampur Sambhal Transco Limited) <sup>6</sup>	India	100%	Not Applicable	Transmission
Powergrid Meerut Simbhavali Transmission Limited (Erstwhile Meerut-Simbhavali Transmission Limited) <sup>7</sup>	India	100%	Not Applicable	Transmission

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

<sup>1</sup> 100% equity acquired from REC Transmission Projects Limited on 29th August, 2019.

<sup>2</sup> 100% equity acquired from PFC Consulting Limited on 16th October, 2019.

<sup>3</sup> 100% equity acquired from REC Transmission Projects Limited on 11th September, 2019.

<sup>4</sup> 100% equity acquired from REC Transmission Projects Limited on 03rd October, 2019.

<sup>5</sup> 100% equity acquired from PFC Consulting Limited on 14th October, 2019.

<sup>6</sup> 100% equity acquired from REC Transmission Projects Limited on 12th December, 2019.

<sup>7</sup> 100% equity acquired from PFC Consulting Limited on 19th December, 2019.

**44. Interest in Other Entities (Contd.)**

- a) All Subsidiary companies are unlisted entities.
- b) Financial statements used for consolidation are audited.
- c) The group has made further Investment of ₹14.40crore (Previous Year ₹52.00crore) in Powergrid NM Transmission Limited which is wholly owned subsidiary company of the group.
- d) The group has made further Investment of ₹ Nil crore (Previous Year ₹5.00crore) in Powergrid Kala Amb Transmission Limited which is wholly owned subsidiary company of the group.
- e) The group has made further Investment of ₹44.00crore (Previous Year ₹173.00crore) in Powergrid Jabalpur Transmission Limited which is wholly owned subsidiary company of the group.
- f) The group has made further Investment of ₹67.00crore (Previous Year ₹150.00crore) in Powergrid Warora Transmission Limited which is wholly owned subsidiary company of the group.
- g) The group has made further Investment of ₹91.00crore (Previous Year ₹228.40crore) in Powergrid Parli Transmission Limited which is wholly owned subsidiary company of the group.
- h) The group has made further Investment of ₹193.50crore (Previous Year ₹515.45crore) in Powergrid Southern Interconnector Transmission System Limited which is wholly owned subsidiary company of the group.
- i) The group has made further Investment of ₹289.32crore (Previous Year ₹ Nil crore) in Powergrid Medinipur Jeerat Transmission Limited which is wholly owned subsidiary company of the group.
- j) The group has made further Investment of ₹119.95crore (Previous Year ₹ Nil crore) in Powergrid Mithilanchal Transmission Limited which is wholly owned subsidiary company of the group.
- k) The group has made further Investment of ₹125.00crore (Previous Year ₹ Nil crore) in Powergrid Varanasi Transmission System Limited which is wholly owned subsidiary company of the group.
- l) The group has made further Investment of ₹ Nil crore (Previous Year ₹0.05crore) in Powergrid Jawaharpur Firozabad Transmission Limited which is wholly owned subsidiary company of the group.
- m) During the year group has made investment of ₹0.05crore in Powergrid Khetri Transmission System Limited (Erstwhile Khetri Transco Limited) which is wholly owned subsidiary company of the group. The Company was taken over from REC Transmission Projects Limited vide share purchase agreement dated 29th August, 2019 to carry over the business awarded under tariff based competitive bidding, after transfer Powergrid Khetri Transmission System Limited become wholly owned subsidiary of the Group.
- n) During the year group has made investment of ₹0.01crore in Powergrid Bhuj Transmission Limited (Erstwhile Bhuj-II Transmission Limited) which is wholly owned subsidiary company of the group. The Company was taken over from PFC Consulting Limited vide share purchase agreement dated 16th October, 2019 to carry over the business awarded under tariff based competitive bidding, after transfer Powergrid Bhuj Transmission Limited become wholly owned subsidiary of the Group.
- o) During the year group has made investment of ₹0.05crore in Powergrid Bhind Guna Transmission Limited (Erstwhile Bhind Guna Transmission Limited) which is wholly owned subsidiary company of the group. The Company was taken over from REC Transmission Projects Limited vide share purchase agreement dated 11th September, 2019 to carry over the business awarded under tariff based competitive bidding, after transfer Powergrid Bhind Guna Transmission Limited become wholly owned subsidiary of the Group.
- p) During the year group has made investment of ₹0.05crore in Powergrid Ajmer Phagi Transmission Limited (Erstwhile Ajmer Phagi Transco Limited) which is wholly owned subsidiary company of the group. The Company was taken over from REC Transmission Projects Limited vide share purchase agreement dated 03rd October, 2019 to carry over the business awarded under tariff based competitive bidding, after transfer Powergrid Ajmer Phagi Transmission Limited become wholly owned subsidiary of the Group.
- q) During the year group has made investment of ₹0.01crore in Powergrid Fatehgarh Transmission Limited (Erstwhile Fatehgarh-II Transco Limited) which is wholly owned subsidiary company of the group. The Company was taken over from PFC Consulting Limited vide share purchase agreement dated 14th October, 2019 to carry over the business awarded under tariff based competitive bidding, after transfer Powergrid Fatehgarh Transmission Limited become wholly owned subsidiary of the Group.
- r) During the year group has made investment of ₹0.05crore in Powergrid Rampur Sambhal Transmission Limited (Erstwhile Rampur Sambhal Transco Limited) which is wholly owned subsidiary company of the group. The Company was taken over from REC Transmission Projects Limited vide share purchase agreement dated 12th December, 2019 to carry over the business awarded under tariff based competitive bidding, after transfer Powergrid Rampur Sambhal Transmission Limited become wholly owned subsidiary of the Group.
- s) During the year group has made investment of ₹0.01crore in Powergrid Meerut Simbhavali Transmission Limited (Erstwhile Meerut-Simbhavali Transmission Limited) which is wholly owned subsidiary company of the group. The Company was taken over from PFC Consulting Limited vide share purchase agreement dated 19th December, 2019 to carry over the business awarded under tariff based competitive bidding, after transfer Powergrid Meerut Simbhavali Transmission Limited become wholly owned subsidiary of the Group.

#### 44. Interest in Other Entities (Contd.)

##### 2. Joint Ventures

Set out below are joint ventures of the Group as at 31.03.2020, which in the opinion of the management, are material to the Group. The entities listed below have share capital consisting solely of equity shares, which are held directly by ownership interest in the same as the proportion of voting rights held:

(₹ in crore)

Name of the Entity	Place of business	Proportion (%) of Shareholding		Carrying amount		Nature of Activity
		As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019	
Powerlinks Transmission Limited	India	49%	49%	465.45	447.58	Transmission system associated with Tala HEP in Bhutan – under successful operation since Aug' 06
Torrent Power Grid Limited	India	26%	26%	33.86	35.56	Transmission System associated with 1100 MW Sugan generating project at Surat - progressively commissioned in Mar'11
Jaypee Powergrid Limited	India	26%	26%	112.46	105.45	Transmission system associated with 1000 MW Power Project at Karcham-Wangtoo in HP - progressively commissioned in Apr'12
Parbati Koldam Transmission Company Limited	India	26%	26%	105.39	95.30	Transmission Lines associated with Parbati-II (800 MW) and Koldam (800 MW) HEPs. - Progressively commissioned in Nov'15
Teestavalley Power Transmission Limited#	India	30.92%	28.23%	128.67	101.47	Transmission System associated with 1200 MW Teesta – III HEP in Sikkim
North East Transmission Company Limited	India	26%	26%	121.10	125.71	Transmission system associated with 726.6 MW Gas Based Combined Cycle Power Project at Pallatana in Tripura. - Progressively commissioned in Feb'15
National High Power Test Laboratory Private Limited	India	20%	20%	21.96	26.08	To create high power short circuit test facility
Bihar Grid Company Limited	India	50%	50%	303.59	195.94	Establishment of Intra-State Transmission system in the State of Bihar
Kalinga Bidyut Prasaran Nigam Private Limited##	India	50%	50%	-	-	Establishment of Intra-State Transmission system in the State of Odisha
Cross Border Power Transmission Company Limited	India	26%	26%	28.57	23.03	Establishment of Indian Portion of Indo-Nepal Cross Boarder Transmission Line from Muzaffarpur to Sursand
RINL Powergrid TLT Private Limited###	India	50%	50%	-	3.97	Establishment of manufacturing of Transmission Line Tower parts plant
Power Transmission Company Nepal Limited	Nepal	26%	26%	11.13	10.46	Establishment of Nepal Portion of Indo-Nepal Cross Boarder Transmission Line from Dhalkebar to Bittamod

# POWERGRID & Teesta Urja Ltd are the Joint venture partners in Teestavalley Power Transmission Limited & holds 26% & 74 % equity, respectively as per Shareholding agreement. On call of additional equity by Teestavalley Power Transmission limited, POWERGRID contributed their share amounting ₹ 14.56 crore (previous year ₹ 11.28 crore) while the other JV partner has not yet contributed their share of money as on 31.03.2020. Consequently, the holding of POWERGRID increased to 30.92% (previous year 28.23%) as on 31.03.2020 against 26% provided in shareholding agreement.

## Shareholders of M/s Kalinga Bidyut Prasaran Nigam Pvt Ltd (KBPNL), JV between M/s POWERGRID & M/s OPTCL in their Extra Ordinary General Meeting held on 02.01.2020 approved the striking off of the name of the company pursuant to section 248 (2) of the Companies Act, 2013. Accordingly, e-form STK-2 vide SRN NO- R30789564 has been filed in Registrar of Companies (ROC), Odisha on Dated 21.01.2020 for removal of name of the Company. The present status of striking off of the Company (M/s KBPNL) as per MCA website is "Under Process of Striking Off".



**44. Interest in Other Entities (Contd.)**

### POWERGRID's Board of Directors in its meeting held on 1st May 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 01st March, 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 05th November, 2019 has advised to put up the closure proposal again to Ministry of steel for onward submission to NITI Ayog. The Approval from Government is awaited.

- All joint venture companies are unlisted entities.
- Financial statements used for consolidation are unaudited except for Powerlinks Transmission Limited, Torrent Power Grid Limited, Jaypee Powergrid Limited and North East Transmission Company Limited.
- The group has made further Investment of ₹14.56crore (Previous Year ₹11.28crore) in Teestavalley Power Transmission Limited, a joint venture company in which 30.92% share is held by the Group and balance 69.08% share is held by Teesta Urja Limited.
- The group has made further Investment of ₹85.61crore (Previous Year ₹15.45crore) in Bihar Grid Company Limited, a joint venture company in which 50% share is held by the Group and balance 50% share is held by Bihar State Power Holding Company.
- The group has made further Investment of ₹ Nil crore (Previous Year ₹0.60crore) in RINL Powergrid TLT Private Limited, a joint venture company in which 50% share is held by the Group and balance 50% share is held by Rashtriya Ispat Nigam Limited.

**Commitments and contingent liabilities in respect of joint venture:**

(₹ in crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Share of Group</b>		
Commitment	<b>390.29</b>	395.33
Contingent Liabilities	<b>51.32</b>	69.70
<b>Total commitments and contingent liabilities</b>	<b>441.61</b>	<b>465.03</b>

**Summarised financial information for joint ventures**

Table below provide summarised financial information for these joint ventures that are material to the Group. The information disclosed reflects the amounts presented in the financial statements of the relevant joint venture.

**Summarised Balance Sheet**

(₹ in crore)

Particulars	Powerlinks Transmission Limited		Torrent Power Grid Limited		Jaypee Powergrid Limited		Parbati Koldam Transmission Company Limited	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019
<b>Current Assets</b>								
Cash & Cash Equivalent	<b>0.11</b>	0.02	<b>0.46</b>	1.13	<b>7.59</b>	24.86	<b>95.58</b>	14.10
Other Assets	<b>189.51</b>	120.35	<b>45.55</b>	48.13	<b>67.54</b>	80.95	<b>123.64</b>	105.96
<b>Total Current Assets</b>	<b>189.62</b>	120.37	<b>46.01</b>	49.26	<b>75.13</b>	105.81	<b>219.22</b>	120.06
<b>Total Non-Current Assets</b>	<b>883.62</b>	858.14	<b>156.33</b>	172.43	<b>615.92</b>	717.55	<b>719.36</b>	770.41
<b>Current Liabilities</b>								
Financial Liabilities	<b>100.55</b>	12.21	<b>30.39</b>	25.26	<b>88.12</b>	63.71	<b>131.57</b>	73.49
Other Liabilities	<b>11.89</b>	50.54	<b>6.37</b>	5.79	<b>10.30</b>	72.91	<b>2.70</b>	2.28
<b>Total Current Liabilities</b>	<b>112.44</b>	62.75	<b>36.76</b>	31.05	<b>98.42</b>	136.62	<b>134.27</b>	75.77
<b>Non- Current Liabilities</b>								
Financial Liabilities	<b>8.90</b>	-	<b>25.67</b>	40.94	<b>159.98</b>	239.58	<b>398.39</b>	446.84
Other Liabilities	<b>2.00</b>	2.36	<b>9.68</b>	12.98	<b>0.11</b>	41.60	<b>0.57</b>	1.32
<b>Total Non-Current Liabilities</b>	<b>10.90</b>	2.36	<b>35.35</b>	53.92	<b>160.09</b>	281.18	<b>398.96</b>	448.16
<b>Net Assets</b>	<b>949.90</b>	913.40	<b>130.23</b>	136.72	<b>432.54</b>	405.56	<b>405.35</b>	366.54

#### 44. Interest in Other Entities (Contd.)

(₹ in crore)

Particulars	Teestavalley Power Transmission Limited		North East Transmission Company Limited		National High Power Test Laboratory Private Limited		Bihar Grid Company Limited	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019
<b>Current Assets</b>								
Cash & Cash Equivalent	1.98	10.62	0.40	84.34	2.48	12.77	164.20	14.95
Other Assets	102.44	76.65	226.51	175.45	10.42	4.90	217.80	190.99
<b>Total Current Assets</b>	<b>104.42</b>	<b>87.27</b>	<b>226.91</b>	<b>259.79</b>	<b>12.90</b>	<b>17.67</b>	<b>382.00</b>	<b>205.94</b>
<b>Total Non-Current Assets</b>	<b>1562.56</b>	<b>1616.48</b>	<b>1561.00</b>	<b>1607.62</b>	<b>337.29</b>	<b>336.35</b>	<b>2452.37</b>	<b>1808.81</b>
<b>Current Liabilities</b>								
Financial Liabilities	224.50	281.04	139.95	146.32	62.55	60.09	142.34	109.76
Other Liabilities	39.01	39.30	81.05	34.21	0.80	0.56	129.58	114.27
<b>Total Current Liabilities</b>	<b>263.51</b>	<b>320.34</b>	<b>221.00</b>	<b>180.53</b>	<b>63.35</b>	<b>60.65</b>	<b>271.92</b>	<b>224.03</b>
<b>Non- Current Liabilities</b>								
Financial Liabilities	986.41	1023.09	1048.74	1,187.81	176.77	162.81	1823.27	1270.81
Other Liabilities	0.92	0.89	52.39	15.56	0.25	0.18	132.01	128.06
<b>Total Non-Current Liabilities</b>	<b>987.33</b>	<b>1023.98</b>	<b>1101.13</b>	<b>1203.37</b>	<b>177.02</b>	<b>162.99</b>	<b>1955.28</b>	<b>1398.87</b>
<b>Net Assets</b>	<b>416.14</b>	<b>359.43</b>	<b>465.78</b>	<b>483.51</b>	<b>109.82</b>	<b>130.38</b>	<b>607.17</b>	<b>391.85</b>

(₹ in crore)

Particulars	Kalinga Bidyut Prasaran Nigam Private Limited		Cross Border Power Transmission Company Limited		RINL Powergrid TLT Private Limited		Power Transmission Company Nepal Limited	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019
<b>Current Assets</b>								
Cash & Cash Equivalent	-	-	18.89	19.35	0.19	0.20	0.67	1.35
Other Assets	-	-	61.43	59.43	-	-	41.05	31.18
<b>Total Current Assets</b>	<b>-</b>	<b>-</b>	<b>80.32</b>	<b>78.78</b>	<b>0.19</b>	<b>0.20</b>	<b>41.72</b>	<b>32.53</b>
<b>Total Non-Current Assets</b>	<b>-</b>	<b>-</b>	<b>186.89</b>	<b>190.20</b>	<b>-</b>	<b>8.29</b>	<b>79.73</b>	<b>79.87</b>
<b>Current Liabilities</b>								
Financial Liabilities	-	-	15.85	16.08	0.56	0.55	4.18	2.14
Other Liabilities	-	-	2.42	12.80	-	-	3.41	0.99
<b>Total Current Liabilities</b>	<b>-</b>	<b>-</b>	<b>18.27</b>	<b>28.88</b>	<b>0.56</b>	<b>0.55</b>	<b>7.59</b>	<b>3.13</b>
<b>Non- Current Liabilities</b>								
Financial Liabilities	-	-	134.35	147.15	-	-	71.06	69.07
Other Liabilities	-	-	4.70	4.38	-	-	-	-
<b>Total Non-Current Liabilities</b>	<b>-</b>	<b>-</b>	<b>139.05</b>	<b>151.53</b>	<b>-</b>	<b>-</b>	<b>71.06</b>	<b>69.07</b>
<b>Net Assets</b>	<b>-</b>	<b>-</b>	<b>109.89</b>	<b>88.57</b>	<b>(0.37)</b>	<b>7.94</b>	<b>42.80</b>	<b>40.20</b>

**44. Interest in Other Entities (Contd.)****Reconciliation to carrying amounts**

(₹ in crore)

Particulars	Powerlinks Transmission Limited		Torrent Power Grid Limited		Jaypee Powergrid Limited		Parbati Koldam Transmission Company Limited	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Opening net assets	<b>913.40</b>	862.97	<b>136.72</b>	130.76	<b>405.56</b>	398.60	<b>366.54</b>	370.46
Investment by JV Partners	-	-	-	-	-	-	-	-
Profit for the year	<b>121.14</b>	112.57	<b>18.48</b>	19.14	<b>57.28</b>	63.02	<b>84.73</b>	48.66
Other Comprehensive income	<b>(0.01)</b>	(0.09)	<b>(0.02)</b>	(0.03)	<b>(0.01)</b>	-	<b>0.13</b>	0.06
Dividend Paid	<b>84.63</b>	62.05	<b>24.95</b>	10.85	<b>19.89</b>	56.06	<b>46.05</b>	52.62
Other Adjustments	-	-	-	(2.30)	<b>(10.40)</b>	-	-	(0.02)
<b>Closing net assets</b>	<b>949.90</b>	913.40	<b>130.23</b>	136.72	<b>432.54</b>	405.56	<b>405.35</b>	366.54
Group's share in %	<b>49%</b>	49%	<b>26%</b>	26%	<b>26%</b>	26%	<b>26%</b>	26%
Group's share in INR	<b>465.45</b>	447.58	<b>33.86</b>	35.56	<b>112.46</b>	105.45	<b>105.39</b>	95.30
Carrying Amount	<b>465.45</b>	447.58	<b>33.86</b>	35.56	<b>112.46</b>	105.45	<b>105.39</b>	95.30

(₹ in crore)

Particulars	Teestavalley Power Transmission Limited		North East Transmission Company Limited		National High Power Test Laboratory Private Limited		Bihar Grid Company Limited	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Opening net assets	<b>359.43</b>	360.84	<b>483.51</b>	442.70	<b>130.38</b>	139.15	<b>391.85</b>	336.32
Investment by JV Partners	<b>14.56</b>	11.28	-	-	-	-	<b>171.21</b>	30.90
Profit for the year	<b>43.38</b>	(1.19)	<b>59.10</b>	65.56	<b>(21.86)</b>	(8.72)	<b>43.91</b>	24.63
Other Comprehensive income	<b>0.05</b>	(0.01)	<b>(0.02)</b>	0.04	<b>(0.05)</b>	(0.05)	-	-
Dividend Paid	-	-	<b>59.51</b>	24.80	-	-	-	-
Other Adjustments	<b>(1.28)</b>	(11.49)	<b>(17.30)</b>	0.01	<b>1.35</b>	-	<b>0.20</b>	-
<b>Closing net assets</b>	<b>416.14</b>	359.43	<b>465.78</b>	483.51	<b>109.82</b>	130.38	<b>607.17</b>	391.85
Group's share in %	<b>30.92%</b>	28.23%	<b>26%</b>	26%	<b>20%</b>	20%	<b>50%</b>	50%
Group's share in INR	<b>128.67</b>	101.47	<b>121.10</b>	125.71	<b>21.96</b>	26.08	<b>303.59</b>	195.94
Carrying Amount	<b>128.67</b>	101.47	<b>121.10</b>	125.71	<b>21.96</b>	26.08	<b>303.59</b>	195.94

(₹ in crore)

Particulars	Kalinga Bidyut Prasaran Nigam Private Limited		Cross Border Power Transmission Company Limited		RINL Powergrid TLT Private Limited		Power Transmission Company Nepal Limited	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Opening net assets	-	0.01	<b>88.57</b>	79.12	<b>7.94</b>	7.37	<b>40.20</b>	36.53
Investment by JV Partners	-	-	-	-	-	0.60	-	-
Profit for the year	-	-	<b>21.39</b>	15.30	<b>(8.31)</b>	(0.03)	<b>7.65</b>	8.56
Other Comprehensive income	-	-	-	-	-	-	-	-
Dividend Paid	-	-	-	5.85	-	-	<b>5.06</b>	5.06
Other Adjustments	-	(0.01)	<b>(0.07)</b>	-	-	-	<b>0.01</b>	0.17
<b>Closing net assets</b>	-	-	<b>109.89</b>	<b>88.57</b>	<b>(0.37)</b>	<b>7.94</b>	<b>42.80</b>	<b>40.20</b>
Group's share in %	<b>50%</b>	50%	<b>26%</b>	26%	<b>50%</b>	50%	<b>26%</b>	26%
Group's share in INR	-	-	<b>28.57</b>	23.03	-	3.97	<b>11.13</b>	10.46
Carrying Amount	-	-	28.57	23.03	-	3.97	11.13	10.46

#### 44. Interest in Other Entities (Contd.)

##### Summarised Statement of Profit and Loss

(₹ in crore)

Particulars	Powerlinks Transmission Limited		Torrent Power Grid Limited		Jaypee Powergrid Limited		Parbati Koldam Transmission Company Limited	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Revenue From Operations	92.25	146.14	43.66	46.52	159.79	159.22	189.41	161.14
Other Income	7.02	9.43	2.24	2.91	3.71	5.63	19.62	5.74
<b>Total Income</b>	<b>99.27</b>	<b>155.57</b>	<b>45.90</b>	<b>49.43</b>	<b>163.50</b>	<b>164.85</b>	<b>209.03</b>	<b>166.88</b>
Employee benefits expense	6.91	7.98	2.05	1.64	3.59	3.54	3.43	4.22
Finance costs	0.75	9.73	4.81	6.37	33.88	38.05	47.46	47.61
Depreciation and amortization expense	0.68	-	16.45	16.44	53.54	52.80	49.24	49.22
Other expenses	7.91	9.68	3.74	5.15	5.58	6.14	5.46	4.00
<b>Total Expenses</b>	<b>16.25</b>	<b>27.39</b>	<b>27.05</b>	<b>29.60</b>	<b>96.59</b>	<b>100.53</b>	<b>105.59</b>	<b>105.05</b>
Tax Expenses	(38.12)	15.61	0.37	0.69	9.63	1.30	18.71	13.17
<b>Profit for the year</b>	<b>121.14</b>	<b>112.57</b>	<b>18.48</b>	<b>19.14</b>	<b>57.28</b>	<b>63.02</b>	<b>84.73</b>	<b>48.66</b>
Other Comprehensive income	(0.01)	(0.09)	(0.02)	(0.03)	(0.01)	-	0.13	0.06
<b>Total Comprehensive income</b>	<b>121.13</b>	<b>112.48</b>	<b>18.46</b>	<b>19.11</b>	<b>57.27</b>	<b>63.02</b>	<b>84.86</b>	<b>48.72</b>
Dividend Received	34.40	25.22	5.38	2.34	4.29	12.09	9.93	11.35

(₹ in crore)

Particulars	Teestavalley Power Transmission Limited		North East Transmission Company Limited		National High Power Test Laboratory Private Limited		Bihar Grid Company Limited	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Revenue From Operations	268.69	85.33	314.15	329.80	11.37	26.03	212.36	275.59
Other Income	9.64	0.29	11.67	11.27	0.16	0.41	15.54	15.08
<b>Total Income</b>	<b>278.33</b>	<b>85.62</b>	<b>325.82</b>	<b>341.07</b>	<b>11.53</b>	<b>26.44</b>	<b>227.90</b>	<b>290.67</b>
Employee benefits expense	7.04	1.43	4.59	3.38	1.75	2.36	4.31	8.68
Finance costs	150.55	50.39	113.26	124.87	16.67	15.83	66.47	95.76
Depreciation and amortization expense	87.60	28.25	117.53	113.24	7.64	8.37	86.83	64.29
Other expenses	9.78	5.82	14.92	16.53	7.33	8.60	12.53	9.83
<b>Total Expenses</b>	<b>254.97</b>	<b>85.89</b>	<b>250.30</b>	<b>258.02</b>	<b>33.39</b>	<b>35.16</b>	<b>170.14</b>	<b>178.56</b>
Tax Expenses	(20.02)	0.92	16.42	17.49	-	-	13.85	87.48
<b>Profit for the year</b>	<b>43.38</b>	<b>(1.19)</b>	<b>59.10</b>	<b>65.56</b>	<b>(21.86)</b>	<b>(8.72)</b>	<b>43.91</b>	<b>24.63</b>
Other Comprehensive income	0.05	(0.01)	(0.02)	0.04	(0.05)	(0.05)	-	-
<b>Total Comprehensive income</b>	<b>43.43</b>	<b>(1.20)</b>	<b>59.08</b>	<b>65.60</b>	<b>(21.91)</b>	<b>(8.77)</b>	<b>43.91</b>	<b>24.63</b>
Dividend Received	-	-	12.83	5.35	-	-	-	-

**44. Interest in Other Entities (Contd.)**

(₹ in crore)

Particulars	Kalinga Bidyut Prasaran Nigam Private Limited		Cross Border Power Transmission Company Limited		RINL Powergrid TLT Private Limited		Power Transmission Company Nepal Limited	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Revenue From Operations	-	-	<b>6.51</b>	6.62	-	-	<b>16.46</b>	16.52
Other Income	-	-	<b>34.23</b>	29.68	-	-	<b>3.06</b>	2.22
<b>Total Income</b>	-	-	<b>40.74</b>	36.30	-	-	<b>19.52</b>	18.74
Employee benefits expense	-	-	<b>1.14</b>	1.44	-	-	<b>0.75</b>	0.63
Finance costs	-	-	<b>14.89</b>	16.08	-	-	<b>3.90</b>	3.65
Depreciation and amortization expense	-	-	<b>0.02</b>	0.02	-	-	<b>5.20</b>	4.56
Other expenses	-	-	<b>3.30</b>	3.46	<b>8.31</b>	0.03	<b>1.49</b>	1.25
<b>Total Expenses</b>	-	-	<b>19.35</b>	21.00	<b>8.31</b>	0.03	<b>11.34</b>	10.09
Tax Expenses	-	-	-	-	-	-	<b>0.53</b>	0.09
<b>Profit for the year</b>	-	-	<b>21.39</b>	15.30	<b>(8.31)</b>	(0.03)	<b>7.65</b>	8.56
Other Comprehensive income	-	-	-	-	-	-	-	-
<b>Total Comprehensive income</b>	-	-	<b>21.39</b>	15.30	<b>(8.31)</b>	(0.03)	<b>7.65</b>	8.56
Dividend Received	-	-	<b>1.26</b>	-	-	-	<b>1.32</b>	1.32

**45.** Cash equivalent of deemed export benefits availed of ₹209.99crore in respect of supplies effected for East South Inter Connector-II Transmission Project (ESI) and Sasaram Transmission Project (STP), were paid to the Customs and Central Excise Authorities in accordance with direction from Ministry of Power (GOI) during 2002-03 due to non-availability of World Bank loan for the entire supplies in respect of ESI project and for the supplies prior to March 2000 in respect of STP project and the same was capitalised in the books of accounts. Thereafter, World Bank had financed both the ESI project and STP project as originally envisaged and they became eligible for deemed export benefits. Consequently, the group has lodged claims with the Customs and Excise Authorities.

In this regard the Cumulative amount received and de-capitalized upto 31st March, 2020 is ₹12.12crore (Previous Year ₹12.12crore). The group continued to show the balance of ₹197.87crore (Previous Year ₹197.87crore) in the capital cost of the respective assets / projects pending receipt of the same from Customs and Excise Authorities.

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

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

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

a) For milestone based contracts (consultancy contracts), unsatisfied performance obligations are as follows:

(₹ in crore)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Transaction price related to unsatisfied (or partially satisfied) performance obligation	<b>2611.14</b>	2110.24
These performance obligations are expected to be satisfied within	<b>4 Years</b>	5 Years

b) The movement in unbilled revenue during the year is as follows:

(₹ in crore)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Balance at the beginning	<b>6596.23</b>	4123.12
Add: Revenue recognised during the period	<b>3243.32</b>	5292.99
Less: Invoiced during the period	<b>4,613.01</b>	2,714.17
Less: Impairment/reversal during the period	<b>(105.71)</b>	105.71
Add: Translation gain/(Loss)	-	-
Balance at the end	<b>5,332.25</b>	6,596.23

**47. Disclosure as per Ind AS 115 - "Revenue from Contracts with Customer" (Contd.)**

c) The movement in contract liability during the year is as follows:

(₹ in crore)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Balance at the beginning	1261.19	869.39
Add: Advance billing during the period	537.01	1038.15
Less: revenue recognised during the period		
a) From contract liability as at beginning of the period	558.07	501.72
b) From contract liability recognised during the period	76.37	144.76
Add: Translation gain/(Loss)	0.26	0.13
Balance at the end	1164.02	1261.19

d) The entity determines transaction price based on expected value method considering its past experiences of refunds or significant reversals in amount of revenue. In estimating significant financing component, management considers the financing element inbuilt in the transaction price based on imputed rate of return. Reconciliation of Contracted Price vis-a-vis revenue recognized in profit or loss statement is as follows:

(₹ in crore)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Contracted price	36260.84	34563.53
Add/ (Less)- Discounts/ rebates provided to customer	(139.26)	(218.70)
Add/ (Less)- Performance bonus	429.20	217.41
Add/ (Less)- Adjustment for significant financing component	96.70	88.29
Add/ (Less)- Other adjustments	1096.06	408.59
Revenue recognized in profit or loss statement	37743.54	35059.12

48. (i) FERV Loss of ₹2,079.72crore (Previous Year ₹1,441.50crore) has been adjusted in the respective carrying amount of Property, Plant and Equipment/Capital work in Progress (CWIP)/Lease Receivables

(ii) FERV Loss of ₹221.86crore (Previous Year ₹225.86crore) has been recognised in the Statement of Profit and Loss.

49. Borrowing cost capitalised during the year is ₹2,120.31crore (Previous Year ₹1,499.62crore) in the respective carrying amount of Property, Plant and Equipment/Capital work in Progress (CWIP) as per Ind AS 23 'Borrowing Costs'.

50. Based on information available with the group, 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 crore)

S. No.	Particulars	Trade Payables		Others	
		As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
1	Principal amount and interest due thereon remaining unpaid to any supplier as at end of each accounting year:				
	Principal	11.58	33.27	2.98	22.30
	Interest	0.01	0.05	-	-
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	0.04	-	-	-
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	-	0.01	-	-
4	The amount of interest accrued and remaining unpaid at the end of each accounting year	0.01	0.04	-	-
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	-	-	-	-

## 51. Application of new and revised Ind AS

A) The group adopted Ind AS 116 with effect from 01.04.2019. The nature and effect of the changes as a result of adoption of the new accounting standard is described below.

Several other amendments and interpretations apply with effect from 01.04.2019, but do not have an impact on the financial statements of the group. The group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

### B) Ind AS 116 – Leases

Under the new standard, all lease contracts, with limited exceptions, are recognized in the financial statements by way of Right-of-Use (ROU) assets and corresponding lease liabilities. The group has applied the standard to its leases, using the modified prospective method at the date of initial application (i.e. 01.04.2019), with the option to measure the ROU asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet immediately before the date of initial application. Accordingly, the group has not restated comparative information and therefore will continue to be reported under the accounting policies included as part of our annual report for the year ended 31.03.2019.

The group has applied the new standard to service contracts of Dark Fiber, colocation & repeater shelter spaces, Office buildings on rent etc. to evaluate whether these contracts contains a lease or not. Based on evaluation of the terms and conditions of the arrangements, the group has evaluated such arrangements to be leases.

The group has applied following practical expedients on transition to Ind AS 116 on initial application:

- Use of single discount rate to portfolio of leases of similar assets in similar economic environment with similar end date
- Exclusion of initial direct cost from the measurement of the ROU asset at the date of initial application
- Not to recognize ROU assets and lease liabilities for leases with remaining lease term of upto 12 months from the date of initial application (i.e. 01.04.2019) by class of asset and leases of low value asset on lease by lease basis.

The adoption of the new standard resulted in recognition of "Right-of-Use asset" of ₹20.45crore and a corresponding Lease Liability of ₹19.58crore. The remaining ₹0.87 crore pertains to the prepaid lease payments recognized in the balance sheet immediately before the date of initial application.

In respect of leasehold land that were classified as leases applying Ind AS 17, an amount of ₹491.28crore (gross carrying amount) and ₹43.24crore (accumulated depreciation) has been reclassified as ROU assets.

The following table provides a reconciliation of the Group's operating lease commitments as at 31.03.2019 to the total lease liability recognized on the balance sheet in accordance with Ind AS 116 as at 01.04.2019:

Particulars	Amount (₹ in crore)
Operating lease commitments as at 31.03.2019	87.43
Less: Short-term leases	5.38
Less: Effect of discounting (@ 7.16%)	62.47
Total lease liabilities at 01.04.2019	19.58

Short term leases: As part of transition, the Group has availed the practical expedient of not to apply the recognition requirements of Ind AS 116 to short term leases for recognition of assets and liabilities related to leases.

### a) As a Lessor - Finance Leases:-

The group has classified and accounted for the arrangements for state sector ULDC assets and bilateral assets as finance leases. Agreements for State Sector ULDC are for a period of 15 years and Bilateral Line Assets with the beneficiary are for the period as specified in CERC Regulations.

Other Non-Current Financial Assets and Other Current Financial Assets include lease receivables representing the present value of future lease rentals receivable on the finance lease transactions entered into by the group with the constituents in respect of State Sector ULDC and Bilateral Line Assets. Disclosure requirements of Ind AS 116 'Leases' notified under the Companies Act, 2013 are given as under:

(i) Details of gross investment in lease, un-earned finance income and present value of minimum lease payments receivables at the end of financial year are given as under: (₹ in crore)

Particulars	As at 31.03.2020	As at 31.03.2019
Gross investment in Lease	1547.26	1597.41
Un-earned Finance Income	980.06	1052.92
Present value of Minimum Lease Payment (MLP)	567.20	544.49



## 51. Application of new and revised Ind AS (Contd.)

(ii) The value of contractual maturity of such leases is as under:

(₹ in crore)

Particulars	Gross Investment in Lease		Present Value of MLPs	
	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
Not later than one year	<b>132.37</b>	132.39	<b>50.15</b>	47.50
Later than one year and not later than two years	<b>127.38</b>	129.40	<b>46.21</b>	45.72
Later than two years and not later than three years	<b>127.19</b>	124.40	<b>47.02</b>	41.73
Later than three years and not later than four years	<b>127.19</b>	124.21	<b>48.14</b>	42.51
Later than four years and not later than five years	<b>127.19</b>	124.21	<b>49.39</b>	43.58
Later than five years	<b>905.94</b>	962.80	<b>326.29</b>	323.45
<b>Total</b>	<b>1547.26</b>	<b>1597.41</b>	<b>567.20</b>	<b>544.49</b>

(iii) There are differences in balance lease receivable as at year end as per accounts and tariff records on account of:

- Undischarged liabilities amounting to ₹61.30crore (Previous Year ₹74.43crore). Such cost become part of project cost only on discharge of such liabilities.
- Unamortized FERV on loans included in lease receivable amounting to ₹21.47crore (Previous Year ₹17.23crore). Such FERV are allowed to be recovered as part of tariff on actual payment basis.

### b) As a Lessee:-

The group has taken assets on lease such as dark fiber, colocation & repeater shelter spaces and office buildings etc. for various periods which are assessed and accounted as per the requirements of Ind AS 116 – “Leases” and required disclosures as per the said Ind AS are as follows:

#### i) ROU Assets:

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.

#### ii) Lease Liabilities:

Interest expense on lease liabilities for the year is shown under note no. 38 and total cash outflow for leases for the year has been disclosed in statement of cash flow under financing activities as separate line item and maturity analysis of lease liabilities has been disclosed in note no. 57.

#### iii) Short term leases:

The group, during the financial year, has incurred ₹48.85crore with respect to short term leases.

The group was committed to short term leases and the total commitment of such leases at the end of financial year was ₹4.83crore.

## 52. Additional demand of License fee raised by DoT

The company holds National Long distance (NLD) and Internet Service Provider (ISP) licenses and is regularly paying the applicable license fee to DoT. The company has received additional demand of license fee amounting to ₹ 44039.23 crore (including penalty and interest up to 31.03.2020) for previous periods in respect of the above licenses by adding non-telecom revenue i.e., revenue related to transmission and consultancy as “Miscellaneous income” in Adjusted Gross Revenue (AGR).

In the light of judgment dated 24.10.2019 of Hon’ble Supreme Court on the dispute between DoT and Telecom Service Providers (TSPs) regarding interpretation of AGR, DoT vide communication dated 05.12.2019 requested submission of a comprehensive representation since all the demands are being re-examined w.r.t. the Hon’ble Supreme Court Judgement. The company has represented to DoT stating inter-alia that the demands raised are not sustainable either in law or on facts as the nature of license in case of telecom service providers is different and distinct from the licenses given to the company.

The Hon’ble Supreme Court vide its order dated 11.06.2020 has also observed that the licenses of Public Sector Undertakings (PSUs) are different and their judgment in the case between DoT and TSPs could not have been made the basis for raising the demand against the PSUs. The Hon’ble Supreme court has further ordered that the Department of Telecom should reconsider the demand that has been sprung and report compliance of the action taken.

In view of the above and based upon legal advice received, the management is of the opinion that the aforesaid demands are not payable by the Company.

## 53. Disclosures relating to Regulatory Deferral Account Balances

### i) Nature of rate regulated activities

The group is mainly engaged in the business of transmission of power. The tariff for transmission of power is determined by the CERC through tariff regulations. The tariff is based on capital cost admitted by CERC and provides for transmission charges recovery of annual fixed cost consisting of Return on equity, Interest on loan capital, Depreciation, interest on working capital and Operation & Maintenance expenses.

**53. Disclosures relating to Regulatory Deferral Account Balances (Contd.)****ii) Recognition and measurement**

FERV arising during the construction period for settlement/translation of monetary items (other than non-current loans) denominated in foreign currency to the extent recoverable/payable to the beneficiaries as capital cost as per CERC Tariff Regulations are accounted as Regulatory Deferral Account Balances. In respect of long term foreign currency loan drawn on or after 1st April, 2016, exchange difference to the extent recoverable as per CERC Tariff Regulations are recognised as Regulatory Deferral Account Balances. The group expects to recover these amounts through depreciation component of the tariff over the life of the asset or as exchange rate variation on repayment of the loan.

The tariff norms for the block period 2019-2024 notified by the Central Electricity Regulatory Commission (CERC) provide for grossing up of the return on equity based on effective tax rate for the financial year based on the actual tax paid during the year on the transmission income. Accordingly, deferred tax provided during the year ended 31.03.2020 on the transmission income is accounted as 'Deferred Assets against Deferred Tax Liability'. Deferred Assets against Deferred Tax Liability for the year will be reversed in future years (including tax holiday period) when the related deferred tax liability forms a part of current tax.

The group has recognized an amount of ₹ Nil crore (Previous Year ₹19.67crore) on account of pay revision as recoverable from the beneficiaries in subsequent periods under Regulatory Deferral Account Balances. These balances are to be adjusted in the year in which they become recoverable from beneficiaries as per CERC. Amount of regulatory deferral account balances is on undiscounted basis.

**iii) Risk associated with future recovery/ reversal of regulatory deferral account balances**

(a) regulatory risk on account of changes in regulations.

(b) other risks including currency or other market risks, if any.

Any change in the Tariff regulations beyond the current tariff period ending on 31.03.2024 may have an impact on the recovery of Regulatory Deferral Account Balances.

The Regulatory Deferral Account Balances (assets) recognized in the books to be recovered from the beneficiaries in future periods are as follows:

(₹ in crore)

Particulars	As at 31.03.2020	As at 31.03.2019
A. Opening Balance	<b>8,083.27</b>	11,304.22
B. Addition/(deduction) during the year	<b>2045.17</b>	(3220.95)
C. Amount collected/refunded during the year	<b>5.38</b>	-
D. Regulated Income/(Expense) recognized in the statement of Profit and Loss	<b>2039.79</b>	(3220.95)
E. Closing Balance	<b>10123.06</b>	8083.27
F. Tax on Regulated Income/(Expense) recognized in the statement of Profit and Loss	<b>356.39</b>	(694.08)

**54. Disclosure as required by Regulation 34 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015****A. Loans and Advances in nature of Loans:****1. To Joint Ventures**

(₹ in crore)

Name of the Company	Outstanding balance		Maximum amount outstanding	
	As at 31.03.2020	As at 31.03.2019	For the year ended 31.03.2020	For the year ended 31.03.2019
<b>Joint Ventures</b>				
National High Power Test Laboratory Private Limited	<b>18.40</b>	6.00	<b>18.40</b>	6.00
Teestavalley Power Transmission Limited	<b>77.12</b>	77.12	<b>191.72</b>	77.12
<b>Total</b>	<b>95.52</b>	83.12	<b>210.12</b>	83.12

2. To firms/companies in which directors are interested : NIL

B. Investment by the loanee (as detailed above) in the shares of Power Grid Corporation of India Ltd: NIL

**55. Corporate Social Responsibility (CSR) Expenses**

As per Section 135 of the Companies Act, 2013 along with Companies (Corporate Social Responsibility Policy) Rules, 2014 read with DPE guidelines no F.No.15 (13)/2013-DPE (GM), the group is required to spend, in every financial year, at least two per cent of the average net profits of the group made during the three immediately preceding financial years in accordance with its CSR Policy. Accordingly, the Group has spent ₹349.36crore (Previous Year ₹196.28crore) on CSR activities

## 56. Additional Information as required under Schedule III of the Companies Act, 2013

(₹ in Crore)

Particulars	Net Asset i.e. assets minus total liabilities			Share in profit or loss			Share in Other Comprehensive Income				Share in Total Comprehensive Income		
	31.03.2020		31.03.2019	For the year ended 31.03.2020		For the year ended 31.03.2019	For the year ended 31.03.2020		For the year ended 31.03.2019	For the year ended 31.03.2020		For the year ended 31.03.2019	Amount
	As % of consol. net assets	Amount	As % of consol. net assets	As % of consol. profit or loss	Amount	As % of consol. profit or loss	As % of consol. OCI	Amount	As % of consol. OCI	As % of consol. Total Comp. Income	Amount	As % of consol. Total Comp. Income	
<b>Parent</b>													
Power Grid Corporation of India Limited	93.50%	60492.60	94.92%	95.32%	10542.18	96.86%	100.00%	(104.02)	99.76%	95.28%	10438.16	96.85%	9701.85
<b>Subsidiaries</b>													
<b>Indian</b>													
Powergrid Jabalpur Transmission Limited	0.37%	241.91	0.31%	0.44%	48.39	0.10%	0.00%	-	0.00%	0.44%	48.39	0.10%	10.15
Powergrid Kala Amb Transmission Limited	0.13%	81.40	0.12%	0.21%	23.37	0.13%	0.00%	-	0.00%	0.21%	23.37	0.13%	13.08
Powergrid NM Transmission Limited	0.13%	83.27	0.17%	-0.27%	(29.48)	-0.63%	0.00%	-	0.00%	-0.27%	(29.48)	-0.63%	(63.57)
Powergrid Parli Transmission Limited	0.55%	358.48	0.46%	0.72%	79.22	0.65%	0.00%	-	0.00%	0.72%	79.22	0.65%	65.02
Powergrid Southern Interconnector Transmission System Ltd	1.11%	716.10	0.87%	0.08%	8.68	-0.02%	0.00%	-	0.00%	0.08%	8.68	-0.02%	(1.56)
Powergrid Unchahar Transmission Limited	0.04%	24.45	0.04%	0.09%	9.64	0.10%	0.00%	-	0.00%	0.09%	9.64	0.10%	9.81
Powergrid Vemagiri transmission Limited	-0.03%	(19.41)	-0.03%	0.00%	(0.01)	0.00%	0.00%	-	0.00%	0.00%	(0.01)	0.00%	(0.01)
Powergrid Vizag Transmission Limited	0.58%	372.95	0.52%	1.37%	151.75	1.00%	0.00%	-	0.00%	1.39%	151.75	1.00%	100.15
Powergrid Warora Transmission Limited	0.74%	478.95	0.65%	0.69%	76.09	0.59%	0.00%	-	0.00%	0.69%	76.09	0.60%	59.67
Powergrid Medinipur Jeerat Transmission Limited	0.45%	289.33	0.00%	0.00%	-	0.00%	0.00%	-	0.00%	0.00%	-	0.00%	-
Powergrid Mithilanchal Transmission Limited	0.19%	119.99	0.00%	0.00%	-	0.00%	0.00%	-	0.00%	0.00%	-	0.00%	-
Powergrid Varanasi Transmission System Limited	0.19%	125.04	0.00%	0.00%	-	0.00%	0.00%	-	0.00%	0.00%	-	0.00%	-
Powergrid Jawaharpur Firozabad Transmission Limited	0.00%	0.05	0.00%	0.00%	-	0.00%	0.00%	-	0.00%	0.00%	-	0.00%	-
Powergrid Khethi Transmission System Limited	0.00%	(0.28)	NA	0.00%	(0.33)	NA	0.00%	-	NA	0.00%	(0.33)	NA	NA
Powergrid Bhuj Transmission Limited	0.00%	0.01	NA	0.00%	-	NA	0.00%	-	NA	0.00%	-	NA	NA
Powergrid Bhind Guna Transmission Limited	0.00%	(0.59)	NA	0.00%	0.12	NA	0.00%	-	NA	0.00%	0.12	NA	NA
Powergrid Ajmer Phagi Transmission Limited	0.00%	(0.27)	NA	0.00%	(0.32)	NA	0.00%	-	NA	0.00%	(0.32)	NA	NA
Powergrid Fatehgarh Transmission Limited	0.00%	0.01	NA	0.00%	-	NA	0.00%	-	NA	0.00%	-	NA	NA
Powergrid Rampur Sambhal Transmission Limited	0.00%	(0.83)	NA	-0.01%	(0.88)	NA	0.00%	-	NA	-0.01%	(0.88)	NA	NA
Powergrid Meerut Simbhavali Transmission Limited	0.00%	0.01	NA	0.00%	-	NA	0.00%	-	NA	0.00%	-	NA	NA

## 56. Additional Information as required under Schedule III of the Companies Act, 2013 (Contd.)

(₹ in Crore)

Particulars	Net Asset i.e. assets minus total liabilities				Share in profit or loss				Share in Other Comprehensive Income				Share in Total Comprehensive Income			
	31.03.2020		31.03.2019		For the year ended 31.03.2020		For the year ended 31.03.2019		For the year ended 31.03.2020		For the year ended 31.03.2019		For the year ended 31.03.2019			
	As % of consol. net assets	Amount	As % of consol. net assets	Amount	As % of consol. profit or loss	Amount	As % of consol. profit or loss	Amount	As % of consol. OCI	Amount	As % of consol. OCI	Amount	As % of consol. Total Comp. Income	Amount	As % of consol. Total Comp. Income	
<b>Joint Ventures</b>																
<b>Indian</b>																
Powerlinks Transmission Limited	0.72%	465.45	0.76%	447.58	0.54%	59.35	0.55%	55.16	0.01%	(0.01)	0.27%	(0.04)	0.54%	59.34	0.55%	55.12
Torrent Powergrid Limited	0.05%	33.86	0.06%	35.56	0.04%	4.80	0.05%	4.98	0.01%	(0.01)	0.05%	(0.01)	0.05%	4.79	0.05%	4.97
Jaypee Powergrid Limited	0.17%	112.46	0.18%	105.45	0.13%	14.89	0.16%	16.39	0.01%	(0.01)	0.00%	-	0.14%	14.88	0.16%	16.39
Parbati Koldam Transmission Company Limited	0.16%	105.39	0.16%	95.30	0.20%	22.03	0.13%	12.65	-0.03%	0.03	-0.06%	0.01	0.20%	22.06	0.13%	12.66
Teestavalley Power Transmission Limited	0.20%	128.67	0.17%	101.47	0.12%	13.41	0.00%	(0.34)	-0.02%	0.02	0.02%	-	0.12%	13.43	0.00%	(0.34)
North East Transmission Company Limited	0.19%	121.10	0.21%	125.71	0.14%	15.37	0.17%	17.05	0.01%	(0.01)	-0.06%	0.01	0.14%	15.36	0.17%	17.06
National High Power Test Lab Pvt Limited	0.03%	21.96	0.04%	26.08	-0.04%	(4.38)	-0.02%	(1.74)	0.01%	(0.01)	0.06%	(0.01)	-0.04%	(4.39)	-0.02%	(1.75)
Bihar Grid Company Limited	0.47%	303.59	0.33%	195.94	0.20%	21.94	0.12%	12.32	0.00%	-	0.00%	-	0.20%	21.94	0.12%	12.32
Kalinga Bidyut Prasaran Nigam Pvt Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Cross Border Transmission Limited	0.04%	28.57	0.04%	23.03	0.05%	5.55	0.04%	3.98	0.00%	-	0.00%	-	0.05%	5.55	0.04%	3.98
RINL POWERGRID TLT Pvt. Limited	0.00%	-	0.00%	-	-0.04%	(3.97)	0.00%	(0.02)	0.00%	-	0.00%	-	-0.04%	(3.97)	0.00%	(0.02)
<b>Foreign</b>																
Power Transmission Company Nepal Ltd	0.02%	11.13	0.02%	10.46	0.02%	1.99	0.02%	2.23	0.00%	-	0.00%	-	0.02%	1.99	0.02%	2.23
<b>Total</b>	100.00%	64695.35	100.00%	59088.39	100.00%	11059.40	100.00%	10033.52	100.00%	(104.02)	100.00%	(16.34)	100.00%	10955.38	100.00%	10017.18

## 57. Fair Value Measurement

(₹ in crore)

Financial Instruments by category	As at 31.03.2020		As at 31.03.2019	
	FVOCI	Amortised cost	FVOCI	Amortised cost
<b>Financial Assets</b>				
<u>Investments</u>				
<u>Equity Instruments</u>	46.50		88.14	
- PTC India Limited (12000006 shares of ₹ 10 each)				
Energy Efficiency Services Limited (56118350 shares of ₹ 10 each)	52.40		41.70	
Trade Receivables		5040.71		4728.10
Loans		423.95		319.12
Cash & cash Equivalents		4840.12		3647.73
Bank Balance		609.96		852.39
<u>Other Financial Assets</u>				
Current		5818.40		6881.04
Non-Current		4089.19		4384.90
<b>Total Financial assets</b>	<b>98.90</b>	<b>20822.33</b>	<b>129.84</b>	<b>20813.28</b>
<b>Financial Liabilities</b>				
Borrowings		151581.03		149788.58
Trade Payables		226.54		365.13
<u>Other Financial Liabilities</u>				
Current		8624.23		9200.61
Non-Current		3523.13		3994.53
<b>Total financial liabilities</b>	<b>-</b>	<b>163954.93</b>	<b>-</b>	<b>163348.85</b>

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are measured at fair value and financial instruments that are measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group 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 Fair value:

(₹ in crore)

Particulars	Level 1	Level 2	Level 3	Total
<b>As at 31.03.2020</b>				
<b>Financial Assets</b>				
<u>Investments</u>				
<u>Equity Instruments</u>				
-PTC India Limited (12000006 shares of ₹ 10 each)	46.50	-	-	46.50
Energy Efficiency Services Limited (56118350 shares of ₹ 10 each)	-	52.40	-	52.40
<b>Total Financial Assets</b>	<b>46.50</b>	<b>52.40</b>	<b>-</b>	<b>98.90</b>

(₹ in crore)

Particulars	Level 1	Level 2	Level 3	Total
<b>As at 31.03.2019</b>				
<b>Financial Assets</b>				
<u>Investments</u>				
<u>Equity Instruments</u>				
-PTC India Limited (12000006 shares of ₹ 10 each)	88.14	-	-	88.14
Energy Efficiency Services Limited (37704350 shares of ₹ 10 each)	-	41.70	-	41.70
<b>Total Financial Assets</b>	<b>88.14</b>	<b>41.70</b>	<b>-</b>	<b>129.84</b>

**57. Fair Value Measurement (Contd.)****Financial instruments that are measured at Amortised Cost:**

(₹ in crore)

Particulars	Level	As at 31.03.2020		As at 31.03.2019	
		Carrying Amount	Fair value	Carrying Amount	Fair value
<b>Financial Assets</b>					
Loans					
Loan to Joint Venture	2	95.52	92.59	83.12	83.48
Loans to employees	2	328.43	320.73	235.99	224.22
<b>Total Financial Assets</b>		<b>423.95</b>	<b>413.32</b>	319.11	307.70
<b>Financial Liabilities</b>					
Borrowings	2	151581.03	156511.73	149788.58	147993.11
Deposits/retention money from contractors and others	2	3509.84	3853.29	3994.53	4015.87
<b>Total financial liabilities</b>		<b>155090.87</b>	<b>160365.02</b>	153783.11	152008.98

The carrying amounts of trade receivables, trade payables, cash and cash equivalents 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 group'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 include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of Energy Efficiency Services Limited has been determined by making qualitative adjustment to trading multiples such as P/E, EV/EBITDA of comparable listed prices. The same has been included in Level 2 fair value hierarchy.
- 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 apart from equity instruments of PTC India Limited which is included in Level 1 fair value hierarchy.

Fair value of financial instruments has been determined by an independent valuer.

**58. Disclosure as per Ind AS 24 - "Related Party Disclosures"****(a) Joint Ventures**

Name of entity	Place of business/country of incorporation	Proportion of Ownership Interest	
		As at 31.03.2020	As at 31.03.2019
Powerlinks Transmission Limited	India	49%	49%
Torrent Power Grid Limited	India	26%	26%
Jaypee Powergrid Limited	India	26%	26%
Parbati Koldam Transmission Company Limited	India	26%	26%
Teestavalley Power Transmission Limited#	India	30.92%	28.23%
North East Transmission Company Limited	India	26%	26%
National High Power Test Laboratory Private Limited	India	20%	20%
Bihar Grid Company Limited	India	50%	50%
Kalinga Bidyut Prasaran Nigam Private Limited##	India	50%	50%
Cross Border Power Transmission Company Limited	India	26%	26%
RINL Powergrid TLT Private Limited###	India	50%	50%
Power Transmission Company Nepal Limited	Nepal	26%	26%

## 58. Disclosure as per Ind AS 24 - "Related Party Disclosures" (Contd.)

# POWERGRID & Teesta Urja Ltd are the Joint venture partners in Teestavalley Power Transmission Limited & holds 26% & 74 % equity, respectively as per Shareholding agreement. On call of additional equity by Teestavalley Power Transmission limited, POWERGRID contributed their share amounting ₹ 14.56 crore (previous year ₹ 11.28 crore) while the other JV partner has not yet contributed their share of money as on 31.03.2020. Consequently, the holding of POWERGRID increased to 30.92% (previous year 28.23%) as on 31.03.2020 against 26% provided in shareholding agreement.

## Shareholders of M/s Kalinga Bidyut Prasaran Nigam Pvt Ltd (KBPNL), JV between M/s POWERGRID & M/s OPTCL in their Extra Ordinary General Meeting held on 02.01.2020 approved the striking off of the name of the company pursuant to section 248 (2) of the Companies Act, 2013. Accordingly, e-form STK-2 vide SRN NO- R30789564 has been filed in Registrar of Companies (ROC), Odisha on Dated 21.01.2020 for removal of name of the Company. The present status of striking off of the Company (M/s KBPNL) as per MCA website is "Under Process of Striking Off".

### POWERGRID's Board of Directors in its meeting held on 1st May 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 01st March, 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 05th November, 2019 has advised to put up the closure proposal again to Ministry of steel for onward submission to NITI Ayog. The Approval from Government is awaited.

### (b) Key Managerial Personnel

#### Whole Time Directors

Name	Designation
Shri K. Sreekant	Chairman & Managing Director (Relinquished the charge of post of Director (Finance) and assumed charge of Chairman & Managing Director w.e.f. 05.08.2019)
Shri Ravi P. Singh	Director (Personnel) & Additional Charge of Chairman & Managing Director w.e.f. 21.01.2019 to 05.08.2019 and superannuated on 31.01.2020
Ms. Seema Gupta	Director (Operations) & Additional Charge of Director (Finance) w.e.f. 30.09.2019 to 05.11.2019. Further Additional charge of Director (Finance) w.e.f. 06.02.2020
Shri Rajeev Kumar Chauhan	Director (Projects)
Shri Vinod Kumar Singh	Director (Personnel) w.e.f. 01.02.2020

#### Independent Directors

Name	Designation
Shri Tse Ten Dorji	Independent Director ceased to be director on 15.02.2020
Shri Manoj Kumar Mittal	Independent Director
Shri Sunil Kumar Sharma	Independent Director
Smt. A.R. Mahalakshmi	Independent Director
Shri M.N. Venkatesan	Independent Director w.e.f. 11.07.2019
Shri Jagdish Ishwar Bhai Patel	Independent Director ceased to be director on 26.09.2019

#### Government Nominee Directors and other KMP

Name	Designation
Shri S.K.G. Rahate	Government Nominee Director w.e.f. 27.09.2019 to 16.03.2020
Shri Vivek Kumar Dewangan	Government Nominee Director ceased to be director on 07.06.2019
Shri Ghanshyam Prasad	Government Nominee Director ceased to be director on 23.09.2019
Shri Anurag Agarwal	Government Nominee Director w.e.f. 27.06.2019 to 12.07.2019
Shri Dilip Nigam	Government Nominee Director w.e.f. 28.12.2019
Shri Sanjay Malhotra	Government Nominee Director w.e.f. 31.01.2020 to 16.03.2020
Shri Tanmay Kumar	Government Nominee Director w.e.f. 18.03.2020
Smt. Divya Tandon	Company Secretary
Shri K. S. R. Murty	CFO w.e.f. 27.08.2019



**58. Disclosure as per Ind AS 24 - "Related Party Disclosures" (Contd.)****(c) List of Other Related Parties**

Name of entity	Place of business/country of incorporation	Nature of Relationship
Powergrid Employees P.F. Trust	India	Post-employment benefit plan of Powergrid
Powergrid Self Contributory Superannuation Benefit (Pension) Fund Trust	India	Post-employment benefit plan of Powergrid
Powergrid Employees Gratuity Fund Trust	India	Post-employment benefit plan of Powergrid
Powergrid Employees Post-Retirement Medical Benefit Trust	India	Post Retirement Benefit plan of Powergrid

**(d) Government Related Entities**

The company is controlled by the Government of India (GOI), being a Central Public Sector Enterprise (CPSE) under the Ministry of Power, with GOI holding 51.34% (Previous Year 55.37%) of equity shares capital issued and paid up.

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.

**(e) 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 crore)

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Amounts Receivable</b>		
<b>Loans to Joint Ventures</b>		
National High Power Test Laboratory Private Limited	18.40	6.00
Teestavalley Power Transmission Limited	77.12	77.12
<b>Total</b>	<b>95.52</b>	<b>83.12</b>
<b>Interest Accrued on loan to Joint Ventures</b>		
National High Power Test Laboratory Private Limited	0.27	-
Teestavalley Power Transmission Limited	0.90	1.62
<b>Total</b>	<b>1.17</b>	<b>1.62</b>
<b>Loans to Key Managerial Personnel</b>	<b>0.09</b>	0.18
<b>Other receivables</b>		
<u>Joint Ventures:</u>		
Powerlinks Transmission Limited	0.02	-
Torrent Power Grid Limited	0.19	0.01
Jaypee Powergrid Limited	0.02	0.02
Parbati Koldam Transmission Company Limited	0.38	0.38
Teestavalley Power Transmission Limited	8.06	-
North East Transmission Company Limited	1.42	-
National High Power Test Laboratory Private Limited	1.18	34.02
Cross Border Power Transmission Company Limited	0.67	-
Power Transmission Company Nepal Limited	-	3.10
<b>Total</b>	<b>11.94</b>	<b>37.53</b>

**58. Disclosure as per Ind AS 24 - "Related Party Disclosures" (Contd.)**

(₹ in crore)

Particulars	As at 31.03.2020	As at 31.03.2019
<b><u>Advances / Amounts Payable</u></b>		
<u>Joint Ventures</u>		
Powerlinks Transmission Limited	2.78	2.72
Teestavalley Power Transmission Limited	47.56	35.32
North East Transmission Company Limited	20.29	7.96
Bihar Grid Company Limited	0.30	1.52
Cross Border Power Transmission Company Limited	11.12	10.14
<b>Total payables to related parties</b>	<b>82.05</b>	<b>57.66</b>
<b><u>Other Related Parties</u></b>		
<u>Outstanding balances with Employees Benefit Trust</u>		
Powergrid Employees P.F. Trust	34.74	35.54
Powergrid Self Contributory Superannuation Benefit (Pension) Fund Trust	11.01	11.77
Powergrid Employees Gratuity Fund Trust	16.22	5.47
Powergrid Employees Post-Retirement Medical Benefit Trust	27.14	20.53
<b>Total</b>	<b>89.11</b>	<b>73.31</b>

**(f) Transactions with related parties**

The following transactions occurred with related parties:

(₹ in crore)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
<b><u>Services provided by the Company</u></b>		
<b><u>Consultancy Income</u></b>		
<u>Joint Ventures:</u>		
Torrent Power Grid Limited	0.64	1.37
Jaypee Powergrid Limited	0.64	1.12
Parbati Koldam Transmission Company Limited	-	0.01
Teestavalley Power Transmission Limited	1.61	5.80
North East Transmission Company Limited	4.49	5.22
National High Power Test Laboratory Private Limited	0.84	0.54
Bihar Grid Company Limited	13.11	16.26
Cross Border Power Transmission Company Limited	2.02	2.05
Power Transmission Company Nepal Limited	-	1.66
<b>Total</b>	<b>23.35</b>	<b>34.03</b>
<b><u>Interest on Loan</u></b>		
<u>Joint Ventures:</u>		
National High Power Test Laboratory Private Limited	1.40	0.60
Teestavalley Power Transmission Limited	12.60	1.80
<b>Total</b>	<b>14.00</b>	<b>2.40</b>
<b><u>Investments made during the year (Equity)</u></b>		
<u>Joint Ventures:</u>		
Teestavalley Power Transmission Limited	14.56	11.28
Bihar Grid Company Limited	85.61	15.45
RINL Powergrid TLT Pvt. Ltd	-	0.60
<b>Total</b>	<b>100.17</b>	<b>27.33</b>

**58. Disclosure as per Ind AS 24 - "Related Party Disclosures" (Contd.)**

(₹ in crore)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
<b><u>Loans given during the year</u></b>		
<u>Joint Ventures:</u>		
National High Power Test Laboratory Private Limited	12.40	-
Teestavalley Power Transmission Limited	114.60	77.12
<b>Total</b>	<b>127.00</b>	<b>77.12</b>
<b><u>Loans repayment received during the year</u></b>		
<u>Joint Ventures:</u>		
Teestavalley Power Transmission Limited	114.60	-
<b>Total</b>	<b>114.60</b>	<b>-</b>
<b><u>Other Related Parties</u></b>		
<u>Contribution made during the year</u>		
Powergrid Employees P.F. Trust	110.45	131.04
Powergrid Self Contributory Superannuation Benefit (Pension) Fund Trust	33.43	102.41
Powergrid Employees Gratuity Fund Trust	30.42	29.56
Powergrid Employees Post-Retirement Medical Benefit Trust	62.77	-
<b>Total</b>	<b>237.07</b>	<b>263.01</b>
<b><u>Recovery for Deputation of Employees</u></b>		
<u>Joint Ventures:</u>		
Torrent Power Grid Limited	0.15	-
Jaypee Powergrid Limited	0.98	0.48
Teestavalley Power Transmission Limited	0.33	0.21
North East Transmission Company Limited	0.65	0.13
Cross Border Power Transmission Company Limited	0.94	1.22
<b>Total</b>	<b>3.05</b>	<b>2.04</b>

**Terms and Conditions**

The loans to key management personnel are on the same terms and conditions as applicable to all other employees

All other transactions were made on normal commercial terms and conditions and at market rates. All outstanding balances are unsecured and are repayable in cash.

**g) Transaction in the capacity of Central Transmission Utility (CTU) with the related parties**

(₹ in crore)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
<u>Joint Ventures:</u>		
Powerlinks Transmission Limited	227.61	207.79
Torrent Power Grid Limited	48.68	46.91
Jaypee Powergrid Limited	110.87	180.92
Parbati Koldam Transmission Company Limited	247.05	155.75
Teestavalley Power Transmission Limited	176.40	32.23
North East Transmission Company Limited	350.55	341.86
<b>Total</b>	<b>1161.16</b>	<b>965.46</b>

## 58. Disclosure as per Ind AS 24 - "Related Party Disclosures" (Contd.)

### h) Remuneration to Key Managerial Personnel

(₹ in crore)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Short Term Employee Benefits	4.09	5.16
Post-Employment Benefits	0.24	0.19
Long Term Employee Benefits	1.76	0.44
Arrears to KMPs	-	0.72
<b>Total</b>	<b>6.09</b>	<b>6.51</b>
Sitting fee	0.35	0.37

In addition to the above remuneration, the whole time directors have been allowed to use the staff car (including for private journeys) on payment of ₹ 2000/- p.m. as contained in the Department of Public Enterprises (DPE) OM No. 2 (23)/11-DPE (WC)-GL-V/13 dated 21/01/2013.

## 59. Operating Segments

### a) Business Segment

The Board of Directors is the Group's Chief Operating Decision Maker (CODM) who monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Three reportable segments have been identified on the basis of services provided.

- **Transmission Services-** Group's principal business is transmission of bulk power across different states of India.
- **Telecom Services-** The Company utilizes the spare Optical fibres available in the Optical Ground Wire (OPGW) laid on the transmission network for providing telecom services. It operates as a neutral carrier in the point to point bandwidth leasing business. Refer note no. 68 for disclosure on formation of wholly owned subsidiary of the company to undertake Telecommunications and Digital Technology Business of the company.
- **Consultancy Services-** provides Consultancy Services in the Transmission, Distribution and Telecom sectors, including Planning Design, Engineering, Load Dispatch, OPGW on intra state Transmission network, Procurement Management, Operation & Maintenance, Financing and Project Management.

**b)** The operations of the group are mainly carried out within the country and therefore there is no reportable geographical segment

**c)** Information about major customer: Revenue from any single customer is not equal to or exceeds 10% of the group's total revenue.

### d) Segment Revenue and Expenses

Revenue directly attributable to the segments is considered as Segment Revenue. Expenses directly attributable to the segments and common expenses allocated on a reasonable basis are considered as segment expenses.

Revenue from external customer in India is ₹38420.93crore (Previous Year ₹35507.66crore) and outside India is ₹42.99crore (Previous Year ₹40.83crore).

### e) Segment Assets and Liabilities

Segment assets include all operating assets comprising of Property, Plant and Equipment, current assets and loan and advances. Construction, Work-in-progress, construction stores and advances and investments are included in unallocated assets. Segment facilities include operating liabilities and provisions.

## 59. Operating Segments (Contd.)

(₹ in Crore)

Particulars	Transmission Services		Consultancy Services		Telecom Services		Elimination		Total	
	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
<b>Revenue:</b>										
Revenue from Operations (including allocable other income)	37,230.78	34,476.70	520.85	403.59	712.29	668.20	-	-	38,463.92	35,548.49
Inter Segment Revenue			97.17	103.15	69.94	73.88	(167.11)	(177.03)	-	-
Net Revenue from Operations	37,230.78	34,476.70	618.02	506.74	782.23	742.08	(167.11)	(177.03)	38,463.92	35,548.49
Segment results	23,387.26	16,258.46	277.00	295.65	429.11	393.90			24,093.37	16,948.01
Unallocated Interest and Other Income									207.04	112.83
Unallocated Finance Costs									9,509.00	8,736.57
Profit before Tax (Including movement in Regulatory Deferral Account Balances)									14,791.41	8,324.27
Add: Share of net profit of Joint ventures accounted for using equity method.									155.13	128.82
Profit before Tax									14,946.54	8,453.09
Provision for Taxes									3,887.14	(1,580.43)
Profit after Tax									11,059.40	10,033.52
<b>Other information:</b>										
Segment Assets	2,11,212.26	2,00,017.90	3,269.56	2,586.55	1,161.54	999.71			2,15,643.36	2,03,604.16
Unallocated Assets									41,009.86	43,753.43
<b>Total Assets</b>									2,56,653.22	2,47,357.59
Segment Liabilities	14,968.91	13,098.54	3,850.16	3,357.64	538.88	660.41			19,357.95	17,116.59
Unallocated Other Liabilities (including loans)									1,72,599.92	1,71,152.61
<b>Total liabilities</b>									1,91,957.87	1,88,269.20
Depreciation and Amortisation	11,506.45	10,446.55	3.59	1.24	97.00	93.16			11,607.04	10,540.95
Non-cash expenditure other than Depreciation	18.32	437.42	3.16	4.75	3.20	1.07			24.68	443.24
Capital Expenditure	20,191.82	27,235.83	7.10	4.99	129.69	46.57			20,328.61	27,287.39

## 60. Capital and other Commitments

(₹ in crore)

Particulars	At at 31.03.2020	At at 31.03.2019
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	<b>11514.77</b>	14125.33
Group's commitment towards further investment/loan in joint venture entities	<b>276.85</b>	201.22
Group's commitment towards further investment in other entities	<b>23.17</b>	-

## 61. Contingent Liabilities and contingent assets

### A. Contingent Liabilities

Claims against the Group not acknowledged as debts in respect of:

#### i) Capital Works

Some of the contractors for supply and installation of equipments and execution of works at our projects have lodged claims on the group seeking enhancement of the contract price, revision of work schedule with price escalation, compensation for the extended period of work, idle charges etc. These claims are being contested by the group as being not admissible in terms of the provisions of the respective contracts.

The group is pursuing various options under the dispute resolution mechanism available in the contract for settlement of these claims. In such cases, contingent liability of ₹3403.60crore (Previous Year ₹2839.03crore) has been estimated.

#### ii) Land compensation cases

In respect of land acquired for the projects, the land losers have claimed higher compensation before various authorities/courts which are yet to be settled. In such cases, contingent liability of ₹2174.56crore (Previous Year ₹1792.19crore) has been estimated.

#### iii) Other claims

In respect of claims made by various State/Central Government Departments/Authorities towards building permission fees, penalty on diversion of agriculture land to non-agriculture use, Nala tax, water royalty etc. and by others, contingent liability of ₹28.73crore (Previous Year ₹27.21crore) has been estimated.

#### iv) Disputed Income Tax/Sales Tax/Excise/Municipal Tax Matters

Disputed Income Tax/Sales Tax/Excise/Municipal Tax Matters amounting to ₹299.81crore (Previous Year ₹485.33crore) are being contested before various Appellate Authorities. Many of these matters have been disposed of in favour of the group but are disputed before higher authorities by the concerned departments. Against total claim of ₹182.13crore (Previous Year ₹172.83crore), provision of ₹147.69crore (Previous Year ₹138.39crore) is made and balance of ₹34.44crore (Previous Year ₹34.44crore) towards penalty is shown as contingent liability as it is not a wilful default and in management opinion, same is not expected to be upheld by the court.

#### v) Others

- Contingent liability in respect of bills discounted with banks against trade receivables is amounting to ₹1030.24 crore (Previous Year ₹ Nil crore). In case of any claim on the company from the banks in this regard, entire amount shall be recoverable from the beneficiaries along with surcharge.
- Other contingent liabilities amounts to ₹800.59crore (Previous Year ₹716.97crore) which includes claim of ₹282.87crore (Previous Year ₹334.83crore) related to Arbitration cases/Row cases.
- Some of the beneficiaries have filed appeals against the tariff orders of the CERC. The amount of contingent liability in this regard is not ascertainable.
- Under the Transmission Service Agreement (TSA) with Powerlinks Transmission Ltd, the group has an obligation to purchase the JV company (Powerlinks Transmission Ltd) at a buyout price determined in accordance with the TSA. Such an obligation may result in case JV company (Powerlinks Transmission Ltd) serves a termination notice either on "POWERGRID event of default" or on "force majeure event" prescribed under TSA. No contingent liability on this account has been considered as the same is not ascertainable.

### B. Contingent Assets

While determining the tariff for some of the Company's Transmission Systems, CERC has disallowed certain capital expenditure incurred by the Company. The Company aggrieved over such issues has filed appeals with the Appellate Tribunal for Electricity (APTEL)/Hon'ble Supreme Court against the tariff orders issued by the CERC. Based on past experience, the Company believes that a favourable outcome is probable. However, it is impracticable to estimate the financial effect of the same as its receipt is dependent on the outcome of the judgement.

The group has filed an appeal in APTEL on 16/12/2016 for the acquisition cost of Powergrid Vemagiri Transmission Limited amounting to ₹18.27crore as well as additional expenditure incurred from the date of acquisition and interest and carrying cost till the date of reimbursement. Extensive hearings were held by Hon'ble Tribunal and Hon'ble Tribunal vide order dated 12.02.2020 has directed all the parties to file written submissions. All the parties to dispute have filed written submissions to APTEL. The group believes that a favorable outcome is probable. Since there is no precedence of the judgements on such matters, it is impracticable to estimate the exact financial impact of the same.

## 62. Capital management

### a) Risk Management

The group'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 group's capital management, equity capital includes issued equity capital, securities premium Account and all other equity reserves attributable to the equity holders of the group. The group manages its capital structure and makes adjustments in light of changes in economic conditions, regulatory framework and requirements of financial covenants with lenders. To maintain or adjust the capital structure, the group may adjust the dividend payment to shareholders, regulate investments in new projects, return capital to shareholders or issue new shares. The group monitors capital using debt-equity ratio, which is the ratio of long term debt to total net worth. The policy is to keep the debt-equity ratio wherein the debt is less than 75% of total capital employed (i.e. debt to equity ratio less than 75:25). The group includes within long term debt, interest bearing loans and borrowings and current maturities of long term debt.

The debt –equity ratio of the Group was as follows:-

Particulars	At at 31.03.2020	At at 31.03.2019
Long term debt (₹ in crore)	145269.64	142076.36
Equity (₹ in crore)	64695.35	59088.39
Long term debt to Equity ratio	69:31	71:29

Under the terms of the major borrowing facilities, the group is required to comply with the financial covenants. Breaches in meeting the financial covenants would permit the lenders to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current reporting period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31.03.2020 and 31.03.2019.

### b) Dividends

(₹ in crore)

Particulars	At at 31.03.2020	At at 31.03.2019
(i) Equity shares		
Final dividend for the year ended 31.03.2019 of ₹2.50 (31.03.2018 – ₹2.80) per fully paid share	1307.90	1464.85
Interim dividend for the year ended 31.03.2020 of ₹5.96 (31.03.2019 – ₹5.83) per fully paid share	3118.02	3050.02

Dividend not recognized at the end of the reporting period:

In addition to above dividend, the Board of Directors on 20th June, 2020 recommended the payment of a final dividend of ₹4.04 per fully paid equity share. This proposed dividend is subject to the approval of shareholders in the ensuing Annual general meeting.

## 63. Earnings per share

(Amount in ₹)

(a) Basic and diluted earnings per share attributable to the equity holders of the group	At at 31.03.2020	At at 31.03.2019
Including movement in Regulatory deferral balances	21.14	19.18
Excluding movement in Regulatory deferral balances	17.92	24.01
<b>Total basic and diluted earnings per share attributable to the equity holders of the group</b>	<b>21.14</b>	<b>19.18</b>

(₹ in crore)

(b) Reconciliation of earnings used as numerator in calculating earnings per share	At at 31.03.2020	At at 31.03.2019
Earnings attributable to the equity holders of the group including movement in Regulatory deferral balances	11,059.40	10,033.52
Earnings attributable to the equity holders of the group excluding movement in Regulatory deferral balances	9,376.00	12,560.39
<b>Total Earnings attributable to the equity holders of the group</b>	<b>11,059.40</b>	<b>10,033.52</b>



### 63. Earnings per share (Contd.)

(₹ in crore)

(c) Weighted average number of shares used as the denominator	At at 31.03.2020	At at 31.03.2019
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	<b>5231589648</b>	5231589648
Adjustments for calculation of diluted earnings per share	-	-
<b>Total weighted average number of equity shares used as the denominator in calculating basic earnings per share</b>	<b>5231589648</b>	5231589648

### 64. Financial Risk Management

The Group's principal financial liabilities comprise loans and borrowings denominated in Indian rupees or foreign currencies, trade payables and other payables. The Group has also provided financial guarantee in respect of bonds issued by its wholly owned subsidiary, Powergrid Vizag Transmission Limited. The main purpose of these financial liabilities is to finance the Group's capital investments and operations.

The Group's principal financial assets include loans and advances, trade and other receivables, and cash and cash equivalents that are generated from its operations.

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

- Credit risk,
- Liquidity risk,
- Market risk.

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

#### Risk management framework

The Parent company has a duly constituted Risk Management Committee headed by Director (Projects) with Director (Operations), Director (Finance) and independent directors as members. For the purpose of evaluating and managing the uncertainties the enterprise faces, Enterprise Risk Management framework has been implemented. The framework is a structured, consistent and continuous process for identification, assessment, monitoring and management of risks. As per this framework, the significant business processes / risks are monitored and controlled through various Key Performance Indicators (KPIs). The Committee meets at regular intervals and reviews KPIs and provides updates to the Audit Committee/Board.

The management of financial risks by the Group 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 Group is exposed to credit risk from its operating activities on account of trade receivables and loans and advances and from its financing activities due to deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

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 Group 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 Group. Where loans or receivables have been written off, the Group 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 Unbilled Revenue

The Group primarily provides transmission facilities to inter-state transmission service customers (DICs) comprising mainly state utilities owned by State Governments. The Group has a robust payment security mechanism in the form of Letters of Credit (LC) backed by the Tri-Partite Agreements (TPA). The TPA was signed among the GOI, Reserve Bank of India and the individual State Governments subsequent to the issuance of the One Time Settlement Scheme of State Electricity Boards dues during 2001-02 by the GOI, which was valid till October 2016. GOI has approved the extension of these TPAs for a further period of 10 years. Majority of the States have executed the agreements for extension of TPAs and matter is being pursued with the remaining states.

As per the provisions of the TPA, the customers are required to establish LC covering 105% of the average monthly billing of the Group for last 12 months. The TPA also provides that if there is any default in payment of current dues by any State Utility, the outstanding dues can be deducted from the State's RBI account and paid to the concerned CPSU. There is also provision for regulation of power by the Group in case of non-payment of dues and non-establishment of LC.

CERC tariff regulations allow payment against monthly bills towards transmission charges within a period of 45 days from the date of the bill and levy of surcharge on delayed payment beyond 45 days. A graded rebate is provided by the Group for payments made within 45 days.

Trade receivables consist of receivables relating to transmission services of ₹4900.32crore (Previous Year ₹4679.86crore), receivables relating to consultancy services of ₹137.07crore (Previous Year ₹148.02crore) and receivables relating to telecom business of ₹321.02crore (Previous Year ₹239.58crore).

Unbilled revenue primarily relates to the Company's right to consideration for work completed but not billed at the reporting date and has substantially the same risk characteristics as the trade receivables for the same type of contracts.

**64. Financial Risk Management (Contd.)****ii) Other Financial Assets (excluding trade receivables and unbilled revenue)****• Cash and cash equivalents**

The Group held cash and cash equivalents of ₹581.64crore (Previous Year ₹382.33crore). The cash and cash equivalents are held with public sector banks and high rated private sector banks and do not have any significant credit risk.

**• Deposits with banks and financial institutions**

The Group held deposits with banks and financial institutions of ₹4,868.44crore (Previous Year ₹4,117.79crore). Term deposits are placed with public sector banks and have negligible credit risk.

**• Loans**

The Group has given loans to employees, subsidiaries, Joint Venture companies, Government of India and other parties. House building loans and conveyance advance to the employees are secured against the mortgage of the house properties or hypothecation of vehicles for which such loans have been given in line with the policies of the Group. The loans provided to group companies are for projects under Tariff Based Competitive Bidding route and Public private partnership. The risk of default in respect of these loans is considered negligible.

**iii) Exposure to credit risk**

(₹ in crore)

Particulars	At at 31.03.2020	At at 31.03.2019
<b>Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)</b>		
Non-Current Loans	271.58	188.13
Other non-current financial assets	4089.19	4077.57
Cash and cash equivalents	581.64	382.33
Deposits with banks and financial institutions	4868.44	4117.79
Current loans	152.37	130.99
Other current financial assets	486.15	592.14
<b>Total</b>	<b>10449.37</b>	<b>9488.95</b>
<b>Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)</b>		
Trade receivables	5358.41	5067.46
Unbilled Revenue	5351.17	6720.86

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

The Group 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 unbilled revenue) 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**

In respect of trade receivables and unbilled revenue from Telecom and Consultancy, customer credit risk is managed by regular monitoring of the outstanding receivables and follow-up with the consumer for realization.

With regard to transmission segment, the Group 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 unbilled revenue continue to have a negligible credit risk on initial recognition and thereafter on each reporting date.

**v) Ageing analysis of trade receivables**

The ageing analysis of the trade receivables is as below:

(₹ in crore)

Ageing	Not due	0-30 days past due	31-60 days past due	61-90 days past due	91-120	More than 120 days past due	Total
<b>Gross carrying amount as on 31.03.2020</b>	<b>10.18</b>	<b>2104.81</b>	<b>871.64</b>	<b>794.68</b>	<b>323.18</b>	<b>1253.92</b>	<b>5358.41</b>
Gross carrying amount as on 31.03.2019	22.94	1559.96	1279.83	833.01	136.30	1235.42	5067.46

## 64. Financial Risk Management (Contd.)

### vi) Reconciliation of impairment loss provisions

The movement in the allowance for impairment in respect of financial assets during the year was as follows: (₹ in crore)

Particulars	Trade receivables	Investments	Loans	Advances	Unbilled Debtors	Total
<b>Balance as at 01.04.2018</b>	<b>48.15</b>	-	-	-	<b>18.92</b>	<b>67.07</b>
Impairment loss recognized/(reversed)	291.21	3.97	-	-	105.71	400.89
Amounts written off	-	-	-	-	-	-
<b>Balance as at 31.03.2019</b>	<b>339.36</b>	<b>3.97</b>	-	-	<b>124.63</b>	<b>467.96</b>
Impairment loss recognized/(reversed)	(21.66)	(3.97)	-	-	-	(25.63)
Amounts written off	-	-	-	-	105.71	105.71
<b>Balance as at 31.03.2020</b>	<b>317.70</b>	-	-	-	<b>18.92</b>	<b>336.62</b>

Based on historic default rates, the Group believes that, apart from the above, no impairment allowance is necessary in respect of any other assets as the amounts are insignificant.

### B. LIQUIDITY RISK

Liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. The Group monitors its risk of a shortage of funds using a liquidity planning tool. The Group has access to a variety of sources of funding such as commercial paper, bank loans, bonds and external commercial borrowings and retains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Group's liquidity position comprising the undrawn borrowing facilities below and cash and cash equivalents on the basis of expected cash flows.

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

#### i) Financial Arrangement

The Group had access to the following undrawn borrowing facilities at the end of the reporting period.

(₹ in crore)

Particulars	As at 31.03.2020	As at 31.03.2019
Expiring within 1 year (bank overdraft and other facilities)	<b>388.15</b>	582.13
Expiring beyond one year (bank loans)	<b>5363.29</b>	12153.70

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time and have remaining availability period of 1 to 5 years (Previous Year 1 to 5 years).

#### ii) Maturities of financial liabilities

The table below analyses the Group'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 crore)

Contractual maturities of financial liabilities	Within a year	Between 1-5 years	Beyond 5 years	Total
<b>As at 31.03.2020</b>				
Borrowings (including interest outflows)	21984.91	81187.92	102699.76	<b>205872.59</b>
Trade payables	226.54	-	-	<b>226.54</b>
<u>Other financial liabilities</u>				
Lease liabilities	4.57	5.80	64.38	<b>74.75</b>
Others	8907.86	1171.82	4636.98	<b>14716.66</b>
<b>Total</b>	<b>31123.88</b>	<b>82365.54</b>	<b>107401.12</b>	<b>220890.54</b>
<b>As at 31.03.2019</b>				
Borrowings (including interest outflows)	24759.31	77525.85	108167.14	<b>210452.30</b>
Trade payables	365.13	-	-	<b>365.13</b>
Other financial liabilities	9487.98	1656.51	4924.35	<b>16068.84</b>
<b>Total</b>	<b>34612.42</b>	<b>79182.36</b>	<b>113091.49</b>	<b>226886.27</b>

**64. Financial Risk Management (Contd.)****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
- iii) Other price risk, such as equity price risk and commodity risk.

**i) Currency risk**

The Group is exposed to currency risk mainly in respect of foreign currency denominated loans and borrowings and procurement of goods and services whose purchase consideration is denominated in foreign currency. Transmission tariff are regulated by the CERC. According to the CERC tariff regulations for the block 2019-24 the Group may hedge foreign exchange exposure in respect of the interest on foreign currency loan and repayment of foreign loan acquired for the transmission system, in part or full in its discretion and recover the cost of hedging of foreign exchange rate variation corresponding to the normative foreign debt, in the relevant year.

If hedging of the foreign exchange exposure is not undertaken, the extra rupee liability towards interest payment and loan repayment corresponding to the normative foreign currency loan in the relevant year is permissible to be recovered as part of transmission tariff provided it is not attributable to the generating company or the transmission licensee or its suppliers or contractors. During the Current financial year, no hedging for foreign exchange exposure has been undertaken by the Group. In respect of goods and services procured for Capital Investment, the exchange rate variation is part of the project cost, for determination of transmission tariff. The currency risk in respect of goods and services procured for operation activities is not significant.

The Group's exposure to foreign currency risk not hedged by a derivative instrument or otherwise at the end of the reporting period is as follows:

Particulars		Amount in Foreign Currency (in Crore)		Amount (₹ in Crore)	
		As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
Borrowings	USD	<b>493.62</b>	482.67	<b>37,544.72</b>	33,676.03
	EURO	<b>62.88</b>	51.73	<b>5,309.08</b>	4,078.18
	SEK	<b>211.80</b>	249.45	<b>1,613.88</b>	1,883.31
	JPY	<b>2,327.24</b>	2,345.42	<b>1,645.13</b>	1,487.70
Interest accrued but not due thereon including Agency Fee, Commitment Fee & other Charges	USD	<b>3.01</b>	3.68	<b>229.27</b>	256.90
	EURO	<b>0.22</b>	0.22	<b>18.51</b>	17.22
	SEK	<b>1.27</b>	1.09	<b>9.68</b>	8.22
	JPY	<b>5.57</b>	3.94	<b>3.94</b>	2.50
Trade Payables/deposits and retention money	USD	<b>5.43</b>	7.29	<b>394.82</b>	508.62
	EURO	<b>3.80</b>	1.05	<b>314.54</b>	82.74
	SEK	<b>22.52</b>	-	<b>177.76</b>	-
	CHF	<b>0.02</b>	0.03	<b>1.94</b>	2.36
	GBP	<b>1.90</b>	1.83	<b>179.43</b>	167.90
	JPY	<b>95.43</b>	-	<b>63.07</b>	-
	CAD	<b>0.01</b>	-	<b>0.32</b>	-
Trade receivables and Bank balances	USD	<b>0.03</b>	0.17	<b>2.18</b>	11.86
	NPR	<b>23.95</b>	1.65	<b>14.97</b>	1.03
	BDT	<b>1.25</b>	-	<b>0.90</b>	-
	FJI	-	0.002	-	0.07
Amount of contracts remaining to be executed	USD	<b>2.12</b>	13.61	<b>156.55</b>	949.43
	EURO	<b>2.57</b>	7.56	<b>216.03</b>	596.03
	SEK	<b>3.44</b>	31.91	<b>26.18</b>	240.92
	CHF	-	-	-	-
	GBP	<b>1.04</b>	2.68	<b>98.25</b>	245.89
	JPY	<b>9.70</b>	216.16	<b>6.85</b>	137.11

**Sensitivity Analysis**

Since the impact of strengthening or weakening of Indian rupee against USD, Euro, JPY and other currencies on the statement of profit and loss would not be very significant; therefore, sensitivity analysis for currency risk is not disclosed.

## 64. Financial Risk Management (Contd.)

### ii) Interest rate risk

The Group is exposed to interest rate risk arising mainly from long term borrowings with floating interest rates. The Group is exposed to interest rate risk because the cash flows associated with floating rate borrowings will fluctuate with changes in interest rates. The Group manages the interest rate risks by maintaining a debt portfolio comprising a mix of fixed and floating rate borrowings in domestic and foreign currencies.

At the reporting date, the interest rate profile of the Group's variable interest rate-bearing financial instruments is as follows:

(₹ in crore)

Particulars	At at 31.03.2020	At at 31.03.2019
<b>Long Term Debt with floating rate of interest</b>		
- Domestic	26107.40	26190.00
- Foreign	37907.16	33427.30
<b>Sub Total</b>	<b>64014.56</b>	<b>59617.30</b>
<b>Long Term Debt with fixed rate of interest</b>		
- Domestic	73059.95	74778.86
- Foreign	8195.13	7680.20
<b>Sub Total</b>	<b>81255.08</b>	<b>82459.06</b>
<b>Total Long Term Debt</b>	<b>145269.64</b>	<b>142076.36</b>
<b>% of Floating Interest Rate Debt to Total Long Term Debt</b>	<b>44.07%</b>	<b>41.96%</b>

### Fair value sensitivity analysis for interest-rate risk

As per CERC Regulations, interest on loan during construction forms part of project cost for the purpose of tariff and after the date of commercial operation, interest on loans is recoverable through tariff calculated on the normative average loan of the year by applying the weighted average rate of interest of the actual loan portfolio.

Accordingly, the Group's interest rate risk is not considered significant; hence sensitivity analysis for the risk is not disclosed.

### iii) Other price risk

The Group's exposure to equity securities price risk arises from investments held by the Group and classified in the balance sheet as fair value through OCI.

Considering the magnitude of equity investments, no significant risk is expected to arise.

## 65. Income Tax expense

This note provides an analysis of the group'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 Group's tax position.

### (a) Income tax expense

(₹ in crore)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
<b><u>Current Tax</u></b>		
Current tax on profits for the year	2198.54	2568.02
Adjustments for current tax of prior periods	121.91	-
Pertaining to regulatory deferral account balances (A)	356.39	(694.08)
<b>Total current tax expense (B)</b>	<b>2676.84</b>	<b>1873.94</b>
<b><u>Deferred Tax expense</u></b>		
Origination and reversal of temporary differences	1210.30	752.51
Previously unrecognized tax credit recognized as		
Deferred Tax Asset this year	-	(4206.88)
<b>Total deferred tax expense /benefit (C)</b>	<b>1210.30</b>	<b>(3454.37)</b>
<b>Income tax expense (B+C-A)</b>	<b>3530.75</b>	<b>(886.35)</b>
<b>Pertaining to regulatory deferral account balances</b>	<b>356.39</b>	<b>(694.08)</b>
<b>Total tax expense including tax on movement in regulatory deferral account balances</b>	<b>3887.14</b>	<b>(1580.43)</b>

**65. Income Tax expense (Contd.)****(b) Income Tax recognized in Regulatory Deferral Account Balances:**

(₹ in crore)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Deferred assets for Deferred tax liability	1297.69	(3472.89)
Foreign Currency Fluctuation	742.10	232.27
Employee Benefits Expenses	-	19.67
Total Regulatory Deferral Account Balances	2039.79	(3220.95)
Before Tax - Income / (Expenses)		
Current Tax on Regulatory Deferral Account Balances	356.39	(694.08)
<b>Net Movement in Regulatory Deferral Account Balances - Income / (Expenses) (net of Tax)</b>	<b>1683.40</b>	<b>(2526.87)</b>

**(c) Income Tax recognized in other comprehensive income:**

(₹ in crore)

Particulars	For the year ended 31.03.2020			For the year ended 31.03.2019		
	Before Tax	Tax expense/ (benefit)	Net of Tax	Before Tax	Tax expense/ (benefit)	Net of Tax
Net gains/(losses) on fair valuation of equity instruments	(49.35)	-	(49.35)	(14.15)	-	(14.15)
Net actuarial losses on defined benefit plans	(74.47)	(13.01)	(61.46)	(0.26)	0.05	(0.31)
Less: Transferred to expenditure during construction (net)	8.23	1.44	6.79	(2.34)	(0.50)	(1.84)
<b>Other Comprehensive Income (Net of Tax)</b>	<b>(115.59)</b>	<b>(11.57)</b>	<b>(104.02)</b>	<b>(16.75)</b>	<b>(0.45)</b>	<b>(16.30)</b>

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

(₹ in crore)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Profit before income tax expense including movement in regulatory	14946.54	8453.09
<b>Tax at the Company's domestic tax rate</b>	<b>5273.77</b>	2953.85
Tax effect of:		
Non Deductible tax items	(2566.92)	(2743.09)
Tax exempt income	(1899.30)	(1769.51)
Deferred Assets for Deferred Tax Liability	-	2654.47
Previous Years tax liability	121.91	-
Unabsorbed tax losses	-	(1568.19)
Deferred Tax expense/(income)	1210.30	(3454.37)
Minimum alternate tax adjustments	1747.38	2346.41
<b>Income tax expense</b>	<b>3887.14</b>	<b>(1580.43)</b>

**(e) Unrecognised Temporary Differences**

(₹ in crore)

Particulars	31.03.2020	31.03.2019
Temporary differences relating to investments in subsidiaries for which deferred tax liabilities have not been recognised:		
Undistributed earnings	351.60	231.24
Unrecognised deferred tax liabilities relating to the above temporary differences	-	47.53

## 66. Employee Benefit Obligations

(₹ in crore)

Particulars	31 <sup>st</sup> March, 2020			31 <sup>st</sup> March, 2019		
	Current	Non-current	Total	Current	Non-current	Total
Leave Obligations	41.96	382.50	424.46	39.77	331.92	371.69
Post-Retirement Medical Facility (PRMF)	20.82	522.05	542.87	16.86	422.12	438.98
Other Employee benefits /Long Service Award	1.12	15.91	17.03	1.15	13.60	14.75
Gratuity	74.08	527.83	601.91	111.45	514.99	626.44
Other Defined retirement benefits (ODRB)/ Baggage Allowance	2.06	18.90	20.96	2.06	16.67	18.73
<b>Total employee benefit obligations</b>	<b>140.04</b>	<b>1467.19</b>	<b>1607.23</b>	<b>171.29</b>	<b>1299.30</b>	<b>1470.59</b>

### (i) Long Term Employee Benefits

#### A. Leave Obligations

The Company provides for earned leave benefit (including compensated absences) and half-pay leave to the employees of the company which accrue annually at 30 days and 20 days respectively. Earned leave is encashable while in service. Half pay leaves (HPL) are en-cashable only on separation beyond the age of 55 years upto the maximum of 300 days (HPL). However, total number of leave that can be encashed on superannuation shall be restricted to 300 days and no commutation of half pay leave shall be permissible. The liability for same is recognized on the basis of actuarial valuation.

#### B. Other employee benefits – POWERGRID Employee family rehabilitation scheme

The company has introduced POWERGRID Employees Family Economic Rehabilitation Scheme on 24.06.2017. The Objective of the scheme is to provide monetary assistance and support to an employee in case of his/her permanent total disablement and to his/her family in case of death while in service. The beneficiary would be entitled to monthly payment equivalent to the employee's 50% of one month pay last drawn provided the beneficiary deposits with the company an amount equal to PF (excluding VPF) balance, Gratuity amount and Group Insurance (EDLI) amount, Such monthly payment would continue till the normal notional date on which the employee concerned would have attained the age of superannuation had the employee continued in the service of the company. The scheme is optional. Provision for POWERGRID Employees Family Economic Rehabilitation Scheme amounting to ₹ 1.18 crore (up to Previous Year ₹ 6.91 crore) for the year has been made during the year based on actuarial valuation.

### ii) Post-employment obligations(Defined Employee Benefit/Contribution Schemes)

#### A. Post-Retirement Medical Facility ( PRMF)

The Company has Post-Retirement Medical Facility (PRMF), under which retired employees and the spouse are provided medical facilities in the empanelled hospitals. They can also avail treatment as Out-Patient subject to a ceiling fixed by the company. The liability for the same is recognized on the basis of actuarial valuation on annual basis on the Balance Sheet date. The scheme is funded by the company and is managed by a separate trust constituted on 1st May 2018.

#### B. Other employee benefits – Long Service Award

This benefit is applicable to all regular employees of the company (except for Directors and CMD) who have superannuated after completing at least 10 years of service. This scheme is unfunded and liability for the same is recognised on the basis of actuarial valuation on annual basis on the balance sheet date.

#### C. Gratuity

The company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to get gratuity at 15 days salary (15/26 x last drawn basic salary plus, dearness allowance) for each completed year of service on superannuation, resignation, termination, disablement or on death subject to a maximum of ₹ 20 lacs. The scheme is funded by the company and is managed by a separate trust. The liability for the same is recognized on the basis of actuarial valuation on annual basis on the Balance Sheet date. Company has carried out the actuarial valuation of Gratuity benefit considering ceiling of ₹20 Lakhs.

#### D) Other Defined Retirement Benefits (ODRB)/Baggage Allowance

The Company has a scheme for settlement at the time of superannuation at anywhere in India and dependents to superannuated employees. The scheme is unfunded and liability for the same is recognized on the basis of actuarial valuation on annual basis on the Balance Sheet date.

#### E. Provident Fund

Company pays fixed contribution to Provident Fund at predetermined rate to a separate trust, which invests the funds in permitted securities. Contribution to family pension scheme is paid to the appropriate authorities. The contribution to the fund and EPS scheme for the year amounting to ₹ 124.43 crore (previous year ₹ 131.04 crore) has been recognized as expense and is charged to Statement of Profit and Loss. The obligation of the company is limited to such fixed contribution and to ensure a minimum rate of interest on contributions to the members as specified by GOI. As per the report of actuary overall interest earning and cumulative surplus is more than statutory interest payment requirement. Hence, no further provision is considered necessary. Since the company does not have unconditional right over the PF corpus, the surplus has not been recognized in the Balance Sheet.



**66. Employee Benefit Obligations (Contd.)**

(₹ in crore)

Particulars	31 <sup>st</sup> March, 2020			31 <sup>st</sup> March, 2019		
	Current	Non-current	Total	Current	Non-current	Total
Provident Fund (PF)	376.22	2679.65	3055.87	141.68	2615.90	2757.58

(₹ in crore)

Particulars	PF		
	Present value of obligation	Fair value of plan assets	Net amount
<b>1<sup>st</sup> April, 2019</b>	<b>2757.58</b>	<b>2844.43</b>	<b>(86.85)</b>
Service cost	111.20	-	111.20
Interest expense (income)	235.36	248.49	(13.13)
<b>Total</b>	<b>346.56</b>	<b>248.49</b>	<b>98.07</b>
<b>Re measurements</b>			
Return on plan assets, excluding amount included in interest expense/(income)	-	-	-
(Gain)/Loss from change in demographic assumptions	0.01	-	0.01
(Gain)/Loss from change in financial assumptions	0.59		0.59
Experience (Gain)/ Losses	9.16		9.16
<b>Total</b>	<b>9.76</b>		<b>9.76</b>
Employee contributions	250.63	361.83	(111.20)
Benefits payments	(308.66)	(308.66)	-
<b>31<sup>st</sup> March, 2020</b>	<b>3055.87</b>	<b>3146.09</b>	<b>(90.22)</b>

(₹ in crore)

Particulars	PF		
	Present value of obligation	Fair value of plan assets	Net amount
<b>1<sup>st</sup> April, 2018</b>	<b>2624.17</b>	<b>2649.00</b>	<b>(24.83)</b>
Service cost	98.18	-	98.18
Interest expense (income)	199.44	226.44	(27.00)
<b>Total</b>	<b>297.62</b>	<b>226.44</b>	<b>71.18</b>
<b>Re measurements</b>			
Return on plan assets, excluding amount included in interest expense/(income)	-	-	-
(Gain)/Loss from change in demographic assumptions	-	-	-
(Gain)/Loss from change in financial assumptions	(0.10)	-	(0.10)
Experience (Gain)/ Losses	(34.91)		(34.91)
<b>Total</b>	<b>(35.01)</b>		<b>(35.01)</b>
Employee contributions	111.69	209.88	(98.19)
Benefits payments	(240.89)	(240.89)	-
<b>31<sup>st</sup> March, 2019</b>	<b>2757.58</b>	<b>2844.43</b>	<b>(86.85)</b>

The net liability disclosed above relates to Provident Fund is as follows:

(₹ in crore)

Particulars	PF	
	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
Present value of funded obligations	<b>3055.87</b>	2757.58
Fair value of plan assets	<b>3146.09</b>	2844.43
<b>Deficit/(Surplus) of funded plan</b>	<b>(90.22)</b>	<b>(86.85)</b>

## 66. Employee Benefit Obligations (Contd.)

Sensitivity Analysis of Provident Fund:

(₹ in crore)

Particulars	PF
a) Impact of change in discount rate	
Present value of Obligation at the end of period	3055.87
- Impact due to increase of 0.5%	(0.35)
- Impact due to decrease of 0.5%	0.37

The major categories of plan assets (PF) are as follows

Particulars	31 <sup>st</sup> March, 2020				31 <sup>st</sup> March, 2019			
	Quoted	Unquoted	Total	In %	Quoted	Unquoted	Total	In %
Equity instruments (ETF)	30.49	-	30.49	1%	38.62	-	38.62	2%
Debt instruments								
Govt/State Bonds	1689.26	-	1689.26	54%	1570.27	-	1570.27	55%
PSU and Private Bonds	1238.94	-	1238.94	39%	1135.92	-	1135.92	40%
Bank Balance	25.09	-	25.09	1%	7.79	-	7.79	0%
Other Receivables	162.31	-	162.31	5%	91.83	-	91.83	3%
<b>Total</b>	<b>3146.09</b>	<b>-</b>	<b>3146.09</b>		<b>2844.43</b>	<b>-</b>	<b>2844.43</b>	

Fair value of company's own transferable financial instruments held as plan assets is ₹79.28 crore as on 31st March, 2020 (₹ 85.50 crore as on 31st March, 2019).

The expected maturity analysis of provident fund is as follows:

(₹ in crore)

Particulars	Less than a year	Between 1-2 year	Between 2-5 years	Over 5 years	Total
<b>31<sup>st</sup> March, 2020</b>	<b>376.21</b>	<b>242.77</b>	<b>677.75</b>	<b>1759.14</b>	<b>3055.87</b>
31 <sup>st</sup> March, 2019	141.68	125.82	356.78	2133.30	2757.58

### F. Pension

The Company has scheme of employees defined Pension Contribution. Company contribution is paid to separate trust. Amount of contribution paid/payable for the year is ₹ 114.82crore (previous year ₹ 102.41crore) has been recognized as expense and is charged to Statement of Profit & Loss.

**66. Employee Benefit Obligations (Contd.)**

The summarized position of various employee benefit obligations is as follows:

Particulars	Gratuity			ODRB			Leaves			PRMF		
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount
<b>1<sup>st</sup> April, 2019</b>	<b>626.44</b>	<b>590.28</b>	<b>36.16</b>	<b>18.74</b>	<b>-</b>	<b>18.74</b>	<b>371.69</b>	<b>-</b>	<b>371.69</b>	<b>438.98</b>	<b>418.68</b>	<b>20.30</b>
Service cost	25.51		25.51	1.24		1.24	31.39		31.39	11.55		11.55
Interest expense (income)	48.55	47.22	1.33	1.45		1.45	28.80		28.80	34.02	39.58	(5.56)
<b>Total amount recognized in profit or loss</b>	<b>74.06</b>	<b>47.22</b>	<b>26.84</b>	<b>2.69</b>	<b>-</b>	<b>2.69</b>	<b>60.19</b>	<b>-</b>	<b>60.19</b>	<b>45.57</b>	<b>39.58</b>	<b>5.99</b>
<b>Re measurements</b>												
Return on plan assets, excluding amount included in interest expense/(income)	-	0.93	(0.93)	-	-	-	-	-	-	-	22.57	(22.57)
(Gain)/Loss from change in demographic assumptions	(0.37)	-	(0.37)	(0.01)	-	(0.01)	0.09		0.09	(0.28)	-	(0.28)
(Gain)/Loss from change in financial assumptions	42.77	-	42.77	1.81	-	1.81	36.83	-	36.83	55.69	-	55.69
Experience (Gain)/ Losses	(37.70)	-	(37.70)	(2.18)	-	(2.18)	22.91	-	22.91	23.99	-	23.99
<b>Total amount recognized in other comprehensive income</b>	<b>4.70</b>	<b>0.93</b>	<b>3.77</b>	<b>(0.38)</b>	<b>-</b>	<b>(0.38)</b>	<b>59.83</b>	<b>-</b>	<b>59.83</b>	<b>79.40</b>	<b>22.57</b>	<b>56.83</b>
Employer contributions	-	19.85	(19.85)	-	-	-	-	-	-	-	58.41	(58.41)
Benefits payments	(103.29)	(103.29)	-	(0.09)	-	(0.09)	(67.25)	-	(67.25)	(21.08)	(21.08)	-
<b>31<sup>st</sup> March, 2020</b>	<b>601.91</b>	<b>554.99</b>	<b>46.92</b>	<b>20.96</b>	<b>-</b>	<b>20.96</b>	<b>424.46</b>	<b>-</b>	<b>424.46</b>	<b>542.87</b>	<b>518.16</b>	<b>24.71</b>

**66. Employee Benefit Obligations (Contd.)**

(₹ in Crore)

Particulars	Gratuity		ODRB			Leaves			PRMF		
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets
<b>1<sup>st</sup> April, 2018</b>	<b>631.48</b>	<b>579.51</b>	<b>51.97</b>	<b>18.43</b>	<b>-</b>	<b>18.43</b>	<b>354.94</b>	<b>-</b>	<b>354.94</b>	<b>386.66</b>	<b>-</b>
Service cost	29.64	-	29.64	0.98	-	0.98	40.75	-	40.75	12.84	-
Interest expense (income)	47.99	44.04	3.95	1.40	-	1.40	26.97	-	26.97	29.38	3.00
<b>Total amount recognized in profit or loss</b>	<b>77.63</b>	<b>44.04</b>	<b>33.59</b>	<b>2.38</b>	<b>-</b>	<b>2.38</b>	<b>67.72</b>	<b>-</b>	<b>67.72</b>	<b>42.22</b>	<b>3.00</b>
Re measurements	-	7.53	(7.53)	-	-	-	-	-	-	-	-
Return on plan assets, excluding amount included in interest expense/(income)	-	-	-	-	-	-	-	-	-	-	-
(Gain)/Loss from change in demographic assumptions	-	-	-	-	-	-	-	-	-	-	-
(Gain)/Loss from change in financial assumptions	(5.95)	-	(5.95)	(0.21)	-	(0.21)	(4.91)	-	(4.91)	(7.60)	-
Experience (Gain)/ Losses	(6.36)	-	(6.36)	(1.63)	-	(1.63)	(2.28)	-	(2.28)	33.66	-
<b>Total amount recognized in other comprehensive income</b>	<b>(12.31)</b>	<b>7.53</b>	<b>(19.84)</b>	<b>(1.84)</b>	<b>-</b>	<b>(1.84)</b>	<b>(7.19)</b>	<b>-</b>	<b>(7.19)</b>	<b>26.06</b>	<b>-</b>
Employer contributions	-	29.56	(29.56)	-	-	-	-	-	-	-	431.64
Benefits payments	(70.36)	(70.36)	-	(0.23)	-	(0.23)	(43.78)	-	(43.78)	(15.96)	-
<b>31<sup>st</sup> March, 2019</b>	<b>626.44</b>	<b>590.28</b>	<b>36.16</b>	<b>18.74</b>	<b>-</b>	<b>18.74</b>	<b>371.69</b>	<b>-</b>	<b>371.69</b>	<b>438.98</b>	<b>418.68</b>
											<b>20.30</b>

**66. Employee Benefit Obligations (Contd.)**

The net disclosed above relates to funded and unfunded plans are as follows:-

(₹ in crore)

Particulars	Gratuity		ODRB		Leaves		PRMF	
	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
Present value of funded obligations	601.91	626.44	-	-	-	-	542.87	438.98
Fair value of plan assets	554.99	590.28	-	-	-	-	518.16	418.68
<b>Deficit/(Surplus) of funded plan</b>	<b>46.92</b>	36.16	-	-	-	-	<b>24.71</b>	20.30
<b>Unfunded plans</b>	-	-	<b>20.96</b>	18.74	<b>424.46</b>	371.69	-	-

The company expects to contribute ₹ 39.58 crore to the gratuity trust during the FY 2020-21.

**iii) Significant actuarial assumptions for Post-Employment Benefits :****Economic Assumptions**

(₹ in crore)

Particulars	Gratuity, ODRB, Pension, PRMF, PF	
	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
Discount rate	<b>6.75%</b>	7.75%
Salary growth rate (except for PF)	<b>6.50%</b>	6.50%

The discount rate is generally based upon the market yields available on Govt. Bonds at the accounting date relevant to currency of benefit payments for a term that matches the liabilities. Salary growth rate is companies' long term best estimate as to salary increases and takes account of inflation, seniority, promotion, business plan, HR Policy and other relevant factors on long term basis.

**Demographic Assumptions**

(₹ in crore)

Particulars	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
i) Retirement Age	60	60
ii) Mortality rates inclusive of provision for disability	100% of IALM (2012-14)	100% of IALM (2006-08)
iii) Ages	Withdrawal rate %	Withdrawal %
Upto 30 years	3	3
From 31 to 44 years	2	2
Above 44 years	1	1

**Mortality rates for specimen ages**

Age	Mortality rate	Age	Mortality rate	Age	Mortality rate
15	0.000698	45	0.002579	75	0.038221
20	0.000924	50	0.004436	80	0.061985
25	0.000931	55	0.007513	85	0.100979
30	0.000977	60	0.011162	90	0.163507
35	0.001202	65	0.015932	95	0.259706
40	0.00168	70	0.024058	100	0.397733

**iv) Sensitivity Analysis of the defined benefit obligation**

(₹ in crore)

Particulars	Gratuity	ODRB	Leaves	PRMF
a) Impact of change in discount rate				
Present value of Obligation at the end of period	601.91	20.96	424.46	542.87
- Impact due to increase of 0.5%	(22.27)	(0.79)	(19.24)	(29.86)
- Impact due to decrease of 0.5%	24.22	0.80	21.00	30.47
b) Impact of change in salary increase				
Present value of Obligation at the end of period	601.91	20.96	424.46	542.87
- Impact due to increase of 0.5%	8.33	-	20.93	31.02
- Impact due to decrease of 0.5%	(8.87)	-	(19.31)	(30.01)

## 66. Employee Benefit Obligations (Contd.)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. This analysis may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated

### v) The major categories of plan assets (Gratuity) are as follows:

(₹ in crore)

Particulars	31 <sup>st</sup> March, 2020				31 <sup>st</sup> March, 2019			
	Quoted	Unquoted	Total	In %	Quoted	Unquoted	Total	In %
Equity instruments (ETF)	3.14	-	3.14	1%	3.35	-	3.35	1%
Debt instruments								
Govt/State Bonds	280.98	-	280.98	49%	292.45	-	292.45	48%
PSU and Private Bonds	286.85	-	286.85	50%	307.27	-	307.27	51%
<b>Total*</b>	<b>570.97</b>	<b>-</b>	<b>570.97</b>		<b>603.07</b>	<b>-</b>	<b>603.07</b>	

\*Fair valuation as per actuarial valuation is ₹ 554.99 crore (Previous Year ₹ 590.27 crore).

Fair value of company's own transferable financial instruments held as plan assets is ₹65.11 crore (Previous Year ₹ 73.83crore).

### vi) The major categories of plan assets (PRMF) are as follows:

(₹ in crore)

Particulars	31 <sup>st</sup> March, 2020				31 <sup>st</sup> March, 2019			
	Quoted	Unquoted	Total	In %	Quoted	Unquoted	Total	In %
Equity instruments (ETF)	-	-	-	-	-	-	-	-
Debt instruments								
Govt/State Bonds	265.64	-	265.64	52%	171.85	-	171.85	41%
PSU and Private Bonds	240.87	-	240.87	48%	246.56	-	246.56	59%
<b>Total#</b>	<b>506.51</b>	<b>-</b>	<b>506.51</b>		<b>418.41</b>	<b>-</b>	<b>418.41</b>	

#Fair valuation as per actuarial valuation is ₹ 518.16crore (Previous Year ₹ 418.69 crore)

### vii) Description of Risk exposures

Valuation is based on certain assumptions which are dynamic in nature and vary over time. As such company is exposed to various risks as follows:

- Salary Increases (except for PF) – Actual salary increase will increase the plan's liability. Increase in salary increase rate assumptions in future valuation will also increase the liability.
- Investment risk – If plan is funded then assets liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability
- Discount Rate – Reduction in discount rate in subsequent valuations can increase the plan's liability.
- Mortality & disability – Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

### viii) Defined benefit liability and employee contribution

The weighted average duration of the defined benefit obligations is 40.18 years (Previous Year 41.39 years). The expected maturity analysis of undiscounted pension, gratuity, other defined retirement benefit and post-employment medical benefits is as follows:

**66. Employee Benefit Obligations (Contd.)**

(₹ in crore)

Particulars	Less than a year	Between 1-2 year	Between 2-5 years	Over 5 years	Total
<b>31<sup>st</sup> March, 2020</b>					
Defined benefit obligation (Gratuity)	74.08	67.03	170.22	290.58	601.91
Post-employment medical benefits	20.82	26.55	103.69	391.81	542.87
ODRB	2.06	1.95	5.37	11.58	20.96
Other employee benefits(LSA)	1.12	1.11	3.11	11.69	17.03
<b>Total</b>	<b>98.08</b>	<b>96.64</b>	<b>282.39</b>	<b>705.66</b>	<b>1182.77</b>
<b>31<sup>st</sup> March, 2019</b>					
Defined benefit obligation (Gratuity)	78.80	9.56	172.02	366.06	626.44
Post-employment medical benefits	16.86	18.13	70.80	333.19	438.98
ODRB	2.06	0.20	0.96	15.51	18.73
Other employee benefits (LSA)	1.15	1.00	2.90	9.70	14.75
<b>Total</b>	<b>98.87</b>	<b>28.89</b>	<b>246.68</b>	<b>724.46</b>	<b>1098.90</b>

**67. Disclosure of material impact of COVID-19 pandemic on listed entities under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

The Group is mainly engaged in the business of transmission of electricity and the tariffs for the transmission services are regulated in terms of the CERC Tariff Regulations which provide for recovery of the annual transmission charges based on system availability.

Due to the COVID pandemic, a lockdown was announced by the Government of India effective from 25th March 2020. As per the Government guidelines, transmission units and services were exempted from the lockdown. The Group has issued guidelines and protocols to be followed by its various units for the operation and maintenance of its transmission network during the pandemic. The Group has also implemented digital solutions such as e-office, ERP systems, Virtual Private Network, Video Conferencing etc. to facilitate Work from Home of its employees. Due to the various steps taken by the Group, there has been no significant impact due to the pandemic on the availability of the transmission system of the Group.

In the above backdrop, the Group 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 March 31, 2020.

There has been no material impact on the operations or profitability of the group during the financial year due to the pandemic. Due to the lockdown, there has been a general fall in the demand for electricity in the country and the revenue realisation of the distribution utilities has been adversely impacted. As a result, delay in realisation of transmission charges from the customers is expected in the next financial year. The Government of India has announced measures to facilitate the liquidation of outstanding dues of the utilities to the generators and transmission licensees which are expected to facilitate the realisation of the group's trade receivables. Further, the group has adequate credit limits and strong credit ratings to mobilise the required short term funds for its operations including for meeting its debt service obligations. The Group has also approved a consolidated one-time rebate of ₹1,075crore to the DISCOMs and Power Departments of States / Union Territories against the billing of April'20 and May'20.

The Group has made an assessment of 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 investments 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 Group will continue to monitor any material changes to future economic conditions.

**68. Other Notes****A. Incorporation of wholly owned subsidiary of POWERGRID to undertake Telecommunications and Digital Technology Business of the company**

On 7th November 2019, the Board of directors resolved to form a wholly owned subsidiary of the Company to undertake the said business. The Company has obtained approval from Ministry of Power (MOP) for the formation of aforesaid subsidiary and is in the process of obtaining approval from CERC for undertaking the telecom business through a subsidiary company. The Company is evaluating the methodology of transfer of said business including but not limited to identification of assets and liabilities.

The Company will continue to operate the Telecommunication and Digital Technology business until the above significant activities are completed. As the said business is not available for immediate sale in its present condition, hence the same is not classified as "disposal group held for sale".



**B. Asset Monetization in POWERGRID through Infrastructure Investment Trust (InvIT)**

Board of Directors in their meeting held on 01.10.2019 had granted in-principle approval to raise upto ₹10,000crore by way of asset monetization through Infrastructure Investment Trust (InvIT) as per direction of MOP. The Board had also accorded its approval to set up and register an Infrastructure Investment Trust with POWERGRID acting as Sponsor as per SEBI (Infrastructure Investment Trusts) Regulations, 2014. The company has sought various approvals from Govt. of India, Regulatory authorities and others which are awaited.

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

<b>For and on behalf of the Board of Director</b>			
<b>Divya Tandon</b> Company Secretary	<b>K.S.R. Murty</b> CFO	<b>Seema Gupta</b> Director (Finance)	<b>K. Sreekant</b> Chairman & Managing Director
<b>As per our report of even date</b>			
For <b>T R CHADHA &amp; CO LLP</b> Chartered Accountants FRN : 006711N/N500028	For <b>UMAMAHESWARA RAO &amp; CO</b> Chartered Accountants FRN : 004453S	For <b>B M CHATRATH &amp; CO LLP</b> Chartered Accountants FRN : 301011E/E300025	For <b>PSD &amp; ASSOCIATES</b> Chartered Accountants FRN : 004501C
<b>CA NEENA GOEL</b> Partner M. No. 057986 Place : Gurugram Date : 20.06.2020 Place : Gurugram	<b>CA KRISHNA SAI G.H.</b> Partner M. No. 233399 Place : Hyderabad	<b>CA SANJAY SARKAR</b> Partner M. No. 064305 Place : Kolkata	<b>CA PRAKASH SHARMA</b> Partner M. No. 072332 Place : Jaipur

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF POWER GRID CORPORATION OF INDIA LIMITED**  
**Report on the Audit of the Consolidated Financial Statements**

**Opinion**

We have audited the accompanying consolidated financial statements of Power Grid Corporation of India Limited (hereinafter referred to as the "Holding Company"), and its subsidiaries (The Holding Company and its subsidiaries together referred to as "the Group"), and its joint ventures, which comprise the consolidated Balance Sheet as at March 31, 2020, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended, and notes to the consolidated financial statement, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and joint ventures, as at March 31, 2020, the consolidated profit & total comprehensive income, consolidated changes in equity and consolidated cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) 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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

**Emphasis of Matter**

We draw attention to the following matter in the notes to the Consolidated Financial Statements:

- In respect of recognition of revenue from transmission assets for which final tariff orders are yet to be issued by the CERC [Refer Note No. 35(b)]
- Our opinion is not modified in respect of the above matter.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended 31st March 2020. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, description of how the matter was addressed in our audit is provided in that context. Considering the requirement of Standard on Auditing (SA 600) on 'Using the work of Another Auditor' including materiality, below Key Audit Matters have been reproduced from the Independent Auditors' report on the audit of Standalone Financial Statements of the Holding Company.

Sl. No.	Key Audit Matters #	How the matter was addressed in our audit
1.	<p><b>Recognition of Revenue from Transmission Income</b></p> <p>Transmission Income is accounted for based on tariff orders notified by the CERC. In case of transmission projects where final tariff orders are yet to be notified, transmission income is accounted for on provisional basis as per Tariff Regulations and Orders of the CERC in earlier cases. Difference, if any, is accounted for on issuance of final Tariff Orders by the CERC. As at each reporting date, transmission income also includes an accrual for services rendered to the customers but not yet billed i.e. Unbilled Revenue.</p> <p>This is considered as Key Audit Matter due to the nature and extent of estimates made as per CERC Tariff Regulations and contracts with customers for recognition of revenue.</p> <p>(Refer Note No. 35(b) Consolidated Financial Statement)</p>	<p>Our audit approach involved:</p> <p>We have obtained an understanding of the CERC Tariff Regulations, Orders, Circulars, Guidelines and the Company's internal circulars and procedures in respect of recognition and measurement of revenue from transmission of power.</p> <ul style="list-style-type: none"> <li>• Evaluated and tested the effectiveness of the design of Internal controls relating to recognition and measurement of revenue from Transmission.</li> <li>• Verified the transmission revenue based on the CERC Tariff Regulation, Orders, Circulars, Guidelines and the company's internal circulars.</li> <li>• Verified on test basis, the income recognised on provisional basis consistently as per the regulatory guidelines, for the assets whose final orders are yet to be notified by CERC, based on the date of commercial operation (DOCO) letters issued by Regional technical heads, and capital cost, as certified by the Management.</li> </ul>

Sl. No.	Key Audit Matters #	How the matter was addressed in our audit
2.	<p><b>Deferred Tax Assets relating to MAT credit entitlement</b></p> <p>The Company has considered MAT credit in anticipation of set off against the tax payable in future years and created Deferred Tax Asset for the same during the year. Corresponding to the said MAT Credit Entitlement, a Deferred Regulatory liability payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations has been recognized.</p> <p>We identified this as a key audit matter because of the importance of this matter to the intended users of the financial statements and its materiality and requirement of judgement in assessing future taxable profits for recognition of MAT credit entitlement.</p> <p>(Refer Note No.26 of Consolidated financial statements.)</p>	<p>Our audit approach involved:</p> <ul style="list-style-type: none"> <li>Understanding the current status of availability of MAT credits.</li> <li>We assessed the related forecasts of future taxable profits, evaluated the reasonableness and consistency of the considerations/assumptions underlying the preparation of these forecasts.</li> <li>Based on the above procedures performed, the recognition and measurement of Deferred tax asset relating to MAT credit entitlement and corresponding Regulatory Deferral Liability towards customers, is considered adequate and reasonable.</li> </ul>
3.	<p><b>Assessment of Contingent liabilities in respect of certain litigations including land compensation, direct and indirect taxes, various claims filed by other parties not acknowledged as debt.</b></p> <p>There is a high level of judgement required in estimating the contingent liabilities. The company's assessment of contingent liabilities is supported by the facts of the matter, Company's judgement thereon, past experience and advices from legal and independent tax consultants wherever necessary.</p> <p>We identified the above area as Key Audit Matters in view of associated uncertainty relating to the outcome of these matter.</p> <p>(Refer Note No. 61 of Consolidated financial statements).</p>	<p>Our audit approach involved:</p> <ul style="list-style-type: none"> <li>Understanding the current status of the litigation for land compensations/tax assessments.</li> <li>Examining recent orders from competent authorities and/or communication received from various authorities, judicial forums and follow-up action thereon.</li> <li>Review and analysis of evaluation of the contentions of the company through discussions, collection of details of the subject matter under consideration, the likely outcome and consequent potential outflows on those issues.</li> </ul>

# Above referred Key Audit Matters are in respect of the Holding Company only. All the subsidiaries in the group are unlisted entities.

#### Other Matters

a) We did not audit the financial statements/ financial information of the following subsidiaries whose financial statements reflect the details given below for total assets and net assets as at 31st March 2020, total revenues and net cash flows for the year ended on that date to the extent to which they are reflected in the consolidated financial statements:

(₹ in crore)

S. No.	Name of the Subsidiaries	Total Assets	Net Assets	Total Revenues	Net Cash Inflows/ (Outflows)
1	Powergrid Vemagiri transmission Ltd	0.00	(19.41)	0.00	0.00
2	Powergrid NM transmission Ltd	1276.44	83.27	123.51	(0.60)
3	Powergrid Vizag Transmission Ltd	1,216.01	372.95	315.65	33.38
4	Powergrid Southern Interconnector Transmission System Limited	3671.53	716.10	187.08	0.05
5	Powergrid Parli Transmission Limited	1752.02	358.48	330.48	1.14
6	Powergrid Warora Transmission Limited	2098.90	478.95	361.99	1.67
7	Powergrid Jabalpur Transmission Limited	1490.12	241.91	252.56	0.81
8	Powergrid Kala Amb Transmission Ltd	291.02	81.40	73.41	0.19
9	Powergrid Unchahar Transmission Ltd	65.83	24.45	22.10	0.15
10	Powergrid Medinipur Jeerat Transmission Limited	2640.88	289.33	0.00	0.01
11	Powergrid Mithilanchal Transmission Limited	868.51	119.99	0.00	0.05
12	Powergrid Varanasi Transmission System Limited	760.14	125.04	0.00	0.00

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S. No.	Name of the Subsidiaries	Total Assets	Net Assets	Total Revenues	Net Cash Inflows/ (Outflows)
13	Powergrid Jawaharpur Firozabad Transmission Limited	269.84	0.05	0.00	(0.07)
14	Powergrid Khetri Transmission System Limited	259.58	(0.28)	0.35	0.02
15	Powergrid Bhuj Transmission Limited	93.00	0.01	0.00	1.41
16	Powergrid Bhind Guna Transmission Limited	56.56	(0.59)	0.35	0.27
17	Powergrid Ajmer Phagi Transmission Limited	201.60	(0.27)	0.30	1.13
18	Powergrid Fatehgarh Transmission Limited	176.52	0.01	0.00	0.18
19	Powergrid Rampur Sambhal Transmission Limited	17.91	(0.83)	0.20	0.01
20	Powergrid Meerut Simbhavali Transmission Limited	37.85	0.01	0.00	0.05
	<b>Total</b>	<b>17244.26</b>	<b>2870.57</b>	<b>1667.98</b>	<b>39.85</b>

The consolidated financial statements also include the Group's share of net profit/loss (including Other Comprehensive Income) for the year ended 31st March 2020 as considered in the consolidated financial statements in respect of following joint ventures whose financial statements/ financial information have not been audited by us.

(₹ in crore)

S. No.	Name of Joint Ventures	Group's share net profit/(loss)
1	Powerlinks Transmission Limited	59.34
2	Torrent Powergrid Limited	4.79
3	Jaypee Powergrid Limited	14.88
4	North East Transmission Company Limited	15.36
	<b>Total</b>	<b>94.37</b>

These financial statements/ financial information of subsidiaries and joint ventures have been audited by other auditors whose reports have been furnished to us by the Holding Company's Management upto 15th June, 2020 and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures, and our report in terms of sub-section (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries and joint ventures is based solely on the reports of the other auditors after considering the requirement of Standard on Auditing (SA 600) on 'Using the work of Another Auditor' including materiality.

(b) The consolidated financial statements include the Group's share of net profit/loss (including Other Comprehensive Income) for the year ended 31st March, 2020 as considered in the consolidated financial statements in respect of following joint ventures whose financial statements/ financial information have not been audited by us.

(₹ in crore)

S. No.	Name of Joint Ventures	Group's share net profit/(loss)
1	Parbati Koldam Transmission Company Limited	22.06
2	Teestavalley Power Transmission Limited	13.43
3	National High Power Test Lab Pvt Limited	(4.39)
4	Bihar Grid Company Limited	21.94
5	Cross Border Transmission Limited	5.55
6	RINL POWERGRID TLT Pvt. Limited##	(3.97)
7	Power Transmission Company Nepal Ltd *	1.99
8	Kalinga Bidyut Parasaran Nigam Pvt Limited#	0.00
	<b>Total</b>	<b>56.61</b>

\* located outside India.

# The shareholders of M/s Kalinga Bidyut Prasaran Nigam Pvt Ltd (KBPNL), JV between M/s POWERGRID & M/s OPTCL in their Extra Ordinary General Meeting held on 02.01.2020 approved the striking off of the name of the company.

## The Holding company's board of directors has accorded in-principle approval for closure of the JV company.

These financial statements/ financial information of joint ventures are unaudited and have been furnished to us by the Holding Company's Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid joint ventures, is based solely on such unaudited financial statements/ financial information. One of the joint ventures as above is located outside India in respect of which the Holding Company's management has provided us the financial statements prepared in accordance with

accounting principles generally accepted in India. In our opinion and according to the information and explanations given to us by the Holding Company's Management, these financial statements / financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements given below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Holding Company's Management.

(c) The statement includes comparative figures for the corresponding year ended March 31, 2019, audited by the joint auditors of the Company who were the predecessor audit firms, where they had expressed an unmodified opinion vide their report dated May 29, 2019 on such consolidated financial statements.

### **Information Other than the Consolidated Financial Statements and Auditor's Report Thereon**

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our Auditor's Report thereon. The other information as identified above is expected to be made available to us after the date of this Auditor's Report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read those documents including annexures, if any thereon, if we conclude that there is a material misstatement therein, we shall communicate the matter to those charged with the governance.

### **Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of the joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and joint ventures 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 the 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and joint ventures are responsible for assessing the ability of the Group and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and joint ventures are also responsible for overseeing the financial reporting process of the Group and joint ventures.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the consolidated 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 the one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Companies in the Group have adequate internal financial controls 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 Holding Company's Management.
- Conclude on the appropriateness of Holding Company's Management 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 ability of the Group and joint ventures 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 consolidated 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 Group and joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the Financial Statements of such entities included in the Consolidated Financial Statements of which we are the Independent Auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other Auditors, such other Auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and joint ventures as noted in the other matter paragraph, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.
  - e) In view of exemption given vide notification no. G. S. R. 463(E) dated June 5, 2015, issued by Ministry of Corporate Affairs, provisions of Section 164(2) of the Act regarding disqualification of Directors, are not applicable to the Holding Company and its subsidiaries. Further, on the basis of the reports of the auditors of 4 (four) joint ventures incorporated in India, none of the directors of the joint ventures incorporated in India is disqualified as on 31 March, 2020 from being appointed as a director in terms of section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, its subsidiaries and joint ventures incorporated in India and the operating effectiveness of such controls, refer to our separate report in '**Annexure 1**'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Group's internal financial controls with reference to consolidated financial statements.

- g) Pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of Section 197 of the Companies Act, 2013, are not applicable to the Group. Further, on the basis of the reports of the auditors of 4 (four) joint ventures incorporated in India, the managerial remuneration for the year ended March 31, 2020 has been paid / provided to their directors in accordance with the provision of section 197 read with Schedule V to the Act
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and joint ventures, as noted in the 'Other Matters' paragraph:
- i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group (Refer Note 61 to the consolidated financial statements) and the joint venture companies (Refer Note 44.2 to the consolidated financial statements).
  - ii) Provision has been made in the consolidated financial statements, as required under the applicable law or Indian Accounting Standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group and the joint venture companies incorporated in India.

**For T R CHADHA & CO LLP**

Chartered Accountants  
 FRN : 006711N/N500028

**CA Neena Goel**

Partner  
 M. No. 057986  
 UDIN: 20057986AAAAFW1859  
 Place : Gurugram

Date : 20.06.2020

**For UMAMAHESWARA RAO & CO**

Chartered Accountants  
 FRN : 004453S

**CA Krishna Sai G.H.**

Partner  
 M. No. 233399  
 UDIN: 20233399AAAAAS4102  
 Plac Hyderabad

**For B M CHATRATH & CO LLP**

Chartered Accountants  
 FRN : 301011E/E300025

**CA Sanjay Sarkar**

Partner  
 M. No. 064305  
 UDIN: 20064305AAAADE7390  
 Place : Kolkata

**For PSD & ASSOCIATES**

Chartered Accountants  
 FRN : 004501C

**CA Prakash Sharma**

Partner  
 M. No. 072332  
 UDIN: 20072332AAAAAD5639  
 Place : Jaipur



### ANNEXURE 1

#### **ATTACHED TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF POWER GRID CORPORATION OF INDIA LIMITED FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2020.**

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

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended on 31<sup>st</sup> March, 2020, we have audited the internal financial controls over financial reporting with reference to Consolidated Financial Statements of Power Grid Corporation of India Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies (the Holding Company and its subsidiaries together referred to as "the Group") and its joint venture companies, which are companies incorporated in India as of 31<sup>st</sup> March, 2020.

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

The respective Board of directors of the Holding company, its subsidiary companies and its joint venture companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Group's and the joint venture companies' which are incorporated in India, internal financial controls over financial reporting with reference to Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 with reference to Consolidated Financial Statements were 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 with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls over financial reporting with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls over financial reporting with reference to Consolidated Financial Statements, assessing the risk that 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 Judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiaries and joint venture companies incorporated in India, in terms of their reports referred to in the 'Other Matters' paragraph is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls system over financial reporting with reference to Consolidated Financial Statements.

#### **Meaning of Internal Financial Controls Over Financial Reporting With Reference to Consolidated Financial Statements**

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

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

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to Consolidated Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to Consolidated Financial Statements,

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 with reference to Consolidated Financial Statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to Consolidated Financial Statements 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 Holding Company, its subsidiaries, and joint ventures which are companies incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting with reference to Consolidated Financial Statements and such internal financial controls over financial reporting with reference to Consolidated Financial Statements were operating effectively as at 31st March, 2020, 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.

### **Other Matters**

Our aforesaid report under Section 143 (3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to Consolidated Financial Statements insofar as it related to 20 (twenty) subsidiary companies and 4 (four) joint venture Companies incorporated in India, is based on the corresponding report of auditors of such companies.

#### **For T R CHADHA & CO LLP**

Chartered Accountants  
FRN : 006711N/N500028

#### **CA Neena Goel**

Partner  
M. No. 057986  
UDIN: 20057986AAAAFW1859  
Place : Gurugram

Date : 20.06.2020

#### **For UMAMAHESWARA RAO & CO**

Chartered Accountants  
FRN : 004453S

#### **CA Krishna Sai G.H.**

Partner  
M. No. 233399  
UDIN: 20233399AAAAAS4102  
Plac Hyderabad

#### **For B M CHATRATH & CO LLP**

Chartered Accountants  
FRN : 301011E/E300025

#### **CA Sanjay Sarkar**

Partner  
M. No. 064305  
UDIN: 20064305AAAADE7390  
Place : Kolkata

#### **For PSD & ASSOCIATES**

Chartered Accountants  
FRN : 004501C

#### **CA Prakash Sharma**

Partner  
M. No. 072332  
UDIN: 20072332AAAAAD5639  
Place : Jaipur

**Power Grid Corporation of India Ltd. (A Govt. of India Enterprise)**

CIN : L40101DL1989GOI038121

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

**Statement of Standalone Audited Financial Results for the Quarter and Year ended 31 March 2021**

(' in Crore)

Sl. No.	Particulars	Quarter ended			Year ended	
		31.03.2021	31.12.2020	31.03.2020	31.03.2021	31.03.2020
		(Un-audited)	(Un-audited)	(Un-audited)	(Audited)	(Audited)
I	Revenue From Operations	9,942.49	9,676.55	9,704.47	37,665.65	36,185.54
II	Other Income	763.00	634.80	705.05	2,861.46	2,132.43
III	<b>Total Income (I+II)</b>	<b>10,705.49</b>	<b>10,311.35</b>	<b>10,409.52</b>	<b>40,527.11</b>	<b>38,317.97</b>
IV	<b>EXPENSES</b>					
	Employee benefits expense	652.09	483.16	497.74	2,110.74	1,959.47
	Finance costs	1,976.31	2,151.07	2,604.35	8,501.01	9,813.62
	Depreciation and amortization expense	3,025.26	2,992.75	2,863.56	11,711.68	11,073.18
	Other expenses	543.21	732.86	1,134.58	2,498.97	2,824.35
	<b>Total expenses (IV)</b>	<b>6,196.87</b>	<b>6,359.84</b>	<b>7,100.23</b>	<b>24,822.40</b>	<b>25,670.62</b>
V	Profit before Exceptional Items, Tax and Regulatory Deferral Account Balances (III-IV)	4,508.62	3,951.51	3,309.29	15,704.71	12,647.35
VI	Exceptional Items (Refer Note 4)	-	-	-	1,078.64	-
VII	<b>Profit before Tax and Regulatory Deferral Account Balances (V-VI)</b>	<b>4,508.62</b>	<b>3,951.51</b>	<b>3,309.29</b>	<b>14,626.07</b>	<b>12,647.35</b>
VIII	Tax expense:					
	Current tax - Current Year	782.06	683.50	530.39	2,527.55	2,108.83
	- Earlier Years	1.56	-	121.91	1.56	121.91
	Deferred tax	(157.11)	323.67	450.07	560.03	1,288.83
		<b>626.51</b>	<b>1,007.17</b>	<b>1,102.37</b>	<b>3,089.14</b>	<b>3,519.57</b>
IX	Profit for the period before Regulatory Deferral Account Balances (VII-VIII)	3,882.11	2,944.34	2,206.92	11,536.93	9,127.78
X	Net movement in Regulatory Deferral Account Balances-Income/(Expenses)(net of tax)	(366.50)	379.51	975.74	398.85	1,683.40
XI	<b>Profit for the period (IX+X)</b>	<b>3,515.61</b>	<b>3,323.85</b>	<b>3,182.66</b>	<b>11,935.78</b>	<b>10,811.18</b>
XII	<b>Other Comprehensive Income</b>					
	Items that will not be reclassified to profit or loss(net of tax)	13.67	9.22	(65.22)	25.36	(104.02)
XIII	<b>Total Comprehensive Income for the period (XI+XII)</b>	<b>3,529.28</b>	<b>3,333.07</b>	<b>3,117.44</b>	<b>11,961.14</b>	<b>10,707.16</b>
XIV	Paid up Equity Share Capital (Face value of share : ₹ 10/- each)	5,231.59	5,231.59	5,231.59	5,231.59	5,231.59
XV	Reserves (excluding Revaluation Reserve) as per balance sheet				64,347.25	59,208.10
XVI	Net Worth				69,578.84	64,439.69
XVII	Paid up Debt Capital				1,41,251.48	1,44,979.64
XVIII	Bonds Redemption Reserve				7,387.97	8,638.92
XIX	Earnings per equity share including movement in Regulatory Deferral Account Balances (Face value of ₹10/- each): Basic & Diluted (In ₹)	6.72	6.35	6.09	22.81	20.67
XX	Earnings per equity share excluding movement in Regulatory Deferral Account Balances (Face value of ₹10/- each): Basic & Diluted (In ₹)	7.42	5.63	4.22	22.05	17.45
XXI	Debt Equity Ratio				67:33	69:31
XXII	Debt Service Coverage Ratio (DSCR)				1.80	1.67
XXIII	Interest Service Coverage Ratio (ISCR)				4.16	3.67

Refer accompanying notes to the financial results.



**Power Grid Corporation of India Limited (A Govt. of India Enterprise)**

CIN : L40101DL1989GOI038121

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

**Statement of Standalone Assets and Liabilities**

(₹ in Crore)

	Particulars	As at 31 March 2021 (Audited)	As at 31 March 2020 (Audited)
<b>A.</b>	<b>ASSETS</b>		
<b>1</b>	<b>Non-current assets</b>		
	(a) Property, plant & equipment	1,75,392.06	1,68,339.02
	(b) Capital work-in-progress	17,896.67	30,180.08
	(c) Investment Property	0.03	0.03
	(d) Intangible assets	1,551.44	1,497.41
	(e) Intangible assets under development	74.86	219.55
	(f) Financial assets		
	(i) Investments	4,265.36	3,763.66
	(ii) Loans	10,474.09	12,783.75
	(iii) Other non-current financial assets	4,186.58	4,106.80
	(g) Other non-current assets	4,874.42	6,127.18
		<b>2,18,715.51</b>	<b>2,27,017.48</b>
	(h) Assets Classified as Held for Sale (Refer Note 5)	260.86	-
		<b>2,18,976.37</b>	<b>2,27,017.48</b>
<b>2</b>	<b>Current assets</b>		
	(a) Inventories	1,362.82	1,400.56
	(b) Financial assets	-	-
	(i) Trade receivables	3,621.34	4,867.90
	(ii) Cash and cash equivalents	4,430.05	4,805.14
	(iii) Bank balances other than Cash and cash equivalents	843.49	604.26
	(iv) Loans	5,428.83	879.41
	(v) Other current financial assets	7,940.04	5,631.40
	(c) Other current assets	170.46	220.45
		<b>23,797.03</b>	<b>18,409.12</b>
	(d) Assets Classified as Held for Sale (Refer Note 5)	952.18	-
		<b>24,749.21</b>	<b>18,409.12</b>
<b>4</b>	<b>Regulatory Deferral Account Balances</b>	10,606.35	10,123.06
	<b>TOTAL ASSETS</b>	<b>2,54,331.93</b>	<b>2,55,549.66</b>
<b>B.</b>	<b>EQUITY AND LIABILITIES</b>		
<b>1</b>	<b>Equity</b>		
	(a) Equity Share capital	5,231.59	5,231.59
	(b) Other Equity	64,347.25	59,208.10
		<b>69,578.84</b>	<b>64,439.69</b>
<b>2</b>	<b>Liabilities</b>		
<b>(i)</b>	<b>Non-current liabilities</b>		
	(a) Financial Liabilities		
	(i) Borrowings	1,29,080.07	1,35,421.11
	(ii) Other non-current financial liabilities	3,587.01	3,515.63
	(b) Provisions	461.93	424.71
	(c) Deferred tax liabilities (Net)	11,941.88	11,381.85
	(d) Other non-current liabilities	345.10	361.04
		<b>1,45,415.99</b>	<b>1,51,104.34</b>
<b>(ii)</b>	<b>Current liabilities</b>		
	(a) Financial liabilities		
	(i) Borrowings	1,800.00	3,000.00
	(ii) Trade payables		
	(a) total outstanding dues of micro enterprises and small enterprises	29.76	11.59
	(b) total outstanding dues of creditors other than micro enterprises and small enterprises.	156.54	214.13
	(iii) Other current financial liabilities	22,463.57	20,831.62
	(b) Other current liabilities	3,871.69	4,267.54
	(c) Provisions	835.88	741.95
	(d) Current tax liabilities (net)	425.51	22.78
		<b>29,582.95</b>	<b>29,089.61</b>
<b>3</b>	<b>Deferred Revenue</b>	9,754.15	10,916.02
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,54,331.93</b>	<b>2,55,549.66</b>





**Power Grid Corporation of India Limited (A Govt. of India Enterprise)**

CIN : L40101DL1989GOI038121

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

**Statement of Standalone Cash flows**

(₹ in Crore)

Sl. No.	Particulars	For the Year ended	
		31 March 2021	31 March 2020
		(Audited)	(Audited)
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Profit Before Tax & Regulatory Deferral Account Balances	14,626.07	12,647.35
	Add: Net movement in Regulatory Deferral Account Balances (net of tax)	398.85	1,683.40
	Add: Tax on Net movement in Regulatory Deferral Account Balances	84.44	356.39
	<b>Profit Before Tax (including net movement in Regulatory Deferral Account Balances)</b>	<b>15,109.36</b>	<b>14,687.14</b>
	<b>Adjustment for :</b>		
	Depreciation & amortization expenses	11,711.68	11,073.18
	Transfer from Grants in Aid	(328.89)	(260.25)
	Deferred revenue - Advance against Depreciation	(160.05)	(152.65)
	Provisions	7.49	6.34
	Changes in fair value of financial assets through profit or loss	(16.92)	(39.85)
	Net Loss on Disposal / Write off of Property, Plant & Equipment	2.49	17.20
	Deferred Foreign Currency Fluctuation Asset	1,022.09	(1,572.74)
	Deferred Income from Foreign Currency Fluctuation	(780.92)	1,637.95
	Regulatory Deferral Account Debit Balances	(483.29)	(2,039.79)
	Finance Costs	8,501.01	9,813.62
	Provisions Written Back	(24.55)	(147.56)
	FERV loss / (gain)	(0.02)	(0.31)
	Interest income on Deposits, Bonds and loans to Subsidiaries & JVs	(1,126.07)	(1,088.35)
	Surcharge income	(714.15)	(297.54)
	Dividend income	(662.78)	(303.02)
		<b>16,947.12</b>	<b>16,646.23</b>
	<b>Operating profit before Changes in Assets and Liabilities</b>	<b>32,056.48</b>	<b>31,333.37</b>
	<b>Adjustment for Changes in Assets and Liabilities:</b>		
	(Increase)/Decrease in Inventories	38.67	(169.43)
	(Increase)/Decrease in Trade Receivables	1,258.22	(196.44)
	(Increase)/Decrease in Other Financial Assets	(2,591.62)	1,622.35
	(Increase)/Decrease in Other Non-current Assets	3.15	(48.48)
	(Increase)/Decrease in Other Current Assets	49.99	108.33
	Increase/(Decrease) in Liabilities & Provisions	(1,074.67)	(934.48)
		<b>(2,316.26)</b>	<b>381.85</b>
	<b>Cash generated from operations</b>	<b>29,740.22</b>	<b>31,715.22</b>
	Direct taxes paid	(2,207.76)	(2,475.75)
	<b>Net Cash from Operating Activities</b>	<b>27,532.46</b>	<b>29,239.47</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Property, Plant & Equipment and Capital Work in Progress (Including Advances for Capital Expenditure)	(6,389.23)	(8,006.12)
	Receipt of Grant	8.13	233.94
	(Increase)/Decrease in Assets held for Sale	(1,213.04)	-
	Investments in Subsidiaries, JVs & others	(459.05)	(1,056.47)
	Loans & Advances to Subsidiaries & JVs (Including repayments)	(2,141.35)	(2,262.33)
	Lease receivables	(4.78)	(13.82)
	Interest received on Deposits, Bonds and Loans to Subsidiaries & JVs	1,100.67	1,136.20
	Surcharge received	714.15	297.54
	Dividend received	662.78	303.02
	<b>Net Cash used in Investing Activities</b>	<b>(7,721.72)</b>	<b>(9,368.04)</b>
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds from Borrowings		
	Non Current	7,840.14	10,325.96
	Current	11,750.00	18,020.00
	Repayment of Borrowings		
	Non Current	(10,954.02)	(10,765.64)
	Current	(12,950.00)	(19,320.00)
	Adjustment for Fair Valuation of Long Term Loans	40.93	12.80
	Repayment of Lease Liabilities (Including interest)	(6.23)	(4.23)
	Finance Costs paid	(9,084.66)	(11,696.27)
	Dividend paid	(6,821.99)	(4,425.92)
	Dividend Tax paid	-	(858.69)
	<b>Net Cash used in Financing Activities</b>	<b>(20,185.83)</b>	<b>(18,711.99)</b>
<b>D.</b>	<b>Net change in Cash and Cash equivalents (A+B+C)</b>	<b>(375.09)</b>	<b>1,159.44</b>
<b>E.</b>	Cash and Cash equivalents (Opening balance)	4,805.14	3,645.70
<b>F.</b>	Cash and Cash equivalents (Closing balance) *	<b>4,430.05</b>	<b>4,805.14</b>

\* Includes ₹ 3122.48 crore (Previous Year ₹ 4668.32 crore) held in designated accounts which is not available for use by the Company.



**Power Grid Corporation of India Ltd. (A Govt. of India Enterprise)**

CIN : L40101DL1989GOI038121

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

**Statement of Standalone Segment wise Revenue, Results, Assets and Liabilities  
for the Quarter and Year ended 31 March 2021**

(₹ in Crore)

	Particulars	Quarter ended			Year ended	
		31.03.2021	31.12.2020	31.03.2020	31.03.2021	31.03.2020
		(Un-audited)	(Un-audited)	(Un-audited)	(Audited)	(Audited)
<b>A.</b>	<b>Segment Revenue (including allocable Other Income)</b>					
	- Transmission	9,787.02	9,552.11	9,600.44	37,418.50	35,562.96
	- Consultancy	176.59	122.69	174.10	506.16	618.02
	- Telecom	198.56	206.85	191.58	783.19	782.23
	<b>Total</b>	<b>10,162.17</b>	<b>9,881.65</b>	<b>9,966.12</b>	<b>38,707.85</b>	<b>36,963.21</b>
	Less: Inter Segment Revenue	17.47	17.51	8.96	69.96	69.94
	<b>Total Revenue including Other Income</b>	<b>10,144.70</b>	<b>9,864.14</b>	<b>9,957.16</b>	<b>38,637.89</b>	<b>36,893.27</b>
<b>B.</b>	<b>Segment Results</b>					
	<b>Profit before Interest and Tax</b>					
	- Transmission	5,312.31	5,983.14	6,466.70	22,283.23	22,369.95
	- Consultancy	77.14	37.16	79.82	150.84	277.00
	- Telecom	90.60	94.92	97.07	365.72	429.11
	<b>Total Profit before Interest and Tax</b>	<b>5,480.05</b>	<b>6,115.22</b>	<b>6,643.59</b>	<b>22,799.79</b>	<b>23,076.06</b>
	<b>Add:</b>					
	Other unallocated income	560.79	447.21	452.36	1,889.22	1,424.70
	<b>Less :</b>					
	Unallocated interest and finance charges	1,976.31	2,151.07	2,604.35	8,501.01	9,813.62
	Exceptional Item - Transmission (Refer Note 4)	-	-	-	1,078.64	-
	<b>Profit before Tax (including Regulatory Deferral Account Balances)</b>	<b>4,064.53</b>	<b>4,411.36</b>	<b>4,491.60</b>	<b>15,109.36</b>	<b>14,687.14</b>
<b>C.</b>	<b>Segment Assets</b>					
	- Transmission	2,08,099.12	2,06,884.02	1,99,636.30	2,08,099.12	1,99,636.30
	- Consultancy	2,426.61	2,806.73	3,269.56	2,426.61	3,269.56
	- Telecom	981.46	1,170.23	1,161.54	981.46	1,161.54
	- Unallocated Assets	41,611.70	45,367.17	51,482.26	41,611.70	51,482.26
	- Assets Classified as Held for Sale (Refer Note 5)	1,213.04	1,213.04	-	1,213.04	-
	<b>Total Segment Assets</b>	<b>2,54,331.93</b>	<b>2,57,441.19</b>	<b>2,55,549.66</b>	<b>2,54,331.93</b>	<b>2,55,549.66</b>
<b>D.</b>	<b>Segment Liabilities</b>					
	- Transmission	14,182.01	15,978.02	14,930.71	14,182.01	14,930.71
	- Consultancy	3,428.90	3,600.25	3,850.16	3,428.90	3,850.16
	- Telecom	454.85	511.06	538.88	454.85	538.88
	- Unallocated Liabilities	1,66,687.33	1,69,209.66	1,71,790.22	1,66,687.33	1,71,790.22
	<b>Total Segment Liabilities</b>	<b>1,84,753.09</b>	<b>1,89,298.99</b>	<b>1,91,109.97</b>	<b>1,84,753.09</b>	<b>1,91,109.97</b>

**Notes:**

The operations of the Company are mainly carried out within the country and therefore, geographical segments are not applicable.





#### Notes to Standalone financial results:

1. The audited Standalone Financial Results are subject to review by the Comptroller and Auditor General of India under section 143(6) of the Companies Act, 2013.
2. (a) In exercise of powers u/s 178 of the Electricity Act 2003, Central Electricity Regulatory Commission (CERC) has notified "CERC (Terms and Conditions of Tariff) Regulations, 2019" vide order dated 07 March 2019 for the determination of transmission tariff for the block period 2019-24.  
(b) The company has recognised Transmission income during the year ended 31 March 2021 as per the following:
  - (i) ₹ 9407.16 Crore for the year (previous year Nil) as per final tariff orders issued by CERC for the tariff period 2019-24.
  - (ii) ₹ 26713.76 Crore for the year (previous year ₹ 33,932.94 Crore) provisionally as per CERC Tariff Regulations for the block period 2019-24 and other orders in similar cases, in respect of transmission assets for which final tariff orders are yet to be issued.  
(c) Consequent to the final order issued by CERC, transmission income includes ₹ 538.30 crore (increase) for the year (previous year ₹ 173.30 crore (increase)) ended 31 March 2021 pertaining to earlier years.
3. The Company, in its Board Meetings held on 12 December 2020 and 01 March 2021, has declared interim dividend of ₹ 5.00 per share and ₹ 4.00 per share (face value of ₹ 10/- each) respectively for financial year 2020-21 during the quarter ended 31 December 2020 and 31 March 2021 and subsequently paid on 08 January 2021 and 30 March 2021. The Board of Directors has recommended final dividend of ₹ 3.00 per share (face value ₹ 10/- each). The total dividend (including interim dividend) for the financial year 2020-21 is ₹ 12.00 per share (face value ₹10/- each).
4. 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 CERC Tariff Regulations which provide for recovery of the annual transmission charges based on system availability.

Due to the continuing 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. The Company has issued guidelines and protocols to be followed by its various units for the operation and maintenance of its transmission network during the pandemic. The Company has also implemented digital solutions such as e-office, ERP systems, Virtual Private Network, Video Conferencing etc. to facilitate Work from Home of its employees. Due to the various steps taken by the Company, 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 2021.

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 except a consolidated one-time rebate of ₹ 1,078.64 crore given to DISCOMs and Power Departments of States / Union Territories for passing on to end consumers on account of COVID-19 pandemic against the billing of April 2020 and May 2020. Due to said consolidated one-time rebate, there is a reduction in the profit for the year and the same has been disclosed under "Exceptional items" in the Statement of Profit and loss.

The Company has made an assessment of 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 investments 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.

5. The company has monetised five (05) of its Subsidiaries, namely Powergrid Vizag Transmission Limited, Powergrid Kala Amb Transmission Limited, Powergrid Jabalpur Transmission Limited, Powergrid Warora Transmission Limited and Powergrid Parli Transmission Limited through POWERGRID Infrastructure Investment Trust ('PGInvIT/ Trust').





PGInvIT has been registered by SEBI under SEBI (Infrastructure Investment Trusts) Regulations, 2014 ('InvIT Regulations') as an Infrastructure Investment Trust vide registration no. IN/InvIT/20-21/0016 dated 07 January 2021. The company is the Sponsor of PGINvIT and shall also act as the Project Manager to PGINvIT. IDBI Trusteeship Services Limited is the Trustee and Powergrid Unchahar Transmission Limited (PUTL), a wholly owned subsidiary of the company, has been appointed as Investment Manager to PGINvIT. The Offer Document for initial public offer has been filed by PGINvIT with the SEBI and Stock Exchanges on 22 April 2021 and units got listed on stock exchanges on 14 May 2021. The 74% shares in the above five SPVs have been transferred to PGINvIT in May, 2021 and balance 26% will be transferred in line with Transmission Service Agreement (TSA). In lieu of consideration of shareholding so transferred, 41,06,50,900 Units were allotted by PGINvIT to the company. The company retained 13,65,00,100 units being 15% of total units of PGINvIT outstanding on post issue basis. pursuant to InvIT Regulations and remaining 27,41,50,800 units were sold by way of 'Offer for Sale (OFS)'. The company received an amount of ₹2736.02 crore (net of STT) against the OFS.

As the said investments are being sold in FY 2021-22, the investments in the above mentioned five Subsidiaries have been classified as "Assets Classified as Held for Sale" as on 31 March 2021.

6. Ministry of Power vide Gazette notification dated 09.03.2021 notified that, with effect from 01.04.2021, "Central Transmission Utility of India Limited (CTUIL), a wholly owned subsidiary of the company incorporated on 28.12.2020" to undertake and discharge all functions of CTU pursuant to the provisions of the Electricity Act, 2003 or any regulations or directions of the central commission or authority or any other directions or functions prescribed by the Central Government in that regard. In pursuant to referred notification, the functions of CTU are transferred to CTUIL w.e.f. 01.04.2021.
7. The company owned 26 percent equity stake in Jaypee Powergrid Limited (JPL), a joint venture (JV) Company formed between POWERGRID and Jaiprakash Power Ventures Limited (JPVL) for implementation of Transmission Lines associated with Karcham Wangtoo (1000 MW) HEP. The company acquired the remaining 74 percent share from the JV partner on 25 March 2021. With this JPL has become wholly owned subsidiary of the company.
8. Provision for taxes, employee benefits and other provisions for contingencies have been considered on estimated basis.
9. Some balances of Trade Receivables and recoverable shown under Assets and Trade and Other Payables shown under Liabilities include balances subject to confirmation/ reconciliation and consequential adjustments if any. However, reconciliations are carried out on ongoing basis. The management does not expect any material adjustment in the books of accounts as a result of the reconciliation.
10. Formula used for computation of coverage ratios  $DSCR = \frac{\text{Earnings before Interest, Depreciation and Tax}}{(\text{Interest \& Finance Charges net of amount transferred to expenditure during construction} + \text{Principal Repayment})}$  and  $ISCR = \frac{\text{Earnings before Interest, Depreciation and Tax}}{(\text{Interest \& Finance Charges net of amount transferred to expenditure during construction})}$ .
11. Figures for the fourth quarter are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the financial year.
12. The above statement of Standalone financial results has been reviewed by the Audit Committee and has been approved by the Board of Directors in their respective meetings held on 17 June 2021.
13. The standalone financial statements of the Company for the year ended 31 March 2021 have been prepared in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013. The statutory auditors have issued unmodified opinion on these standalone financial statements.
14. Previous period figures have been regrouped / rearranged wherever considered necessary.



**Power Grid Corporation of India Ltd. (A Govt. of India Enterprise)**

CIN : L40101DL1989GOI038121

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

**Statement of Consolidated Audited Financial Results for the Quarter and Year ended 31 March 2021**

(₹ in Crore)

Sl. No.	Particulars	Quarter ended			Year ended	
		31.03.2021	31.12.2020	31.03.2020	31.03.2021	31.03.2020
		(Un-audited)	(Un-audited)	(Un-audited)	(Audited)	(Audited)
I	Revenue From Operations	10,510.23	10,142.48	10,148.26	39,639.79	37,743.54
II	Other Income	306.10	217.00	359.39	1,183.74	927.42
III	<b>Total Income (I+II)</b>	<b>10,816.33</b>	<b>10,359.48</b>	<b>10,507.65</b>	<b>40,823.53</b>	<b>38,670.96</b>
IV	<b>EXPENSES</b>					
	Employee benefits expense	653.89	484.83	498.02	2,114.76	1,959.75
	Finance costs	1,881.50	2,047.22	2,534.51	8,134.69	9,509.00
	Depreciation and amortization expense	3,112.20	3,073.35	3,018.60	12,039.19	11,607.04
	Other expenses	560.80	743.11	1,146.99	2,531.92	2,843.55
	<b>Total expenses (IV)</b>	<b>6,208.39</b>	<b>6,348.51</b>	<b>7,198.12</b>	<b>24,820.56</b>	<b>25,919.34</b>
V	Profit before Share of net profits of investments in Joint Ventures accounted for using Equity Method, Exceptional Items, Tax and Regulatory Deferral Account Balances (III-IV)	4,607.94	4,010.97	3,309.53	16,002.97	12,751.62
VI	Share of net profits of investments in Joint Ventures accounted for using Equity Method	54.24	56.09	47.88	214.70	155.13
VII	Profit before Exceptional Items, Tax and Regulatory Deferral Account Balances (V+VI)	4,662.18	4,067.06	3,357.41	16,217.67	12,906.75
VIII	Exceptional Items (Refer Note 4)	-	-	-	1,078.64	-
IX	<b>Profit before Tax and Regulatory Deferral Account Balances (VII-VIII)</b>	<b>4,662.18</b>	<b>4,067.06</b>	<b>3,357.41</b>	<b>15,139.03</b>	<b>12,906.75</b>
X	Tax expense:					
	Current tax - Current Year	790.59	693.02	554.73	2,565.27	2,198.54
	- Earlier Years	1.57	-	121.91	(56.68)	121.91
	Deferred tax	(59.88)	385.84	343.04	955.66	1,210.30
		<b>732.28</b>	<b>1,078.86</b>	<b>1,019.68</b>	<b>3,464.25</b>	<b>3,530.75</b>
XI	Profit for the period before Regulatory Deferral Account Balances (IX-X)	3,929.90	2,988.20	2,337.73	11,674.78	9,376.00
XII	Net movement in Regulatory Deferral Account Balances-Income/(Expenses)(net of tax)	(403.67)	379.51	975.74	361.68	1,683.40
XIII	<b>Profit for the period (XI+XII)</b>	<b>3,526.23</b>	<b>3,367.71</b>	<b>3,313.47</b>	<b>12,036.46</b>	<b>11,059.40</b>
XIV	<b>Other Comprehensive Income</b>					
	Items that will not be reclassified to profit or loss(net of tax)	13.67	9.22	(65.22)	25.36	(104.02)
	Share of other comprehensive income of Joint Ventures accounted for using Equity Method	0.06	0.06	(0.01)	0.13	-
XV	<b>Total Comprehensive Income for the period (XIII+XIV)</b>	<b>3,539.96</b>	<b>3,376.99</b>	<b>3,248.24</b>	<b>12,061.95</b>	<b>10,955.38</b>
XVI	Paid up Equity Share Capital (Face value of share : ₹10/- each)	5,231.59	5,231.59	5,231.59	5,231.59	5,231.59
XVII	Reserves (excluding Revaluation Reserve) as per balance sheet				64,704.48	59,463.76
XVIII	Net Worth				69,936.07	64,695.35
XIX	Paid up Debt Capital				1,41,410.33	1,45,269.64
XX	Bonds Redemption Reserve				7,387.97	8,696.91
XXI	Earnings per equity share including movement in Regulatory Deferral Account Balances (Face value of ₹10/- each): Basic & Diluted (In ₹)	6.74	6.44	6.33	23.01	21.14
XXII	Earnings per equity share excluding movement in Regulatory Deferral Account Balances (Face value of ₹10/- each): Basic & Diluted (In ₹)	7.52	5.71	4.47	22.32	17.92
XXIII	Debt Equity Ratio				67:33	69:31
XXIV	Debt Service Coverage Ratio (DSCR)				1.81	1.71
XXV	Interest Service Coverage Ratio (ISCR)				4.26	3.79

Refer accompanying notes to the financial results.





**Power Grid Corporation of India Limited (A Govt. of India Enterprise)**

CIN : L40101DL1989GOI038121

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

**Statement of Consolidated Assets and Liabilities**

(₹ in Crore)

	Particulars	As at 31 March 2021 (Audited)	As at 31 March 2020 (Audited)
<b>A.</b>	<b>ASSETS</b>		
<b>1</b>	<b>Non-current assets</b>		
	(a) Property, plant & equipment	1,82,108.99	1,79,449.82
	(b) Capital work-in-progress	24,679.80	34,904.41
	(c) Investment Property	0.03	0.03
	(d) Intangible assets	1,616.95	1,662.28
	(e) Intangible assets under development	157.99	273.00
	(f) Investments accounted for using the equity method	1,346.85	1,332.18
	(g) Financial assets		
	(i) Investments	138.70	98.90
	(ii) Loans	322.58	271.58
	(iii) Other non-current financial assets	4,433.70	4,100.30
	(h) Other non-current assets	4,925.46	6,325.73
		<b>2,19,731.05</b>	<b>2,28,418.23</b>
<b>2</b>	<b>Current assets</b>		
	(a) Inventories	1,366.94	1,433.46
	(b) Financial assets		
	(i) Trade receivables	3,675.53	5,040.71
	(ii) Cash and cash equivalents	4,487.23	4,849.59
	(iii) Bank balances other than Cash and cash equivalents	871.48	604.31
	(iv) Loans	127.05	156.41
	(v) Other current financial assets	8,038.97	5,799.43
	(c) Other current assets	174.69	228.02
		<b>18,741.89</b>	<b>18,111.93</b>
	(d) Assets Classified as Held for Sale (Refer Note 5)	6,701.05	-
		<b>25,442.94</b>	<b>18,111.93</b>
<b>4</b>	<b>Regulatory deferral account balances</b>	10,575.13	10,123.06
	<b>TOTAL ASSETS</b>	<b>2,55,749.12</b>	<b>2,56,653.22</b>
<b>B.</b>	<b>EQUITY AND LIABILITIES</b>		
<b>1</b>	<b>Equity</b>		
	(a) Equity Share capital	5,231.59	5,231.59
	(b) Other Equity	64,704.48	59,463.76
		<b>69,936.07</b>	<b>64,695.35</b>
<b>2</b>	<b>Liabilities</b>		
<b>(i)</b>	<b>Non-current liabilities</b>		
	(a) Financial Liabilities		
	(i) Borrowings	1,29,174.79	1,35,421.11
	(ii) Other non-current financial liabilities	3,625.14	3,523.13
	(b) Provisions	462.02	424.71
	(c) Deferred tax liabilities (Net)	11,836.62	11,228.78
	(d) Other non-current liabilities	347.10	362.54
		<b>1,45,445.67</b>	<b>1,50,960.27</b>
<b>(ii)</b>	<b>Current liabilities</b>		
	(a) Financial liabilities		
	(i) Borrowings	1,800.00	3,000.00
	(ii) Trade payables		
	(a) total outstanding dues of micro enterprises and small enterprises	29.76	11.59
	(b) total outstanding dues of creditors other than micro enterprises and small enterprises.	157.72	214.95
	(iii) Other current financial liabilities	23,106.44	21,784.15
	(b) Other current liabilities	3,884.70	4,305.93
	(c) Provisions	845.12	742.04
	(d) Current tax liabilities (net)	425.51	22.92
		<b>30,249.25</b>	<b>30,081.58</b>
	(e) Liabilities directly associated with Assets Classified as Held for Sale (Refer Note 5)	363.98	-
		<b>30,613.23</b>	<b>30,081.58</b>
<b>4</b>	<b>Deferred Revenue</b>	9,754.15	10,916.02
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,55,749.12</b>	<b>2,56,653.22</b>



**Power Grid Corporation of India Limited (A Govt. of India Enterprise)**

CIN : L40101DL1989GOI038121

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

**Statement of Consolidated Cash flows**

(₹ in Crore)

Sl. No.	Particulars	For the Year ended	
		31 March 2021	31 March 2020
		(Audited)	(Audited)
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Profit Before Tax & Regulatory Deferral Account Balances	15,139.03	12,906.75
	Add: Net movement in Regulatory Deferral Account Balances (net of tax)	361.68	1,683.40
	Add: Tax on Net movement in Regulatory Deferral Account Balances	74.60	356.39
	<b>Profit Before Tax (including net movement in Regulatory Deferral Account Balances)</b>	<b>15,575.31</b>	<b>14,946.54</b>
	<b>Adjustment for :</b>		
	Depreciation & amortization expenses	12,039.19	11,607.04
	Transfer from Grants in Aid	(328.89)	(260.25)
	Deferred revenue - Advance against Depreciation	(160.05)	(152.65)
	Provisions	7.78	6.34
	Changes in fair value of financial assets through profit or loss	(7.68)	(39.89)
	Share of net profits of joint ventures accounted for using equity method	(214.70)	(155.13)
	Net Loss on Disposal / Write off of Property, Plant & Equipment	2.49	17.20
	Deferred Foreign Currency Fluctuation Asset	1,022.09	(1,572.74)
	Deferred Income from Foreign Currency Fluctuation	(780.92)	1,637.95
	Regulatory Deferral Account Debit Balances	(436.28)	(2,039.79)
	Finance Costs	8,134.69	9,509.00
	Provisions Written Back	(24.82)	(147.56)
	FERV loss / (gain)	(0.02)	(0.31)
	Interest income on Deposits, Bonds and loans to JVs	(71.47)	(168.33)
	Surcharge income	(744.06)	(308.76)
	Dividend income	(9.00)	(5.35)
		<b>18,428.35</b>	<b>17,926.77</b>
	<b>Operating profit before Changes in Assets and Liabilities</b>	<b>34,003.66</b>	<b>32,873.31</b>
	<b>Adjustment for Changes in Assets and Liabilities:</b>		
	(Increase)/Decrease in Inventories	36.46	(181.36)
	(Increase)/Decrease in Trade Receivables	1,297.52	(290.95)
	(Increase)/Decrease in Other Financial Assets	(2,719.76)	1,672.88
	(Increase)/Decrease in Other Non-current Assets	(55.20)	(55.41)
	(Increase)/Decrease in Other Current Assets	40.09	109.84
	Increase/(Decrease) in Liabilities & Provisions	(1,104.12)	(820.97)
		<b>(2,505.01)</b>	<b>434.03</b>
	<b>Cash generated from operations</b>	<b>31,498.65</b>	<b>33,307.34</b>
	Direct taxes paid	(2,186.50)	(2,568.71)
	<b>Net Cash from Operating Activities</b>	<b>29,312.15</b>	<b>30,738.63</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Property, Plant & Equipment and Capital Work in Progress (Including Advances for Capital Expenditure)	(9,363.55)	(11,367.12)
	Receipt of Grant	8.13	233.94
	Acquisition of subsidiary, net of cash acquired	(308.39)	-
	Investments in joint venture companies	(33.00)	(100.17)
	(Increase)/Decrease in Investments in other companies	-	(18.40)
	Loans & Advances to JVs (Including repayments)	47.83	(12.40)
	Lease receivables	(259.16)	(13.82)
	Interest received on Deposits, Bonds & loans to JVs	74.98	160.96
	Surcharge received	744.06	308.76
	Dividend received from joint venture companies	107.15	69.41
	Dividend received from other investments	9.00	5.35
	<b>Net Cash used in Investing Activities</b>	<b>(8,972.95)</b>	<b>(10,733.49)</b>
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds from Borrowings		
	Non Current	7,840.14	10,325.96
	Current	11,750.00	18,020.00
	Repayment of Borrowings		
	Non Current	(11,260.10)	(10,765.64)
	Current	(12,950.00)	(19,320.00)
	Adjustment for Fair Valuation of Long Term Loans	40.93	12.80
	Repayment of Lease Liabilities (Including interest)	(6.32)	(4.82)
	Finance Costs paid	(9,113.71)	(11,730.14)
	Dividend paid	(6,821.99)	(4,425.92)
	Dividend Tax paid	-	(918.08)
	<b>Net Cash used in Financing Activities</b>	<b>(20,521.05)</b>	<b>(18,805.84)</b>
<b>D.</b>	<b>Net change in Cash and Cash equivalents (A+B+C)</b>	<b>(181.85)</b>	<b>1,199.30</b>
<b>E.</b>	Cash and Cash equivalents (Opening balance)	4,849.59	3,650.29
	Less: Cash and Cash equivalents classified as held for sale (Refer Note 5)	(180.51)	-
<b>F.</b>	<b>Cash and Cash equivalents (Closing balance) *</b>	<b>4,487.23</b>	<b>4,849.59</b>

\* Includes ₹ 3122.48 crore (Previous Year ₹ 4668.32 crore) held in designated accounts which is not available for use by the Group.





**Power Grid Corporation of India Ltd. (A Govt. of India Enterprise)**

CIN : L40101DL1989GOI038121

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

**Statement of Consolidated Segment wise Revenue, Results, Assets and Liabilities  
for the Quarter and Year ended 31 March 2021**

(₹ in Crore)

	Particulars	Quarter ended			Year ended	
		31.03.2021	31.12.2020	31.03.2020	31.03.2021	31.03.2020
		(Un-audited)	(Un-audited)	(Un-audited)	(Audited)	(Audited)
<b>A.</b>	<b>Segment Revenue (including allocable Other Income)</b>					
	- Transmission	10,389.17	10,042.97	10,100.98	39,492.46	37,230.78
	- Consultancy	176.59	122.69	174.10	506.16	618.02
	- Telecom	198.56	206.85	191.58	783.19	782.23
	<b>Total</b>	<b>10,764.32</b>	<b>10,372.51</b>	<b>10,466.66</b>	<b>40,781.81</b>	<b>38,631.03</b>
	Less: Inter Segment Revenue	40.94	37.60	60.54	137.57	167.11
	<b>Total Revenue including Other Income</b>	<b>10,723.38</b>	<b>10,334.91</b>	<b>10,406.12</b>	<b>40,644.24</b>	<b>38,463.92</b>
<b>B.</b>	<b>Segment Results</b>					
	<b>Profit before Interest and Tax</b>					
	- Transmission	5,791.89	6,417.49	6,795.81	24,092.79	23,542.39
	- Consultancy	77.14	37.15	79.82	150.84	277.00
	- Telecom	90.60	94.92	97.07	365.72	429.11
	<b>Total Profit before Interest and Tax</b>	<b>5,959.63</b>	<b>6,549.56</b>	<b>6,972.70</b>	<b>24,609.35</b>	<b>24,248.50</b>
	<b>Add:</b>					
	Other unallocated income	92.95	24.57	101.53	179.29	207.04
	<b>Less :</b>					
	Unallocated interest and finance charges	1,881.50	2,047.22	2,534.51	8,134.69	9,509.00
	Exceptional Item - Transmission (Refer Note 4)	-	-	-	1,078.64	-
	<b>Profit before Tax (including Regulatory Deferral Account Balances)</b>	<b>4,171.08</b>	<b>4,526.91</b>	<b>4,539.72</b>	<b>15,575.31</b>	<b>14,946.54</b>
<b>C.</b>	<b>Segment Assets</b>					
	- Transmission	2,15,346.38	2,11,768.98	2,11,212.26	2,15,346.38	2,11,212.26
	- Consultancy	2,426.61	2,806.73	3,269.56	2,426.61	3,269.56
	- Telecom	981.46	1,170.23	1,161.54	981.46	1,161.54
	- Unallocated Assets	30,293.62	36,244.45	41,009.86	30,293.62	41,009.86
	- Assets Classified as Held for Sale (Refer Note 5)	6,701.05	6,642.96	-	6,701.05	-
	<b>Total Segment Assets</b>	<b>2,55,749.12</b>	<b>2,58,633.35</b>	<b>2,56,653.22</b>	<b>2,55,749.12</b>	<b>2,56,653.22</b>
<b>D.</b>	<b>Segment Liabilities</b>					
	- Transmission	14,170.70	16,016.66	14,968.91	14,170.70	14,968.91
	- Consultancy	3,428.90	3,600.25	3,850.16	3,428.90	3,850.16
	- Telecom	454.85	511.06	538.88	454.85	538.88
	- Unallocated Liabilities	1,67,394.62	1,69,709.20	1,72,599.92	1,67,394.62	1,72,599.92
	- Liabilities directly associated with Assets Classified as Held for Sale (Refer Note 5)	363.98	308.19	-	363.98	-
	<b>Total Segment Liabilities</b>	<b>1,85,813.05</b>	<b>1,90,145.36</b>	<b>1,91,957.87</b>	<b>1,85,813.05</b>	<b>1,91,957.87</b>

**Notes**

The operations of the Group are mainly carried out within the country and therefore, geographical segments are not applicable.



## The Subsidiaries and Joint Venture Companies considered in Consolidated Audited Financial Results for the Quarter and Year ended 31 March 2021

	Subsidiary Companies	Ownership (%)
1	Powergrid Vizag Transmission Limited <sup>5</sup>	100%
2	Powergrid NM Transmission Limited	100%
3	Powergrid Unchahar Transmission Limited	100%
4	Powergrid Kala Amb Transmission Limited <sup>5</sup>	100%
5	Powergrid Jabalpur Transmission Limited <sup>5</sup>	100%
6	Powergrid Warora Transmission Limited <sup>5</sup>	100%
7	Powergrid Parli Transmission Limited <sup>5</sup>	100%
8	Powergrid Southern Interconnector Transmission System Limited	100%
9	Powergrid Vemagiri Transmission Limited	100%
10	Powergrid Medinipur Jeerat Transmission Limited	100%
11	Powergrid Mithilanchal Transmission Limited (Erstwhile ERSS XXI Transmission Limited)	100%
12	Powergrid Varanasi Transmission System Limited (Erstwhile WR-NR Power Transmission Limited)	100%
13	Powergrid Jawaharpur Firozabad Transmission Limited (Erstwhile Jawaharpur Firozabad Transmission Limited)	100%
14	Powergrid Khetri Transmission System Limited (Erstwhile Khetri Transco Limited)	100%
15	Powergrid Bhuj Transmission Limited (Erstwhile Bhuj-II Transmission Limited)	100%
16	Powergrid Bhind Guna Transmission Limited (Erstwhile Bhind Guna Transmission Limited)	100%
17	Powergrid Ajmer Phagi Transmission Limited (Erstwhile Ajmer Phagi Transco Limited)	100%
18	Powergrid Fatehgarh Transmission Limited (Erstwhile Fatehgarh-II Transco Limited)	100%
19	Powergrid Rampur Sambhal Transmission Limited (Erstwhile Rampur Sambhal Transco Limited)	100%
20	Powergrid Meerut Simbhavali Transmission Limited (Erstwhile Meerut-Simbhavali Transmission Limited)	100%
21	Central Transmission Utility of India Limited <sup>1</sup>	100%
22	Powergrid Ramgarh Transmission Limited (Erstwhile Ramgarh New Transmission Limited) <sup>2</sup>	100%
23	Jaypee Powergrid Limited <sup>3</sup>	100%
24	Bikaner-II Bhiwadi Transco Limited <sup>4</sup>	100%

<sup>1</sup> Incorporated on 28.12.2020.<sup>2</sup> 100% equity acquired from REC Power Distribution Company Limited on 09.03.2021.<sup>3</sup> Wholly owned subsidiary from 26.03.2021 (Joint venture till 25.03.2021)<sup>4</sup> 100% equity acquired from PFC Consulting Limited on 25.03.2021.<sup>5</sup> Classified as disposal group held for sale (Refer Note 5).

	Joint Venture Companies	Ownership (%)
	<b>Incorporated in India</b>	
1	Powerlinks Transmission Limited	49%
2	Torrent Power Grid Limited	26%
3	Jaypee Powergrid Limited <sup>1</sup>	NA
4	Parbati Koldam Transmission Company Limited	26%
5	Teestavalley Power Transmission Limited <sup>2</sup>	30.92%
6	North East Transmission Company Limited	26%
7	National High Power Test Laboratory Private Limited	20%
8	Bihar Grid Company Limited	50%
9	Kalinga Bidyut Prasaran Nigam Private Limited <sup>3</sup>	NA
10	Cross Border Power Transmission Company Limited	26%
11	RINL Powergrid TLT Private Limited <sup>4</sup>	50%
	<b>Incorporated outside India</b>	
12	Power Transmission Company Nepal Limited	26%

<sup>1</sup> Joint venture till 25.03.2021 (Wholly owned subsidiary from 26.03.2021).<sup>2</sup> POWERGRID & Teesta Urja Ltd are the Joint venture partners in Teestavalley Power Transmission Limited & holds 26% & 74 % equity, respectively as per Shareholding agreement. On call of additional equity by Teestavalley Power Transmission limited, POWERGRID contributed their share while the other JV partner has not yet contributed their share of money. Consequently, the holding of POWERGRID increased to 30.92% against 26% provided in shareholding agreement.<sup>3</sup> The present status of the Company (M/s KBPNL) as per MCA website is "Strike Off".<sup>4</sup> POWERGRID's Board of Directors in its meeting held on 01.05.2018 accorded in principle approval to close RINL Powergrid TLT Private Limited (RPTPL) and seek consent of other JV Partner Rashtriya Ispat Nigam Limited (RINL). RINL's Board of Directors in its meeting held on 08.03.2019 has agreed in principle for winding up proceedings of RPTPL & to seek the approval from Ministry of Steel, Government of India, for closure of RPTPL. RINL's Board of Directors in its meeting held on 05.11.2019 has advised to put up the closure proposal again to Ministry of steel for onward submission to NITI Ayog. The Ministry of Steel vide letter dated 29.09.2020 informed RINL that closure of RPTPL is being examined and seeks further clarifications from RINL. Accordingly, relevant information was forwarded by RINL to The Ministry of Steel. The Approval from Government is still awaited.



## Notes to Consolidated financial results:

1. The audited Consolidated Financial Results are subject to review by the Comptroller and Auditor General of India under section 143(6) of the Companies Act, 2013.
2. (a) In exercise of powers u/s 178 of the Electricity Act 2003, Central Electricity Regulatory Commission (CERC) has notified "CERC (Terms and Conditions of Tariff) Regulations, 2019" vide order dated 07 March 2019 for the determination of transmission tariff for the block period 2019-24.  
(b) In respect of projects whose tariffs are determined by CERC, the group has recognised Transmission income during year ended 31 March 2021 as per the following:
  - (i) ₹ 9407.16 Crore for the year (previous year Nil) as per final tariff orders issued by CERC for the tariff period 2019-24.
  - (ii) ₹ 26713.76 Crore for the year (previous year ₹ 33,932.94 Crore) provisionally as per CERC Tariff Regulations for the block period 2019-24 and other orders in similar cases, in respect of transmission assets for which final tariff orders are yet to be issued.  
(c) Consequent to the final order issued by CERC, transmission income includes ₹ 538.30 crore (increase) for the year (previous year ₹ 173.30 crore (increase)) ended 31 March 2021 pertaining to earlier years.
3. The Company, in its Board Meetings held on 12 December 2020 and 01 March 2021, has declared interim dividend of ₹ 5.00 per share and ₹ 4.00 per share (face value of ₹ 10/- each) respectively for financial year 2020-21 during the quarter ended 31 December 2020 and 31 March 2021 and subsequently paid on 08 January 2021 and 30 March 2021. The Board of Directors has recommended final dividend of ₹ 3.00 per share (face value ₹ 10/- each). The total dividend (including interim dividend) for the financial year 2020-21 is ₹ 12.00 per share (face value ₹10/- each).
4. The Group is mainly engaged in the business of transmission of electricity and the tariffs for the transmission services are regulated in terms of the CERC Tariff Regulations which provide for recovery of the annual transmission charges based on system availability.

Due to the continuing 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. The Group has issued guidelines and protocols to be followed by its various units for the operation and maintenance of its transmission network during the pandemic. The Group has also implemented digital solutions such as e-office, ERP systems, Virtual Private Network, Video Conferencing etc. to facilitate Work from Home of its employees. Due to the various steps taken by the Group, there has been no significant impact due to the pandemic on the availability of the transmission system of the Group.

In the above backdrop, the Group 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 2021.

Based on the above, there has been no material impact on the operations or profitability of the Group during the financial year due to the pandemic except a consolidated one-time rebate of ₹ 1,078.64 crore given to DISCOMs and Power Departments of States / Union Territories for passing on to end consumers on account of COVID-19 pandemic against the billing of April 2020 and May 2020. Due to said consolidated one-time rebate, there is a reduction in the profit for the year and the same has been disclosed under "Exceptional items" in the Statement of Profit and loss.

The Group has made an assessment of 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 investments 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 Group will continue to monitor any material changes to future economic conditions.

5. The Group has monetised five (05) of its Subsidiaries, namely Powergrid Vizag Transmission Limited, Powergrid Kala Amb Transmission Limited, Powergrid Jabalpur Transmission Limited, Powergrid Warora Transmission Limited and Powergrid Parli Transmission Limited through POWERGRID Infrastructure Investment Trust ('PGInvIT/ Trust'). PGInvIT has been registered by SEBI under SEBI (Infrastructure Investment Trust Regulations, 2014 ('InvIT Regulations')) as an Infrastructure Investment Trust vide registration no. IN/InvIT/20-21/0016 dated 07 January 2021.






The company is the Sponsor of PGINVT and shall also act as the Project Manager to PGINVT. IDBI Trusteeship Services Limited is the Trustee and Powergrid Unchahar Transmission Limited (PUTL), a wholly owned subsidiary of the company, has been appointed as Investment Manager to PGINVT. The Offer Document for initial public offer has been filed by PGINVT with the SEBI and Stock Exchanges on 22 April 2021 and units got listed on stock exchanges on 14 May 2021. The 74% shares in the above five SPVs have been transferred to PGINVT in May, 2021 and balance 26% will be transferred in line with Transmission Service Agreement (TSA). In lieu of consideration of shareholding so transferred, 41,06,50,900 Units were allotted by PGINVT to the company. The company retained 13,65,00,100 units being 15% of total units of PGINVT outstanding on post issue basis. pursuant to InvIT Regulations and remaining 27,41,50,800 units were sold by way of 'Offer for Sale (OFS)'. The company received an amount of ₹ 2736.02 crore (net of STT) against the OFS.

As the said investments are being sold in FY 2021-22, the assets and related liabilities of these subsidiaries have been classified as "Assets Classified as Held for Sale" and "Liabilities directly associated with Assets Classified as Held for Sale" respectively.

6. Ministry of Power vide Gazette notification dated 09.03.2021 notified that, with effect from 01.04.2021, "Central Transmission Utility of India Limited (CTUIL), a wholly owned subsidiary of the company incorporated on 28.12.2020" to undertake and discharge all functions of CTU pursuant to the provisions of the Electricity Act, 2003 or any regulations or directions of the central commission or authority or any other directions or functions prescribed by the Central Government in that regard. In pursuant to referred notification, the functions of CTU are transferred to CTUIL w.e.f. 01.04.2021.
7. The Group owned 26 percent equity stake in Jaypee Powergrid Limited (JPL), a joint venture (JV) Company formed between POWERGRID and Jaiprakash Power Ventures Limited (JPVL) for implementation of Transmission Lines associated with Karcham Wangtoo (1000 MW) HEP. The Group acquired the remaining 74 percent share from the JV partner on 25 March 2021. With this, JPL has become wholly owned subsidiary of the company.
8. Provision for taxes, employee benefits and other provisions for contingencies have been considered on estimated basis.
9. Some balances of Trade Receivables and recoverable shown under Assets and Trade and Other Payables shown under Liabilities include balances subject to confirmation/ reconciliation and consequential adjustments if any. However, reconciliations are carried out on ongoing basis. The management does not expect any material adjustment in the books of accounts as a result of the reconciliation.
10. Formula used for computation of coverage ratios  $DSCR = \frac{\text{Earnings before Interest, Depreciation and Tax}}{(\text{Interest \& Finance Charges net of amount transferred to expenditure during construction} + \text{Principal Repayment})}$  and  $ISCR = \frac{\text{Earnings before Interest, Depreciation and Tax}}{(\text{Interest \& Finance Charges net of amount transferred to expenditure during construction})}$ .
11. Figures for the fourth quarter are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the financial year.
12. The above statement of Consolidated financial results has been reviewed by the Audit Committee and has been approved by the Board of Directors in their respective meetings held on 17 June 2021.
13. The consolidated financial statements of the Group for the year ended 31 March 2021 have been prepared in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013. The statutory auditors have issued unmodified opinion on these consolidated financial statements.
14. Previous period figures have been regrouped / rearranged wherever considered necessary.

For and on behalf of **POWER GRID CORPORATION OF INDIA LTD.**

  
M. Taj Mukarrum  
Director (Finance)

Place: Gurugram  
Date: 17 June 2021.





**Power Grid Corporation of India Ltd. (A Govt. of India Enterprise)**

**CIN : L40101DL1989GOI038121**

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

**Extract of the Statement of Consolidated Audited Financial Results for the Quarter and Year ended 31 March 2021**

(₹ in Crore)

S.No.	Particulars	Quarter ended			Year ended	
		31.03.2021	31.12.2020	31.03.2020	31.03.2021	31.03.2020
		(Un-audited)	(Un-audited)	(Un-audited)	(Audited)	(Audited)
1	Revenue From Operations	10,510.23	10,142.48	10,148.26	39,639.79	37,743.54
2	Profit before Exceptional Items and Tax (including Regulatory Deferral Account Balances (net of tax))	4,258.51	4,446.57	4,333.15	16,579.35	14,590.15
3	Profit before Tax (including Regulatory Deferral Account Balances (net of tax))	4,258.51	4,446.57	4,333.15	15,500.71	14,590.15
4	Profit after Tax for the period before Regulatory Deferral Account Balances	3,929.90	2,988.20	2,337.73	11,674.78	9,376.00
5	Profit after Tax for the period	3,526.23	3,367.71	3,313.47	12,036.46	11,059.40
6	Total Comprehensive Income comprising net Profit after Tax and Other Comprehensive Income	3,539.96	3,376.99	3,248.24	12,061.95	10,955.38
7	Paid up Equity Share Capital (Face value of share : ₹10/- each)	5,231.59	5,231.59	5,231.59	5,231.59	5,231.59
8	Reserves (excluding Revaluation Reserve) as shown in the Balance sheet				64,704.48	59,463.76
9	Earnings per equity share including movement in Regulatory Deferral Account Balances (Face value of ₹10/- each): Basic and Diluted (in ₹)	6.74	6.44	6.33	23.01	21.14
10	Earnings per equity share excluding movement in Regulatory Deferral Account Balances (Face value of ₹10/- each): Basic and Diluted (in ₹)	7.52	5.71	4.47	22.32	17.92

**Notes**

(₹ in Crore)

1	Key Standalone Financial information	Quarter ended			Year ended	
		31.03.2021	31.12.2020	31.03.2020	31.03.2021	31.03.2020
		(Un-audited)	(Un-audited)	(Un-audited)	(Audited)	(Audited)
a)	Revenue From Operations	9,942.49	9,676.55	9,704.47	37,665.65	36,185.54
b)	Profit before Exceptional Items and Tax (including Regulatory Deferral Account Balances (net of tax))	4,142.12	4,331.02	4,285.03	16,103.56	14,330.75
c)	Profit before Tax (including Regulatory Deferral Account Balances (net of tax))	4,142.12	4,331.02	4,285.03	15,024.92	14,330.75
d)	Profit after Tax for the period before Regulatory Deferral Account Balances	3,882.11	2,944.34	2,206.92	11,536.93	9,127.78
e)	Profit after Tax for the period	3,515.61	3,323.85	3,182.66	11,935.78	10,811.18
2	The above is an extract of the detailed format of quarter and year ended Consolidated and Standalone Financial Results filed with the Stock Exchanges under Regulations 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of the quarter and year ended Consolidated and Standalone Financial Results is available on the Investor Relations section of our website <a href="http://powergrid.in">http://powergrid.in</a> and under Corporates Section of BSE Limited & National Stock Exchange of India Limited at <a href="http://www.bseindia.com">http://www.bseindia.com</a> and <a href="http://www.nseindia.com">http://www.nseindia.com</a> respectively.					
3	Previous periods figures have been regrouped/rearranged wherever considered necessary					

For and on behalf of **POWER GRID CORPORATION OF INDIA LTD.**

M. Taj Mukarrum  
Director (Finance)

Place : Gurugram

Date : 17 June 2021



**T R CHADHA & CO LLP**

Chartered Accountants  
B-30, Kuthiala Building,  
Connaught Circus, New Delhi,  
New Delhi-110001

**UMAMAHESWARA RAO & CO**

Chartered Accountants  
Flat No.5-H, D Block, 8-3-324,  
Yellareddyguda Lane, Ameerpet X Roads,  
Hyderabad,  
Telangana-500073.

**B M CHATRATH & CO LLP**

Chartered Accountants  
#Centre Point# ,4th floor,  
Room No-440  
21, Hemanta Basu Sarani,  
Kolkata,  
West Bengal-700001

**PSD & ASSOCIATES**

Chartered Accountants  
808, Tower – A,  
Omkar Alta Monte, :  
Pathanwadi Malad East,  
Mumbai-400097.

**Independent Auditor's Report on Quarterly and Year Ended 31 March 2021 Audited Standalone Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.**

To,  
The Board of Directors of  
**Power Grid Corporation of India Limited**  
**Report on the audit of the Standalone Financial Results**

**Opinion**

We have audited the accompanying standalone financial results of POWER GRID CORPORATION OF INDIA LIMITED ("the Company") for the quarter ended 31 March 2021 and the year ending 31 March 2021 results ("the Statement"), attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, these standalone financial results:

- i) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii) give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Accounting Standards and other accounting principles generally accepted in India of the net profit and other comprehensive income and other financial information for the quarter ended and year ended results for the year ended 31 March 2021.

**Basis for Opinion**

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

**Emphasis of Matter**

We draw attention to the following matter in notes to the standalone financial results:

- In respect of provisional recognition of revenue from transmission assets for which final tariff orders are yet to be issued by the CERC [Refer Note No. 2 (b)].

Our opinion is not modified in respect of the above matters.

### **Management's Responsibilities for the Standalone Financial Results**

These quarterly standalone financial results as well as for the year ended 31 March 2021 results have been prepared on the basis of the reviewed standalone financial results for the nine-month period ended 31 December 2020 and the audited standalone financial statements as at and for the year ended 31 March 2021.

The Company's Board of Directors are responsible for the preparation and presentation of the Statement that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 the 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 financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial results, the Board of Directors are 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.

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

### **Auditor's Responsibilities for the Audit of the Standalone Financial Results**

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

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

- Identify and assess the risks of material misstatement of the standalone financial results, 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 the for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control 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 through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements 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 Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 Company'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 financial results 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 Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial results, including the disclosures, and whether the standalone financial results represent the underlying transactions and events in a manner that achieves fair presentation.

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.

#### Other Matters

The statement includes the results for the quarter ended 31 March 2021 and the corresponding quarter ended in the previous year as reported in these standalone financial results, are the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current and previous financial year respectively, which were subject to limited review, as required under the Listing Regulations.

For **T R CHADHA & CO LLP**

Chartered Accountants

FRN: 006711N/N500028

**NEENA GOEL** Digitally signed by NEENA GOEL  
Date: 2021.06.17 17:58:27 +05'30'

**Neena Goel**

Partner

M. No. 057986

UDIN: 21057986AAAAGH6347

Place: Gurugram

For **UMAMAHESWARA RAO & CO**

Chartered Accountants

FRN: 004453S

**Siva Rama Krishna Prasad Gabbita**

Digitally signed by Siva Rama Krishna Prasad Gabbita  
Date: 2021.06.17 18:04:32 +05'30'

**G. Sivaramakrishna Prasad**

Partner

M. No. 024860

UDIN: 21024860AAAAAO7954

Place: Gurugram

For **B M CHATRATH & CO LLP**

Chartered Accountants

FRN 301011E/E300025

**SANJAY SARKAR** Digitally signed by SANJAY SARKAR  
Date: 2021.06.17 17:45:13 +05'30'

**Sanjay Sarkar**

Partner

M. No. 064305

UDIN: 21064305AAAABS4159

Place: Kolkata

For **PSD & ASSOCIATES**

Chartered Accountants

FRN: 004501C

**SATISH CHANDRA SHARMA** Digitally signed by SATISH CHANDRA SHARMA  
Date: 2021.06.17 17:25:20 +05'30'

**Satish Chandra Sharma**

Partner

M. No. 072846

UDIN: 21072846AAAAAH1819

Place: Jaipur

**Date: 17 June 2021**



**T R CHADHA & CO LLP**  
Chartered Accountants  
B-30, Kuthiala Building,  
Connaught Circus, New Delhi,  
New Delhi-110001

**UMAMAHESWARA RAO & CO**  
Chartered Accountants  
Flat No.5-H, D Block, 8-3-324,  
Yellareddyguda Lane, Ameerpet X Roads,  
Hyderabad,  
Telangana-500073.

**B M CHATRATH & CO LLP**  
Chartered Accountants  
#Centre Point# ,4th floor,  
Room No-440  
21, Hemanta Basu Sarani,  
Kolkata,  
West Bengal-700001

**PSD & ASSOCIATES**  
Chartered Accountants  
808, Tower – A,  
Omkar Alta Monte,  
Pathanwadi Malad East,  
Mumbai-400097.

**Independent Auditor's Report on the Quarterly and Year Ended 31 March 2021 Consolidated financial results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.**

To  
The Board of Directors of  
Power Grid Corporation of India Limited

**Report on the audit of the Consolidated Financial Results**

**Opinion**

We have audited the accompanying statement of quarterly and yearly consolidated financial results of POWER GRID CORPORATION OF INDIA LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), and its joint ventures, for the quarter ended 31 March 2021 and for the year ended 31 March 2021 ("the Statement"), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Regulation").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on separate audited financial statements and other financial information of subsidiaries and joint ventures referred to in Other Matter paragraph below, the Statement:

(a) includes the annual financial results of the following entities:

**List of Subsidiaries:**

- (i) Powergrid Vemagiri transmission Ltd
- (ii) Powergrid NM transmission Ltd
- (iii) Powergrid Vizag Transmission Ltd
- (iv) Powergrid Southern Interconnector Transmission System Limited
- (v) Powergrid Parli Transmission Limited
- (vi) Powergrid Warora Transmission Limited
- (vii) Powergrid Jabalpur Transmission Limited
- (viii) Powergrid Kala Amb Transmission Ltd
- (ix) Powergrid Unchahar Transmission Ltd
- (x) Powergrid Medinipur Jeerat Transmission Limited
- (xi) Powergrid Mithilanchal Transmission Limited
- (xii) Powergrid Varanasi Transmission System Limited
- (xiii) Powergrid Jawaharpur Firozabad Transmission Limited
- (xiv) Powergrid Khetri Transmission System Limited
- (xv) Powergrid Bhuj Transmission Limited

- (xvi) Powergrid Bhind Guna Transmission Limited
- (xvii) Powergrid Ajmer Phagi Transmission Limited
- (xviii) Powergrid Fatehgarh Transmission Limited
- (xix) Powergrid Rampur Sambhal Transmission Limited
- (xx) Powergrid Meerut Simbhavali Transmission Limited
- (xxi) Central Transmission Utility of India Limited <sup>1</sup>
- (xxii) Powergrid Ramgarh Transmission Limited (Erstwhile Ramgarh New Transmission Limited) <sup>2</sup>
- (xxiii) Jaypee Powergrid Limited <sup>3</sup>
- (xxiv) Bikaner-II Bhiwadi Transco Limited <sup>4</sup>

<sup>1</sup> Incorporated on 28.12.2020

<sup>2</sup> 100% equity acquired from REC Power Distribution Company Limited on 09.03.2021.

<sup>3</sup> Wholly owned subsidiary from 26.03.2021 (Joint venture till 25.03.2021).

<sup>4</sup> 100% equity acquired from PFC Consulting Limited on 25.03.2021.

#### **List of Joint Ventures:**

- (i) Powerlinks Transmission Limited
- (ii) Torrent Powergrid Limited
- (iii) Jaypee Powergrid Limited <sup>1</sup>
- (iv) Parbati Koldam Transmission Company Limited
- (v) Teestavalley Power Transmission Limited
- (vi) North East Transmission Company Limited
- (vii) National High Power Test Lab Pvt Limited
- (viii) Bihar Grid Company Limited
- (ix) Cross Border Transmission Limited
- (x) RINL POWERGRID TLT Pvt. Limited <sup>2</sup>
- (xi) Power Transmission Company Nepal Ltd <sup>3</sup>

<sup>1</sup> Joint venture till 25.03.2021 (Wholly owned subsidiary from 26.03.2021).

<sup>2</sup> The Holding company's Board of Directors has accorded in-principle approval for closure of the JV company.

<sup>3</sup> located outside India.

(b) is presented in accordance with the requirements of the Regulation, in this regard; and

(c) give a true and fair view, in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the consolidated net profit including other comprehensive income and other financial information of the Group for the quarter ended 31 March 2021 and year to date results for the year ended 31 March 2021.

#### **Basis for Opinion**

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

#### **Emphasis of Matter**

Considering the requirement of Standard on Auditing (SA 600) on 'Using the work of Another Auditor' including materiality, we draw attention to the following matter in the notes to the aforesaid consolidated financial results:

- In respect of provisional recognition of revenue from transmission assets for which final tariff orders are yet to be issued by the CERC [Refer Note No. 2 (b)].

Our opinion is not modified in respect of the above matters.



### **Management's Responsibilities for the Consolidated Financial Results**

These quarterly financial results as well as the year to date consolidated financial results have been prepared on the basis of the consolidated financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial results that give a true and fair view of the net profit and other comprehensive income and other financial information of the Group including its joint ventures in accordance with the applicable Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its joint ventures 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial results by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Results, the respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for assessing the ability of the Group and its joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for overseeing the financial reporting process of the Group and of its joint ventures.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Results**

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

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

- Identify and assess the risks of material misstatement of the consolidated financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control 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 controls with reference to financial statements 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 Board of Directors.
- Conclude on the appropriateness of the Board of Directors 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 ability of the Group and its joint ventures 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 consolidated financial results 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 Group and its joint ventures to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group and its joint ventures to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the consolidated Financial Results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial results of which we are the independent auditors 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.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

#### Other Matters

The consolidated financial results include the audited Financial Results of

- a) 23\* subsidiaries whose financial statements reflect Group's share of total assets of Rs. 21309.28 crore as at 31 March 2021, Group's share of total revenue of Rs. 601.08 crore and Rs. 2073.86 crore, Group's share of total net profit after tax of Rs. 186.29 crore and Rs. 577.30 crore, Group's share of total comprehensive income of Rs 186.29 crore and Rs 577.30 crore, for the quarter and year ended 31 March 2021 respectively and Group's share of net cash inflows of Rs 149.87 for the year ended 31 March 2021 and
- b) 4\* joint ventures whose financial statements reflect Group's share of net profit after tax of Rs. 25.13 crore and Rs. 88.88 crore and Group's share of total comprehensive income of 25.20 crore and Rs. 88.94 crore for the quarter and year ended 31 March 2021 .

\* includes share in Jaypee Powergrid Limited for the period from 26 March 2021 to 31 March 2021 and for the period from 1 April 2020 to 25 March 2021 in para (a) and para (b) respectively as it was Joint Venture till 25 March 2021 and converted into subsidiary on 26 March 2021.

as considered in the consolidated financial results, which have been audited by their respective independent auditors. The independent auditors' reports on financial statements of these entities have been furnished to us and our opinion on the consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us as stated in paragraph above.

The consolidated Financial Results include the unaudited Financial Results of

- a) 1 subsidiary whose financial statements reflect Group's share of total assets of Rs. 24.84 crore as at 31 March 2021, Group's share of total revenue of Rs. Nil crore and Rs. Nil crore, Group's share of total net profit after tax of Rs. Nil crore and Rs. Nil crore, Group's share of total comprehensive income of Rs Nil crore and Rs Nil crore for the quarter and year ended 31 March 2021 respectively and Group's share of net cash inflows of Rs 0.01 for the year ended 31 March 2021 and
- b) 7 joint ventures whose financial statements / financial information reflect Group's share of net profit / (loss) after tax of Rs.28.08crore and Rs. 132.95 Crore and Group's share of total comprehensive income of Rs.28.07crore and Rs. 133.02 Crore for the quarter and year ended 31 March 2021,

as considered in the consolidated financial results. These unaudited Financial Statements / financial information have been furnished to us by the Board of Directors and our opinion on the consolidated financial results, in so far as it relates to the

amounts and disclosures included in respect of these subsidiaries and joint ventures is based solely on such unaudited Financial Statements /financial information. In our opinion and according to the information and explanations given to us by the Board of Directors, these Financial Statements / financial information are not material to the Group.

Our opinion on the consolidated Financial Results is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the Financial Results/financial information certified by the Board of Directors.

The Statement include the results for the quarter ended 31 March 2021 and the corresponding quarter ended in the previous year as reported in these Consolidated financial results which are the balancing figure between the audited figures in respect of the full financial year and the published year to date figures up to the end of third quarter of the current and previous financial year respectively which were subject to limited review, as required under the Listing Regulations.

For **T R CHADHA & CO LLP**  
Chartered Accountants  
FRN : 006711N/N500028

**NEENA GOEL** Digitally signed by NEENA GOEL  
Date: 2021.06.17 17:57:25 +05'30'

**Neena Goel**  
Partner  
M. No. 057986  
UDIN: 21057986AAAAAGI6105  
Place: Gurugram

For **UMAMAHESWARA RAO & CO**  
Chartered Accountants  
FRN : 0044535

**Siva Rama Krishna Prasad Gabbita** Digitally signed by Siva Rama Krishna Prasad Gabbita  
Date: 2021.06.17 18:02:35 +05'30'

**G. Sivaramakrishna Prasad**  
Partner  
M. No. 024860  
UDIN: 21024860AAAAAP7182  
Place: Gurugram

For **B M CHATRATH & CO LLP**  
Chartered Accountants  
FRN : 301011E/E300025

**SANJAY SARKAR** Digitally signed by SANJAY SARKAR  
Date: 2021.06.17 17:44:06 +05'30'

**Sanjay Sarkar**  
Partner  
M. No. 064305  
UDIN: 21064305AAAAABT9970  
Place: Kolkata

For **PSD & ASSOCIATES**  
Chartered Accountants  
FRN : 004501C

**SATISH CHANDRA SHARMA** Digitally signed by SATISH CHANDRA SHARMA  
Date: 2021.06.17 17:24:16 +05'30'

**Satish Chandra Sharma**  
Partner  
M. No. 072846  
UDIN: 21072846AAAAAJ4892  
Place: Jaipur

**Date: 17 June 2021**

## Notes to Separate Financial Statements

### 1. Corporate and General Information

Power Grid Corporation of India Limited ('the Company') is a public company domiciled and incorporated in India under the provisions of The Companies Act and its shares are listed on the National Stock Exchange (NSE) and BSE Limited (BSE) in India. The registered office of the Company is situated at B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi, India and its Corporate Office is located at Saudamini, Plot No.2, Sector-29, Gurgaon, Haryana.

The Company is notified as the Central Transmission Utility (CTU) under The Electricity Act, 2003. It is principally engaged in planning, implementation, operation and maintenance of Inter-State Transmission System (ISTS), Telecom and consultancy services.

The financial statements of the company for the year ended 31 March 2021 were approved for issue by the Board of Directors on 17 June 2021.

### 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 following which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value (refer Note no. 2.13 for accounting policy regarding financial instruments),
- Defined benefit plans – plan assets measured at fair value

##### 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 crore 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 on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects 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

The Company had opted to consider the carrying value of Property, Plant and Equipment as per previous GAAP on the date of transition to Ind AS (1<sup>st</sup> April, 2015) to be the deemed cost as per Ind AS 101 'First time Adoption of Indian Accounting Standards'.

### 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 component 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, deposit works/cost- plus contracts 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.

Assets and systems common to more than one transmission system are capitalized on the basis of technical estimates/ assessments.

Transmission system assets are considered as ready for intended use from the date of commercial operation declared in terms of CERC Tariff Regulations 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 levelling, clearing and grading of land is capitalized as part of cost of the related buildings.

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.

The acquisition or construction of some items of property, plant and equipment although not directly increasing the future economic benefits of any particular existing item of property, plant and equipment, may be necessary for the company to obtain future economic benefits from its other assets. Such items are recognized as property, plant and equipment.

### 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 & Equipment is recognized in the carrying amount of the item if it is probable that future economic benefits 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 & 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 their 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 Corporate office, Regional Offices 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.

Deposit works/cost-plus contracts are accounted for on the basis of statement received from the contractors or technical assessment of work completed.

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

The Company had opted to consider the carrying value of Intangible Assets as per previous GAAP on the date of transition to Ind AS (1<sup>st</sup> April, 2015) to be the deemed cost as per Ind AS 101 'First time Adoption of Indian Accounting Standards'.

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 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.

Expenditure on research is recognised as an expense when it is incurred.

Expenditure on development activities 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.

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 Investment property

The Company had opted to consider the carrying value of Investment Property as per previous GAAP on the date of transition to Ind AS (1<sup>st</sup> April, 2015) to be the deemed cost as per Ind AS 101 'First time Adoption of Indian Accounting Standards'.

Investment property comprises portions of land and/or buildings that are held for long term rental yields and/or for capital appreciation.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are carried at cost less accumulated depreciation and accumulated impairment loss, if any.

Transfers to or from investment property is made when there is a change in use i.e. an asset meets or ceases to meet the definition of investment property and there is evidence of the change in use.

Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised as profit or loss in the period of derecognition.

### 2.6 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 following the rates and methodology notified by the CERC for the purpose of recovery of tariff and on property, plant and equipment of telecom and consultancy business is provided on straight line method as per useful life specified in Schedule II of the Companies Act, 2013 except for property, plant and equipment specified in the following paragraphs.



ULDC assets commissioned prior to 1st April 2014 are depreciated on Straight Line Method @ 6.67% per annum. Such assets commissioned on or after 1st April 2014 are depreciated on straight line method following the rates and methodology notified by the CERC for the purpose of recovery of tariff.

In the case of property, plant and equipment of National Thermal Power Corporation Limited (NTPC), National Hydro-Electric Power Corporation Limited (NHPC), North-Eastern Electric Power Corporation Limited (NEEPCO), Neyveli Lignite Corporation Limited (NLC) transferred w.e.f. April 1, 1992, Jammu and Kashmir Lines w.e.f. April 1, 1993, and Tehri Hydro Development Corporation Limited (THDC) w.e.f. August 1, 1993, depreciation is charged based on gross block as indicated in transferor's books with necessary adjustments so that the life of the assets as laid down in the CERC notification for tariff is maintained.

Depreciation on buildings held as investment property is provided on straight line method as specified in Schedule II of The Companies Act, 2013.

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, following the rates and methodology notified by the CERC.

Depreciation on following items of property, plant and equipment is provided based on estimated useful life as per technical assessment.

Particulars	Useful life
a. Computers & Peripherals	3 Years
b. Servers & Network Components	5 years

Residual value of above assets is considered as Nil.

Mobile phones are charged off in the year of purchase.

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 at the rates and methodology as specified by the CERC Tariff Regulations, except for telecom and consultancy business assets where residual life is determined on the basis of useful life of property, plant and equipment as specified in Schedule II of the Companies Act, 2013.

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 other than items of property, plant and equipment related to transmission business 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 in accordance with the rates and methodology specified in CERC Tariff Regulation. 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 rates and methodology notified by Central Electricity Regulatory Commission (CERC) Tariff Regulations.

Telecom Licenses are amortised on straight line basis over their respective useful lives.

Expenditure on development of 1200kv Transmission System shall be amortised over a period of 10 years.

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 an intangible asset are 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".



## 2.7 Borrowing Costs

All the borrowed funds (except short term funds for working capital) are earmarked to specific projects. The borrowing costs (including bond issue expenses, interest, discount on bonds, front end fee, guarantee fee, management fee etc.) are allocated to the projects in proportion to the funds so earmarked.

Exchange differences arising from foreign currency borrowing to the extent regarded as an adjustment to interest costs are treated as borrowing cost.

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalised (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.

## 2.8 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.

## 2.9 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.

## 2.10 Inventories

Inventories are valued at lower of the cost, determined on weighted average basis and 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/surplus stores and spares and non-moving unserviceable inventories is ascertained on review and provided for.

## 2.11 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 2.8 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 2.7 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.

State sector Unified Load Dispatch Centre (ULDC)/ Fiber Optic Communication Assets (FOC)/Bilateral line assets leased to the beneficiaries are considered as Finance Lease. Net investment in such leased assets are recorded as receivable at the lower of the fair value of the leased property and the present value of the minimum lease payments along with accretion in subsequent years is accounted for as Lease Receivables under current and non-current other financial assets. Wherever grant-in-aid is received for construction of State Sector ULDC, lease receivable is accounted for net of such grant.

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 as per the tariff notified by CERC.

FERV on foreign currency loans relating to leased assets is adjusted to the amount of lease receivables and is amortised over the remaining tenure of lease. FERV recovery (as per CERC norms) from the constituents is recognised net of such amortised amount.

**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.

**2.12 Employee benefits****2.12.1 Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into separate entities (Funds) and will have no legal or constructive obligation to pay further contributions, if the Fund does not hold sufficient assets to pay all employee's benefits related to employee service in the current and prior periods. Obligations for contribution to defined contribution plans are recognized as an employee benefits expense in the statement of profit and loss in the period during which services are rendered by employees.

The Company has a defined contribution pension scheme which is administered through a separate trust. The obligation of the Company is to contribute to the trust to the extent of amount not exceeding 30% of basic pay and dearness allowance less employer's contribution towards provident fund, gratuity, post-retirement medical facility (PRMF) or any other retirement benefits. The contributions to the fund for the year are recognized as an expense and charged to the statement of profit and loss.

### 2.12.2 Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's liability towards gratuity, post-retirement medical facility, baggage allowance for settlement at home town after retirement, long service award on retirement and provident fund scheme to the extent of interest liability on provident fund contribution are in the nature of defined benefit plans.

The gratuity is funded by the Company and is managed by separate trust. The Company has Post-Retirement Medical Facility (PRMF), under which retired employee and the spouse are provided medical facilities in the Company empanelled hospitals. They can also avail treatment as out-patient subject to a ceiling fixed by the Company.

The Company pays fixed contribution to Provident Fund at predetermined rates to a separate trust, which invests the funds in permitted securities. The contributions to the fund for the year are recognized as expense and are charged to the statement of profit and loss. The obligation of the Company is limited to such fixed contributions and to ensure a minimum rate of interest on contributions to the members as specified by the Government of India (Gol).

The Company has schemes for payment of baggage allowance towards expenses for settlement at hometown for the superannuated employees & their dependents and for providing a Long Service Award to all regular employees of the Company on superannuation.

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognized asset is limited to the total of any unrecognized past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. An economic benefit is available to the Company if it is realizable during the life of the plan, or on settlement of the plan liabilities. Any actuarial gains or losses are recognized in OCI in the period in which they arise and subsequently not reclassified to profit or loss.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized in the statement of profit and loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognized immediately in the statement of profit and loss.

### 2.12.3 Other long-term employee benefits

Benefits under the Company's leave encashment and employee family economic rehabilitation scheme constitute other long term employee benefits.

The Company's net obligation in respect of leave encashment is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Company's obligations. The calculation is performed using the projected unit credit method. Any actuarial gains or losses are recognized in the statement of profit and loss in the period in which they arise.

As per 'POWERGRID Employee Family Economic Rehabilitation Scheme', which is optional, in the event of death or permanent total disability of an employee, the dependent(s) or the employee, as the case may be, is paid a fixed amount based on the last salary drawn by the employee till the notional date of superannuation of the employee upon depositing the final provident fund and gratuity amount which will be interest free.



#### 2.12.4 Short-term benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under performance related pay if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

#### 2.13 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

##### 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.

##### Equity investments

All equity investments in scope of Ind AS 109 'Financial Instruments' are measured at fair value. The company may, on initial recognition, make an irrevocable election to present subsequent changes in the fair value in other comprehensive income (FVOCI) on an instrument by-instrument basis.

For equity instruments classified as at FVOCI, all fair value changes on the instrument, excluding dividends are recognized in the OCI. There is no recycling of the amounts from OCI to Profit or Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

##### Derecognition 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 unbilled revenue, 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 Expected Credit Loss (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 unfavourable to the Company.

The Company's financial liabilities include loans & 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 derecognised.

The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

#### **Derecognition 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.

### **2.14 Investment in Subsidiaries**

A subsidiary is an entity controlled by the Company. Control exists when the Company has power over the entity, is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity.

Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns.

Investments in subsidiaries are carried at cost less impairment, if any. The cost comprises price paid to acquire investment and directly attributable cost.



## 2.15 Investment in Joint Ventures and Associates

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The investment in joint ventures and associates are carried at cost less impairment, if any. The cost comprises price paid to acquire investment and directly attributable cost.

## 2.16 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.

Foreign exchange gains and losses (other than related to foreign currency loans outstanding) are presented in the statement of profit and loss on a net basis within other gains/ (losses).

The Company has availed the exemption available in Ind AS 101, to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary liabilities outstanding as on March 31, 2016.

### Foreign currency loans outstanding as on March 31, 2016:

Foreign Exchange Rate Variation (FERV) arising on settlement / translation of such foreign currency loans relating to property, plant and equipment/ capital work-in-progress is adjusted to the carrying cost of related assets and is recoverable/payable from the beneficiaries on actual payment basis as per Central Electricity Regulatory Commission (CERC) norms w.e.f. 1st April, 2004 or Date of Commercial Operation (DOCO) whichever is later. The above FERV to the extent recoverable or payable as per the CERC norms is accounted for as follows:

- i) FERV recoverable/payable adjusted to carrying cost of property, plant and equipment is accounted for as 'Deferred foreign currency fluctuation asset/liability a/c' with a corresponding credit/debit to 'Deferred income/expenditure from foreign currency fluctuation a/c'.
- ii) 'Deferred income/expenditure from foreign currency fluctuation a/c' is amortized in the proportion in which depreciation is charged on such FERV.
- iii) The amount recoverable/payable as per CERC norms on year to year basis is adjusted to the 'Deferred foreign currency fluctuation asset/liability a/c' with corresponding debit / credit to the trade receivables.

FERV earlier charged to Statement of Profit and Loss & included in the capital cost for the purpose of tariff is adjusted against 'Deferred foreign currency fluctuation asset/liability a/c'.

FERV arising out of settlement/translation of long term monetary items (other than foreign currency loans) relating to Property Plant & Equipment /CWIP is adjusted in the carrying cost of related assets.

FERV arising during the construction period from settlement/translation of monetary items (other than non-current loans) denominated in foreign currency to the extent recoverable/payable to the beneficiaries as capital cost as per CERC tariff Regulation are accounted as Regulatory Deferral Account Balances. Transmission charges recognised on such amount is adjusted against above account. Other exchange differences are recognized as income or expenses in the period in which they arise.

### Foreign currency loans drawn on or after April 1, 2016:

Exchange differences arising from foreign currency borrowing to the extent regarded as an adjustment to interest costs are treated as borrowing cost. Other exchange differences are recognized in the Statement of Profit and Loss.

Exchange difference to the extent recoverable as per CERC tariff regulations are recognized as Regulatory Deferral Account Balances through Statement of Profit and Loss.



## 2.17 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 countries 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.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

## 2.18 Regulatory Deferral Account Balances

Certain expenses and income, allowed under CERC regulations to be reimbursed by/passed on to beneficiaries in future, are to be accounted in the Statement of Profit and Loss as per the provisions of Ind AS 114 'Regulatory Deferral Accounts' and Guidance Note on "Accounting for Rate Regulated Activities" issued by the Institute of Chartered Accountants of India (ICAI). Such expenses and income, to the extent recoverable /payable as part of tariff under CERC Regulations are treated as Regulatory Deferral Assets/Liabilities.

The Company presents separate line items in the Balance Sheet for:

- (a) the total of all Regulatory Deferral Account Debit Balances; and
- (b) the total of all Regulatory Deferral Account Credit Balances.

A separate line item is presented in the profit or loss section of the Statement of Profit and Loss for the net movement in all Regulatory Deferral Account Balances for the reporting period.

Regulatory deferral accounts balances are adjusted in the year in which the same become recoverable from or payable to the beneficiaries.

## 2.19 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.

### Significant Financing Component

Where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year, the Company assesses the effects of significant financing component in the contract. As a consequence, the Company makes adjustment in the transaction prices for the effects of time value of money.

### 2.19.1 Revenue from Operations

#### Transmission



Transmission Income is accounted for based on tariff orders notified by the CERC. In case of transmission projects where final tariff orders are yet to be notified, transmission income is accounted for on provisional basis as per tariff regulations and orders of the CERC in similar cases. Difference, if any, is accounted on issuance of final tariff orders by the CERC. Transmission Income in respect of additional capital expenditure incurred after the date of commercial operation is accounted for based on expenditure incurred on year to year basis as per CERC tariff regulations. As at each reporting date, transmission income includes an accrual for services rendered to the customers but not yet billed i.e. Unbilled Revenue.

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 (RPCs) and in accordance with the CERC tariff regulations. 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.

Advance against depreciation (AAD), forming part of tariff pertaining upto the block period 2004-09, to facilitate repayment of loans, was reduced from transmission income and considered as deferred income to be included in transmission income in subsequent years. The outstanding deferred income in respect of AAD is recognized as transmission income, after twelve years from the end of the financial year in which the asset was commissioned, to the extent depreciation recovered in the tariff during the year is lower than depreciation charged in the accounts.

### **Telecom Services**

Income from Telecom Services, net of downtime credit, is recognised on the basis of terms of agreements/purchase orders from the customers. Upfront fee received in advance under long term contracts providing Indefeasible Right to Use (IRU), is recognised as revenue on the basis of estimation of revenue over the period of contract.

### **Consultancy Services**

In respect of 'Cost-plus-consultancy contracts', involving execution on behalf of the client, revenue is recognized in proportion to the stage of completion of the work performed at the reporting date, which is determined based on input method.

Income from other consultancy contracts are accounted for on technical assessment of progress of services rendered.

## **2.19.2 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.

Application Fees towards Long Term Open Access (LTOA) as per CERC Guidelines is accounted for on receipt.

Scrap other than steel scrap & conductor scrap are accounted for as and when sold.

Dividend income is recognized when right to receive payment is established.

Insurance claims for loss of profit are accounted for in the year of acceptance. Other 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.

## **2.20 Government Grants**

Grants-in-aid from Central Government or other authorities towards capital expenditure for projects, betterment of transmission systems and specific depreciable assets initially are treated as deferred income when there is a reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant. Deferred Income is recognized in the Statement of Profit and Loss over the useful life of related asset in proportion to which depreciation on these assets is provided. In case of non-monetary government grants, both asset and grant are recorded at nominal value.

Grants that compensate the Company for expenses incurred are recognized over the period in which the related costs are incurred and deducted from the related expenses.

## **2.21 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.

## 2.22 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.

## 2.23 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'.

## 2.24 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.

## 2.25 Operating Segments

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

The operating segments have been identified on the basis of the nature of products / services.

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



## 2.26 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.

Additionally, basic and diluted earnings per share are computed using the earnings amounts excluding the movements in Regulatory Deferral Account Balances.

## 2.27 Statement of Cash Flows

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

## 2.28 Non-current assets (or disposal groups) held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets (or disposal groups) and its sale is highly probable.

Assets and liabilities classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell and presented separately in the Balance Sheet. An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

## 3. Critical Estimates and Judgments

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

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

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

#### Revenue Recognition:

Transmission income is accounted for based on tariff orders notified by the CERC. In case of transmission projects where final tariff orders are yet to be notified, transmission income is accounted for as per tariff regulations and other orders of the CERC in similar cases. Differences, if any, are accounted on issuance of final tariff orders by the CERC. Transmission income in respect of additional capital expenditure incurred after the date of commercial operation is accounted for based on expenditure incurred on year to year basis as per CERC tariff regulations.

#### Regulatory Deferral Balances:

Recognition of Regulatory Deferral Balances involves significant judgments including about future tariff regulations since these are based on estimation of the amounts expected to be recoverable/payable through tariff in future.

#### Estimation of defined benefit obligation:

Estimation of defined benefit obligation involves certain significant actuarial assumptions which are listed in Note 63.

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.

#### 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, other than the assets of transmission business which are governed by CERC Regulations, 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.

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

In assessing the recoverability of trade receivables, unbilled revenue and investments, the company has considered internal and external information up to the date of approval of these financial statements including credit reports and economic forecasts. In view of the nature of the Company’s business, the regulated tariff mechanism applicable to the major part of the company’s revenue and based on the current indicators of future economic conditions, the company expects to recover the carrying amount of these assets.

**Assets held for sale:**

Significant judgment is required to apply the accounting of non-current assets held for sale under Ind AS 105 – “Noncurrent assets held for sale and discontinued operations”. In assessing the applicability, management has exercised judgment to evaluate the availability of the asset for immediate sale, management’s commitment for the sale and probability of sale within one year to conclude if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

**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.



## Note 4: Property Plant and Equipment

(₹ in crore)

Particulars	Cost				Accumulated depreciation				Net Book Value	
	As at 01 April 2020	Additions during the year	Disposal	Adjustment during the year	As at 31 March 2021	As at 01 April 2020	Additions during the year	Disposal	Adjustment during the year	As at 31 March 2021
<b>Land</b>										
Freehold	2,252.71	5.07	-	(6.71)	2,264.49	-	-	-	-	2,264.49
<b>Buildings</b>										
a) Sub-Stations & Office	1,667.58	610.63	-	(2.79)	2,281.00	217.49	69.74	-	(0.02)	2,872.55
b) Township	635.39	52.04	-	-	687.43	114.35	29.08	-	(0.05)	801.76
Temporary Erection	1.19	0.03	-	0.03	1.19	1.14	0.06	-	0.03	2.32
Roads & Bridges	182.97	80.40	-	-	263.37	36.66	8.18	-	-	271.55
Water Supply Drainage & Sewerage	101.00	19.58	-	0.02	120.56	21.50	4.72	-	(0.21)	124.07
<b>Plant &amp; Equipment</b>										
a) Transmission	129,322.45	10,151.16	34.00	408.11	139,031.50	28,188.01	7,153.35	7.16	(0.92)	167,997.98
b) Sub-station	74,781.19	7,765.01	77.99	43.70	82,424.51	15,088.01	4,353.32	69.11	(5.99)	97,449.74
c) Unified Load Despatch & Communication	1,116.69	238.50	-	(93.40)	1,448.59	274.44	76.65	-	(15.49)	1,639.20
d) Telecom	1,281.23	125.26	-	101.11	1,305.38	507.22	104.67	-	16.00	1,917.25
Furniture Fixtures	140.78	19.12	0.31	(0.16)	159.75	38.27	10.29	0.08	(0.38)	171.66
Vehicles	2.78	0.70	0.46	(0.02)	3.04	1.19	0.15	0.09	(0.02)	3.26
Office equipment	228.07	19.28	0.47	0.37	246.51	55.55	15.36	0.21	(0.45)	266.22
Electronic Data Processing & Word Processing Machines	165.21	85.34	6.83	0.15	243.57	100.20	43.09	4.34	0.44	293.15
Construction and Workshop equipment	344.14	255.96	0.52	0.04	599.54	78.78	25.48	0.03	(0.10)	646.22
Electrical Installation	144.89	10.00	-	0.32	154.57	31.61	6.32	-	(1.61)	169.28
Laboratory Equipments	80.91	1.96	0.33	(5.31)	87.85	16.93	4.20	0.25	(1.56)	94.79
Workshop & Testing Equipments	292.31	33.19	-	(0.40)	325.90	40.13	16.71	-	(0.44)	341.26
Miscellaneous Assets/Equipments	0.43	0.03	-	-	0.46	0.06	0.02	-	-	0.48
<b>Right-of-use (ROU) Assets</b>										
a) ROU Assets- Land	460.43	38.00	-	28.77	469.66	55.83	14.58	-	-	525.07
b) ROU Asset- Buildings	9.51	7.32	3.03	0.26	13.54	3.76	5.45	2.97	0.26	25.98
c) ROU Asset- Plant & Machinery- Telecom	0.06	0.21	-	-	0.27	0.03	0.03	-	-	0.30
<b>Total</b>	<b>213,211.92</b>	<b>19,518.79</b>	<b>123.94</b>	<b>474.09</b>	<b>232,132.68</b>	<b>44,871.16</b>	<b>11,941.45</b>	<b>84.24</b>	<b>(10.51)</b>	<b>176,340.76</b>
Less: Provision for assets discarded	1.74	-	-	-	1.74	-	-	-	-	1.74
<b>Grand Total</b>	<b>213,210.18</b>	<b>19,518.79</b>	<b>123.94</b>	<b>474.09</b>	<b>232,130.94</b>	<b>44,871.16</b>	<b>11,941.45</b>	<b>84.24</b>	<b>(10.51)</b>	<b>168,339.02</b>



## Note 4: Property, Plant and Equipment (Contd.)

(₹ in crore)

Particulars	Cost					Accumulated depreciation					Net Book Value		
	As at 01 April 2019	Initial recognition/ Reclassification on account of Ind AS 116	Additions during the year	Disposal	Adjustment during the year	As at 31 March 2020	As at 01 April 2019	Reclassification on account of adoption of Ind AS 116	Additions during the year	Disposal	Adjustment during the year	As at 31 March 2020	As at 31 March 2019
<b>Land</b>													
Freehold	2,227.26	-	24.94	-	(0.51)	2,252.71	-	-	-	-	-	-	2,227.26
Leasehold	438.18	(438.18)	-	-	-	-	42.75	(42.75)	-	-	-	-	395.43
<b>Buildings</b>													
a) Sub-Stations & Office	1,510.04	-	157.51	-	(0.03)	1,667.58	157.26	-	60.24	-	0.01	217.49	1,352.78
b) Township	587.80	-	49.20	-	1.61	635.39	87.67	-	26.68	-	-	114.35	500.13
Temporary Erection	1.02	-	0.16	-	(0.01)	1.19	0.95	-	0.18	-	(0.01)	1.14	0.07
Roads & Bridges	172.67	-	8.93	-	(1.37)	182.97	29.15	-	7.44	-	(0.07)	36.66	146.31
Water Supply Drainage & Sewerage	98.40	-	2.56	-	(0.04)	101.00	17.19	-	4.31	-	-	21.50	81.21
<b>Plant &amp; Equipment</b>													
a) Transmission	121,779.93	-	6,267.34	14.44	(1,289.62)	129,322.45	21,262.21	-	6,929.95	3.71	0.44	28,188.01	100,517.72
b) Sub-station	65,811.96	-	8,345.63	18.01	(641.61)	74,781.19	11,096.12	-	3,989.40	-	(2.49)	15,088.01	54,715.84
c) Unified Load Despatch & Communication	950.03	-	164.76	-	(1.90)	1,116.69	203.93	-	70.51	-	-	274.44	746.10
d) Telecom	1,117.92	-	150.05	0.40	(13.66)	1,281.23	401.07	-	106.05	0.22	(0.32)	507.22	716.85
Furniture Fixtures	130.34	-	10.84	0.20	0.20	140.78	28.96	-	9.41	0.08	0.02	38.27	101.38
Vehicles	2.90	-	0.25	0.37	-	2.78	1.32	-	0.21	0.30	0.04	1.19	1.59
Office equipment	210.93	-	17.39	0.18	0.07	228.07	41.04	-	14.57	0.03	0.03	55.55	169.89
Electronic Data Processing & Word Processing Machines	110.69	-	55.48	0.88	0.08	165.21	75.83	-	24.84	0.43	0.04	100.20	65.01
Construction and Workshop equipment	298.14	-	46.75	-	0.75	344.14	59.64	-	19.07	-	(0.07)	78.78	238.50
Electrical Installation	106.03	-	38.90	0.01	0.03	144.89	23.41	-	8.22	-	0.02	31.61	82.62
Laboratory Equipments	47.50	-	33.43	0.02	-	80.91	12.52	-	4.41	-	-	16.93	34.98
Workshop & Testing Equipments	233.46	-	58.85	-	-	292.31	25.70	-	14.40	-	(0.03)	40.13	207.76
Miscellaneous Assets/ Equipments	0.16	-	0.30	-	0.03	0.43	0.02	-	0.04	-	-	0.06	0.14
<b>Right-of-use (ROU) Assets</b>													
a) ROU Assets- Leasehold Land	-	449.58	8.51	-	(2.34)	460.43	-	42.75	13.11	-	0.03	55.83	404.60
b) ROU Asset- Buildings	-	8.41	0.93	0.01	(0.18)	9.51	-	-	3.73	0.01	(0.04)	3.76	5.75
c) ROU Asset- Plant & Machinery- Telecom	-	0.05	0.15	-	0.14	0.06	-	-	0.06	-	0.03	0.03	-
<b>Total</b>	<b>195,835.36</b>	<b>19.86</b>	<b>15,442.86</b>	<b>34.52</b>	<b>(1,948.36)</b>	<b>213,211.92</b>	<b>33,566.74</b>	<b>-</b>	<b>11,306.83</b>	<b>4.78</b>	<b>(2.37)</b>	<b>44,871.16</b>	<b>162,268.62</b>
Less: Provision for assets discarded	1.74	-	-	-	-	1.74	-	-	-	-	-	-	1.74
<b>Grand Total</b>	<b>195,833.62</b>	<b>19.86</b>	<b>15,442.86</b>	<b>34.52</b>	<b>(1,948.36)</b>	<b>213,210.18</b>	<b>33,566.74</b>	<b>-</b>	<b>11,306.83</b>	<b>4.78</b>	<b>(2.37)</b>	<b>44,871.16</b>	<b>162,266.88</b>



## Note 4: Property, Plant and Equipment (Contd.)

### Further Notes:

- a) The Company owns 7,368.00 hectare (Previous Year 7,350.00 hectare) of land amounting to ₹ 2,734.15 crore (Previous Year ₹ 2,713.14 crore) which has been classified into freehold land 6,256.00 hectare (Previous Year 6,257.00 hectare) amounting to ₹ 2,264.49 crore (Previous Year ₹ 2,252.71 crore) and Right of Use - Land 1,112.00 hectare (Previous Year 1,093.00 hectare) amounting to ₹ 469.66 crore (Previous Year ₹ 460.43 crore) based on available documentation.
- b) Freehold land acquired by the company includes 170.26 hectare (Previous Year 188.93 hectare) amounting to ₹ 151.63 crore (Previous Year ₹ 149.17 crore) in respect of which conveyance deed in favour of the company is pending and 80.57 hectare (Previous Year 84.59 hectare) amounting to ₹ 49.92 crore (Previous Year ₹ 52.03 crore) in respect of land acquired by the company for which only mutation in revenue records is pending.
- c)
  - i) The land classified as Right of Use - Land held in the state of Jammu and Kashmir with area of 113.88 hectare (Previous Year 113.88 hectare) amounting to ₹ 129.18 crore (Previous Year ₹ 94.01 crore) is acquired by state government as per procedures under State Land Acquisition Act. As per prevailing law the state government remains the owner of the land so acquired and company is only given possession for the specific use.
  - ii) The transmission system situated in the state of Jammu and Kashmir have been taken over by the company w.e.f. 01.04.1993 from National Hydroelectric Power Corporation of India Limited (NHPC) upon mutually agreed terms pending completion of legal formalities.
  - iii) Right of Use - Land includes area of 2.65 hectare (Previous Year 2.65 hectare) amounting to ₹ 12.36 crore (Previous Year ₹ 12.36 crore) in respect of land in Chamba (HP) acquired from NHPC by the company for which legal formalities are pending.
  - iv) Right of Use - Land other than above includes 135.28 hectare (Previous Year 142.87 hectare) amounting to ₹ 134.83 crore (Previous Year ₹ 185.88 crore) in respect of which lease agreements/ legal formalities are pending.
- d) Right of Use - Land includes area of 0.41 hectare (Previous Year 0.41 hectare) amounting to ₹ 7.64 crore (Previous Year ₹ 7.64 crore) in respect of land acquired for office complex on perpetual lease basis and hence not amortised.
- e) Township building includes ₹ 2.96 crore (Previous Year ₹ 2.96 crore) for 28 flats (Previous Year 28 flats) at Mumbai, for which registration in favour of the company is pending. Out of the above flats, 17 flats are occupied by employees of M/S Power System Operation Corporation Ltd.
- f) 5.63 hectare (Previous Year 5.63 hectare) having value of ₹ 0.04 crore (Previous Year ₹ 0.04 crore) has been transferred to National High Power Test Laboratory Pvt. Ltd. on right to use without granting ownership.
- g) Refer note no. 50 for disclosure on Right of Use Assets as per Ind AS 116 – “Leases”.
- h) Refer note no. 23 for information on property, plant and equipment pledged as security by the company.

**Note 5: Capital work in progress**

(₹ in crore)

Particulars	As at 01 April 2020	Additions during the year	Adjustments	Capitalised during the year	As at 31 March 2021
<b>Land</b>					
Development of land	0.18	35.18	-	35.18	<b>0.18</b>
<b>Buildings</b>					
a) Sub-Stations & Office	95.67	41.03	(534.73)	596.43	<b>75.00</b>
b) Township	136.77	57.06	-	34.99	<b>158.84</b>
Roads & Bridges	25.34	6.87	(73.99)	77.34	<b>28.86</b>
Water Supply Drainage and Sewerage	5.17	1.95	1.55	1.45	<b>4.12</b>
<b>Plant &amp; Equipments (including associated civil works)</b>					
a) Transmission	9,616.82	2,966.94	-	7,614.17	<b>4,969.59</b>
b) Sub-Station	11,873.21	2,910.44	630.57	6,649.84	<b>7,503.24</b>
c) Unified Load Despatch & Communication	370.65	170.56	47.10	239.25	<b>254.86</b>
d) Telecom	99.67	91.99	-	61.59	<b>130.07</b>
Other office equipments	1.99	0.50	0.05	2.24	<b>0.20</b>
Electrical Installations	2.61	2.78	2.02	0.73	<b>2.64</b>
Construction Stores (Net of Provision)	4,457.49	2,775.07	4,784.22	-	<b>2,448.34</b>
<b>Expenditure pending allocation</b>					
i) Survey, investigation, consultancy & supervision Charges	6.16	1.72	0.17	5.08	<b>2.63</b>
ii) Difference in Exchange on foreign currency loans	79.03	(12.68)	1.60	28.29	<b>36.46</b>
iii) Expenditure during construction period(net) (Note 43)	3,411.58	978.11	(47.44)	2,153.23	<b>2,283.90</b>
	<b>30,182.34</b>	<b>10,027.52</b>	<b>4,811.12</b>	<b>17,499.81</b>	<b>17,898.93</b>
Less: Provision for unserviceable Assets	2.26	-	-	-	<b>2.26</b>
<b>Grand Total</b>	<b>30,180.08</b>	<b>10,027.52</b>	<b>4,811.12</b>	<b>17,499.81</b>	<b>17,896.67</b>



## Note 5: Capital work in progress (Contd.)

(₹ in crore)

Particulars	As at 01 April 2019	Additions during the year	Adjustments	Capitalised during the year	As at 31 March 2020
<b>Land</b>					
Development of land	6.44	3.68	-	9.94	<b>0.18</b>
<b>Buildings</b>					
a) Sub-Stations & Office	98.15	60.68	2.13	61.03	<b>95.67</b>
b) Township	115.73	73.84	11.46	41.34	<b>136.77</b>
Roads & Bridges	18.27	8.94	0.69	1.18	<b>25.34</b>
Water Supply Drainage and Sewerage	3.54	1.85	-	0.22	<b>5.17</b>
<b>Plant &amp; Equipments (including associated civil works)</b>					
a) Transmission	9,597.94	5,390.72	-	5,371.84	<b>9,616.82</b>
b) Sub-Station	9,864.47	9,543.74	-	7,535.00	<b>11,873.21</b>
c) Unified Load Despatch & Communication	478.34	145.78	-	253.47	<b>370.65</b>
d) Telecom	75.32	110.34	-	85.99	<b>99.67</b>
Furniture & Fixtures	-	-	-	-	<b>-</b>
Other office equipments	9.83	23.81	31.65	-	<b>1.99</b>
Electrical Installations	3.44	2.09	-	2.92	<b>2.61</b>
Construction Stores (Net of Provision)	10,462.16	5,738.53	11,743.20	-	<b>4,457.49</b>
<b>Expenditure pending allocation</b>					
i) Survey, investigation, consultancy & supervision Charges	6.43	2.70	-	2.97	<b>6.16</b>
ii) Difference in Exchange on foreign currency loans	127.33	84.76	-	133.06	<b>79.03</b>
iii) Expenditure during construction period(net) (Note 43)	2,498.89	2,321.37	(82.38)	1,491.06	<b>3,411.58</b>
	<b>33,366.28</b>	<b>23,512.83</b>	<b>11,706.75</b>	<b>14,990.02</b>	<b>30,182.34</b>
Less: Provision for unserviceable Assets	2.26	-	-	-	<b>2.26</b>
<b>Grand Total</b>	<b>33,364.02</b>	<b>23,512.83</b>	<b>11,706.75</b>	<b>14,990.02</b>	<b>30,180.08</b>

## Note 5: Capital work in progress (Contd.)

### (Details of Construction stores) (At cost)

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Construction Stores</b>		
Towers	245.96	518.17
Conductors	432.22	1,001.54
Other Line Materials	152.15	263.18
Sub-Station Equipments	974.73	1,253.79
High Voltage Direct Current (HVDC) Equipments	328.85	1,087.60
Unified Load Despatch & Communication(ULDC) Materials	205.20	197.95
Telecom Materials	71.78	60.00
Others	37.45	75.26
<b>Total</b>	<b>2,448.34</b>	<b>4,457.49</b>
<b>Construction Stores include:</b>		
<b>i) Material in transit</b>		
Towers	-	21.09
Conductors	-	6.22
Other Line Materials	2.12	1.03
Sub-Station Equipments	99.44	122.66
High Voltage Direct Current (HVDC) Equipments	34.78	138.09
Unified Load Despatch & Communication(ULDC) Materials	0.86	-
Telecom Materials	0.25	-
Others	0.70	-
<b>Total</b>	<b>138.15</b>	<b>289.09</b>
<b>ii) Material with Contractors</b>		
Towers	245.96	497.08
Conductors	432.22	995.32
Other Line Materials	150.03	262.15
Sub-Station Equipments	875.29	1,131.13
High Voltage Direct Current (HVDC) Equipments	294.07	949.51
Unified Load Despatch & Communication (ULDC) Materials	204.34	197.95
Telecom Materials	71.53	60.00
Others	36.75	75.26
<b>Total</b>	<b>2,310.19</b>	<b>4,168.40</b>
<b>Grand total</b>	<b>2,448.34</b>	<b>4,457.49</b>

#### Further Notes:

Materials with Contractors amounting to ₹ 175.71 crore (Previous Year ₹ 229.28 crore) in respect of commissioned lines is pending for reconciliation. However reconciliation are carried out on ongoing basis.



## Note 6: Investment Property

(₹ in crore)

Particulars	Cost				Accumulated Amortisation				Net Book Value	
	As at 01 April 2020	Additions during the year	Disposal	Adjustment during the year	As at 31 March 2021	As at 01 April 2020	Additions during the year	Disposal	Adjustment during the year	As at 31 March 2021
Land (Freehold)	0.02	-	-	-	0.02	-	-	-	-	0.02
Buildings	0.01	-	-	-	0.01	-	-	-	-	0.01
<b>Total</b>	0.03	-	-	-	0.03	-	-	-	-	0.03

(₹ in crore)

Particulars	Cost				Accumulated Amortisation				Net Book Value	
	As at 01 April 2019	Additions during the year	Disposal	Adjustment during the year	As at 31 March 2020	As at 01 April 2019	Additions during the year	Disposal	Adjustment during the year	As at 31 March 2020
Land (Freehold)	0.02	-	-	-	0.02	-	-	-	-	0.02
Buildings	0.01	-	-	-	0.01	-	-	-	-	0.01
<b>Total</b>	0.03	-	-	-	0.03	-	-	-	-	0.03



## 6. Investment Property (Contd.)

### Further Notes:

(i) Amount recognised in profit or loss for investment property (₹ in crore)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Rental income	Nil	Nil
Direct operating expenses from property that generated rental income	Nil	Nil
Direct operating expenses from property that did not generate rental income	Nil	Nil
Profit from investment property before depreciation	Nil	Nil
Depreciation	Nil	Nil
<b>Profit from investment property</b>	<b>Nil</b>	<b>Nil</b>

(ii) There is no contractual obligation for future repairs and maintenance which not recognised as a liability as at 31.03.2021 and 31.03.2020.

(iii) There are no Leasing arrangements as at 31.03.2021 and 31.03.2020.

(iv) Fair value

(₹ in crore)

Particulars	As at 31.03.2021	As at 31.03.2020
Investment property	3.52	2.87

### Estimation of fair value

The fair value of investment property has been determined by independent valuer. The main inputs used are the rental growth rates, expected vacancy rates, terminal yields and discount rates based on comparable transactions and industry data. All resulting fair value estimates for investment property are included in level 2.



## Note 7: Intangible assets

(₹ in crore)

Particulars	Cost				Accumulated Amortisation				Net Book Value	
	As at 01 April 2020	Additions during the year	Disposal	Adjustment during the year	As at 31 March 2021	As at 01 April 2020	Additions during the year	Disposal	Adjustment during the year	As at 31 March 2021
Electronic Data Processing Software	57.87	10.17	0.03	-	68.01	51.52	5.94	0.03	-	57.43
Right of Way-Afforestation Expenses	1,848.13	163.28	-	0.70	2,010.71	403.83	105.41	-	-	509.24
Telecom Licenses	2.80	-	-	-	2.80	0.41	0.14	-	-	0.55
Development of 1200 KV TS*	71.86	-	-	-	71.86	27.49	7.23	-	-	34.72
<b>Total</b>	<b>1,980.66</b>	<b>173.45</b>	<b>0.03</b>	<b>0.70</b>	<b>2,153.38</b>	<b>483.25</b>	<b>118.72</b>	<b>0.03</b>	<b>-</b>	<b>601.94</b>
										<b>1,551.44</b>
										<b>1,497.41</b>

\* Internally generated intangible asset

(₹ in crore)

Particulars	Cost				Accumulated Amortisation				Net Book Value	
	As at 01 April 2019	Additions during the year	Disposal	Adjustment during the year	As at 31 March 2020	As at 01 April 2019	Additions during the year	Disposal	Adjustment during the year	As at 31 March 2020
Electronic Data Processing Software	54.86	3.01	-	-	57.87	47.10	4.42	-	-	51.52
Right of Way-Afforestation Expenses	1,829.55	18.20	-	(0.38)	1,848.13	298.35	105.50	-	0.02	403.83
Telecom Licenses	2.80	-	-	-	2.80	0.27	0.14	-	-	0.41
Development of 1200 KV TS*	71.86	-	-	-	71.86	20.25	7.24	-	-	27.49
<b>Total</b>	<b>1,959.07</b>	<b>21.21</b>	<b>-</b>	<b>(0.38)</b>	<b>1,980.66</b>	<b>365.97</b>	<b>117.30</b>	<b>-</b>	<b>0.02</b>	<b>483.25</b>
										<b>1,497.41</b>
										<b>1,593.10</b>

\* Internally generated intangible asset

**Note 8: Intangible assets under development**

(₹ in crore)

Particulars	As at 01 April 2020	Additions	Adjustments	Capitalised during the year	As at 31 March 2021
Right of Way-Afforestation expenses	219.55	13.15	-	157.84	74.86
<b>Total</b>	<b>219.55</b>	<b>13.15</b>	<b>-</b>	<b>157.84</b>	<b>74.86</b>

(₹ in crore)

Particulars	As at 01 April 2019	Additions	Adjustments	Capitalised during the year	As at 31 March 2020
Right of Way-Afforestation expenses	214.06	9.53	-	4.04	219.55
<b>Total</b>	<b>214.06</b>	<b>9.53</b>	<b>-</b>	<b>4.04</b>	<b>219.55</b>

**Note 9: Investments**

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Investments in Equity Instruments (Fully paid up)</b>		
<b>Investments at Fair Value through Other Comprehensive Income (OCI)</b>		
<b>Quoted</b>		
PTC India Limited		
12000006 (Previous Year 12000006) Equity Shares of ₹ 10/- each	<b>93.30</b>	46.50
<b>Unquoted</b>		
Energy Efficiency Services Limited		
56118350 (Previous Year 56118350) Equity Shares of ₹ 10/- each	<b>45.40</b>	52.40
<b>Investments at Cost (Fully paid up)</b>		
<b>Unquoted</b>		
<b>i) Subsidiary Companies</b>		
Powergrid NM Transmission Limited		
485050000 (Previous Year 278400000) Equity Shares of ₹ 10 each.	<b>485.05</b>	278.40
Powergrid Vemagiri Transmission Limited		
50000 (Previous Year 50000) Equity Shares of ₹ 10 each. (Refer further note 6 below)	<b>0.05</b>	0.05
Less: Provision for diminution in the value of Investment	<b>0.05</b>	0.05
	-	-
Powergrid Vizag Transmission Limited		
209730000 (Previous Year 209730000) Equity Shares of ₹ 10 each. (Refer Note 19A)	-	209.73
Powergrid Unchahar Transmission Limited		
12961067 (Previous Year 12961067) Equity Shares of ₹ 10 each.	<b>12.96</b>	12.96



## Note 9: Investments (Contd.)

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
Powergrid Kala Amb Transmission Limited 61000000 (Previous Year 61000000) Equity Shares of ₹ 10 each. (Refer Note 19A)	-	61.00
Powergrid Jabalpur Transmission Limited 226910000 (Previous Year 217150000) Equity Shares of ₹ 10 each (Refer Note 19A)	-	217.15
Powergrid Warora Transmission Limited 393300000 (Previous Year 393300000) Equity Shares of ₹ 10 each (Refer Note 19A)	-	393.30
Powergrid Parli Transmission Limited 322100000 (Previous Year 319500000) Equity Shares of ₹ 10 each (Refer Note 19A)	-	319.50
Powergrid Southern Interconnector Transmission System Limited 709004000 (Previous Year 709004000) Equity Shares of ₹ 10 each.	709.00	709.00
Powergrid Medinipur Jeerat Transmission Limited 549630000 (Previous Year 289330000) Equity Shares of ₹ 10 each.	549.63	289.33
Powergrid Mithilanchal Transmission Limited 213500000 (Previous Year 120000000) Equity Shares of ₹ 10 each.	213.50	120.00
Powergrid Varanasi Transmission System Limited 168050000 (Previous Year 125050000) Equity Shares of ₹ 10 each.	168.05	125.05
Powergrid Jawaharpur Firozabad Transmission Limited 77200000 (Previous Year 50000) Equity Shares of ₹ 10 each.	77.20	0.05
Powergrid Khetri Transmission System Limited 161400000 (Previous year 50000 ) Equity Shares of ₹ 10 each	161.40	0.05
Powergrid Bhind Guna Transmission Limited 50050000 (Previous year 50000 ) Equity Shares of ₹ 10 each	50.05	0.05
Powergrid Ajmer Phagi Transmission Limited 112000000 (Previous Year 50000) Equity Shares of ₹ 10 each.	112.00	0.05
Powergrid Fatehgarh Transmission Limited 113410000 (Previous Year 10000) Equity Shares of ₹ 10 each	113.41	0.01
Powergrid Bhuj Transmission Limited 97710000 (Previous Year 10000) Equity Shares of ₹ 10 each	97.71	0.01
Powergrid Rampur Sambhal Transmission Limited 21520000 (Previous Year 50000) Equity Shares of ₹ 10 each	21.52	0.05
Powergrid Meerut Simbhavali Transmission Limited 32010000 (Previous Year 10000) Equity Shares of ₹ 10 each	32.01	0.01
Central Transmission Utility of India Ltd. 50000 (Previous Year NIL) Equity Shares of ₹ 10 each	0.05	-

**Note 9: Investments (Contd.)**

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
Powergrid Ramgarh Transmission Limited 50000 (Previous Year NIL) Equity Shares of ₹ 10 each	0.05	-
Jaypee Powergrid Limited 300000000 Equity Shares of ₹ 10 each (Refer further note 7 below)	432.50	-
Bikaner-II Bhiwadi Transco Limited 10000 (Previous Year NIL) Equity Shares of ₹ 10 each	0.01	-
	<b>3,236.10</b>	2,735.70
<b>ii) Joint Venture Companies</b>		
Torrent Power Grid Limited 23400000 (Previous Year 23400000) Equity Shares of ₹ 10/- each.	23.40	23.40
Jaypee Powergrid Limited Previous Year 78000000 Equity Shares of ₹ 10/- each. (Refer further note 7 below)	-	78.00
Parbati Koldam Transmission Company Limited 70937620 (Previous Year 70937620) Equity Shares of ₹ 10/- each.	70.94	70.94
Teestavalley Power Transmission Limited 120120000 (Previous Year 120120000) Equity Shares of ₹ 10/- each.	120.12	120.12
Powerlinks Transmission Limited 229320000 (Previous Year 229320000) Equity Shares of ₹ 10/- each.	229.32	229.32
North East Transmission Company Limited 106964000 (Previous Year 106964000) Equity Shares of ₹ 10/- each.	106.96	106.96
National High Power Test Laboratory Private Limited 30400000 (Previous Year 30400000) Equity Shares of ₹ 10/- each.	30.40	30.40
Cross Border Power Transmission Company Limited 12612473 (Previous Year 12612473) Equity Shares of ₹ 10/- each.	12.62	12.62
Kalinga Bidyut Prasaran Nigam Private Limited Nil (Previous Year NIL) Equity Shares of ₹ 10/- each. (Refer further note 4 below)	-	-
Less: Provision for diminution in the value of Investment	-	-
	-	-
Bihar Grid Company Limited 290296935 (Previous Year 250795526) Equity Shares of ₹ 10/- each.	290.30	250.80
Power Transmission Company Nepal Limited 1170000 (Previous Year 1170000) Equity Shares of Nepali ₹100/- each.	6.50	6.50
RINL POWERGRID TLT Private Limited 4000000 (Previous Year 4000000) Equity Shares of ₹ 10/- each. (Refer further note 5 below)	4.00	4.00
Less: Provision for diminution in the value of Investment	4.00	4.00
	-	-
	<b>890.56</b>	929.06



## Note 9: Investments (Contd.)

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>iii) Others</b>		
Bharat Broadband Network Limited (₹ 10/-) 1 (Previous Year 1) share of ₹ 10/- each.	-	-
<b>Total</b>	<b>4,265.36</b>	<b>3,763.66</b>

### Further notes:

(₹ in crore)

- 1) a) Aggregate amount of Quoted Investments
 

At Cost	12.00	12.00
Market Value	93.30	46.50
- b) Aggregate amount of Unquoted Investments
 

	4,172.06	3,717.16
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- c) Aggregate amount of impairment in value of Investment
 

	4.05	4.05
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- 2) During the previous financial year, the pledge on 229319997 equity shares held by POWERGRID in M/s Powerlinks Transmission Limited has been released from IDFC FIRST Bank (formerly IDFC Ltd) being the Trustee on behalf of Security lenders in terms of Share pledge agreement dated 15.04.2004.
- 3) Investments have been valued as per accounting policy no. 2.13, 2.14 & 2.15.
- 4) The present status of the M/s Kalinga Bidyut Prasaran Nigam Private Limited as per MCA website is "Strike Off". Investment of ₹ 0.01 crore in Kalinga Bidyut Prasaran Nigam Private Limited has been written off during the Previous Year.
- 5) 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.
- 6) Refer remarks at Note No 11 for Powergrid Vemagiri Transmission Limited.
- 7) Wholly owned subsidiary w.e.f. 26.03.2021 (Joint venture till 25.03.2021)

## Note 10: Loans (considered good unless otherwise stated)

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Loans to Related Parties **</b>		
Loans to Subsidiaries-Unsecured	10,151.51	12,512.17
Loans to JVs-Unsecured	12.40	18.40
Loan to Directors & Key Managerial Personnel (KMP)		
Secured #	0.02	0.02
Unsecured	0.04	0.03
	<b>10,163.97</b>	12,530.62
<b>Loans to Employees (including interest accrued)</b>		
Secured #	278.39	218.92
Unsecured	31.73	34.21
	<b>310.12</b>	253.13
<b>Total</b>	<b>10,474.09</b>	<b>12,783.75</b>



## Note 10: Loans (considered good unless otherwise stated) (Contd.)

### Further notes:

\*\* Details of loans to related parties is provided in Note 55.

# House building loans and conveyance advance to Directors, KMP and Employees are secured against the mortgage of the house properties or hypothecation of vehicles for which such loans have been given in line with the policies of the Company.

## Note 11: Other Non-current Financial Assets

(Unsecured considered good unless otherwise stated)

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
Lease receivables	606.42	601.69
Bank deposits with more than 12 months maturity #	92.66	11.11
Recoverable for GOI fully serviced bonds ##	3,487.50	3,487.50
Advances to related parties (Subsidiaries and Others)*		
Considered good	-	-
Considered doubtful**	19.41	19.40
	19.41	19.40
Less: Provision for Doubtful advances**	19.41	19.40
	-	-
<b>Share Application Money</b>		
Joint Venture Companies		
Bihar Grid Company Limited ###	-	6.50
<b>Total</b>	<b>4,186.58</b>	<b>4,106.80</b>

### Further notes:

# Bank deposits against designated accounts for consultancy work.

## In the FY 2018-19, the Company issued 'Gol fully serviced bonds' for an amount of ₹ 3487.50 crore for raising of Extra Budgetary Resources (EBR) for Gol scheme of Power System Development Fund (PSDF) in terms of letter No: 7/1/2018-OM dated 21st January, 2019 of Ministry of Power, Govt. of India (Gol) for meeting accrued liabilities for creation of Capital Assets. The repayment of principal and the interest payment on such bonds shall be met by Gol. An amount of ₹ 3487.50 Crore from bond issue has been recognised as Grant in aid in Previous Years.

\*Details of advances to related parties are provided in Note 55.

\*\*CERC vide order dated 06/04/2015 in petition no.127/2012 had directed that 80% of the acquisition price incurred by the Company for Vemagiri Transmission Company Limited (VTSL) shall be reimbursed by the Long Term Transmission Customers (LTTCS) and balance 20% along with the expenditure incurred by VTSL from the date of acquisition till the liquidation of the company shall be borne by the Company. Subsequently, on a review petition filed by the Company, CERC vide order dated 20/10/2016 held that there are sufficient reasons to review the liability of the Company to pay 20% of the acquisition price and accordingly, directed that the issue shall be decided afresh by taking a holistic view in the matter after disposal of appeals filed by the LTTCS on the issue in Appellate Tribunal of Electricity (ATE).

The final hearing in the appeals filed in APTEL was held on 02.03.2020 and Hon'ble APTEL directed all parties to file written submission and reserved the Judgement. However, due to Covid pandemic lock down during Mar'20-May'20, the matter was relisted & heard on 24.08.2020 and Hon'ble APTEL directed all the parties to file concise comprehensive written submissions through email and reserved the Judgement again. Accordingly, concise comprehensive written submissions were filed in APTEL.

As one of the Hon'ble Members of APTEL retired during Dec'20 before pronouncement of the judgement, the matter may need to be heard again. An application for early hearing of the appeal was filed in APTEL in Mar'21 to expedite the matter, which is still to be listed for hearing.

### Equity Share allotted on 5th May, 2020.



## Note 12: Other non-current Assets

(Unsecured considered good unless otherwise stated)

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Advances for Capital Expenditure</b>		
Unsecured		
a. Against bank guarantees	260.06	487.52
b. Others	84.87	84.93
Unsecured considered doubtful	1.19	1.19
	346.12	573.64
Less: Provision for bad & doubtful Advances	1.19	1.19
	344.93	572.45
<b>Advances other than for Capital Expenditure</b>		
Security Deposits	22.24	19.34
Deferred Employee Cost	49.09	61.05
Deferred Foreign currency Fluctuation Asset	4,225.87	5,247.96
Advances recoverable in kind or for value to be received		
Employees	0.09	2.77
Balance with Customs Port Trust and other authorities	10.25	23.93
Advance tax and Tax deducted at source #	-	-
Other Taxes	2.82	1.67
Others**	219.13	198.01
	232.29	226.38
Considered doubtful	0.91	0.91
	233.20	227.29
Less: Provision for doubtful Advances	0.91	0.91
	232.29	226.38
<b>Total</b>	<b>4,874.42</b>	<b>6,127.18</b>

### Further notes:

\*\*Others include amount recoverable from Customers & State Governments, insurance claims etc.

# Net of Current Tax Liabilities - Note 33.

## Note 13: Inventories

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>(For mode of valuation refer Note 2.10)</b>		
Components, Spares & other spare parts	1,346.18	1,383.78
Loose tools	23.70	23.52
Consumable stores	11.44	11.17
	1,381.32	1,418.47
Less Provision for Shortages/damages etc.	18.50	17.91
<b>Total</b>	<b>1,362.82</b>	<b>1,400.56</b>
<b>Inventories includes material in transit</b>		
Components, Spares & other spare parts	-	0.23

**Note 14: Trade receivables**

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Trade receivables - Unsecured</b>		
Considered good	3,592.06	4,798.30
Credit Impaired	300.40	315.82
	3,892.46	5,114.12
<b>Receivable from related parties - Unsecured *</b>		
Considered good	29.28	69.60
	3,921.74	5,183.72
Less: Loss Allowance	300.40	315.82
<b>Total</b>	<b>3,621.34</b>	<b>4,867.90</b>

**Further notes:**

\*Details of trade receivables from related parties are provided in Note 55.

Refer Note 46 for disclosure as per Ind AS 115 'Revenue from Contracts with Customers'.

Based on arrangements between the Company, banks and beneficiaries, the bills of the beneficiaries have been discounted. Accordingly, trade receivables have been disclosed net off bills discounted amounting to ₹ 2871.49 crore (Previous Year ₹ 1060.24 crore). Refer Note No 58 for details.

**Note 15: Cash and Cash Equivalents**

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Balance with banks-</b>		
-In Current accounts	928.52	136.79
-In designated Current accounts (For Consultancy clients and others)	71.64	433.90
In term deposits (with maturity less than 3 months)(including interest accrued)*	3,429.87	4,234.42
Drafts/Cheques in hand/Remittances in transit	-	0.02
Others (Stamps and Imprest)	0.02	0.01
<b>Total</b>	<b>4,430.05</b>	<b>4,805.14</b>

**Further notes:**

\*Term deposit includes ₹ 3050.84 crore (Previous Year ₹ 4234.42 crore) for Consultancy clients and others.

**Note 16: Bank Balances other than Cash & Cash Equivalents**

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
Earmarked balance with banks*	152.91	21.35
In Term Deposits having maturity over 3 months but upto 12 months (For Consultancy clients and others) (including interest accrued)	690.58	582.91
<b>Total</b>	<b>843.49</b>	<b>604.26</b>

**Further notes:**

\*Earmarked balance with Bank includes unpaid dividend, dividend payable, TDS on Dividend and refund of FPO proceeds.



## Note 17: Loans

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Loans to Related Parties (including interest accrued)**</b>		
Loans to Subsidiaries - Unsecured	5,301.78	723.00
Loans to Joint Venture - Unsecured	40.48	81.16
Loan to Directors & Key Managerial Personnel (KMP)		
Secured #	0.01	0.01
Unsecured Considered good	0.07	0.03
	5,342.34	804.20
<b>Loans to Employees (including interest accrued)</b>		
Secured #	46.08	35.64
Unsecured Considered good	40.41	39.57
	86.49	75.21
<b>Total</b>	<b>5,428.83</b>	<b>879.41</b>

### Further notes:

\*\*Details of loan to related parties is provided in Note 55.

# House building loans and conveyance advance to Directors, KMP and Employees are secured against the mortgage of the house properties or hypothecation of vehicles for which such loans have been given in line with the policies of the Company.

## Note 18: Other Current Financial Assets

(Unsecured considered good unless otherwise stated)

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
Lease Receivables	48.33	48.28
Unbilled Revenue*	7,065.68	5,163.51
Recoverable for GOI fully Service Bonds (including interest accrued)	36.22	36.90
Advance to/Receivable from Related Parties #	24.66	1.04
Others ##		
Considered Good	765.15	381.67
<b>Total</b>	<b>7,940.04</b>	<b>5,631.40</b>

### Further notes:

\*Unbilled revenue includes transmission charges for the month of March including bill 3 for previous quarter, of the financial year amounting to ₹ 2512.28 crore (Previous Year ₹ 3924.36 crore) billed to beneficiaries in the month of April of subsequent financial year. Further refer note no 46 for disclosure as per Ind AS 115 'Revenue from Contracts with Customers'. Unbilled revenue includes ₹ 6.54 Crore (Previous Year ₹ Nil ) from related parties (refer Note 55).

# Details of related parties are provided in Note 55.

## Others include:-

- an amount of ₹ 59.88 crore (Previous Year ₹ 30.85 crore) recoverable from M/s Delhi Transco Limited towards transfer of 2.427 hectare (Previous Year 1.167 hectare) land at Tughlaqabad and Dwarka Sub-station pending completion of legal formalities for transfer of title.
- amount recoverable from Customers, Advance rent for Residential and Office accommodation, Other advance etc.

**Note 19: Other Current Assets**

(Unsecured considered good unless otherwise stated)

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Advances other than for Capital Expenditure</b>		
<b>Advances recoverable in kind or for value to be received</b>		
Contractors & Suppliers	9.75	3.02
Employees	5.98	24.77
Balance with Customs Port Trust and other authorities	35.34	54.29
Claims recoverable	0.54	0.54
	<b>51.61</b>	82.62
<b>Others*</b>		
Considered Good	118.85	137.83
Considered Doubtful	0.01	0.01
	<b>118.86</b>	137.84
<b>Less: Provision for Doubtful Advances</b>	<b>0.01</b>	0.01
	<b>118.85</b>	137.83
<b>Total</b>	<b>170.46</b>	<b>220.45</b>

**Further notes:**

\*Others include advance given for CSR activities, prepaid expenses and input tax credit - GST.

**Note 19A: Assets classified as held for sale**

(₹ in crore)

Particulars	As at 31 March 2021		As at 31 March 2020	
	Current	Non-Current	Current	Non-Current
<b>Investments in Equity Instruments (fully paid up)</b>				
<b>Subsidiary Companies</b>				
Powergrid Vizag Transmission Limited 209730000 Equity Shares of ₹10 each	209.73	-	-	-
Powergrid Kala Amb Transmission Limited 61000000 Equity Shares of ₹10 each	45.14	15.86	-	-
Powergrid Jabalpur Transmission Limited 226910000 Equity Shares of ₹10 each	167.91	59.00	-	-
Powergrid Warora Transmission Limited 393300000 Equity Shares of ₹10 each	291.04	102.26	-	-
Powergrid Parli Transmission Limited 322100000 Equity Shares of ₹10 each	238.36	83.74	-	-
<b>Total</b>	<b>952.18</b>	<b>260.86</b>	-	-

**Further Notes:**

The company has monetised five (05) of its Subsidiaries, namely Powergrid Vizag Transmission Limited, Powergrid Kala Amb Transmission Limited, Powergrid Jabalpur Transmission Limited, Powergrid Warora Transmission Limited and Powergrid Parli Transmission Limited through POWERGRID Infrastructure Investment Trust ('PGInvIT/ Trust'). PGInvIT has been registered by SEBI under SEBI (Infrastructure Investment Trusts) Regulations, 2014 ('InvIT Regulations') as an Infrastructure Investment Trust vide registration no. IN/InvIT/20-21/0016 dated 07.01.2021. The company is the Sponsor of PGInvIT and shall also act as the Project Manager to PGInvIT. IDBI Trusteeship Services Limited is the Trustee and Powergrid Unchahar Transmission Limited (PUTL), a wholly owned subsidiary of the company, has been appointed as Investment Manager to PGInvIT. The Offer Document for initial public offer has been filed by PGInvIT with the SEBI and Stock Exchanges on 22.04.2021 and units got listed on stock exchanges on 14.05.2021. The 74% shares in the above five SPVs have been transferred to PGInvIT in May, 2021 and balance 26% will be transferred in line with Transmission Service Agreement (TSA). In lieu of consideration of shareholding so transferred, 41,06,50,900 Units were allotted by PGInvIT to the company. The company retained 13,65,00,100 units being 15% of total units of PGInvIT outstanding on post issue basis. pursuant to InvIT Regulations and remaining 27,41,50,800 units were sold by way of 'Offer for Sale (OFS)'. The company received an amount of ₹ 2736.02 crore (net of STT) against the OFS.

As the said investments are being sold in FY 2021-22, the investments in the above mentioned five Subsidiaries have been classified as "Assets Classified as Held for Sale" as on 31.03.2021.



## Note 20: Regulatory Deferral Account Balances

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Assets</b>		
Deferred assets for deferred tax liability	9,382.65	8,814.19
Foreign Currency Fluctuation	1,089.54	1,174.71
Employee Benefits Expense	134.16	134.16
<b>Total</b>	<b>10,606.35</b>	<b>10,123.06</b>

### Further Note:

Refer to note no 51 for detailed disclosure on Regulatory Deferral Account Balances.

## Note 21: Equity Share capital

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Equity Share Capital</b>		
<b>Authorised</b>		
10,00,00,00,000 (Previous Year 10,00,00,00,000) equity shares of ₹10/- each at par	10,000.00	10,000.00
<b>Issued, subscribed and paid up</b>		
5,23,15,89,648 (Previous Year 5,23,15,89,648) equity shares of ₹10/- each at par fully paid up	5,231.59	5,231.59

### 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 31 March 2021		For the year ended 31 March 2020	
	No. of Shares	Amount (₹ in crore)	No. of Shares	Amount (₹ in crore)
Shares outstanding at the beginning of the year	5231589648	5,231.59	5231589648	5,231.59
Additions during the year	-	-	-	-
Deduction during the year	-	-	-	-
Shares outstanding at the end of the year	5231589648	5,231.59	5231589648	5,231.59

- 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 to voting rights proportionate to their shareholding at meetings of the Shareholders.
- 4) Shareholders holding more than 5% equity shares of the Company

Particulars	As at 31 March 2021		As at 31 March 2020	
	No. of Shares	% of holding	No. of Shares	% of holding
Government of India	2685872408	51.34	2685872408	51.34
Life Insurance Corporation of India	310294907	5.93	274430207	5.25



**Note 22: Other Equity**

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Reserves and Surplus</b>		
Securities Premium	9,578.29	9,578.29
Bonds Redemption Reserve	7,387.97	8,638.92
Self Insurance Reserve	722.99	807.93
Corporate Social Responsibility (CSR) Activity Reserve	-	-
General Reserve	43,191.78	36,828.05
Retained Earnings	3,399.08	3,327.57
<b>Other Reserves</b>		
Other Comprehensive Income Reserve	67.14	27.34
<b>Total</b>	<b>64,347.25</b>	<b>59,208.10</b>

**22.1 Securities Premium**

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	9,578.29	9,578.29
Addition during the year	-	-
Deduction during the year	-	-
<b>Balance at the end of the year</b>	<b>9,578.29</b>	<b>9,578.29</b>

Securities premium is used to record the premium on issue of shares/securities. This amount is utilised in accordance with the provision of the Companies Act 2013.

**22.2 Bonds Redemption Reserve**

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	8,638.92	9,884.80
Addition during the year	-	439.88
Deduction during the year	1,250.95	1,685.76
<b>Balance at the end of the year</b>	<b>7,387.97</b>	<b>8,638.92</b>

Bonds Redemption Reserve is created for the purpose of redemption of debentures in term of the Companies Act 2013. As per the Companies (Share Capital and Debentures) rule 2014, listed companies are not required to create Bonds Redemption Reserve w.e.f. 16.08.2019.

**22.3 Self Insurance Reserve**

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	807.93	882.18
Addition during the year	278.79	262.63
Deduction during the year	363.73	336.88
<b>Balance at the end of the year</b>	<b>722.99</b>	<b>807.93</b>

Self-Insurance Reserve is created @ 0.12% p.a. (0.12% p.a. in previous year) on the 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 to meet future losses which may arise from un-insured risks and for procurement of towers and other transmission line materials including strengthening of towers and equipments of AC sub-station to take care of future contingencies. From current year, the Company has included inventories also for the calculation of self insurance reserve and the same does not have any material impact on the Company.



## Note 22: Other Equity (Contd.)

### 22.4 Corporate Social Responsibility (CSR) Activity Reserve

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	-	114.54
Addition during the year	-	-
Deduction during the year	-	114.54
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>

Corporate Social Responsibility Reserve is created to the extent of shortfall in the actual expenditure in any year vis-à-vis the amount stipulated as per the Companies Act, 2013.

### 22.5 General Reserve

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	36,828.05	31,376.63
Addition during the year	6,363.73	5,451.42
Deduction during the year	-	-
<b>Balance at the end of the year</b>	<b>43,191.78</b>	<b>36,828.05</b>

General Reserve is retained earnings of the company which are kept aside out of company's profits. It is a free reserve which can be utilized to meet any unknown future contingencies and to pay dividends to shareholders.

### 22.6 Retained Earnings

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	3,327.57	1,872.42
Add: Additions		
Net Profit for the period	11,935.78	10,811.18
Items of other comprehensive income recognised directly in surplus balance		
- Remeasurements of post employment benefit obligations	(14.44)	(54.67)
Transfer from Bond Redemption Reserve	1,250.95	1,685.76
Less: Appropriations		
General Reserve	6,000.00	5,000.00
Bonds Redemption Reserve	-	439.88
Self Insurance Reserve	278.79	262.63
Interim dividend paid	4,708.43	3,118.02
Tax on Interim dividend	-	601.93
Final Dividend (refer note 59(b))	2,113.56	1,307.90
Tax on Final Dividend	-	256.76
<b>Balance at the end of the year</b>	<b>3,399.08</b>	<b>3,327.57</b>

## Note 22: Other Equity (Contd.)

### 22.7 Other Comprehensive Income Reserve

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	27.34	76.69
Addition during the year	39.80	(49.35)
Deduction during the year	-	-
<b>Balance at the end of the year</b>	<b>67.14</b>	<b>27.34</b>

Other Comprehensive Income Reserve is created from increase/decrease in valuation of Non Current Investments in Equity instruments classified as fair valued through Other Comprehensive Income (FVOCI).

## Note 23: Borrowings

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>A) BONDS</b>		
<b>A1) Secured (Taxable, Redeemable, Non-Cumulative, Non-Convertible)</b>		
<b>A1.1 i) Bonds of ₹10 Lakh each</b>		
<b>LV Issue-7.55% Redeemable at par on 21.09.2031</b>	<b>1,289.04</b>	1,288.30
<b>LX Issue-7.20% Redeemable at par on 09.08.2027</b>	<b>3,201.67</b>	3,201.86
<b>LIX Issue-7.30% Redeemable at par on 19.06.2027</b>	<b>3,245.43</b>	3,245.54
<b>XXXIX Issue-9.40% redeemable at par on 29.03.2027</b>	<b>1,801.33</b>	1,801.26
<b>LVIII Issue-7.89% redeemable at par on 09.03.2027</b>	<b>2,070.07</b>	2,069.69
<b>XXXVIII Issue-9.25% redeemable at par on 09.03.2027</b>	<b>859.92</b>	859.71
<b>LVI Issue-7.36% redeemable at par on 18.10.2026</b>	<b>1,100.06</b>	1,099.67
<b>LXII Issue-8.36% Redeemable at par in 05 (five) equal installments w.e.f. 07.01.2025</b>	<b>2,038.28</b>	2,038.61
<b>XLII Issue-8.80% redeemable at par on 13.03.2023</b>	<b>1,999.05</b>	1,998.66
<b>LVII Issue-7.20% redeemable at par on 21.12.2021</b>	<b>2,162.20</b>	2,161.38
ii) Bonds of ₹30 Lakh each consisting of 3 STRPPs of ₹10 lakh each redeemable at par in 3 (Three) equal installments on 15.07.2021, 15.07.2026 and 15.07.2031		
<b>LIV Issue-7.97% Redeemable w.e.f. 15.07.2021</b>	<b>3,170.17</b>	3,168.45
iii) Bonds of ₹30 Lakh each consisting of 3 STRPPs of ₹10 lakh each redeemable at par in 3 (Three) equal installments on 23.12.2020, 23.12.2025 and 23.12.2030		
<b>LII Issue-8.32% redeemable w.e.f. 23.12.2020</b>	<b>952.89</b>	1,428.83
iv) Bonds of ₹1.20 crore each consisting of 12 STRPPs of ₹10 lakh each redeemable at par in 12 (Twelve) equal installments		
<b>LIII Issue-8.13% Redeemable w.e.f 25.04.2020</b>	<b>3,939.45</b>	4,299.65
v) Bonds of ₹30 Lakh each consisting of 3 STRPPs of ₹10 lakh each redeemable at par in 3 (Three) equal installments on 09.03.2020, 09.03.2025 and 09.03.2030		
<b>XLIX Issue-8.15% redeemable w.e.f. 09.03.2020</b>	<b>874.34</b>	874.17



## Note 23: Borrowings (Contd.)

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
vi) Bonds of ₹40 Lakh each consisting of 4 STRPPs of ₹10 lakh each redeemable at par in 4 (Four) equal installments on 23.01.2020, 23.01.2022, 23.01.2025 and 23.01.2030 <b>XLVIII Issue-8.20% redeemable w.e.f. 23.01.2020</b>	<b>1,963.59</b>	1,963.99
vii) Bonds of ₹1.20 crore each consisting of 12 STRPPs of ₹10 lakh each redeemable at par in 12 (Twelve) equal installments <b>LI Issue-8.40% redeemable w.e.f. 14.09.2019</b>	<b>2,614.37</b>	2,872.53
viii) Bonds of ₹30 Lakh each consisting of 3 STRPPs of ₹10 lakh each redeemable at par in 3 (Three) equal installments on 04.09.2019, 04.09.2024 and 04.09.2029 <b>XLVI Issue-9.30% redeemable w.e.f. 04.09.2019</b>	<b>3,062.74</b>	3,060.18
ix) Bonds of ₹1.20 crore each consisting of 12 STRPPs of ₹10 lakh each redeemable at par in 12 (Twelve) equal installments <b>L Issue-8.40% redeemable w.e.f. 27.05.2019</b>	<b>2,613.39</b>	2,873.90
x) Bonds of ₹1.20 crore each consisting of 12 STRPPs of ₹10 lakh each redeemable at par in 12 (Twelve) equal installments <b>XLVII Issue-8.93% redeemable w.e.f. 20.10.2018</b>	<b>2,058.85</b>	2,285.25
xi) Bonds of ₹30 Lakh each redeemable at par in 3 equal instalments on 15.07.2018, 15.07.2023 and 15.07.2028 <b>XLIV Issue-8.70% redeemable w.e.f. 15.07.2018</b>	<b>2,807.76</b>	2,805.95
xii) Bonds of ₹1.2 crores each consisting of 12 STRPPs of ₹10 lakhs each redeemable at par in 12 (Twelve) equal annual instalments <b>XLV Issue-9.65% redeemable w.e.f. 28.02.2018</b>	<b>1,343.63</b>	1,512.37
<b>XLIII Issue-7.93% redeemable w.e.f. 20.05.2017</b>	<b>2,227.00</b>	2,504.60
xiii) Bonds of ₹1.5 crores each consisting of 12 STRPPs of ₹ 12.50 Lakhs each redeemable at par in 12 (Twelve) equal annual instalments. <b>XLI Issue-8.85% redeemable w.e.f. 19.10.2016</b>	<b>1,724.01</b>	1,968.79
xiv) Bonds of ₹1.50 crores each, consisting of 15 STRPPs of ₹10.00 Lakhs each redeemable at par in 15 (Fifteen) equal annual instalments <b>XXXVI Issue- 9.35% redeemable w.e.f. 29.08.2016</b>	<b>2,173.42</b>	2,388.76
xv) Bonds of ₹1.5 crores each consisting of 12 STRPPs of ₹12.50 Lakhs each redeemable at par in 12 (Twelve) equal annual instalments. <b>XL Issue-9.30% redeemable w.e.f. 28.06.2016</b>	<b>2,496.43</b>	2,851.19
<b>XXXVII Issue- 9.25% redeemable w.e.f 26.12.2015</b>	<b>1,021.74</b>	1,191.33
<b>XXXV Issue- 9.64% redeemable w.e.f 31.05.2015</b>	<b>1,057.57</b>	1,233.18
<b>XXXIV Issue- 8.84% redeemable w.e.f 21.10.2014</b>	<b>1,510.12</b>	1,810.77
<b>XXXIII Issue- 8.64% redeemable w.e.f 08.07.2014</b>	<b>1,275.83</b>	1,530.06

**Note 23: Borrowings (Contd.)**

(₹ in crore)

Particulars		As at 31 March 2021	As at 31 March 2020
	<b>XXXII Issue- 8.84% redeemable w.e.f 29.03.2014</b>	<b>345.24</b>	431.53
	<b>XXXI Issue- 8.90% redeemable w.e.f 25.02.2014</b>	<b>688.31</b>	860.29
	<b>XXX Issue- 8.80% redeemable w.e.f 29.09.2013</b>	<b>811.98</b>	1,014.19
	<b>XXIX Issue- 9.20% redeemable w.e.f 12.03.2013</b>	<b>326.00</b>	434.58
	<b>XXVIII Issue- 9.33% redeemable w.e.f 15.12.2012</b>	<b>616.40</b>	821.33
	<b>XXVII Issue- 9.47% redeemable w.e.f 31.03.2012</b>	<b>117.53</b>	176.25
	<b>XXVI Issue- 9.30% redeemable w.e.f 07.03.2012</b>	<b>167.56</b>	251.27
	<b>XXV Issue- 10.10% redeemable w.e.f 12.06.2011</b>	<b>191.89</b>	287.64
	<b>XXIV Issue- 9.95% redeemable w.e.f 26.03.2011</b>	<b>66.73</b>	133.46
	<b>XXIII Issue- 9.25% redeemable w.e.f 09.02.2011</b>	<b>25.96</b>	51.90
	<b>XXII Issue- 8.68% redeemable w.e.f 07.12.2010</b>	<b>59.07</b>	118.07
	<b>XXI Issue- 8.73% redeemable w.e.f 11.10.2010</b>	<b>44.25</b>	88.43
	<b>XX Issue- 8.93% redeemable w.e.f 07.09.2010</b>	<b>131.30</b>	262.39
	<b>XIX Issue- 9.25% redeemable w.e.f 24.07.2010</b>	<b>43.87</b>	87.68
	<b>XVIII Issue- 8.15% redeemable w.e.f 09.03.2010</b>	<b>-</b>	83.66
		<b>62,290.44</b>	<b>67,491.30</b>
<b>A2)</b>	<b>Unsecured</b>		
<b>A2.1</b>	<b>Redeemable Domestic Bonds</b>		
i)	Bonds of ₹10 Lakh each		
	<b>LXVIII Issue-6.28% redeemable at par on 11.04.2031</b>	<b>520.54</b>	-
	<b>LXVI Issue-7.38% Redeemable at par on 12.04.2030</b>	<b>508.16</b>	508.22
ii)	Bonds of ₹50 Lakhs each consisting of 05 STRPPs of ₹10.00 Lakhs each redeemable at par in 05 (Five) equal annual instalments.		
	<b>LXI Issue-7.74% redeemable w.e.f. 12.12.2028</b>	<b>3,069.77</b>	3,070.20
iii)	Bonds of ₹ 10 Lakh each		
	<b>LXVII Issue-6.85% redeemable at par on 15.04.2025</b>	<b>2,984.24</b>	-
iv)	Bonds of ₹10 Lakhs each consisting of 03 STRPPs of ₹ 3.00 Lakhs, ₹ 3.00 Lakhs & ₹ 4.00 Lakhs each redeemable at par in 03 (Three) equal annual instalments.		
	<b>LXIV Issue-7.49% redeemable w.e.f. 25.10.2024</b>	<b>2,601.48</b>	2,601.75
v)	Bonds of ₹ 30 Lakhs each consisting of 03 STRPPs of ₹10.00 Lakhs each redeemable at par in 03 (Three) equal annual instalments.		
	<b>LXIII Issue-7.34% redeemable w.e.f. 15.07.2024</b>	<b>1,893.90</b>	1,893.98
vi)	Bonds of ₹10 Lakh each		
	<b>LXV Issue-6.35% Redeemable at par on 14.04.2023</b>	<b>202.82</b>	202.82



## Note 23: Borrowings (Contd.)

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>A2.2 Redeemable Foreign Currency Bonds</b>		
3.875% Foreign Currency Bonds to be redeemed at par on 17.01.2023	3,723.90	3,819.03
	<b>15,504.81</b>	<b>12,096.00</b>
<b>Total (A)</b>	<b>77,795.25</b>	<b>79,587.30</b>
<b>B) Term Loans</b>		
<b>From Banks</b>		
<b>Secured</b>		
Foreign Currency Loans (Guaranted by Government of India (GOI))	25,983.53	27,947.23
Other Foreign Currency Loans	7,256.11	7,192.24
Rupee Loans	10,230.00	12,184.00
	<b>43,469.64</b>	<b>47,323.47</b>
<b>Unsecured</b>		
Foreign Currency Loans (Guaranted by GOI)	3,891.20	4,048.52
Other Foreign Currency Loans	3,222.26	3,350.56
Rupee Loans	15,974.65	13,923.41
	<b>23,088.11</b>	<b>21,322.49</b>
<b>Total (B)</b>	<b>66,557.75</b>	<b>68,645.96</b>
<b>Total (A to B)</b>	<b>144,353.00</b>	<b>148,233.26</b>
Less: Current maturities of Non Current Borrowing (refer note 30)	12,171.41	9,558.53
Less: Interest accrued but not due on borrowings (refer note 30)	3,101.52	3,253.62
<b>Total</b>	<b>129,080.07</b>	<b>135,421.11</b>

### Further notes:

#### Details of terms of repayment and rate of interest

- 1 Secured Foreign Currency Loans (Guaranteed by GoI) carry floating rate of interest linked to 6M LIBOR. These loans are repayable in semi annual installment, as per terms of the respective loan agreement, commencing after moratorium period of 3 to 5 years except for one loan ₹ 364.64 Crore (Previous year ₹ 374.16 Crore) which carry fixed rate of interest of 0.25% p.a.
- 2 Secured other Foreign Currency Loans carry floating rate of interest linked to 6M (LIBOR /EURIBOR/STIBOR). These loans are repayable in semi annual installment, as per terms of the respective loan agreements, commencing after moratorium period of 3 to 5 years.
- 3 Secured Rupee loan from banks carry floating rate of interest linked to 3M MCLR. These loans are repayable in semi annual installments, as per terms of the respective loan agreements, commencing after moratorium period of 5 years.
- 4 Unsecured Foreign Currency Loans (Guaranteed by GoI) carry fixed rate of interest ranging from 1.63%p.a. to 2.30%p.a. These loans are repayable in semi annual installments as per terms of the respective loan agreements.
- 5 Unsecured Foreign Currency Loans carry floating rate of interest linked to 6M (STIBOR/EURIBOR). These loans are repayable in semi annual installments as per terms of the respective loan agreements, commencing after moratorium period as per terms of the respective loan agreements.
- 6 Unsecured Foreign Currency Loans carry floating rate of interest linked to 6M JPYLIBOR. This loan is repayable in five equal annual installment as per the terms of the loan agreement.
- 7 Unsecured Rupee loan from bank carry floating rate of interest linked to 3 months MCLR or Repo rate. These loans are repayable in semi annual installments, as per terms of the respective loan agreements, commencing after moratorium period as per terms of the respective loan agreements.
- 8 There has been no default in repayment of loans or payment of interest thereon as at the end of the year.



## Note 23: Borrowings (Contd.)

### Details of Securities

- 1 Domestic Bonds are Secured by way of Registered Bond Trust Deed ranking pari passu on immovable property situated at Mouje Ambheti Taluka Kaparada in district Valsad Gujarat and floating charge on the assets of the company.
- 2 Secured Foreign Currency Loans (Guaranteed by GoI) are secured by pari passu interest in the lien created on the assets as security for the debts.
- 3 Secured Other Foreign Currency Loans and Rupee Loans are secured by the way of
  - (i) pari passu charge on the assets of the company except investments, land and building, roads and bridges, water supply, drainage and sewerage and current assets or
  - (ii) pari passu charge on the assets of the company except investments and current assets or
  - (iii) floating charge on the immovable properties of the company.
 as per the terms of respective loan agreements.

## Note 24: Other Non-current financial liabilities

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
Deposits/Retention money from contractors and others	69.37	15.43
Govt. of India fully serviced bonds*	3,487.50	3,487.50
Dues for Capital Expenditure	12.48	-
Lease Liabilities #	17.66	12.70
<b>Total</b>	<b>3,587.01</b>	<b>3,515.63</b>

### Further Notes:

Disclosure with regard to Micro and Small enterprises as required under "The Micro, Small and Medium Enterprises Development Act, 2006" is given in Note No 49.

\* Govt. of India fully serviced bonds issued @ 8.24% redeemable at par on 14.02.2029. Refer Note No 11 for details.

# Refer note no 50 for disclosure on Lease liabilities as per Ind AS 116 – "Leases".

## Note 25: Provisions

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Employee Benefits</b>		
As per last balance sheet	424.71	368.15
Additions/(adjustments) during the year	37.22	56.56
<b>Closing Balance</b>	<b>461.93</b>	<b>424.71</b>

### Further Notes:

Provision is created for the purpose of leave encashment, Settlement Allowance, Long Service Award and other benefits. Refer Note No 63 for detailed disclosure related to Employee Benefit Obligations.

## Note 26: Deferred tax liabilities (Net)

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>A. Deferred Tax Liability</b>		
Difference in book depreciation and tax depreciation	22,623.11	19,898.33
Finance lease assets	72.47	76.96
Others	23.42	43.15
<b>Deferred Tax Liability (A)</b>	<b>22,719.00</b>	<b>20,018.44</b>



## Note 26: Deferred tax liabilities (Net) (Contd.)

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>B. Deferred Tax Assets</b>		
Income during Construction Period	17.95	24.88
Provisions allowable on payment basis	514.70	467.85
Advance Against Depreciation	353.20	409.12
MAT Credit Entitlement	9,869.07	7,710.30
Others	22.20	24.44
<b>Deferred Tax Assets (B)</b>	<b>10,777.12</b>	<b>8,636.59</b>
<b>Deferred Tax Liability (Net) (A-B)</b>	<b>11,941.88</b>	<b>11,381.85</b>

### Further Notes:

#### Movement in Deferred Tax Liabilities

(₹ in crore)

Particulars	Property Plant and Equipment	Finance Leased Assets	Others	Total
<b>As at 01.04.2019</b>	<b>16,894.24</b>	<b>83.23</b>	<b>37.60</b>	<b>17,015.07</b>
Charged/(credited) to profit or loss	3,004.09	(6.27)	5.55	3,003.37
<b>As at 31.03.2020</b>	<b>19,898.33</b>	<b>76.96</b>	<b>43.15</b>	<b>20,018.44</b>
Charged/(credited) to profit or loss	2,724.78	(4.49)	(19.73)	2,700.56
<b>As at 31.03.2021</b>	<b>22,623.11</b>	<b>72.47</b>	<b>23.42</b>	<b>22,719.00</b>

#### Movement in Deferred Tax Asset

(₹ in crore)

Particulars	Property Plant & Equipment- Income during construction period	Provisions allowable on payment basis	Advance against depreciation	MAT Credit	Others	Total
<b>As at 01.04.2019</b>	<b>20.95</b>	<b>481.93</b>	<b>462.47</b>	<b>5,935.70</b>	<b>21.00</b>	<b>6,922.05</b>
Charged/(credited) to profit or loss	3.93	(14.08)	(53.35)	1,774.60	3.44	1,714.54
<b>As at 31.03.2020</b>	<b>24.88</b>	<b>467.85</b>	<b>409.12</b>	<b>7,710.30</b>	<b>24.44</b>	<b>8,636.59</b>
Charged/(credited) to profit or loss	(6.93)	46.85	(55.92)	2,158.77	(2.24)	2,140.53
<b>As at 31.03.2021</b>	<b>17.95</b>	<b>514.70</b>	<b>353.20</b>	<b>9,869.07</b>	<b>22.20</b>	<b>10,777.12</b>

#### Recognised in Statement of Profit and Loss

(₹ in crore)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Increase/ (Decrease) in Deferred Tax Liabilities	2,700.56	3,003.37
Decrease / (Increase) in Deferred Tax Assets	(2,140.53)	(1,714.54)
<b>Total</b>	<b>560.03</b>	<b>1,288.83</b>

- a) In the opinion of the management, it is probable that future economic benefits will flow to the company in the form of availability of set off against future income tax liability by recognizing MAT credit as follows:

Future taxable profits will be adjusted against (a) tax holiday u/s 80-IA of Income Tax Act, 1961 for the projects commissioned upto 31.03.2017 (b) initial depreciation on the assets to be commissioned in future and (c) regular income tax depreciation u/s 32 of Income Tax Act, 1961 and thereafter tax amount will be set off against MAT credit to the extent of ₹ 2,158.77 crore (Previous Year ₹ 1,774.60 crore). Hence, the same has been recognised as Deferred Tax Assets during the year.

**Note 26: Deferred tax liabilities (Net) (Contd.)**

b) MAT credit available to the company in future but not recognised in the books: (₹ in crore)

For the Financial Year	As at 31.03.2021	Expiry Date	As at 31.03.2020	Expiry Date
2015-16	1,421.20	31.03.2026	1,421.20	31.03.2026
2014-15	1,281.23	31.03.2025	1,281.23	31.03.2025
2013-14	1,085.14	31.03.2024	1,085.14	31.03.2024
2012-13	1,071.31	31.03.2023	1,071.31	31.03.2023
2011-12	239.01	31.03.2022	239.01	31.03.2022
2010-11	-	31.03.2021	9.36	31.03.2021

**Note 27: Other non-current liabilities**

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
Advance from customers (Consultancy/Telecom services) \$	215.76	233.51
Others*	129.34	127.53
<b>Total</b>	<b>345.10</b>	<b>361.04</b>

**Further Notes:**

\$ Refer Note 46 for disclosure as per Ind AS 115 'Revenue from Contracts with Customers'.

\*Others includes amount payable to Customers upon recovery.

**Note 28: Borrowings**

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Short Term - Unsecured</b>		
From Banks	600.00	-
Commercial Paper	1,200.00	3,000.00
<b>Total</b>	<b>1,800.00</b>	<b>3,000.00</b>

**Further Notes:**

- Commercial Papers/short term loan are unsecured in nature, with rate of interest ranging from 3.07% to 5.59% (Previous Year from 5.08% to 6.93%) and repayable within 44 days to 270 days (Previous Year in 28 days to 90 days) from the date of drawl.
- There has been no default in repayment of loans or payment of interest thereon as at the end of the year.

**Note 29: Trade payables**

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>For goods and services</b>		
(A) total outstanding dues of micro enterprises and small enterprises	29.76	11.59
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	156.54	214.13
<b>Total</b>	<b>186.30</b>	<b>225.72</b>

**Further Notes:**

Disclosure with regard to Micro and Small enterprises as required under "Division II of Schedule III of The Companies Act, 2013" and "The Micro, Small and Medium Enterprises Development Act, 2006" is given in Note No 49.



## Note 30: Other Current Financial Liabilities

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Current maturities of long term borrowings</b>		
<b>Secured</b>		
Bonds	8,223.72	5,007.96
Rupee Term Loans	954.00	1,454.00
Foreign Currency Loans	2,722.35	2,434.48
	<b>11,900.07</b>	8,896.44
<b>Un-secured</b>		
Foreign Currency Loans	271.34	662.09
	<b>12,171.41</b>	9,558.53
<b>Interest accrued but not due on borrowings from</b>		
Foreign Banks & Financial Institutions	94.09	225.00
Secured/Unsecured redeemable Bonds	3,007.43	3,028.62
	<b>3,101.52</b>	3,253.62
<b>Interest accrued but not due from Govt. of India fully serviced bonds</b>	36.22	36.90
<b>Others</b>		
Dues for capital expenditure	1,060.31	1,400.86
Employee related liabilities	72.90	70.57
Unclaimed dividends & FPO*	20.88	15.95
Deposits/Retention money from contractors and others	3,510.37	4,215.39
Related parties**	-	2.78
Dividend Payable	2.85	5.40
Lease liabilities ##	3.93	3.70
Others ###	2,483.18	2,267.92
	<b>7,154.42</b>	7,982.57
<b>Total</b>	<b>22,463.57</b>	<b>20,831.62</b>

### Further notes:

Disclosure with regard to Micro and Small enterprises as required under “The Micro, Small and Medium Enterprises Development Act, 2006” is given in Note No 49.

\* No amount is due for payment to Investor Education and Protection Fund.

\*\* Details of amount payable to related parties are provided in Note 55.

## Refer note no 50 for disclosure on Lease liabilities as per Ind AS 116 – “Leases”.

### Others include liability for payment against Long Term Access (LTA), Short Term Open Access (STOA), ISTS License recovery, dead cheques, Price variation, etc.

## Note 31: Other current liabilities

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
Advances from customers *	3,531.15	4,008.88
Advances from customers - related parties #	81.45	79.27
Statutory dues	259.09	179.39
<b>Total</b>	<b>3,871.69</b>	<b>4,267.54</b>

### Further notes:

\* Refer Note 46 for disclosure as per Ind AS 115 ‘Revenue from Contracts with Customers’.

# Details of amount payable to related parties are provided in Note 55.

**Note 32: Provisions**

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>A) Employee Benefits</b>		
<b>i) Performance related pay /special incentive</b>		
As per last balance sheet	<b>461.00</b>	444.50
Addition during the year	<b>509.83</b>	461.00
Amount paid/adjusted during the year	<b>461.00</b>	444.50
Closing Balance	<b>509.83</b>	461.00
<b>ii) Other Employee Benefits</b>		
<b>(Leave Encashment, Settlement Allowance and Long Service Award etc.)</b>		
As per last balance sheet	<b>76.77</b>	68.11
Additions/(adjustments) during the year	<b>(9.12)</b>	8.66
Closing Balance	<b>67.65</b>	76.77
<b>Total (A)</b>	<b>577.48</b>	<b>537.77</b>
<b>B) Others</b>		
<b>i) Downtime Service Credit-Telecom</b>		
As per last balance sheet	<b>11.36</b>	17.95
Additions during the year	<b>12.38</b>	4.25
Amounts adjusted during the year	<b>14.88</b>	10.84
Closing Balance	<b>8.86</b>	11.36
<b>ii) Provision Others</b>		
As per last balance sheet	<b>192.82</b>	170.03
Additions/(adjustments) during the year	<b>56.72</b>	22.79
Closing Balance	<b>249.54</b>	192.82
<b>Total (B)</b>	<b>258.40</b>	<b>204.18</b>
<b>Total (A+B)</b>	<b>835.88</b>	<b>741.95</b>

**Further Notes:****A) Employee Benefits****i) Performance Related Pay/Special Incentive:**

Provision is created for Performance Related Pay to Executives and Non-Executives

**ii) Other Employee Benefits:**

Provision is created for the purpose of meeting out leave encashment, settlement allowance, long service award and POWERGRID Employee Family Rehabilitation Scheme.

**B) Others:****i) Downtime Service Credit –Telecom:**

Provision is created in case when actual downtime is in excess of the permissible service level agreement, in such cases the necessary credit is passed on to the customer on demand.

However, in some case, the downtime is not claimed by the customer then in such cases necessary provision on account of downtime is made in the books of accounts as per the links availability reports received from National Telecom Control Centre (NTCC) for the period of non-operation of links given to the customers. The calculation of downtime credit is based on the SLA signed with various customers.

**ii) Provision Others:**

It includes provision for entry tax ₹ 156.98 crore (Previous Year ₹ 147.69 crore) as per demand raised by revenue authorities disputed by the company and are under litigation. An amount of ₹ 8.24 crore (Previous Year ₹ 8.24 crore) has been paid under court order and shown as "Balance with custom port trust and other authorities" in note no. 19.

Also includes provision of ₹ 0.46 crore (Previous Year ₹ 0.46 crore) towards demand raised by the commercial taxes department of Telangana in relation to absence of statutory form and other evidence on account of inter-state sale not covered by 'C' form. The Company has filed the appeal before Appellate Deputy Commissioner (ADC) and later on ADC remanded back to the assessing authority for reassessment & decision is awaited.



### Note 33: Current Tax Liabilities (Net)

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Taxation (Including interest on tax)</b>		
As per last balance sheet	6,453.47	6,001.82
Additions during the year	2,610.49	2,575.56
Amount adjusted during the year	2.20	2,123.91
<b>Total</b>	<b>9,061.76</b>	<b>6,453.47</b>
Net off against Advance tax and TDS	8,636.25	6,430.69
<b>Closing Balance</b>	<b>425.51</b>	<b>22.78</b>

### Note 34: Deferred Revenue

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
Advance against depreciation	1,010.75	1,170.80
Grants in aid (Refer Further Notes)		
As per last Balance Sheet	4,147.01	4,173.32
Addition during the year	107.99	233.94
Adjustments during the year	328.89	260.25
Closing balance	3,926.11	4,147.01
Deferred income from foreign currency fluctuation (Net)	4,817.29	5,598.21
<b>Total</b>	<b>9,754.15</b>	<b>10,916.02</b>

#### Further Notes:

- Grant in Aid of ₹ 5.95 crore (Previous Year ₹ 74.68 crore) was received from Power System Development Fund (PSDF) under Ministry of Power (MoP), Govt. of India (GoI) for installation of STATCOM in ER (ERSS-XI) and SR (System Strengthening in SR-XXI). In addition to Grant received, an interest of ₹ 1.43 crore (Previous Year ₹ 4.44 crore) credited to the Grant.
- Grant in Aid of ₹ 0.00 crore (Previous Year ₹ 30.27 crore) was received from Power System Development Fund (PSDF) under MoP, GoI for establishment of Unified Real Time Dynamic State Measurement (URTDSM). In addition to Grant received, an interest of ₹ 0.75 crore (Previous Year ₹ 1.41 crore) credited to the Grant.
- Grant in Aid, of ₹ 99.83 crore (Previous Year ₹ 122.89 crore) including interest has been recognised, from Ministry of New & Renewable Energy(MNRE), GoI for establishment of transmission system associated with Ultra Mega Solar Parks in Andhra Pradesh, Karnataka, Madhya Pradesh, Rajasthan and Gujarat.
- Grant in Aid of ₹ 0.03 crore (Previous Year ₹ 0.25 crore) has been recognised under achievement linked/incentive award scheme for Government Sector by Ministry of New & Renewable Energy (MNRE), GoI for establishing solar roof top plants in various buildings of the company.

### Note 35: Revenue from operations

(₹ in crore)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Sales of services</b>		
<b>Transmission Business</b>		
Transmission Charges	35,960.86	33,780.29
Add: Revenue recognised out of Advance Against Depreciation	160.06	152.65
	<b>36,120.92</b>	<b>33,932.94</b>



**Note 35: Revenue from operations (Contd.)**

(₹ in crore)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Other Operating Revenue</b>		
Interest on differential Provisional and Final Tariff	2.48	676.04
Income from lease lines	4.63	7.12
Recognised from deferred revenue - Grant in aid	328.89	260.25
	336.00	943.41
	36,456.92	34,876.35
<b>Telecom Business</b>	707.45	698.21
<b>Consultancy Project Management and Supervision</b>	501.28	610.98
<b>Total</b>	<b>37,665.65</b>	<b>36,185.54</b>

**Further Notes:**

- In exercise of powers u/s 178 of the Electricity Act 2003, Central Electricity Regulatory Commission (CERC) has notified "CERC (Terms and Conditions of Tariff) Regulations, 2019" vide order dated 07.03.2019 for the determination of transmission tariff for the block period 2019-24.
- The company has recognised transmission income during the year as per the following:
  - ₹ 9,407.16 crore (Previous Year ₹ 0.00 crore) as per final tariff orders issued by CERC for block period 2019-24 and
  - ₹ 26,713.76 crore (Previous Year ₹ 33,932.94 crore) provisionally as per CERC Tariff Regulations for the block period 2019-24 and other orders in similar cases, in respect of transmission assets for which final tariff orders are yet to be issued.
- Consequent to the final order issued by CERC, transmission income includes ₹ 538.30 crore (increase) (Previous Year ₹ 173.30 crore (increase) ) pertaining to earlier years.
- Refer note no. 65 for disclosure on formation of wholly owned subsidiary of the company to undertake Telecommunications and Digital Technology Business of the company and wholly owned subsidiary of the company to undertake Energy Management services and Consultancy Business of the company.
- Refer note no. 46 for disclosure as per Ind AS 115 "Revenue from Contracts with Customer".

**Note 36: Other income**

(₹ in crore)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Interest income from financial assets at amortised cost</b>		
Indian Banks	58.59	154.23
Interest on loan to Subsidiaries	1,055.77	920.12
Interest on Loan to Joint Ventures (JVs)	11.71	14.00
Others*	99.78	30.47
	1,225.85	1,118.82
<b>Interest from advances to contractors</b>	13.68	17.05
	1,239.53	1,135.87
<b>Dividend income from investment in</b>		
Subsidiaries	546.63	228.26
Joint Ventures	107.15	69.41
Equity investments designated at fair value through other comprehensive income	9.00	5.35
	662.78	303.02



### Note 36: Other income (Contd.)

(₹ in crore)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Others</b>		
Profit on sale of Property, Plant and Equipment	12.60	1.14
Finance Income from finance lease	81.18	85.13
Surcharge	714.15	297.54
FERV gain	0.02	0.31
Provisions written back	24.55	147.56
Fair Value gain on initial recognition of Financial liability/investment	19.31	69.74
Miscellaneous income **	129.41	147.58
	981.22	749.00
	2,883.53	2,187.89
Less: Transferred to expenditure during construction (Net) - Note 43	22.07	55.46
<b>Total</b>	<b>2,861.46</b>	<b>2,132.43</b>

#### Further Notes:

\* Others include interest on employee loans, unwinding of finance cost on employee loans etc.

\*\* Miscellaneous income include Sale of Scrap, Insurance Claim Recovery, UI Charges etc.

### Note 37: Employee benefits expense

(₹ in crore)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries, wages, allowances & benefits	2,068.18	2,019.71
Contribution to provident and other funds	322.95	185.21
Staff Welfare expenses (Including Deferred Employee cost)	203.24	243.37
	2,594.37	2,448.29
Less: Transferred to Expenditure during Construction (Net) - Note 43	483.63	486.25
Transferred to CSR expenses - Note 40	-	2.57
<b>Total</b>	<b>2,110.74</b>	<b>1,959.47</b>

#### Further Notes:

a) Refer note no. 55 for Remuneration to Key Managerial Personnel (KMPs).

b) Refer note no. 63 for details of Employee Benefit Obligations.

### Note 38: Finance costs

(₹ in crore)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Interest and finance charges on financial liabilities at amortised cost</b>		
Indian Banks & Financial Institutions	1,870.82	2,353.69
Foreign Banks and Financial Institutions	562.31	1,047.19
Secured/Unsecured redeemable Bonds	6,062.56	6,197.47
Foreign Currency Bonds	156.82	150.49
<b>Unwinding of discount on financial liabilities</b>	<b>60.17</b>	<b>96.17</b>
<b>Interest - Others</b>	<b>5.26</b>	<b>0.27</b>
<b>Interest on Lease Liability</b>	<b>1.75</b>	<b>1.30</b>
	8,719.69	9,846.58

**Note 38: Finance costs (Contd.)**

(₹ in crore)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Other Finance charges</b>		
Commitment charges	1.28	4.92
Guarantee Fee	376.44	363.69
Others*	58.25	36.22
	435.97	404.83
<b>Exchange differences regarded as adjustment to Borrowing Cost</b>	(223.10)	1,343.96
	212.87	1,748.79
	8,932.56	11,595.37
Less: Transferred to Expenditure during Construction (Net) - Note 43	431.55	1,781.75
<b>Total</b>	<b>8,501.01</b>	<b>9,813.62</b>

**Further Notes:**

\*Others includes agency fees, trustee fees, RTA & Listing Fees, Rating Fees, interest on land compensation, tree & crop compensation etc.

**Note 39: Depreciation and amortization expense**

(₹ in crore)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation of Property, Plant and Equipment	11,921.39	11,289.93
Amortization of Intangible assets	118.72	117.30
Depreciation on ROU Assets	20.06	16.90
	12,060.17	11,424.13
Less: Transferred to Expenditure During Construction (Net) - Note 43	12.56	10.40
	12,047.61	11,413.73
Less: Depreciation amortised due to FERV adjustment	335.93	340.55
<b>Charged to Statement of Profit &amp; Loss</b>	<b>11,711.68</b>	<b>11,073.18</b>

**Note 40: Other expenses**

(₹ in crore)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Repair &amp; Maintenance</b>		
Buildings	90.00	92.21
Plant & Machinery		
Sub-Stations	385.10	434.49
Transmission lines	204.36	153.11
Telecom equipments	45.02	38.85
Others	39.10	43.14
	673.58	669.59
System and Market Operation Charges	55.24	61.03
Power charges	264.42	285.82



## Note 40: Other expenses (Contd.)

(₹ in crore)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Less: Recovery from contractors	2.68	3.07
	261.74	282.75
Expenses of Diesel Generating sets	3.52	4.54
Stores consumed	5.45	7.02
Water charges	4.51	4.01
Right of Way charges-Telecom	62.59	10.27
Patrolling Expenses-Telecom	0.68	0.39
Last Mile connectivity-Telecom	7.44	7.27
Training & Recruitment Expenses	17.78	35.85
Less:Fees for training and application	0.12	0.76
	17.66	35.09
Legal expenses	13.23	19.14
Professional charges	20.95	20.52
Consultancy expenses	0.40	2.00
Communication expenses	20.92	23.49
Inland Travelling Expenses	90.32	119.29
Foreign travel	1.78	8.94
	92.10	128.23
Tender expenses	1.93	2.99
Less: Sale of tenders	1.53	1.00
	0.40	1.99
<b>Payments to Statutory Auditors</b>		
Audit Fees	1.43	1.29
Tax Audit Fees	0.40	0.36
In Other Capacity	1.15	2.83
Arrears	-	0.04
Out of pocket Expenses	0.13	1.05
	3.11	5.57
Advertisement and publicity	6.97	17.44
Printing and stationery	4.41	6.92
Books Periodicals and Journals	0.84	1.30
EDP hire and other charges	10.51	11.88
Entertainment expenses	3.78	2.97
Brokerage & Commission	0.91	1.53
Research & Development expenses	4.55	9.54
Cost Audit and Physical verification Fees	1.39	1.23
Rent #	39.80	50.89
CERC petition & Other charges	73.55	82.28

**Note 40: Other expenses (Contd.)**

(₹ in crore)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Miscellaneous expenses	58.17	77.47
Horticulture Expenses	33.64	32.70
Security Expenses	290.98	284.36
Hiring of Vehicle	117.98	113.73
Insurance	110.44	96.78
Rates and taxes	36.93	45.68
License Fees to DOT	62.47	62.28
Bandwidth charges dark fibre lease charges (Telecom)	23.15	20.51
Corporate Social Responsibility (CSR) Expenses *	240.48	346.21
Transit Accomodation Expenses	32.21	29.03
Less : Income from Transit Accomodation	0.97	1.92
	31.24	27.11
Foreign Exchange Rate Variation	60.68	221.95
<b>Provisions for</b>		
Doubtful loans, advances, debts, claims etc.	7.49	6.34
Obsolescence in Stores	-	-
Shortages in Stores	-	-
Others	-	-
	7.49	6.34
	2,553.88	2,896.21
Less:Transferred to Expenditure during Construction (Net) - Note 43	70.00	90.20
	2,483.88	2,806.01
Loss on Disposal/Write off of Property, Plant & Equipment	15.09	18.34
<b>Total</b>	<b>2,498.97</b>	<b>2,824.35</b>

**Further Notes:**

\* Includes an amount of ₹ NIL (Previous Year ₹ 2.57 crore) transferred from Note No 37- 'Employee Benefits Expense'

# Refer Note No 50 for Short-term leases expenses.

**Note 41: Net Movement in Regulatory Deferral Account Balances-Incomes/(expenses) (net of tax)**

(₹ in crore)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Deferred assets for deferred tax liability	568.46	1,297.69
Foreign Currency Fluctuation	(85.17)	742.10
	483.29	2,039.79
Tax on net movement in regulatory deferral account balances	84.44	356.39
<b>Total</b>	<b>398.85</b>	<b>1,683.40</b>

**Further Note:**

Refer to note no 51 for detailed disclosure on Regulatory Deferral Account Balances.



## Note 42: Other Comprehensive Income

(₹ in crore)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Items that will not be reclassified to Profit or Loss		
Gain/(Loss) on valuation of Investment in Equity	39.80	(49.35)
Provisions for actuarial valuation	(19.94)	(74.47)
	19.86	(123.82)
Less: Transferred to Expenditure during Construction(Net) - Note 43	(2.44)	(8.23)
	22.30	(115.59)
Income Tax relating to items that will not be reclassified to Profit or Loss	(3.06)	(11.57)
<b>Items that will not be reclassified to Profit or Loss (net of tax)</b>	<b>25.36</b>	<b>(104.02)</b>

## Note 43: Expenditure during Construction (Net)

(₹ in crore)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>A. Employees Remuneration &amp; Benefits</b>		
Salaries wages allowances and benefits	419.65	421.35
Contribution to provident and other funds	41.13	39.18
Welfare expenses	22.85	25.72
<b>Total (A)</b>	<b>483.63</b>	<b>486.25</b>
<b>B. Other Expenses</b>		
Repair and maintenance	7.39	7.11
Power charges	7.22	5.37
Less: Recovery from contractors	2.22	1.82
	5.00	3.55
Expenses on Diesel Generating sets	0.06	0.01
Water charges	0.04	0.65
Legal expenses	1.61	3.07
Professional charges	1.32	1.86
Consultancy expenses	0.04	0.51
Communication expenses	2.96	3.32
Travelling & Conv.exp. (Including Foreign Travel)	17.81	26.14
Tender expenses	1.84	1.61
Less: Sale of tenders	1.46	0.94
	0.38	0.67
Payment to Auditors	0.10	0.08
Advertisement and Publicity	0.07	-
Printing and stationery	0.32	0.57
Books, Periodicals and Journals	-	0.03



**Note 43: Expenditure during Construction (Net) (Contd.)**

(₹ in crore)

<b>Particulars</b>	<b>For the year ended 31 March 2021</b>	<b>For the year ended 31 March 2020</b>
EDP hire and other charges	<b>0.11</b>	0.19
Entertainment expenses	<b>0.31</b>	0.24
Brokerage and commission	<b>0.16</b>	0.10
Rent	<b>2.40</b>	2.49
Miscellaneous expenses	<b>1.79</b>	4.93
Horticulture Expenses	<b>0.17</b>	0.72
Security Expenses	<b>11.13</b>	13.10
Hiring of Vehicles	<b>14.04</b>	15.82
Insurance	<b>0.01</b>	-
Rates and taxes	<b>1.94</b>	3.87
Bandwidth charges, dark fibre lease charges(Telecom)	<b>0.01</b>	0.06
Transit Accomodation Expenses	<b>0.83</b>	1.23
Less : Income from Transit Accomodation	-	0.12
	<b>0.83</b>	1.11
<b>Total (B)</b>	<b>70.00</b>	<b>90.20</b>
<b>C. Depreciation/Amortisation</b>	<b>12.56</b>	10.40
<b>Total (C)</b>	<b>12.56</b>	<b>10.40</b>
<b>D. Finance Costs</b>		
a) Interest and finance charges on financial liabilities at amortised cost		
Indian Banks and Financial Institutions	<b>199.64</b>	341.47
Foreign Banks and Financial Institutions	<b>128.42</b>	299.10
Secured/Unsecured Redeemable Bonds	<b>190.65</b>	221.42
Foreign Currency Bonds	<b>0.80</b>	-
Others	<b>8.19</b>	44.42
	<b>527.70</b>	906.41
b) Other finance charges		
Commitment charges	<b>0.85</b>	3.81
Guarantee fee	<b>45.40</b>	76.25
Others	<b>0.90</b>	0.17
	<b>47.15</b>	80.23
c) FERV adjustment to borrowing cost	<b>(143.30)</b>	795.11
<b>Total (D)</b>	<b>431.55</b>	<b>1,781.75</b>



## Note 43: Expenditure during Construction (Net) (Contd.)

(₹ in crore)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>E. Less: Other Income</b>		
Interest from		
Contractors	13.05	14.19
	13.05	14.19
Miscellaneous income	9.02	41.27
<b>Total (E)</b>	<b>22.07</b>	<b>55.46</b>
<b>F. Less: Other Comprehensive Income</b>		
Other Comprehensive Income	(2.44)	(8.23)
<b>Total (F)</b>	<b>(2.44)</b>	<b>(8.23)</b>
<b>Grand Total (A+B+C+D-E-F)</b>	<b>978.11</b>	<b>2,321.37</b>

- 44.** Cash equivalent of deemed export benefits availed of ₹ 209.99 crore in respect of supplies effected for East South Inter Connector-II Transmission Project (ESI) and Sasaram Transmission Project (STP), were paid to the Customs and Central Excise Authorities in accordance with direction from Ministry of Power (GOI) during 2002-03 due to non-availability of World Bank loan for the entire supplies in respect of ESI project and for the supplies prior to March 2000 in respect of STP project and the same was capitalised in the books of accounts. Thereafter, World Bank had financed both the ESI project and STP project as originally envisaged and they became eligible for deemed export benefits. Consequently, the company has lodged claims with the Customs and Excise Authorities.

In this regard the Cumulative amount received and de-capitalized upto 31.03.2021 is ₹ 12.12 crore (Previous Year ₹ 12.12 crore). The company continued to show the balance of ₹ 197.87 crore (Previous Year ₹ 197.87 crore) in the capital cost of the respective assets / projects pending receipt of the same from Customs and Excise Authorities.

- 45.** a) Some balances of Trade Receivables and recoverable shown under Assets and Trade and Other Payables shown under Liabilities include balances subject to confirmation/ reconciliation and consequential adjustments if any. However, reconciliations are carried out on ongoing basis. The management does not expect any material adjustment in the books of accounts as a result of the reconciliation.
- b) In the opinion of the management, the value of any of the assets other than Property, Plant and Equipment and non-current investments on realization in the ordinary course of business will not be less than the value at which they are stated in the Balance Sheet.

## 46. Disclosure as per Ind AS 115 - "Revenue from Contracts with Customer"

- a) For milestone-based contracts (consultancy contracts), unsatisfied performance obligations are as follows:

(₹ in crore)

Particulars	As at 31.03.2021	As at 31.03.2020
Transaction price related to unsatisfied (or partially satisfied) performance obligation	2,477.46	2,611.14
These performance obligations are expected to be satisfied within	3 Years	4 Years

**46. Disclosure as per Ind AS 115 - “Revenue from Contracts with Customer” (Contd.)**

- b) The movement in unbilled revenue during the year is as follows: (₹ in crore)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Balance at the beginning	5,163.51	6,461.64
Add: Revenue recognised during the period	6,277.14	2,423.74
Less: Invoiced during the period	4,374.97	3,827.58
Less: Impairment/reversal during the period	-	(105.71)
Add: Translation gain/(Loss)	-	-
Balance at the end	7,065.68	5,163.51

- c) The movement in contract liability during the year is as follows: (₹ in crore)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Balance at the beginning	1,164.02	1,261.19
Add: Advance billing during the period	548.83	537.01
Less: revenue recognised during the period		
a) From contract liability as at beginning of the period	588.09	558.07
b) From contract liability recognised during the period	89.45	76.37
Add: Translation gain/(Loss)	(0.17)	0.26
Balance at the end	1,035.14	1,164.02

- d) The entity determines transaction price based on expected value method considering its past experiences of refunds or significant reversals in amount of revenue. In estimating significant financing component, management considers the financing element inbuilt in the transaction price based on imputed rate of return. Reconciliation of Contracted Price vis-a-vis revenue recognized in profit or loss statement is as follows:

(₹ in crore)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Contracted price	36,790.75	34,748.04
Add/ (Less)- Discounts/ rebates provided to customer	(107.79)	(130.99)
Add/ (Less)- Performance bonus	413.53	375.73
Add/ (Less)- Adjustment for significant financing component	73.10	96.70
Add/ (Less)- Other adjustments	496.06	1,096.06
Revenue recognized in profit or loss statement	37,665.65	36,185.54

- 47.** (i) FERV Gain ₹ 450.57 crore (Previous Year FERV Loss ₹ 2,079.72 crore) has been adjusted in the respective carrying amount of Property, Plant and Equipment/Capital work in Progress (CWIP)/Lease Receivables.
- (ii) FERV Loss of ₹ 60.66 crore (Previous Year ₹ 221.64 crore) has been recognised in the Statement of Profit and Loss.
- 48.** Borrowing cost capitalised during the year is ₹ 431.55 crore (Previous Year ₹ 1,781.75 crore) in the respective carrying amount of Property, Plant and Equipment/Capital work in Progress (CWIP) as per Ind AS 23 ‘Borrowing Costs’.



- 49.** 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 crore)

Sr. No	Particulars	Trade Payables		Others	
		As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020
1	Principal amount and interest due thereon remaining unpaid to any supplier as at end of each accounting year: Principal Interest	29.75 0.01	11.58 0.01	3.65 -	2.98 -
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	-	0.04	-	-
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	0.01	-	-	-
4	The amount of interest accrued and remaining unpaid at the end of each accounting year	0.01	0.01	-	-
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	-	-	-	-

## 50. Disclosure as per Ind AS 116 - "Leases"

### a) As a Lessor - Finance Leases:

The Company has classified and accounted for the arrangements for state sector ULDC assets and bilateral assets as finance leases. Agreements for State Sector ULDC are for a period of 15 years and Bilateral Line Assets with the beneficiary are for the period as specified in CERC Regulations.

Other Non-Current Financial Assets and Other Current Financial Assets include lease receivables representing the present value of future lease rentals receivable on the finance lease transactions entered into by the company with the constituents in respect of State Sector ULDC and Bilateral Line Assets. Disclosure requirements of Ind AS 116 'Leases' notified under the Companies Act, 2013 are given as under:

- (i) Details of gross investment in lease, un-earned finance income and present value of minimum lease payments receivables at the end of financial year are given as under:

(₹ in crore)

Particulars	As at 31.03.2021	As at 31.03.2020
Gross investment in Lease	1452.27	1547.26
Un-earned Finance Income	902.54	980.06
Present value of Minimum Lease Payment (MLP)	549.73	567.20

## 50. Disclosure as per Ind AS 116 - "Leases" (Contd.)

(ii) The value of contractual maturity of such leases is as under:

(₹ in crore)

Particulars	Gross Investment in Lease		Present Value of MLPs	
	As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020
Not later than one year	129.19	132.37	48.46	50.15
Later than one year and not later than two years	129.00	127.38	49.27	46.21
Later than two years and not later than three years	129.00	127.19	50.39	47.02
Later than three years and not later than four years	129.00	127.19	51.65	48.14
Later than four years and not later than five years	129.00	127.19	53.07	49.39
Later than five years	807.08	905.94	296.89	326.29
<b>Total</b>	<b>1,452.27</b>	<b>1,547.26</b>	<b>549.73</b>	<b>567.20</b>

(iii) There are differences in balance lease receivable as at year end as per accounts and tariff records on account of:

- Undischarged liabilities amounting to ₹ 53.36 crore (Previous Year ₹ 61.30 crore). Such cost become part of project cost only on discharge of such liabilities.
- Unamortized FERV on loans included in lease receivable amounting to ₹ 51.66 crore (Previous Year ₹ 21.47 crore). Such FERV are allowed to be recovered as part of tariff on actual payment basis.

### b) As a Lessee:

The company has taken assets on lease such as dark fibre, colocation & repeater shelter spaces and office buildings etc. for various periods which are assessed and accounted as per the requirements of Ind AS 116 - "Leases" and required disclosures as per the said Ind AS are as follows:

#### (i) ROU Assets:

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 has been disclosed in note no. 4 as a separate line item.

#### (ii) Lease Liabilities:

Interest expense on lease liabilities for the year is shown under note no. 38 and total cash outflow for leases for the year has been disclosed in statement of cash flow under financing activities as separate line item and maturity analysis of lease liabilities has been disclosed in note no. 61.

#### (iii) Short term leases:

The company, during the financial year, has incurred ₹ 37.56 crore (Previous Year ₹ 48.85 crore) with respect to short term leases.

The company was committed to short term leases and the total commitment of such leases at the end of financial year was ₹ 5.94 crore (Previous Year ₹ 4.83 crore).

## 51. Disclosures relating to Regulatory Deferral Account Balances

### i) Nature of rate regulated activities

The company is mainly engaged in the business of transmission of power. The tariff for transmission of power is determined by the CERC through tariff regulations. The tariff is based on capital cost admitted by CERC and provides for transmission charges recovery of annual fixed cost consisting of Return on equity, Interest on loan capital, Depreciation, interest on working capital and Operation & Maintenance expenses.

### ii) Recognition and measurement

FERV arising during the construction period for settlement/translation of monetary items (other than non-current loans) denominated in foreign currency to the extent recoverable/payable to the beneficiaries as capital cost as per CERC Tariff Regulations are accounted as Regulatory Deferral Account Balances. In respect of long term foreign currency loan drawn on or after 01.04.2016, exchange difference to the extent recoverable as per CERC Tariff Regulations are recognised as Regulatory Deferral Account Balances. The company expects to recover these amounts through depreciation component of the tariff over the life of the asset or as exchange rate variation on repayment of the loan.

The tariff norms for the block period 2019-2024 notified by the Central Electricity Regulatory Commission (CERC) provide for grossing up of the return on equity based on effective tax rate for the financial year based on the actual tax paid during the



## 51. Disclosures relating to Regulatory Deferral Account Balances (Contd.)

year on the transmission income. Accordingly, deferred tax provided during the year ended 31.03.2021 on the transmission income is accounted as 'Deferred Assets against Deferred Tax Liability'. Deferred Assets against Deferred Tax Liability for the year will be reversed in future years (including tax holiday period) when the related deferred tax liability forms a part of current tax.

The cumulative amount of ₹ 134.16 crore (cumulative previous year amount of ₹ 134.16 crore) on account of pay revision is recoverable from the beneficiaries is included in Regulatory Deferral Account Balances and will be adjusted in the year in which they become recoverable from beneficiaries as per CERC. Amount of regulatory deferral account balances is on undiscounted basis.

### iii) Risk associated with future recovery/ reversal of regulatory deferral account balances

(a) regulatory risk on account of changes in regulations.

(b) other risks including currency or other market risks, if any.

Any change in the Tariff regulations beyond the current tariff period ending on 31.03.2024 may have an impact on the recovery of Regulatory Deferral Account Balances.

The Regulatory Deferral Account Balances (assets) recognized in the books to be recovered from the beneficiaries in future periods are as follows:

(₹ in crore)

Particulars	As at 31.03.2021	As at 31.03.2020
A. Opening Balance	10,123.06	8,083.27
B. Addition/(deduction) during the year	553.94	2,045.17
C. Amount collected/refunded during the year	70.65	5.38
D. Regulated Income/(Expense) recognized in the statement of Profit and Loss (B-C)	483.29	2,039.79
E. Closing Balance (A+D)	10,606.35	10,123.06
F. Tax on Regulated Income/(Expense) recognized in the statement of Profit and Loss	84.44	356.39

## 52. Disclosure as required by Regulation 34 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

### A. Loans and Advances in nature of Loans:

#### 1. To Subsidiary Companies and Joint Ventures

(₹ in crore)

Name of the Company	Outstanding balance		Maximum amount outstanding	
	As at 31.03.2021	As at 31.03.2020	For the year ended 31.03.2021	For the year ended 31.03.2020
<b>Subsidiary</b>				
Powergrid NM Transmission Limited	891.36	1,088.90	1,094.41	1,088.90
Powergrid Vizag Transmission Limited	783.99	531.50	813.31	614.50
Powergrid Unchahar Transmission Limited	36.06	40.32	40.32	46.32
Powergrid Kala Amb Transmission Limited	186.00	203.26	203.26	225.28
Powergrid Jabalpur Transmission Limited	1,183.00	1,221.56	1,221.56	1,289.58
Powergrid Warora Transmission Limited	1,540.00	1,564.00	1,567.50	1,682.00
Powergrid Parli Transmission Limited	1,300.50	1,366.50	1,366.50	1,475.50
Powergrid Southern Interconnector Transmission System Limited	2,745.28	2,863.66	2,923.66	2,863.66
Powergrid Medinipur Jeerat Transmission Limited	2,373.02	2,082.26	2,373.02	2,082.26



**52. Disclosure as required by Regulation 34 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Contd.)**

(₹ in crore)

Name of the Company	Outstanding balance		Maximum amount outstanding	
	As at 31.03.2021	As at 31.03.2020	For the year ended 31.03.2021	For the year ended 31.03.2020
Powergrid Mithilanchal Transmission Limited	<b>864.16</b>	647.97	<b>864.16</b>	647.97
Powergrid Varanasi Transmission System Limited	<b>658.05</b>	536.26	<b>658.05</b>	536.26
Powergrid Jawaharpur Firozabad Transmission Limited	<b>325.66</b>	211.34	<b>325.66</b>	211.34
Powergrid Khetri Transmission System Limited	<b>632.97</b>	212.47	<b>632.97</b>	212.47
Powergrid Bhuj Transmission Limited	<b>331.53</b>	83.01	<b>331.53</b>	83.01
Powergrid Bhind Guna Transmission Limited	<b>241.90</b>	48.05	<b>241.90</b>	48.05
Powergrid Ajmer Phagi Transmission Limited	<b>432.32</b>	162.70	<b>432.32</b>	162.70
Powergrid Fatehgarh Transmission Limited	<b>446.86</b>	146.79	<b>446.86</b>	146.79
Powergrid Rampur Sambhal Transmission Limited	<b>105.38</b>	15.14	<b>105.38</b>	15.14
Powergrid Meerut Simbhavali Transmission Limited	<b>161.99</b>	30.98	<b>161.99</b>	30.98
Central Transmission Utility of India Limited	-	-	-	-
Powergrid Ramgarh Transmission Limited	<b>5.82</b>	-	<b>5.82</b>	-
<b>Joint Ventures</b>				
National High Power Test Laboratory Private Limited	<b>18.40</b>	18.40	<b>18.40</b>	18.40
Teestavalley Power Transmission Limited	<b>29.29</b>	77.12	<b>95.00</b>	191.72
<b>Total</b>	<b>15,293.54</b>	<b>13,152.19</b>	<b>15,923.57</b>	<b>13,672.83</b>

2. To firms/companies in which directors are interested: NIL

**B. Investment by the loanee (as detailed above) in the shares of Power Grid Corporation of India Ltd: NIL**
**53. Corporate Social Responsibility (CSR) Expenses**

As per Section 135 of the Companies Act, 2013 along with Companies (Corporate Social Responsibility Policy) Rules, 2014 read with DPE guidelines no F.No.15 (13)/2013-DPE (GM), the Company is required to spend, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years in accordance with its CSR Policy. The details of CSR expenses for the year are as under:-

(₹ in crore)

Sl. No.	Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
A	Amount required to be spent during the year	<b>233.79</b>	209.92
B	Amount spent on CSR –		
	(i) Construction or acquisition of any asset	<b>115.72</b>	111.12
	(ii) on Purpose other than (i) above	<b>124.76</b>	235.09
C	Total Shortfall/(Excess) amount	<b>(6.69)</b>	(136.29)
D	Break-up of the amount spent on CSR		
	1. Education and Skill Development expenses	<b>37.54</b>	46.89
	2. Ecology and Environment Expenses	<b>7.26</b>	37.30
	3. Health and Sanitation expenses	<b>171.96</b>	219.30
	4. Sports, Art and Culture expenses	<b>1.85</b>	0.09



### 53. Corporate Social Responsibility (CSR) Expenses (Contd.)

(₹ in crore)

Sl. No.	Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
5.	Protection of national heritage, art and culture including restoration of building and sites of historical importance	0.01	2.32
6.	Other CSR activities	21.50	36.97
7.	Salaries, wages and other benefits of Company's own CSR personnel limited to 5% of total amount required to be spent on CSR	0.36	3.34
	<b>Total Amount spent on CSR</b>	<b>240.48</b>	<b>346.21</b>
	Amount spent in Cash out of above	233.67	337.65
	Amount yet to be spent in Cash	6.81	8.56

### 54. Fair Value Measurement

(₹ in crore)

Financial Instruments by category	As at 31.03.2021		As at 31.03.2020	
	FVOCI	Amortised cost	FVOCI	Amortised cost
<b>Financial Assets</b>				
<u>Investments</u>				
<u>Equity Instruments</u>				
PTC India Limited (12000006 shares of ₹ 10 each)	93.30		46.50	
Energy Efficiency Services Limited (56118350 shares of ₹ 10 each)	45.40		52.40	
Trade Receivables		3,621.34		4,867.90
Loans		15,902.92		13,663.16
Cash & cash Equivalents		4,430.05		4,805.14
Bank Balance		936.15		615.37
<u>Other Financial Assets</u>				
Current		7,940.04		5,631.40
Non-Current		4,093.92		4,095.69
<b>Total Financial Assets</b>	<b>138.70</b>	<b>36,924.42</b>	<b>98.90</b>	<b>33,678.66</b>
<b>Financial Liabilities</b>				
Borrowings		1,46,153.00		1,51,233.26
Trade Payables		186.30		225.72
<u>Other Financial Liabilities</u>				
Current		7,190.64		8,019.47
Non-Current		3,587.01		3,515.63
<b>Total Financial Liabilities</b>	<b>-</b>	<b>1,57,116.95</b>	<b>-</b>	<b>1,62,994.08</b>

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

## 54. Fair Value Measurement (Contd.)

### Financial instruments that are measured at Fair value:

(₹ in crore)

Particulars	Level 1	Level 2	Level 3	Total
<b>As at 31.03.2021</b>				
<b>Financial Assets</b>				
<b>Investments</b>				
Equity Instruments				
PTC India Limited (12000006 shares of ₹ 10 each)	93.30	-	-	93.30
Energy Efficiency Services Limited (56118350 shares of ₹ 10 each)	-	45.40	-	45.40
<b>Total Financial Assets</b>	<b>93.30</b>	<b>45.40</b>	<b>-</b>	<b>138.70</b>

(₹ in crore)

Particulars	Level 1	Level 2	Level 3	Total
<b>As at 31.03.2020</b>				
<b>Financial Assets</b>				
<b>Investments</b>				
Equity Instruments				
PTC India Limited (12000006 shares of ₹ 10 each)	46.50	-	-	46.50
Energy Efficiency Services Limited (56118350 shares of ₹ 10 each)	-	52.40	-	52.40
<b>Total Financial Assets</b>	<b>46.50</b>	<b>52.40</b>	<b>-</b>	<b>98.90</b>

### Financial instruments that are measured at Amortised Cost:

(₹ in crore)

Particulars	Level	As at 31.03.2021		As at 31.03.2020	
		Carrying Amount	Fair value	Carrying Amount	Fair value
<b>Financial Assets</b>					
<b>Loans</b>					
Loans to Subsidiaries	2	15,453.29	15,421.01	13,235.17	13,042.90
Loan to Joint Venture	2	52.88	49.04	99.56	92.59
Loans to employees	2	396.75	379.82	328.43	320.73
<b>Total Financial Assets</b>		<b>15,902.92</b>	<b>15,849.87</b>	<b>13,663.16</b>	<b>13,456.22</b>
<b>Financial Liabilities</b>					
Borrowings	2	1,46,153.00	1,52,058.52	1,51,233.26	1,56,200.86
Deposits/retention money from contractors and others	2	3,605.57	3,955.61	3,539.83	3,846.38
<b>Total Financial Liabilities</b>		<b>1,49,758.57</b>	<b>1,56,014.13</b>	<b>1,54,773.09</b>	<b>1,60,047.24</b>

The carrying amounts of trade receivables, trade payables, cash and cash equivalents 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.



## 54. Fair Value Measurement (Contd.)

**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 include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of Energy Efficiency Services Limited has been determined by making qualitative adjustment to trading multiples such as P/E, EV/EBITDA of comparable listed prices. The same has been included in Level 2 fair value hierarchy.
- 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 apart from equity instruments of PTC India Limited which is included in Level 1 fair value hierarchy.

Fair value of financial instruments has been determined by an independent valuer.

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

### (a) Subsidiaries

Name of entity	Place of business/ country of incorporation	Proportion of Ownership Interest	
		As at 31.03.2021	As at 31.03.2020
Powergrid Vizag Transmission Limited <sup>5</sup>	India	100%	100%
Powergrid NM Transmission Limited	India	100%	100%
Powergrid Unchahar Transmission Limited	India	100%	100%
Powergrid Kala Amb Transmission Limited <sup>5</sup>	India	100%	100%
Powergrid Jabalpur Transmission Limited <sup>5</sup>	India	100%	100%
Powergrid Warora Transmission Limited <sup>5</sup>	India	100%	100%
Powergrid Parli Transmission Limited <sup>5</sup>	India	100%	100%
Powergrid Southern Interconnector Transmission System Limited	India	100%	100%
Powergrid Vemagiri Transmission Limited	India	100%	100%
Powergrid Medinipur Jeerat Transmission Limited	India	100%	100%
Powergrid Mithilanchal Transmission Limited (Erstwhile ERSS XXI Transmission Limited)	India	100%	100%
Powergrid Varanasi Transmission System Limited (Erstwhile WR-NR Power Transmission Limited)	India	100%	100%
Powergrid Jawaharpur Firozabad Transmission Limited (Erstwhile Jawaharpur Firozabad Transmission Limited)	India	100%	100%
Powergrid Khetri Transmission System Limited (Erstwhile Khetri Transco Limited)	India	100%	100%
Powergrid Bhuj Transmission Limited (Erstwhile Bhuj-II Transmission Limited)	India	100%	100%
Powergrid Bhind Guna Transmission Limited (Erstwhile Bhind Guna Transmission Limited)	India	100%	100%
Powergrid Ajmer Phagi Transmission Limited (Erstwhile Ajmer Phagi Transco Limited)	India	100%	100%
Powergrid Fatehgarh Transmission Limited (Erstwhile Fatehgarh-II Transco Limited)	India	100%	100%

**55. Disclosure as per Ind AS 24 - “Related Party Disclosures” (Contd.)**

Name of entity	Place of business/ country of incorporation	Proportion of Ownership Interest	
		As at 31.03.2021	As at 31.03.2020
Powergrid Rampur Sambhal Transmission Limited (Erstwhile Rampur Sambhal Transco Limited)	India	100%	100%
Powergrid Meerut Simbhavali Transmission Limited (Erstwhile Meerut-Simbhavali Transmission Limited)	India	100%	100%
Central Transmission Utility of India Limited <sup>1</sup>	India	100%	Not Applicable
Powergrid Ramgarh Transmission Limited (Erstwhile Ramgarh New Transmission Limited) <sup>2</sup>	India	100%	Not Applicable
Jaypee Powergrid Limited <sup>3</sup>	India	100%	Not Applicable
Bikaner-II Bhiwadi Transco Limited <sup>4</sup>	India	100%	Not Applicable

<sup>1</sup>Incorporated on 28.12.2020.<sup>2</sup>100% equity acquired from REC Power Distribution Company Limited on 09.03.2021.<sup>3</sup>Wholly owned subsidiary from 26.03.2021 (Joint venture till 25.03.2021).<sup>4</sup>100% equity acquired from PFC Consulting Limited on 25.03.2021.<sup>5</sup>Refer note 19A “Assets classified as held for sale”.**(b) Joint Ventures**

Name of entity	Place of business/ country of incorporation	Proportion of Ownership Interest	
		As at 31.03.2021	As at 31.03.2020
Powerlinks Transmission Limited	India	49%	49%
Torrent Power Grid Limited	India	26%	26%
Jaypee Powergrid Limited <sup>1</sup>	India	NA	26%
Parbati Koldam Transmission Company Limited	India	26%	26%
Teestavalley Power Transmission Limited <sup>2</sup>	India	30.92%	30.92%
North East Transmission Company Limited	India	26%	26%
National High Power Test Laboratory Private Limited	India	20%	20%
Bihar Grid Company Limited	India	50%	50%
Kalinga Bidyut Prasaran Nigam Private Limited <sup>3</sup>	India	NA	50%
Cross Border Power Transmission Company Limited	India	26%	26%
RINL Powergrid TLT Private Limited <sup>4</sup>	India	50%	50%
Power Transmission Company Nepal Limited	Nepal	26%	26%

<sup>1</sup>Joint venture till 25.03.2021 (Wholly owned subsidiary from 26.03.2021).<sup>2</sup>POWERGRID & Teesta Urja Ltd are the Joint venture partners in Teestavalley Power Transmission Limited & holds 26% & 74 % equity, respectively as per Shareholding agreement. On call of additional equity by Teestavalley Power Transmission limited, POWERGRID contributed their share while the other JV partner has not yet contributed their share of money. Consequently, the holding of POWERGRID increased to 30.92% against 26% provided in shareholding agreement.<sup>3</sup>The present status of the Company (M/s KBPNL) as per MCA website is “Strike Off”.<sup>4</sup>POWERGRID’s Board of Directors in its meeting held on 01.05.2018 accorded in principle approval to close RINL Powergrid TLT Private Limited (RPTPL) and seek consent of other JV Partner Rashtriya Ispat Nigam Limited (RINL). RINL’s Board of Directors in its meeting held on 08.03.2019 has agreed in principle for winding up proceedings of RPTPL & to seek the approval from Ministry of Steel, Government of India, for closure of RPTPL. RINL’s Board of Directors in its meeting held on 05.11.2019 has advised to put up the closure proposal again to Ministry of steel for onward submission to NITI Ayog. The Ministry of Steel vide letter dated 29.09.2020 informed RINL that closure of RPTPL is being examined and seeks further clarifications from RINL. Accordingly, relevant information was forwarded by RINL to The Ministry of Steel. The Approval from Government is still awaited.



## 55. Disclosure as per Ind AS 24 - “Related Party Disclosures” (Contd.)

### (c) Key Managerial Personnel

#### Whole Time Directors

Name	Designation
Shri K. Sreekant	Chairman & Managing Director
Smt. Seema Gupta	Director (Operations) [Additional Charge of Director (Finance) w.e.f. 06.02.2020 to 05.05.2020 & 14.05.2020 to 03.07.2020]
Shri Rajeev Kumar Chauhan	Director (Projects) [ceased to be director on 31.10.2020]
Shri Vinod Kumar Singh	Director (Personnel)
M. Taj Mukarrum	Director (Finance) w.e.f. 04.07.2020 and CFO w.e.f. 01.08.2020
Shri Abhay Choudhary	Director (Projects) w.e.f. 01.11.2020

#### Independent Directors

Name	Designation
Shri Manoj Kumar Mittal	Independent Director upto 11.09.2020
Shri Sunil Kumar Sharma	Independent Director
Smt. A.R. Mahalakshmi	Independent Director
Shri M.N. Venkatesan	Independent Director

#### Government Nominee Directors and other KMP

Name	Designation
Shri Dilip Nigam	Government Nominee Director [ceased to be director on 30.04.2020] & Government Nominee Director w.e.f. 04.01.2021
Shri Tanmay Kumar	Government Nominee Director [ceased to be director on 05.11.2020]
Shri Mritunjay Kumar Narayan	Government Nominee Director w.e.f. 05.11.2020
Smt. Divya Tandon	Company Secretary [ceased to be Company Secretary w.e.f. 30.06.2020]
Shri Mrinal Srivastava	Company Secretary w.e.f. 01.07.2020
Shri K. S. R. Murty	CFO [ceased to be CFO on 31.07.2020]

### (d) List of Other Related Parties

Name of Entity	Place of business/ country of incorporation	Nature of Relationship
Powergrid Employees P.F. Trust	India	Post-employment benefit plan of Powergrid
Powergrid Self Contributory Superannuation Benefit (Pension) Fund Trust	India	Post-employment benefit plan of Powergrid
Powergrid Employees Gratuity Fund Trust	India	Post-employment benefit plan of Powergrid
Powergrid Employees Post-Retirement Medical Benefit Trust	India	Post Retirement Benefit plan of Powergrid



## 55. Disclosure as per Ind AS 24 - “Related Party Disclosures” (Contd.)

### (e) Government Related Entities

The company is controlled by the Government of India (GOI), being a Central Public Sector Enterprise (CPSE) under the Ministry of Power, with GOI holding 51.34% (Previous Year 51.34%) of equity shares capital issued and paid up.

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

The above transactions are in the course of normal day-to-day business operations and are not considered to be significant keeping in view the size, either individually or collectively.

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

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

(₹ in crore)

Particulars	As at 31.03.2021	As at 31.03.2020
<b>Amounts Receivable</b>		
<b>Loans to Subsidiaries</b>		
Powergrid NM Transmission Limited	891.36	1,088.90
Powergrid Vizag Transmission Limited	783.99	531.50
Powergrid Unchahar Transmission Limited	36.06	40.32
Powergrid Kala Amb Transmission Limited	186.00	203.26
Powergrid Jabalpur Transmission Limited	1,183.00	1,221.56
Powergrid Warora Transmission Limited	1,540.00	1,564.00
Powergrid Parli Transmission Limited	1,300.50	1,366.50
Powergrid Southern Interconnector Transmission System Limited	2,745.28	2,863.66
Powergrid Medinipur Jeerat Transmission Limited	2,373.02	2,082.26
Powergrid Mithilanchal Transmission Limited	864.16	647.97
Powergrid Varanasi Transmission System Limited	658.05	536.26
Powergrid Jawaharpur Firozabad Transmission Limited	325.66	211.34
Powergrid Khetri Transmission System Limited	632.97	212.47
Powergrid Bhuj Transmission Limited	331.53	83.01
Powergrid Bhind Guna Transmission Limited	241.90	48.05
Powergrid Ajmer Phagi Transmission Limited	432.32	162.70
Powergrid Fatehgarh Transmission Limited	446.86	146.79
Powergrid Rampur Sambhal Transmission Limited	105.38	15.14
Powergrid Meerut Simbhavali Transmission Limited	161.99	30.98
Powergrid Ramgarh Transmission Limited	5.82	-
<b>Total</b>	<b>15,245.85</b>	<b>13,056.67</b>
<b>Loans to Joint Ventures</b>		
National High Power Test Laboratory Private Limited	18.40	18.40
Teestavalley Power Transmission Limited	29.29	77.12
<b>Total</b>	<b>47.69</b>	<b>95.52</b>



## 55. Disclosure as per Ind AS 24 - "Related Party Disclosures" (Contd.)

(₹ in crore)

Particulars	As at 31.03.2021	As at 31.03.2020
<b>Interest Accrued on loan to Subsidiaries</b>		
Powergrid NM Transmission Limited	53.35	78.55
Powergrid Southern Interconnector Transmission System Limited	-	39.68
Powergrid Medinipur Jeerat Transmission Limited	50.67	34.29
Powergrid Mithilanchal Transmission Limited	18.33	8.63
Powergrid Varanasi Transmission System Limited	14.34	7.59
Powergrid Jawaharpur Firozabad Transmission Limited	10.68	4.46
Powergrid Khetri Transmission System Limited	16.13	2.40
Powergrid Bhuj Transmission Limited	8.25	0.53
Powergrid Bhind Guna Transmission Limited	5.48	0.21
Powergrid Ajmer Phagi Transmission Limited	13.01	0.92
Powergrid Fatehgarh Transmission Limited	12.17	1.12
Powergrid Rampur Sambhal Transmission Limited	1.37	0.02
Powergrid Meerut Simbhavali Transmission Limited	3.64	0.10
Powergrid Ramgarh Transmission Limited	0.02	-
<b>Total</b>	<b>207.44</b>	<b>178.50</b>
<b>Interest Accrued on loan to Joint Ventures</b>		
National High Power Test Laboratory Private Limited	1.58	0.83
Teestavalley Power Transmission Limited	3.61	3.21
<b>Total</b>	<b>5.19</b>	<b>4.04</b>
<b>Share Application Money</b>		
<u>Joint Ventures:</u>		
Bihar Grid Company Limited (allotted on 05.05.2020)	-	6.50
<b>Loans to Key Managerial Personnel</b>	<b>0.14</b>	<b>0.09</b>
<b>Other Receivables</b>		
<u>Subsidiaries</u>		
Powergrid Vemagiri Transmission Limited (fully provided refer note no. 11)	19.41	19.40
Powergrid NM Transmission Limited	0.40	10.51
Powergrid Vizag Transmission Limited	-	0.15
Powergrid Unchahar Transmission Limited	1.39	0.72
Powergrid Kala Amb Transmission Limited	1.88	-
Powergrid Jabalpur Transmission Limited	-	0.52
Powergrid Warora Transmission Limited	-	2.93
Powergrid Parli Transmission Limited	0.07	1.36
Powergrid Southern Interconnector Transmission System Limited	0.14	2.34
Powergrid Medinipur Jeerat Transmission Limited	5.24	7.29
Powergrid Mithilanchal Transmission Limited	1.83	9.10
Powergrid Varanasi Transmission System Limited	-	6.36
Powergrid Jawaharpur Firozabad Transmission Limited	0.80	3.04
Powergrid Khetri Transmission System Limited	3.58	3.94
Powergrid Bhuj Transmission Limited	2.89	1.06

**55. Disclosure as per Ind AS 24 - “Related Party Disclosures” (Contd.)**

(₹ in crore)

<b>Particulars</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
Powergrid Bhind Guna Transmission Limited	<b>1.77</b>	0.85
Powergrid Ajmer Phagi Transmission Limited	<b>0.43</b>	3.01
Powergrid Fatehgarh Transmission Limited	<b>1.61</b>	2.51
Powergrid Rampur Sambhal Transmission Limited	<b>0.80</b>	2.45
Powergrid Meerut Simbhavali Transmission Limited	<b>1.30</b>	3.43
Central Transmission Utility of India Limited	<b>0.03</b>	-
Powergrid Ramgarh Transmission Limited	<b>1.05</b>	-
Jaypee Powergrid Limited	<b>0.49</b>	-
Bikaner-II Bhiwadi Transco Limited	<b>24.55</b>	-
<b>Total</b>	<b>69.66</b>	<b>80.97</b>
<b>Joint Ventures</b>		
Powerlinks Transmission Limited	<b>0.21</b>	0.02
Torrent Power Grid Limited	<b>0.44</b>	0.19
Jaypee Powergrid Limited	-	0.02
Parbati Koldam Transmission Company Limited	<b>0.38</b>	0.38
Teestavalley Power Transmission Limited	<b>6.12</b>	5.75
North East Transmission Company Limited	<b>0.25</b>	1.42
National High Power Test Laboratory Private Limited	<b>0.46</b>	0.62
Bihar Grid Company Limited	<b>1.63</b>	-
Cross Border Power Transmission Company Limited	<b>0.74</b>	0.67
<b>Total</b>	<b>10.23</b>	<b>9.07</b>
<b>Other receivables</b>	<b>79.89</b>	<b>90.04</b>
<b>Advances /Amounts Payable</b>		
<u>Subsidiaries</u>		
Powergrid Kala Amb Transmission Limited	<b>1.67</b>	-
<u>Joint Ventures</u>		
Powerlinks Transmission Limited	<b>0.54</b>	2.78
Torrent Power Grid Limited	<b>0.20</b>	-
Teestavalley Power Transmission Limited	<b>48.03</b>	47.56
North East Transmission Company Limited	<b>19.73</b>	20.29
Bihar Grid Company Limited	<b>0.01</b>	0.30
Cross Border Power Transmission Company Limited	<b>11.27</b>	11.12
<b>Total payables to related parties</b>	<b>81.45</b>	<b>82.05</b>
<b>Other Related Parties</b>		
<u>Outstanding balances with Employees Benefit Trust</u>		
Powergrid Employees P.F. Trust	<b>0.01</b>	34.74
Powergrid Self Contributory Superannuation Benefit (Pension) Fund Trust	-	11.01
Powergrid Employees Gratuity Fund Trust	<b>(0.42)</b>	16.22
Powergrid Employees Post-Retirement Medical Benefit Trust	<b>3.44</b>	27.14
<b>Total</b>	<b>3.03</b>	<b>89.11</b>

Refer note no. 58 for guarantee given on behalf of related parties.



## 55. Disclosure as per Ind AS 24 - “Related Party Disclosures” (Contd.)

### (g) Transactions with related parties

The following transactions occurred with related parties:

(₹ in crore)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
<b>Services provided by the Company</b>		
<b>Consultancy Income</b>		
<u>Subsidiaries</u>		
Powergrid NM Transmission Limited	2.88	2.38
Powergrid Vizag Transmission Limited	3.43	4.05
Powergrid Unchahar Transmission Limited	1.27	0.36
Powergrid Kala Amb Transmission Limited	3.63	5.86
Powergrid Jabalpur Transmission Limited	3.89	4.14
Powergrid Warora Transmission Limited	9.20	13.78
Powergrid Parli Transmission Limited	8.16	13.69
Powergrid Southern Interconnector Transmission System Limited	10.36	8.06
Powergrid Medinipur Jeerat Transmission Limited	13.32	42.00
Powergrid Mithilanchal Transmission Limited	10.67	24.69
Powergrid Varanasi Transmission System Limited	0.60	19.14
Powergrid Jawaharpur Firozabad Transmission Limited	4.24	6.38
Powergrid Khetri Transmission System Limited	10.62	6.43
Powergrid Bhuj Transmission Limited	6.72	3.29
Powergrid Bhind Guna Transmission Limited	4.44	1.99
Powergrid Ajmer Phagi Transmission Limited	6.38	4.55
Powergrid Fatehgarh Transmission Limited	7.58	4.30
Powergrid Rampur Sambhal Transmission Limited	1.80	2.26
Powergrid Meerut Simbhavali Transmission Limited	3.45	3.18
Powergrid Ramgarh Transmission Limited	1.00	-
Jaypee Powergrid Limited	0.01	-
Bikaner-II Bhiwadi Transco Limited	3.78	-
<b>Total</b>	<b>117.43</b>	<b>170.53</b>
<u>Joint Ventures</u>		
Torrent Power Grid Limited	0.67	0.64
Jaypee Powergrid Limited	0.66	0.64
Teestavalley Power Transmission Limited	1.12	1.61
North East Transmission Company Limited	2.49	4.49
National High Power Test Laboratory Private Limited	0.81	0.84
Bihar Grid Company Limited	3.98	13.11
Cross Border Power Transmission Company Limited	1.75	2.02
<b>Total</b>	<b>11.48</b>	<b>23.35</b>
<b>Consultancy Income</b>	<b>128.91</b>	<b>193.88</b>
<b>Interest on Loan</b>		
<u>Subsidiaries</u>		
Powergrid NM Transmission Limited	79.31	89.55
Powergrid Vizag Transmission Limited	58.02	47.30
Powergrid Unchahar Transmission Limited	3.14	3.61
Powergrid Kala Amb Transmission Limited	14.51	16.56

**55. Disclosure as per Ind AS 24 - “Related Party Disclosures” (Contd.)**

(₹ in crore)

<b>Particulars</b>	<b>For the year ended 31.03.2021</b>	<b>For the year ended 31.03.2020</b>
Powergrid Jabalpur Transmission Limited	89.06	101.62
Powergrid Warora Transmission Limited	114.99	126.71
Powergrid Parli Transmission Limited	99.47	110.93
Powergrid Southern Interconnector Transmission System Limited	211.73	217.90
Powergrid Medinipur Jeerat Transmission Limited	162.92	133.41
Powergrid Mithilanchal Transmission Limited	54.58	32.13
Powergrid Varanasi Transmission System Limited	42.96	26.82
Powergrid Jawaharpur Firozabad Transmission Limited	20.22	5.45
Powergrid Khetri Transmission System Limited	28.96	3.23
Powergrid Bhuj Transmission Limited	13.55	1.17
Powergrid Bhind Guna Transmission Limited	9.27	0.40
Powergrid Ajmer Phagi Transmission Limited	22.61	1.30
Powergrid Fatehgarh Transmission Limited	21.40	1.61
Powergrid Rampur Sambhal Transmission Limited	2.84	0.16
Powergrid Meerut Simbhavali Transmission Limited	6.21	0.26
Powergrid Ramgarh Transmission Limited	0.02	-
<b>Total</b>	<b>1,055.77</b>	<b>920.12</b>
<u>Joint Ventures</u>		
National High Power Test Laboratory Private Limited	1.89	1.40
Teestavalley Power Transmission Limited	9.82	12.60
<b>Total</b>	<b>11.71</b>	<b>14.00</b>
<b>Interest on Loan</b>	<b>1,067.48</b>	<b>934.12</b>
<b>Dividend Received</b>		
<u>Subsidiaries</u>		
Powergrid Vizag Transmission Limited	159.39	71.31
Powergrid Unchahar Transmission Limited	7.78	8.10
Powergrid Kala Amb Transmission Limited	27.15	10.52
Powergrid Jabalpur Transmission Limited	85.08	28.01
Powergrid Warora Transmission Limited	154.17	38.91
Powergrid Parli Transmission Limited	113.06	71.41
<b>Total</b>	<b>546.63</b>	<b>228.26</b>
<u>Joint Ventures</u>		
Powerlinks Transmission Limited	45.86	34.40
Torrent Power Grid Limited	4.21	5.38
Jaypee Powergrid Limited	1.95	4.29
Parbati Koldam Transmission Company Limited	35.11	9.93
North East Transmission Company Limited	16.05	12.83
Cross Border Power Transmission Company Limited	2.65	1.26
Power Transmission Company Nepal Limited	1.32	1.32
<b>Total</b>	<b>107.15</b>	<b>69.41</b>
<b>Dividend received</b>	<b>653.78</b>	<b>297.67</b>
<b>Other income</b>		
Powergrid Unchahar Transmission Limited	0.28	0.03



## 55. Disclosure as per Ind AS 24 - "Related Party Disclosures" (Contd.)

(₹ in crore)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
<b>Investments made during the year (Equity)</b>		
<u>Subsidiaries</u>		
Powergrid NM Transmission Limited	206.65	14.40
Powergrid Jabalpur Transmission Limited	9.76	44.00
Powergrid Warora Transmission Limited	-	67.00
Powergrid Parli Transmission Limited	2.60	91.00
Powergrid Southern Interconnector Transmission System Limited	-	193.50
Powergrid Medinipur Jeerat Transmission Limited	260.30	289.32
Powergrid Mithilanchal Transmission Limited	93.50	119.95
Powergrid Varanasi Transmission System Limited	43.00	125.00
Powergrid Jawaharpur Firozabad Transmission Limited	77.15	-
Powergrid Khetri Transmission System Limited	161.35	0.05
Powergrid Bhuj Transmission Limited	97.70	0.01
Powergrid Bhind Guna Transmission Limited	50.00	0.05
Powergrid Ajmer Phagi Transmission Limited	111.95	0.05
Powergrid Fatehgarh Transmission Limited	113.40	0.01
Powergrid Rampur Sambhal Transmission Limited	21.47	0.05
Powergrid Meerut Simbhavali Transmission Limited	32.00	0.01
Central Transmission Utility of India Limited	0.05	-
Powergrid Ramgarh Transmission Limited	0.05	-
Jaypee Powergrid Limited	354.50	-
Bikaner-II Bhiwadi Transco Limited	0.01	-
<b>Total</b>	<b>1,635.44</b>	<b>944.40</b>
<u>Joint Ventures</u>		
Teestavalley Power Transmission Limited	-	14.56
Bihar Grid Company Limited	33.00	85.61
<b>Total</b>	<b>33.00</b>	<b>100.17</b>
<b>Investments made during the year (Equity)</b>	<b>1,668.44</b>	<b>1,044.57</b>
<b>Loans given during the year</b>		
<u>Subsidiaries</u>		
Powergrid NM Transmission Limited	6.00	3.00
Powergrid Vizag Transmission Limited	315.81	-
Powergrid Kala Amb Transmission Limited	7.57	4.06
Powergrid Warora Transmission Limited	11.60	12.40
Powergrid Southern Interconnector Transmission System Limited	79.87	156.10
Powergrid Medinipur Jeerat Transmission Limited	290.76	812.48
Powergrid Mithilanchal Transmission Limited	216.20	444.44
Powergrid Varanasi Transmission System Limited	121.79	334.07
Powergrid Jawaharpur Firozabad Transmission Limited	114.32	206.75
Powergrid Khetri Transmission System Limited	420.50	229.06
Powergrid Bhuj Transmission Limited	248.51	83.01
Powergrid Bhind Guna Transmission Limited	193.85	53.34
Powergrid Ajmer Phagi Transmission Limited	269.62	172.89
Powergrid Fatehgarh Transmission Limited	300.07	161.32
Powergrid Rampur Sambhal Transmission Limited	90.24	22.74



**55. Disclosure as per Ind AS 24 - “Related Party Disclosures” (Contd.)**

(₹ in crore)

<b>Particulars</b>	<b>For the year ended 31.03.2021</b>	<b>For the year ended 31.03.2020</b>
Powergrid Meerut Simbhavali Transmission Limited	131.01	38.47
Powergrid Ramgarh Transmission Limited	5.82	-
<b>Total</b>	<b>2,823.54</b>	<b>2,734.13</b>
<u>Joint Ventures</u>		
National High Power Test Laboratory Private Limited	-	12.40
Teestavalley Power Transmission Limited	95.00	114.60
<b>Total</b>	<b>95.00</b>	<b>127.00</b>
<b>Loans given during the year</b>	<b>2,918.54</b>	<b>2,861.13</b>
<b><u>Loans repayment received during the year</u></b>		
<u>Subsidiaries</u>		
Powergrid NM Transmission Limited	203.55	-
Powergrid Vizag Transmission Limited	63.32	83.00
Powergrid Unchahar Transmission Limited	4.25	6.00
Powergrid Kala Amb Transmission Limited	24.83	26.08
Powergrid Jabalpur Transmission Limited	38.56	68.02
Powergrid Warora Transmission Limited	35.60	130.40
Powergrid Parli Transmission Limited	66.00	109.00
Powergrid Southern Interconnector Transmission System Limited	198.25	-
Powergrid Khetri Transmission System Limited	-	16.59
Powergrid Bhind Guna Transmission Limited	-	5.29
Powergrid Ajmer Phagi Transmission Limited	-	10.20
Powergrid Fatehgarh Transmission Limited	-	14.53
Powergrid Rampur Sambhal Transmission Limited	-	7.60
Powergrid Meerut Simbhavali Transmission Limited	-	7.49
<b>Total</b>	<b>634.36</b>	<b>484.20</b>
<u>Joint Ventures</u>		
Teestavalley Power Transmission Limited	142.83	114.60
<b>Total</b>	<b>142.83</b>	<b>114.60</b>
<b>Loans repayment received during the year</b>	<b>777.19</b>	<b>598.80</b>
<b><u>Reimbursement of Expenses</u></b>		
<u>Subsidiaries:</u>		
Powergrid Vizag Transmission Limited	3.92	-
Powergrid Unchahar Transmission Limited	-	0.30
Powergrid Kala Amb Transmission Limited	1.28	-
Powergrid Jabalpur Transmission Limited	4.38	0.03
Powergrid Warora Transmission Limited	7.61	0.07
Powergrid Parli Transmission Limited	6.00	0.14
Powergrid Southern Interconnector Transmission System Limited	0.60	0.12
Powergrid Medinipur Jeerat Transmission Limited	0.24	-
Powergrid Khetri Transmission System Limited	0.01	0.14
Powergrid Bhuj Transmission Limited	-	0.11
Powergrid Bhind Guna Transmission Limited	-	0.21
Powergrid Ajmer Phagi Transmission Limited	0.02	0.03
Powergrid Fatehgarh Transmission Limited	0.03	0.03



## 55. Disclosure as per Ind AS 24 - "Related Party Disclosures" (Contd.)

(₹ in crore)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Powergrid Rampur Sambhal Transmission Limited	-	0.25
Powergrid Meerut Simbhavali Transmission Limited	-	0.29
Central Transmission Utility of India Limited	0.03	-
Powergrid Ramgarh Transmission Limited	0.37	-
Bikaner-II Bhiwadi Transco Limited	0.52	-
<b>Total</b>	<b>25.01</b>	<b>1.72</b>
<b>Other Related Parties</b>		
<u>Contribution made during the year</u>		
Powergrid Employees P.F. Trust	114.14	110.45
Powergrid Self Contributory Superannuation Benefit (Pension) Fund Trust	120.46	33.43
Powergrid Employees Gratuity Fund Trust	21.81	30.42
Powergrid Employees Post-Retirement Medical Benefit Trust	12.02	62.77
<b>Total</b>	<b>268.43</b>	<b>237.07</b>
<b>Recovery for Deputation of Employees</b>		
<u>Subsidiaries:</u>		
Powergrid Unchahar Transmission Limited	3.71	-
<u>Joint Ventures:</u>		
Torrent Power Grid Limited	0.51	0.15
Jaypee Powergrid Limited (wholly owned subsidiary from 26.03.2021).	1.11	0.98
Teestavalley Power Transmission Limited	0.95	0.33
North East Transmission Company Limited	0.90	0.65
Cross Border Power Transmission Company Limited	0.77	0.94
<b>Total</b>	<b>7.95</b>	<b>3.05</b>

### Terms and Conditions

The loans to key management personnel are on the same terms and conditions as applicable to all other employees.

All other transactions were made on normal commercial terms and conditions and at market rates. All outstanding balances are unsecured and are repayable in cash.

Loans to Subsidiaries are given on cost to cost basis.

### h) Transaction in the capacity of Central Transmission Utility (CTU) with the related parties

(₹ in crore)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
<u>Subsidiaries:</u>		
Powergrid NM Transmission Limited	126.94	105.65
Powergrid Vizag Transmission Limited	323.60	313.24
Powergrid Unchahar Transmission Limited	22.73	22.20
Powergrid Kala Amb Transmission Limited	12.71	13.21
Powergrid Jabalpur Transmission Limited	263.29	239.85
Powergrid Warora Transmission Limited	191.41	110.56
Powergrid Parli Transmission Limited	346.28	337.85
Powergrid Southern Interconnector Transmission System Limited	458.42	128.57
<u>Joint Ventures:</u>		
Powerlinks Transmission Limited	237.70	227.61
Torrent Power Grid Limited	50.96	48.68

**55. Disclosure as per Ind AS 24 - "Related Party Disclosures" (Contd.)**

(₹ in crore)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Jaypee Powergrid Limited	171.94	110.87
Parbati Koldam Transmission Company Limited	192.00	247.05
Teestavalley Power Transmission Limited	341.63	176.40
North East Transmission Company Limited	388.15	350.55
<b>Total</b>	<b>3,127.76</b>	<b>2,432.29</b>

**i) Remuneration to Key Managerial Personnel**

(₹ in crore)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Short Term Employee Benefits	4.68	4.09
Post-Employment Benefits	0.67	0.24
Long Term Employee Benefits	0.46	1.76
Arrears to KMPs	-	-
<b>Total</b>	<b>5.81</b>	<b>6.09</b>
Sitting fee	0.32	0.35

In addition to the above remuneration, the whole time directors have been allowed to use the staff car (including for private journeys) on payment of ₹ 2000/- p.m. as contained in the Department of Public Enterprises (DPE) OM No. 2 (23)/11-DPE (WC)-GL-V/13 dated 21/01/2013.

**56. Operating Segments****a) Business Segment**

The Board of Directors is the Company's Chief Operating Decision Maker (CODM) who monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Three reportable segments have been identified on the basis of services provided.

- **Transmission Services-** Company's principal business is transmission of bulk power across different states of India.
- **Telecom Services-** The Company utilizes the spare Optical fibres available in the Optical Ground Wire (OPGW) laid on the transmission network for providing telecom services. It operates as a neutral carrier in the point to point bandwidth leasing business. Refer note no. 65 for disclosure on formation of wholly owned subsidiary of the company to undertake Telecommunications and Digital Technology Business of the company.
- **Consultancy Services-** provides Consultancy Services in the Transmission, Distribution and Telecom sectors, including Planning Design, Engineering, Load Dispatch, OPGW on intra state Transmission network, Procurement Management, Operation & Maintenance, Financing and Project Management. Refer note no. 65 for disclosure on formation of wholly owned subsidiary of the company to undertake Energy Management services and Consultancy Business of the company.

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

c) Information about major customer: Revenue from any single customer is not equal to or exceeds 10% of the company's total revenue.

**d) Segment Revenue and Expenses**

Revenue directly attributable to the segments is considered as Segment Revenue. Expenses directly attributable to the segments and common expenses allocated on a reasonable basis are considered as segment expenses.

Revenue from external customer in India is ₹ 38,615.03 crore (Previous Year ₹ 36,850.28 crore) and outside India is ₹ 22.86 crore (Previous Year ₹ 42.99 crore).

**e) Segment Assets and Liabilities**

Segment assets include all operating assets comprising of Property, Plant and Equipment, current assets and loan and advances. Construction, Work-in-progress, construction stores and advances and investments are included in unallocated assets. Segment facilities include operating liabilities and provisions.



## 56. Operating Segments (Contd.)

(₹ in crore)

Particulars	Transmission Services		Consultancy Services		Telecom Services		Elimination		Total	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020
<b>Revenue:</b>										
Revenue from Operations (including allocable other income)	37,418.50	35,562.96	506.16	618.02	713.23	712.29	-	-	38,637.89	36,893.27
Inter Segment Revenue					69.96	69.94	(69.96)	(69.94)	-	-
Net Revenue from Operations	37,418.50	35,562.96	506.16	618.02	783.19	782.23	(69.96)	(69.94)	38,637.89	36,893.27
Segment results	22,283.23	22,369.95	150.84	277.00	365.72	429.11			22,799.79	23,076.06
Exceptional Item-Transmission									(1,078.64)	
Unallocated Interest and Other Income									1,889.22	1,424.70
Unallocated Finance Costs									8,501.01	9,813.62
Profit before Tax (Including movement in Regulatory Deferral Account Balances)									15,109.36	14,687.14
Provision for Taxes									3,173.58	3,875.96
Profit after Tax									11,935.78	10,811.18
<b>Other information:</b>										
Segment Assets	2,08,099.12	1,99,636.30	2,426.61	3,269.56	981.46	1,161.54			2,11,507.19	2,04,067.40
Unallocated Assets									41,611.70	51,482.26
Asset Classified as Held for Sale									1,213.04	-
Total Assets									2,54,331.93	2,55,549.66
Segment Liabilities	14,182.01	14,930.71	3,428.90	3,850.16	454.85	538.88			18,065.76	19,319.75
Unallocated Other Liabilities (including loans)									1,66,687.33	1,71,790.22
Total liabilities									1,84,753.09	1,91,109.97
Depreciation and Amortisation	11,609.32	10,972.59	5.60	3.59	96.76	97.00			11,711.68	11,073.18
Non-cash expenditure other than Depreciation	14.36	18.32	7.12	3.16	1.10	3.20			22.58	24.68
Capital Expenditure	19,000.84	17,261.36	82.50	7.10	10.13	129.69			19,093.47	17,398.15

**57. Capital and other Commitments**

(₹ in crore)

Particulars	As at 31.03.2021	As at 31.03.2020
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	<b>3,867.64</b>	6,301.76
Company's commitment towards further investment/loan in joint venture entities	<b>148.92</b>	276.85
Company's commitment towards further investment/loan in subsidiary companies	<b>4,809.38</b>	9,793.99
Company's commitment towards further investment in other entities	<b>713.17</b>	23.17

**58. Contingent Liabilities and contingent assets****A. Contingent Liabilities**

## 1. Claims against the Company not acknowledged as debts in respect of:

**(i) Capital Works**

Some of the contractors for supply and installation of equipments and execution of works at our projects have lodged claims on the company seeking enhancement of the contract price, revision of work schedule with price escalation, compensation for the extended period of work, idle charges etc. These claims are being contested by the Company as being not admissible in terms of the provisions of the respective contracts.

The company is pursuing various options under the dispute resolution mechanism available in the contract for settlement of these claims. In such cases, contingent liability of ₹ 2,540.73 crore (Previous Year ₹ 3,401.71 crore) has been estimated.

**(ii) Land compensation cases**

In respect of land acquired for the projects, the land losers have claimed higher compensation before various authorities/courts which are yet to be settled. In such cases, contingent liability of ₹ 1,604.98 crore (Previous Year ₹ 1,893.16 crore) has been estimated.

**(iii) Other claims**

In respect of claims made by various State/Central Government Departments/Authorities towards building permission fees, penalty on diversion of agriculture land to non-agriculture use, Nala tax, water royalty etc. and by others, contingent liability of ₹ 19.90 crore (Previous Year ₹ 27.41 crore) has been estimated.

**(iv) Disputed Income Tax/Sales Tax/Excise/Municipal Tax Matters**

Disputed Income Tax/Sales Tax/Excise/Municipal Tax Matters amounting to ₹ 224.66 crore (Previous Year ₹ 290.18 crore) are being contested before various Appellate Authorities. Many of these matters have been disposed of in favour of the company but are disputed before higher authorities by the concerned departments. Against total claim of ₹ 191.42 crore (Previous Year ₹ 182.13 crore), provision of ₹ 156.98 crore (Previous Year ₹ 147.69 crore) is made and balance of ₹ 34.44 crore (Previous Year ₹ 34.44 crore) towards penalty is shown as contingent liability as it is not a wilful default and in management opinion, same is not expected to be upheld by the court.

**(v) Others**

- Contingent liability in respect of bills discounted with banks against trade receivables is amounting to ₹ 2,533.96 crore (Previous Year ₹ 1,030.24 crore). In case of any claim on the company from the banks in this regard, entire amount shall be recoverable from the beneficiaries along with surcharge.
- Other contingent liabilities amounts to ₹ 793.50 crore (Previous Year ₹ 722.17 crore) which includes claim of ₹ 397.01 crore (Previous Year ₹ 417.46 crore) related to Arbitration cases/ROW cases.
- Some of the beneficiaries have filed appeals against the tariff orders of the CERC. The amount of contingent liability in this regard is not ascertainable.
- Under the Transmission Service Agreement (TSA) with Powerlinks Transmission Ltd, the company has an obligation to purchase the JV company (Powerlinks Transmission Ltd) at a buyout price determined in accordance with the TSA. Such an obligation may result in case JV company (Powerlinks Transmission Ltd) serves a termination notice either on "POWERGRID event of default" or on "force majeure event" prescribed under TSA. No contingent liability on this account has been considered as the same is not ascertainable.



## 58. Contingent Liabilities and contingent assets (Contd.)

2. a) Details of Bank guarantees given by the company on behalf of SPV companies, which were taken over to carry out the business awarded under tariff based bidding, towards performance of the work awarded are as under:

(₹ in crore)

Name of SPV	As at 31.03.2021	As at 31.03.2020
Powergrid Jabalpur Transmission Limited	6.09	31.50
Powergrid Southern Interconnector Transmission System Limited	110.04	110.04
Powergrid Medinipur Jeerat Transmission Limited	141.89	141.89
Powergrid Mithilanchal Transmission Limited	84.32	84.32
Powergrid Varanasi Transmission System Limited	30.38	30.38
Powergrid Jawaharpur Firozabad Transmission Limited	41.85	41.85
Powergrid Khetri Transmission System Limited	66.15	66.15
Powergrid Bhuj Transmission Limited	58.95	58.95
Powergrid Bhind Guna Transmission Limited	65.48	65.48
Powergrid Ajmer Phagi Transmission Limited	14.85	14.85
Powergrid Fatehgarh Transmission Limited	17.55	17.55
Powergrid Rampur Sambhal Transmission Limited	70.65	70.65
Powergrid Meerut Simbhavali Transmission Limited	85.05	85.05
Powergrid Ramgarh Transmission Limited	35.46	-
Bikaner-II Bhiwadi Transco Limited	89.10	-

- b) The Company has given guarantee for the dues & punctual payment and discharge of the obligations amounting to ₹ 0.00 crore (Previous Year ₹ 290.00 crore) against bond issued by Powergrid Vizag Transmission Company Ltd(PVTL). PVTL has redeemed the said bonds along with interest on 10.06.2020 and the guarantee has been released by IDBI trustees in current year.

### B. Contingent Assets

While determining the tariff for some of the Company's Transmission Systems, CERC has disallowed certain capital expenditure incurred by the Company. The Company aggrieved over such issues has filed appeals with the Appellate Tribunal for Electricity (APTEL)/Hon'ble Supreme Court against the tariff orders issued by the CERC. Based on past experience, the Company believes that a favourable outcome is probable. However, it is impracticable to estimate the financial effect of the same as its receipt is dependent on the outcome of the judgement.

## 59. Capital management

### a) Risk Management

The company's objectives when managing capital are to

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

For the purpose of the company's capital management, equity capital includes issued equity capital, securities premium Account 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, regulatory framework and requirements of financial covenants with lenders. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, regulate investments in new 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 policy is to keep the debt-equity ratio wherein the debt is less than 75% of total capital employed (i.e. debt to equity ratio less than 75:25). The company includes within long term debt, interest bearing loans and borrowings and current maturities of long term debt.



## 59. Capital management (Contd.)

The debt-equity ratio of the Company was as follows:-

Particulars	As at 31.03.2021	As at 31.03.2020
Long term debt (₹ in crore)	1,41,251.48	1,44,979.64
Equity (₹ in crore)	69,578.84	64,439.69
Long term debt to Equity ratio	67:33	69:31

Under the terms of the major borrowing facilities, the company is required to comply with the financial covenants. Breaches in meeting the financial covenants would permit the lenders to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current reporting period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31.03.2021 and 31.03.2020.

### b) Dividends

(₹ in crore)

Particular	As at 31.03.2021	As at 31.03.2020
(i) Equity shares		
Final dividend for the year ended 31.03.2020 of ₹4.04 (31.03.2019 - ₹2.50) per fully paid up share	2,113.56	1,307.90
Interim dividend for the year ended 31.03.2021 of ₹9.00 (31.03.2020 - ₹5.96) per fully paid up share	4,708.43	3,118.02

Dividend not recognized at the end of the reporting period:

In addition to above dividend, the Board of Directors on 17.06.2021 recommended the payment of a final dividend of ₹ 3.00 per fully paid up equity share. This proposed dividend is subject to the approval of shareholders in the ensuing Annual general meeting.

## 60. Earnings per share

(Amount in ₹)

(a) Basic and diluted earnings per share attributable to the equity holders of the company	For the year ended 31.03.2021	For the year ended 31.03.2020
Including movement in Regulatory Deferral Account Balances	22.81	20.67
Excluding movement in Regulatory Deferral Account Balances	22.05	17.45
<b>Total basic and diluted earnings per share attributable to the equity holders of the company</b>	<b>22.81</b>	<b>20.67</b>

(₹ in crore)

(b) Reconciliation of earnings used as numerator in calculating earnings per share	For the year ended 31.03.2021	For the year ended 31.03.2020
Earnings attributable to the equity holders of the company including movement in Regulatory Deferral Account Balances	11,935.78	10,811.18
Earnings attributable to the equity holders of the company excluding movement in Regulatory Deferral Account Balances	11,536.93	9,127.78
<b>Total Earnings attributable to the equity holders of the company</b>	<b>11,935.78</b>	<b>10,811.18</b>

(c) Weighted average number of shares used as the denominator	As at 31.03.2021	As at 31.03.2020
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	5231589648	5231589648
Adjustments for calculation of diluted earnings per share	-	-
<b>Total weighted average number of equity shares used as the denominator in calculating basic earnings per share</b>	<b>5231589648</b>	<b>5231589648</b>



## 61. 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.

### Risk management framework

The Company has a duly constituted Risk Management Committee headed by Director (Projects) with Director (Operations), Director (Finance) and independent director as members. For the purpose of evaluating and managing the uncertainties the enterprise faces, Enterprise Risk Management framework has been implemented in the Company. The framework is a structured, consistent and continuous process for identification, assessment, monitoring and management of risks. As per this framework, the significant business processes / risks are monitored and controlled through various Key Performance Indicators (KPIs). The Committee meets at regular intervals and reviews KPIs and provides updates to the Audit Committee/Board.

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 and loans and advances and from its financing activities due to deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

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 Unbilled Revenue

The Company primarily provides transmission facilities to inter-state transmission service customers (DICs) comprising mainly state utilities owned by State Governments and the main revenue is from transmission charges. CERC (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020 ("CERC Sharing Regulations") allow payment against monthly bills towards transmission charges within due date i.e., 45 days from the date of presentation of the bill and levy of surcharge on delayed payment beyond 45 days. However, in order to improve the cash flows of company, a graded rebate is provided for payments made within 45 days. If a DIC fails to pay any bill or part thereof by the Due Date, the Central Transmission Utility (CTU) may encash the Letter of Credit provided by the DIC and utilise the same towards the amount of the bill or part thereof that is overdue plus Late Payment Surcharge, if applicable.

The Company has a robust payment security mechanism in the form of Letter of Credit (LC) backed by the Tri-Partite Agreements (TPA). The TPA was signed among the GOI, Reserve Bank of India and the individual State Governments subsequent to the issuance of the One Time Settlement Scheme of State Electricity Boards dues during 2001-02 by the GOI. The TPA also provides that if there is any default in payment of current dues by any State Utility, the outstanding dues can be deducted from the State's RBI account and paid to the concerned CPSU.

As per provisions of CERC Sharing Regulations, in case tripartite agreement exists, the Letter of Credit shall be for an amount equal to 1.05 (one point zero five) times the average amount of the first bill of a year; Provided that where such tripartite agreement does not exist, the DIC shall open the Letter of Credit for an amount equal to 2.10 (two point one times) the average amount of the first bill of a year.

## 61. Financial Risk Management (Contd.)

In addition to the encashment of letter of credit, on non-payment of outstanding dues, the CTU has power to Regulate the power supply on the defaulting entity as per CERC (Regulation of Power Supply) Regulation, 2010 or deny Short Term Open Access.

Trade receivables consist of receivables relating to transmission services of ₹ 3,441.14 crore (Previous Year ₹ 4,664.93 crore), receivables relating to consultancy services of ₹ 176.55 crore (Previous Year ₹ 197.77 crore) and receivables relating to telecom business of ₹ 304.05 crore (Previous Year ₹ 321.02 crore).

Unbilled revenue primarily relates to the Company's right to consideration for work completed 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 unbilled revenue)

#### • Cash and cash equivalents

The Company held cash and cash equivalents of ₹ 1,000.18 crore (Previous Year ₹ 570.72 crore). The cash and cash equivalents are held with public sector banks and high rated private sector banks and do not have any significant credit risk.

#### • Deposits with banks and financial institutions

The Company held deposits with banks and financial institutions of ₹ 4,366.02 crore (Previous Year ₹ 4,849.79 crore). Term deposits are placed with public sector banks and have negligible credit risk.

#### • Loans

The Company has given loans to employees, subsidiaries, Joint Venture companies, Government of India and other parties. House building loans and conveyance advance to the employees are secured against the mortgage of the house properties or hypothecation of vehicles for which such loans have been given in line with the policies of the Company. The loans provided to group companies are for projects under Tariff Based Competitive Bidding route and Public private partnership. The risk of default in respect of these loans is considered negligible.

### (iii) Exposure to credit risk

(₹ in crore)

Particulars	As at 31.03.2021	As at 31.03.2020
<b>Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)</b>		
Non-Current Loans	<b>10,474.09</b>	12,783.75
Other non-current financial assets	<b>4,113.33</b>	4,115.09
Cash and cash equivalents	<b>1,000.18</b>	570.72
Deposits with banks and financial institutions	<b>4,366.02</b>	4,849.79
Current loans	<b>5,428.83</b>	879.41
Other current financial assets	<b>874.36</b>	467.89
<b>Total</b>	<b>26,256.81</b>	<b>23,666.65</b>
<b>Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)</b>		
Trade receivables	<b>3,921.74</b>	5,183.72
Unbilled Revenue	<b>7,065.68</b>	5,163.51

### (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 unbilled revenue) 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

In respect of trade receivables and unbilled revenue from Telecom and Consultancy, customer credit risk is managed by regular monitoring of the outstanding receivables and follow-up with the consumer for realization.



## 61. Financial Risk Management (Contd.)

With regard to transmission segment, 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 unbilled revenue continue to have a negligible credit risk on initial recognition and thereafter on each reporting date.

### (v) Ageing analysis of trade receivables

The ageing analysis of the trade receivables is as below:

(₹ in crore)

Ageing	Not due	0-30 days past due	31-60 days past due	61-90 days past due	91-120 days past due	More than 120 days past due	Total
<b>Gross carrying amount as on 31.03.2021</b>	<b>1,742.88</b>	<b>375.46</b>	<b>135.38</b>	<b>133.83</b>	<b>113.70</b>	<b>1,420.49</b>	<b>3,921.74</b>
<b>Gross carrying amount as on 31.03.2020</b>	<b>3.02</b>	<b>2,004.44</b>	<b>889.52</b>	<b>767.18</b>	<b>309.64</b>	<b>1,209.92</b>	<b>5,183.72</b>

### (vi) Reconciliation of impairment loss provisions

The movement in the allowance for impairment in respect of financial assets during the year was as follows:

(₹ in crore)

Particulars	Trade receivables	Investments	Advances	Unbilled Debtors	Total
<b>Balance as at 01.04.2019</b>	<b>337.48</b>	<b>4.05</b>	<b>19.40</b>	<b>105.71</b>	<b>466.64</b>
Impairment loss recognized/ (reversed)	(21.66)	-	-	-	(21.66)
Amounts written off				105.71	105.71
<b>Balance as at 31.03.2020</b>	<b>315.82</b>	<b>4.05</b>	<b>19.40</b>	<b>-</b>	<b>339.27</b>
Impairment loss recognized/ (reversed)	(15.42)	-	0.01	-	(15.41)
Amounts written off					-
<b>Balance as at 31.03.2021</b>	<b>300.40</b>	<b>4.05</b>	<b>19.41</b>	<b>-</b>	<b>323.86</b>

Based on historic default rates, the Company believes that, apart from the above, no impairment allowance is necessary in respect of any other assets as the amounts are insignificant.

### (B) LIQUIDITY RISK

Liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. The Company monitors its risk of a shortage of funds using a liquidity planning tool. The Company has access to a variety of sources of funding such as commercial paper, bank loans, bonds and external commercial borrowings and retains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity position comprising the undrawn borrowing facilities below and cash and cash equivalents on the basis of expected cash flows.

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

## 61. Financial Risk Management (Contd.)

### (i) Financial Arrangement

The Company had access to the following undrawn borrowing facilities at the end of the reporting period.

(₹ in crore)

Particulars	As at 31.03.2021	As at 31.03.2020
Expiring within 1 year (bank overdraft and other facilities)	-	388.15
Expiring beyond one year (bank loans)	6,125.35	5,363.29

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time and have remaining availability period of 1 to 5 years (Previous Year 1 to 5 years).

### (ii) 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 crore)

Contractual maturities of financial liabilities	Within a year	Between 1-5 years	Beyond 5 years	Total
<b>As at 31.03.2021</b>				
Borrowings (including interest outflows)	22,041.83	76,725.17	89,916.93	1,88,683.93
Trade payables	186.30			186.30
<u>Other Financial Liabilities</u>				
Lease liabilities	3.93	9.96	69.26	83.15
Others	7,437.86	1,227.23	4,360.31	13,025.40
<b>Total</b>	<b>29,669.92</b>	<b>77,962.36</b>	<b>94,346.50</b>	<b>2,01,978.78</b>
<b>As at 31.03.2020</b>				
Borrowings (including interest outflows)	21,669.02	81,187.92	1,02,699.76	2,05,556.70
Trade payables	225.72			225.72
<u>Other Financial Liabilities</u>				
Lease liabilities	4.53	5.21	64.38	74.12
Others	8,266.24	1,164.91	4,636.98	14,068.13
<b>Total</b>	<b>30,165.51</b>	<b>82,358.04</b>	<b>1,07,401.12</b>	<b>2,19,924.67</b>

### (C) MARKET RISK

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

- Currency risk
- Interest rate risk
- Other price risk, such as equity price risk and commodity risk.

#### (i) Currency risk

The Company is exposed to currency risk mainly in respect of foreign currency denominated loans and borrowings and procurement of goods and services whose purchase consideration is denominated in foreign currency. Transmission tariff is regulated by the CERC. According to the CERC tariff regulations for the block 2019-24 the Company may hedge foreign exchange exposure in respect of the interest on foreign currency loan and repayment of foreign loan acquired for the transmission system, in part or full in its discretion and recover the cost of hedging of foreign exchange rate variation corresponding to the normative foreign debt, in the relevant year.



## 61. Financial Risk Management (Contd.)

If hedging of the foreign exchange exposure is not undertaken, the extra rupee liability towards interest payment and loan repayment corresponding to the normative foreign currency loan in the relevant year is permissible to be recovered as part of transmission tariff provided it is not attributable to the generating Company or the transmission licensee or its suppliers or contractors. During the Current financial year, no hedging for foreign exchange exposure has been undertaken by the Company. In respect of goods and services procured for Capital Investment, the exchange rate variation is part of the project cost, for determination of transmission tariff. The currency risk in respect of goods and services procured for operation activities is not significant.

The Company's exposure to foreign currency risk not hedged by a derivative instrument or otherwise at the end of the reporting period is as follows:

Particulars	Amount in Foreign Currency (in Crore)			Amount (₹ in Crore)	
		As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020
Borrowings	USD	474.37	493.62	35,131.99	37,544.72
	EURO	66.13	62.88	5,772.18	5,309.08
	SEK	175.51	211.80	1,495.34	1,613.88
	JPY	2,309.06	2,327.24	1,554.00	1,645.13
Interest accrued but not due thereon including Agency Fee, Commitment Fee & other Charges	USD	1.35	3.01	100.24	229.27
	EURO	0.19	0.22	16.41	18.51
	SEK	0.95	1.27	8.05	9.68
	JPY	5.37	5.57	3.61	3.94
Trade Payables/deposits and retention money	USD	4.95	5.39	361.18	391.30
	EURO	3.27	3.80	275.42	314.54
	SEK	15.79	22.52	127.31	177.76
	CHF	0.04	0.02	3.36	1.94
	GBP	1.75	1.90	178.60	179.43
	JPY	76.75	95.43	50.06	63.07
	CAD	0.01	0.01	0.61	0.32
Trade receivables and Bank balances	USD	0.05	0.03	3.73	2.18
	NPR	15.26	23.95	9.54	14.97
	EURO	0.01	-	0.60	-
	BDT	1.25	1.25	0.90	0.90
Amount of contracts remaining to be executed	USD	1.70	2.12	126.48	156.55
	EURO	1.39	2.57	120.96	216.03
	SEK	1.41	3.44	12.05	26.18
	GBP	0.72	1.04	73.41	98.25
	JPY	1.72	9.70	1.16	6.85

### Sensitivity Analysis

Since the impact of strengthening or weakening of Indian rupee against USD, Euro, JPY and other currencies on the statement of profit and loss would not be very significant; therefore, sensitivity analysis for currency risk is not disclosed.

### (ii) Interest rate risk

The Company is exposed to interest rate risk arising mainly from long term borrowings with floating interest rates. The Company is exposed to interest rate risk because the cash flows associated with floating rate borrowings will fluctuate with changes in interest



## 61. Financial Risk Management (Contd.)

rates. The Company manages the interest rate risks by maintaining a debt portfolio comprising a mix of fixed and floating rate borrowings in domestic and foreign currencies.

At the reporting date, the interest rate profile of the Company's variable interest rate-bearing financial instruments is as follows:

(₹ in crore)

Particulars	As at 31.03.2021	As at 31.03.2020
<b>Long Term Debt with floating rate of interest</b>		
- Domestic	26,204.65	26,107.40
- Foreign	36,018.86	37,907.16
<b>Sub Total</b>	<b>62,223.51</b>	<b>64,014.56</b>
<b>Long Term Debt with fixed rate of interest</b>		
- Domestic	71,093.40	72,769.95
- Foreign	7,934.57	8,195.13
<b>Sub Total</b>	<b>79,027.97</b>	<b>80,965.08</b>
<b>Total Long Term Debt</b>	<b>1,41,251.48</b>	<b>1,44,979.64</b>
<b>% of Floating Interest Rate Debt to Total Long Term Debt</b>	<b>44.05%</b>	<b>44.15%</b>

### Fair value sensitivity analysis for interest-rate risk

As per CERC Regulations, interest on loan during construction forms part of project cost for the purpose of tariff and after the date of commercial operation, interest on loans is recoverable through tariff calculated on the normative average loan of the year by applying the weighted average rate of interest of the actual loan portfolio.

Accordingly, the Company's interest rate risk is not considered significant; hence sensitivity analysis for the risk is not disclosed.

### (iii) Other price risk

The Company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance sheet as fair value through OCI.

Considering the magnitude of equity investments, no significant risk is expected to arise.

## 62. 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 crore)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
<b>Current Tax</b>		
Current tax on profits for the year	2,527.55	2,108.83
Adjustments for current tax of prior periods	1.56	121.91
Pertaining to regulatory deferral account balances (A)	84.44	356.39
<b>Total Current Tax Expense (B)</b>	<b>2,613.55</b>	<b>2,587.13</b>
<b>Deferred Tax Expense</b>		
Origination and reversal of temporary differences	560.03	1,288.83
Previously unrecognized tax credit recognized as Deferred Tax Asset this year		
<b>Total Deferred Tax Expense / Benefit (C)</b>	<b>560.03</b>	<b>1,288.83</b>
<b>Income tax expense (B+C-A)</b>	<b>3,089.14</b>	<b>3,519.57</b>
<b>Pertaining to regulatory deferral account balances</b>	<b>84.44</b>	<b>356.39</b>
<b>Total tax expense including tax on movement in regulatory deferral account balances</b>	<b>3,173.58</b>	<b>3,875.96</b>



## 62. Income Tax expense (Contd.)

### (b) Income Tax recognized in Regulatory Deferral Account Balances:

(₹ in crore)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Deferred assets for Deferred tax liability	568.46	1,297.69
Foreign Currency Fluctuation	(85.17)	742.10
Employee Benefits Expenses	-	-
Total Regulatory Deferral Account Balances Before Tax - Income / (Expenses)	483.29	2,039.79
Current Tax on Regulatory Deferral Account Balances	84.44	356.39
<b>Net Movement in Regulatory Deferral Account Balances - Income / (Expenses) (net of Tax)</b>	<b>398.85</b>	<b>1,683.40</b>

### (c) Income Tax recognized in other comprehensive income:

(₹ in crore)

Particulars	For the year ended 31.03.2021			For the year ended 31.03.2020		
	Before Tax	Tax expense/ (benefit)	Net of Tax	Before Tax	Tax expense/ (benefit)	Net of Tax
Net gains/(losses) on fair valuation of equity instruments	39.80	-	39.80	(49.35)	-	(49.35)
Net actuarial losses on defined benefit plans	(19.94)	(3.49)	(16.45)	(74.47)	(13.01)	(61.46)
Less: Transferred to expenditure during construction (net)	(2.44)	(0.43)	(2.01)	(8.23)	(1.44)	(6.79)
<b>Other Comprehensive Income (Net of Tax)</b>	<b>22.30</b>	<b>(3.06)</b>	<b>25.36</b>	<b>(115.59)</b>	<b>(11.57)</b>	<b>(104.02)</b>

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

(₹ in crore)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Profit before income tax expense including movement in Regulatory Deferral Account Balances	15,109.36	14,687.14
<b>Tax at the Company's domestic tax rate of 34.944 %</b>	<b>5,279.81</b>	<b>5,132.27</b>
Tax effect of:		
Non Deductible tax items	(2,563.68)	(2,567.00)
Tax exempt income	(2,116.44)	(1,899.30)
Previous Years tax liability	1.56	121.91
Deferred Tax expense/(income)	560.03	1,288.83
Minimum alternate tax adjustments	2,012.30	1,799.25
<b>Income tax expense</b>	<b>3,173.58</b>	<b>3,875.96</b>

### 63. Employee Benefit Obligations

(₹ in crore)

Particulars	31 March 2021			31 March 2020		
	Current	Non-current	Total	Current	Non-current	Total
Leave Obligations	56.33	411.66	467.99	41.96	382.50	424.46
Post-Retirement Medical Facility (PRMF)	22.58	579.62	602.20	20.82	522.05	542.87
Other Employee benefits /Long Service Award	1.46	20.31	21.77	1.12	15.91	17.03
Gratuity	77.40	514.20	591.60	74.08	527.83	601.91
Other Defined retirement benefits (ODRB)/ Baggage Allowance	2.37	21.10	23.47	2.06	18.90	20.96
<b>Total employee benefit obligations</b>	<b>160.14</b>	<b>1546.89</b>	<b>1707.03</b>	<b>140.04</b>	<b>1467.19</b>	<b>1607.23</b>

#### (i) Long Term Employee Benefits

##### A. Leave Obligations

The Company provides for earned leave benefit (including compensated absences) and half-pay leave to the employees of the company which accrue annually at 30 days and 20 days respectively. Earned leave is encashable while in service. Half pay leaves (HPL) are encashable only on separation beyond the age of 55 years upto the maximum of 300 days (HPL). However, total number of leave that can be encashed on superannuation shall be restricted to 300 days and no commutation of half pay leave shall be permissible. The liability for same is recognized on the basis of actuarial valuation.

##### B. Other employee benefits – POWERGRID Employee Family Rehabilitation Scheme

The company has introduced POWERGRID Employees Family Economic Rehabilitation Scheme on 24.06.2017. The Objective of the scheme is to provide monetary assistance and support to an employee in case of his/her permanent total disablement and to his/her family in case of death while in service. The beneficiary would be entitled to monthly payment equivalent to the employee's 50% of one month pay last drawn provided the beneficiary deposits with the company an amount equal to PF (excluding VPF) balance, Gratuity amount and Group Insurance (EDLI) amount. Such monthly payment would continue till the normal notional date on which the employee concerned would have attained the age of superannuation had the employee continued in the service of the company. The scheme is optional. Provision for POWERGRID Employees Family Economic Rehabilitation Scheme amounting to ₹ 1.58 crore (up to Previous Year ₹ 8.09 crore) for the year has been made during the year based on actuarial valuation.

#### (ii) Post-employment obligations (Defined Employee Benefit/Contribution Schemes)

##### A. Post-Retirement Medical Facility (PRMF)

The Company has Post-Retirement Medical Facility (PRMF), under which retired employees and the spouse are provided medical facilities in the empaneled hospitals. They can also avail treatment as Out-Patient subject to a ceiling fixed by the company. The liability for the same is recognized on the basis of actuarial valuation on annual basis on the Balance Sheet date. The scheme is funded by the company and is managed by a separate trust constituted on 01 May 2018.

##### B. Other employee benefits – Long Service Award

This benefit is applicable to all regular employees of the company (except for Directors and CMD) who have superannuated after completing at least 10 years of service. This scheme is unfunded and liability for the same is recognised on the basis of actuarial valuation on annual basis on the balance sheet date.

##### C. Gratuity

The company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to get gratuity at 15 days salary (15/26 x last drawn basic salary plus, dearness allowance) for each completed year of service on superannuation, resignation, termination, disablement or on death subject to a maximum of ₹ 20 lacs. The scheme is funded by the company and is managed by a separate trust. The liability for the same is recognized on the basis of actuarial valuation on annual basis on the Balance Sheet date. Company has carried out the actuarial valuation of Gratuity benefit considering ceiling of ₹ 20 Lakhs.



### 63. Employee Benefit Obligations (Contd.)

D. Other Defined Retirement Benefits (ODRB)/Baggage Allowance

The Company has a scheme for settlement at the time of superannuation at anywhere in India and dependents to superannuated employees. The scheme is unfunded and liability for the same is recognized on the basis of actuarial valuation on annual basis on the Balance Sheet date.

E. Provident Fund

Company pays fixed contribution to Provident Fund at predetermined rate to a separate trust, which invests the funds in permitted securities. Contribution to family pension scheme is paid to the appropriate authorities. The contribution to the fund and EPS scheme for the year amounting to ₹ 128.30 crore (previous year ₹ 124.43 crore) has been recognized as expense and is charged to Statement of Profit and Loss. The obligation of the company is limited to such fixed contribution and to ensure a minimum rate of interest on contributions to the members as specified by GOI. As per the report of actuary overall interest earning and cumulative surplus is more than statutory interest payment requirement. Hence, no further provision is considered necessary. Since the company does not have unconditional right over the PF corpus, the surplus has not been recognized in the Balance Sheet.

(₹ in crore)

Particulars	31 March 2021			31 March 2020		
	Current	Non-current	Total	Current	Non-current	Total
Provident Fund (PF)	438.42	2821.90	3260.32	376.22	2679.65	3055.87

(₹ in crore)

Particulars	PF		
	Present value of obligation	Fair value of plan assets	Net amount
<b>01 April 2020</b>	<b>3055.87</b>	<b>3146.09</b>	<b>(90.22)</b>
Service cost	115.35	-	115.35
Interest expense (income)	254.71	207.78	46.93
<b>Total</b>	<b>370.06</b>	<b>207.78</b>	<b>162.28</b>
<b>Re measurements</b>			
Return on plan assets, excluding amount included in interest expense/(income)	-	-	-
(Gain)/Loss from change in demographic assumptions	-	-	-
(Gain)/Loss from change in financial assumptions	-	-	-
Experience (Gain)/ Losses	1.72	-	1.72
<b>Total</b>	<b>1.72</b>	<b>-</b>	<b>1.72</b>
Employee contributions	256.88	372.23	(115.35)
Benefits payments	(424.21)	(424.21)	-
<b>31 March 2021</b>	<b>3260.32</b>	<b>3301.89</b>	<b>(41.57)</b>

(₹ in crore)

Particulars	PF		
	Present value of obligation	Fair value of plan assets	Net amount
<b>01 April 2019</b>	<b>2757.58</b>	<b>2844.43</b>	<b>(86.85)</b>
Service cost	111.20	-	111.20
Interest expense (income)	235.36	248.49	(13.13)
<b>Total</b>	<b>346.56</b>	<b>248.49</b>	<b>98.07</b>
<b>Re measurements</b>			
Return on plan assets, excluding amount included in interest expense/(income)	-	-	-
(Gain)/Loss from change in demographic assumptions	0.01	-	0.01

### 63. Employee Benefit Obligations (Contd.)

(₹ in crore)

Particulars	PF		Net amount
	Present value of obligation	Fair value of plan assets	
(Gain)/Loss from change in financial assumptions	0.59	-	0.59
Experience (Gain)/ Losses	9.16	-	9.16
<b>Total</b>	<b>9.76</b>	<b>-</b>	<b>9.76</b>
Employee contributions	250.63	361.83	(111.20)
Benefits payments	(308.66)	(308.66)	-
<b>31 March 2020</b>	<b>3055.87</b>	<b>3146.09</b>	<b>(90.22)</b>

The net liability disclosed above relates to Provident Fund is as follows:

(₹ in crore)

Particulars	PF	
	31 March 2021	31 March 2020
Present value of funded obligations	3260.32	3055.87
Fair value of plan assets	3301.89	3146.09
<b>Deficit/(Surplus) of funded plan</b>	<b>(41.57)</b>	<b>(90.22)</b>

Sensitivity Analysis of Provident Fund:

(₹ in crore)

Particulars	PF
a) Impact of change in discount rate	
Present value of Obligation at the end of period	3260.32
- Impact due to increase of 0.5%	(0.46)
- Impact due to decrease of 0.5%	0.49

The major categories of plan assets (PF) are as follows:

(₹ in crore)

Particulars	31 March 2021				31 March 2020			
	Quoted	Unquoted	Total	In %	Quoted	Unquoted	Total	In %
Equity instruments (ETF)	60.56	-	60.56	2%	30.49	-	30.49	1%
<b>Debt instruments</b>								
Govt/State Bonds	1774.95	-	1774.95	54%	1689.26	-	1689.26	54%
PSU and Private Bonds	1308.56	-	1308.56	40%	1238.94	-	1238.94	39%
Bank Balance	51.12	-	51.12	1%	25.09	-	25.09	1%
Other Receivables	106.70	-	106.70	3%	162.31	-	162.31	5%
<b>Total</b>	<b>3301.89</b>	<b>-</b>	<b>3301.89</b>		<b>3146.09</b>	<b>-</b>	<b>3146.09</b>	

Fair value of company's own transferable financial instruments held as plan assets is ₹ 73.52 crore as on 31 March 2021 (₹ 79.28 crore as on 31 March 2020).

The expected maturity analysis of provident fund is as follows:

(₹ in crore)

Particulars	Less than a year	Between 1-2 year	Between 2-5 years	Over 5 years	Total
<b>31 March 2021</b>	<b>438.42</b>	<b>338.33</b>	<b>737.81</b>	<b>1745.76</b>	<b>3260.32</b>
<b>31 March 2020</b>	<b>376.21</b>	<b>242.77</b>	<b>677.75</b>	<b>1759.14</b>	<b>3055.87</b>



### 63. Employee Benefit Obligations (Contd.)

#### F. Pension

The Company has scheme of employees defined Pension Contribution. Company contribution is paid to separate trust. Amount of contribution paid/payable for the year is ₹ 62.63 crore (previous year ₹ 114.82 crore) has been recognized as expense and is charged to Statement of Profit & Loss.

The summarized position of various employee benefit obligations is as follows:

(₹ in crore)

Particulars	Gratuity			ODRB			Leaves			PRMF		
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount
<b>01 April 2020</b>	<b>601.91</b>	<b>554.99</b>	<b>46.92</b>	<b>20.96</b>	-	<b>20.96</b>	<b>424.46</b>	-	<b>424.46</b>	<b>542.87</b>	<b>518.16</b>	<b>24.71</b>
Service cost	24.57	-	24.57	1.44	-	1.44	47.35	-	47.35	18.15	-	18.15
Interest expense (income)	40.63	39.91	0.72	1.41	-	1.41	28.65	-	28.65	36.65	-	36.65
<b>Total amount recognized in profit or loss</b>	<b>65.20</b>	<b>39.91</b>	<b>25.29</b>	<b>2.85</b>	-	<b>2.85</b>	<b>76.00</b>	-	<b>76.00</b>	<b>54.80</b>	<b>0.00</b>	<b>54.80</b>
<b>Re measurements</b>												
Return on plan assets, excluding amount included in interest expense/(income)	-	-	-	-	-	-	-	-	-	-	73.33	(73.33)
(Gain)/Loss from change in demographic assumptions	-	-	-	-	-	-	-	-	-	-	-	-
(Gain)/Loss from change in financial assumptions	-	-	-	-	-	-	-	-	-	-	-	-
Experience (Gain)/Losses	(3.46)	-	(3.46)	(0.31)	-	(0.31)	47.97	-	47.97	29.77	-	29.77
<b>Total amount recognized in other comprehensive income</b>	<b>(3.46)</b>	<b>0.00</b>	<b>(3.46)</b>	<b>(0.31)</b>	-	<b>(0.31)</b>	<b>47.97</b>	-	<b>47.97</b>	<b>29.77</b>	<b>73.33</b>	<b>(43.56)</b>
Employer contributions	-	69.81	(69.81)	-	-	-	-	-	-	-	9.64	(9.64)
Benefits payments	(72.05)	(72.05)	-	(0.03)	-	(0.03)	(80.44)	-	(80.44)	(25.24)	-	(25.24)
<b>31 March 2021</b>	<b>591.60</b>	<b>592.66</b>	<b>(1.06)</b>	<b>23.47</b>	-	<b>23.47</b>	<b>467.99</b>	-	<b>467.99</b>	<b>602.20</b>	<b>601.13</b>	<b>1.07</b>



**63. Employee Benefit Obligations (Contd.)**

(₹ in crore)

Particulars	Gratuity			ODRB			Leaves			PRMF		
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount
<b>01 April, 2019</b>	<b>626.44</b>	<b>590.28</b>	<b>36.16</b>	<b>18.74</b>	-	<b>18.74</b>	<b>371.69</b>	-	<b>371.69</b>	<b>438.98</b>	<b>418.68</b>	<b>20.30</b>
Service cost	25.51	-	25.51	1.24	-	1.24	31.39	-	31.39	11.55	-	11.55
Interest expense (income)	48.55	47.22	1.33	1.45	-	1.45	28.80	-	28.80	34.02	39.58	(5.56)
<b>Total amount recognized in profit or loss</b>	<b>74.06</b>	<b>47.22</b>	<b>26.84</b>	<b>2.69</b>	-	<b>2.69</b>	<b>60.19</b>	-	<b>60.19</b>	<b>45.57</b>	<b>39.58</b>	<b>5.99</b>
<b>Re measurements</b>												
Return on plan assets, excluding amount included in interest expense/ (income)	-	0.93	(0.93)	-	-	-	-	-	-	-	22.57	(22.57)
(Gain)/Loss from change in demographic assumptions	(0.37)	-	(0.37)	(0.01)	-	(0.01)	0.09	-	0.09	(0.28)	-	(0.28)
(Gain)/Loss from change in financial assumptions	42.77	-	42.77	1.81	-	1.81	36.83	-	36.83	55.69	-	55.69
Experience (Gain)/ Losses	(37.70)	-	(37.70)	(2.18)	-	(2.18)	22.91	-	22.91	23.99	-	23.99
<b>Total amount recognized in other comprehensive income</b>	<b>4.70</b>	<b>0.93</b>	<b>3.77</b>	<b>(0.38)</b>	-	<b>(0.38)</b>	<b>59.83</b>	-	<b>59.83</b>	<b>79.40</b>	<b>22.57</b>	<b>56.83</b>
Employer contributions	-	19.85	(19.85)	-	-	-	-	-	-	-	58.41	(58.41)
Benefits payments	(103.29)	(103.29)	-	(0.09)	-	(0.09)	(67.25)	-	(67.25)	(21.08)	(21.08)	-
<b>31 March 2020</b>	<b>601.91</b>	<b>554.99</b>	<b>46.92</b>	<b>20.96</b>	-	<b>20.96</b>	<b>424.46</b>	-	<b>424.46</b>	<b>542.87</b>	<b>518.16</b>	<b>24.71</b>



### 63. Employee Benefit Obligations (Contd.)

The net disclosed above relates to funded and unfunded plans are as follows: -

(₹ in crore)

Particulars	Gratuity		ODRB		Leaves		PRMF	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Present value of funded obligations	591.60	601.91	-	-	-	-	602.20	542.87
Fair value of plan assets	592.66	554.99	-	-	-	-	601.13	518.16
<b>Deficit/(Surplus) of funded plan</b>	<b>(1.06)</b>	<b>46.92</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.07</b>	<b>24.71</b>
<b>Unfunded plans</b>	<b>-</b>	<b>-</b>	<b>23.47</b>	<b>20.96</b>	<b>467.99</b>	<b>424.46</b>	<b>-</b>	<b>-</b>

The company expects to contribute ₹ 36.07 crore to the gratuity trust during the FY 2021-22.

#### (iii) Significant actuarial assumptions for Post-Employment Benefits:

##### Economic Assumptions

Particulars	Gratuity, ODRB, Pension, PRMF, PF	
	31 March 2021	31 March 2020
Discount rate	6.75%	6.75%
Salary growth rate (except for PF)	6.50%	6.50%

The discount rate is generally based upon the market yields available on Govt. Bonds at the accounting date relevant to currency of benefit payments for a term that matches the liabilities. Salary growth rate is companies' long term best estimate as to salary increases and takes account of inflation, seniority, promotion, business plan, HR Policy and other relevant factors on long term basis.

##### Demographic Assumptions

Particulars	31 March 2021	31 March 2020
i) Retirement Age	60	60
ii) Mortality rates inclusive of provision for disability	100% of IALM (2012-14)	100% of IALM (2012-14)
iii) Ages		
	Withdrawal rate %	Withdrawal %
Upto 30 years	3	3
From 31 to 44 years	2	2
Above 44 years	1	1

Mortality rates for specimen ages

Age	Mortality rate	Age	Mortality rate	Age	Mortality rate
15	0.000698	45	0.002579	75	0.038221
20	0.000924	50	0.004436	80	0.061985
25	0.000931	55	0.007513	85	0.100979
30	0.000977	60	0.011162	90	0.163507
35	0.001202	65	0.015932	95	0.259706
40	0.00168	70	0.024058	100	0.397733

### 63. Employee Benefit Obligations (Contd.)

#### (iv) Sensitivity Analysis of the defined benefit obligation

(₹ in crore)

Particulars	Gratuity	ODRB	Leave	PRMF
<b>a) Impact of change in discount rate</b>				
Present value of Obligation at the end of period	591.60	23.47	467.99	602.20
- Impact due to increase of 0.5%	(22.79)	(0.89)	(22.19)	(33.27)
- Impact due to decrease of 0.5%	24.85	0.96	24.24	35.08
<b>b) Impact of change in salary increase</b>				
Present value of Obligation at the end of period	591.60	23.47	467.99	602.20
- Impact due to increase of 0.5%	8.60	0.98	24.12	35.83
- Impact due to decrease of 0.5%	(9.11)	(0.90)	(22.21)	(33.61)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

The sensitivity analysis above has been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. This analysis may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

#### (v) The major categories of plan assets (Gratuity) are as follows:

(₹ in crore)

Particulars	31 March 2021				31 March 2020			
	Quoted	Unquoted	Total	In %	Quoted	Unquoted	Total	In %
Equity instruments (ETF)	3.14	-	3.14	1%	3.14	-	3.14	1%
<b>Debt instruments</b>								
Govt/State Bonds	316.42	-	316.42	54%	280.98	-	280.98	49%
PSU and Private Bonds	266.28	-	266.28	45%	286.85	-	286.85	50%
<b>Total*</b>	<b>585.84</b>	<b>-</b>	<b>585.84</b>		<b>570.97</b>	<b>-</b>	<b>570.97</b>	

\*Fair valuation as per actuarial valuation is ₹ 592.66 crore (Previous Year ₹ 554.99 crore).

Fair value of company's own transferable financial instruments held as plan assets is ₹ 56.03 (Previous Year ₹ 65.11 crore).

#### (vi) The major categories of plan assets (PRMF) are as follows:

(₹ in crore)

Particulars	31 March 2021				31 March 2020			
	Quoted	Unquoted	Total	In %	Quoted	Unquoted	Total	In %
Equity instruments (ETF)	-	-	-	-	-	-	-	-
<b>Debt instruments</b>								
Govt/State Bonds	296.17	-	296.17	51%	265.64	-	265.64	52%
PSU and Private Bonds	288.93	-	288.93	49%	240.87	-	240.87	48%
<b>Total#</b>	<b>585.10</b>	<b>-</b>	<b>585.10</b>		<b>506.51</b>	<b>-</b>	<b>506.51</b>	

#Fair valuation as per actuarial valuation is ₹ 601.13 crore (Previous Year ₹ 518.16 crore)



### 63. Employee Benefit Obligations (Contd.)

#### (vii) Description of Risk exposures

Valuation is based on certain assumptions which are dynamic in nature and vary over time. As such company is exposed to various risks as follows:

- A) Salary Increases (except for PF) – Actual salary increase will increase the plan's liability. Increase in salary increase rate assumptions in future valuation will also increase the liability.
- B) Investment risk – If plan is funded then assets liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability
- C) Discount Rate – Reduction in discount rate in subsequent valuations can increase the plan's liability.
- D) Mortality & disability – Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- E) Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

#### (viii) Defined benefit liability and employee contribution

The weighted average duration of the defined benefit obligations is 39.57 years (Previous Year 40.18years). The expected maturity analysis of undiscounted pension, gratuity, other defined retirement benefit and post-employment medical benefits is as follows:

(₹ in crore)

Particulars	Less than a year	Between 1-2 year	Between 2-5 years	Over 5 years	Total
<b>31 March 2021</b>					
Defined benefit obligation (Gratuity)	77.40	73.30	148.99	291.91	591.60
Post-employment medical benefits	22.58	28.78	112.44	438.40	602.20
ODRB	2.37	2.42	5.27	13.41	23.47
Other employee benefits (LSA)	1.46	1.46	3.42	15.43	21.77
<b>Total</b>	<b>103.81</b>	<b>105.96</b>	<b>270.12</b>	<b>759.15</b>	<b>1239.04</b>
<b>31 March 2020</b>					
Defined benefit obligation (Gratuity)	74.08	67.03	170.22	290.58	601.91
Post-employment medical benefits	20.82	26.55	103.69	391.81	542.87
ODRB	2.06	1.95	5.37	11.58	20.96
Other employee benefits (LSA)	1.12	1.11	3.11	11.69	17.03
<b>Total</b>	<b>98.08</b>	<b>96.64</b>	<b>282.39</b>	<b>705.66</b>	<b>1182.77</b>

### 64. Disclosure of material impact of COVID-19 pandemic on listed entities under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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 CERC Tariff Regulations which provide for recovery of the annual transmission charges based on system availability.

Due to the continuing 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. The Company has issued guidelines and protocols to be followed by its various units for the operation and maintenance of its transmission network during the pandemic. The Company has also implemented digital solutions such as e-office, ERP systems, Virtual Private Network, Video Conferencing etc. to facilitate Work from Home of its employees. Due to the various steps taken by the Company, 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 2021.

#### **64. Disclosure of material impact of COVID-19 pandemic on listed entities under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Contd.)**

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 except a consolidated one-time rebate of ₹ 1,078.64 crore given to DISCOMs and Power Departments of States / Union Territories for passing on to end consumers on account of COVID-19 pandemic against the billing of April 2020 and May 2020. Due to said consolidated one-time rebate, there is a reduction in the profit for the year and the same has been disclosed under “Exceptional items” in the Statement of Profit and loss.

The Company has made an assessment of 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 investments 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.

#### **65. Other Notes**

##### **A. Incorporation of wholly owned subsidiary of POWERGRID to undertake Telecommunications and Digital Technology Business of the company**

Board of Directors has accorded in-principal approval on 07.11.2019 to form a wholly owned subsidiary of the Company to undertake Telecommunications and Digital Technology business. The Ministry of Power, Govt. of India, in consultation with NITI Aayog has given approval for incorporation of wholly owned subsidiary of the Company on 05.03.2020. Further, as per regulation 8 (4) of Central Electricity Regulatory Commission (Sharing of Revenue Derived from Utilization of Transmission Assets for Other Business) Regulations, 2020, a petition has been filed with CERC on 04.05.2020 for prior approval of the Hon`ble Commission. The petition was admitted by CERC on 14.07.2020, further hearing was held on 15.04.2021 and approval of CERC is awaited. The Company is evaluating the methodology/ Transaction Scheme for transfer of said business including but not limited to identification of assets and liabilities.

The Company will continue to operate the Telecommunication and Digital Technology business until the above significant activities are completed. As the said business is not available for immediate sale in its present condition, hence the same is not classified as “disposal group held for sale”.

##### **B. Incorporation of wholly owned subsidiary of POWERGRID to undertake Energy Management services and Consultancy Business of the company**

Board of Directors has accorded in-principle approval on 28.03.2020 to form a wholly owned subsidiary of the Company to undertake the Energy Management Projects in India and abroad as an investor and/or Project Management Consultant (PMC) to provide services, products, investment & consultancy related to Energy Management. Ministry of Power, Govt. of India, in consultation with NITI Aayog has given approval for incorporation of wholly owned subsidiary of the Company on 08.02.2021.

The Company is evaluating the methodology/ Transaction Scheme for transfer of consultancy business including but not limited to identification of assets and liabilities. The Company will continue to operate the Consultancy business until the incorporation of the new subsidiary.

As the said business is not available for immediate sale in its present condition, hence the same is not classified as “disposal group held for sale”.

##### **C. Acquisitions under process**

The Company being the successful bidder in TBCB Projects under the SPVs namely Fatehgarh Bhadla Transco Limited, Sikar New Transmission Limited, Sikar II Aligarh Transmission Limited has received Letters of Intent from concerned Bid Process Coordinators (REC Power Distribution Company Limited/ PFC Consulting Limited) and is in the process of acquiring the above stated 3 SPVs as on 31.03.2021.

##### **D. Transfer of function of Central Transmission Utility (CTU) from the company**

Ministry of Power vide Gazette notification dated 09.03.2021 notified that, with effect from 01.04.2021, “Central Transmission Utility of India Limited (CTUIL), a wholly owned subsidiary of the company incorporated on 28.12.2020”

**65. Other Notes (Contd.)**

to undertake and discharge all functions of CTU pursuant to the provisions of the Electricity Act, 2003 or any regulations or directions of the central commission or authority or any other directions or functions prescribed by the Central Government in that regard. In pursuant to referred notification, the functions of CTU are transferred to CTUIL w.e.f. 01.04.2021.

- E.** “Transmission capacities in the Inter State Transmission System (ISTS) are granted by CTU in form of Long Term Access (LTA) and Medium Term Open Access (MTOA) to Designated ISTS Customers (‘DIC’). LTA Customers had filed petitions, from time to time, in the CERC with regard to relinquishment of their LTAs citing force majeure events. CERC vide its Order dated 08.03.2019 in Petition 92/MP/2015 has directed CTU to determine the relinquishment charges for the stranded capacity due to relinquishment of their LTA. Accordingly, the relinquishment charges were computed by the CTU as per the mechanism given in the Order and demand has been raised on all the relinquished LTA customers. As per Clause (3) of Regulation 18 of the CERC Connectivity Regulations, on receipt of the relinquished charges from the relinquished LTA customers, the same shall be passed on to the DIC’s. However, some of the LTA customers had filed appeals in Appellate Tribunal (APTEL) against the above CERC Order or against the demand for relinquishment charges raised by the CTU and appeals are still to be disposed by the Court.

The above relinquishment charges are neither an asset nor liability of the company as per the definition of assets and liability given in “Conceptual Framework for Financial Reporting under Indian Accounting Standards” issued by Institute of Chartered Accountants of India (ICAI). Hence, there is no financial impact to the company.

Further, Ministry of Power vide Gazette notification dated 09.03.2021 notified that, with effect from 01.04.2021, “Central Transmission Utility of India Limited (CTUIL), a wholly owned subsidiary of the company incorporated on 28.12.2020” to undertake and discharge all functions of CTU.

**F. Recent Pronouncements**

The Ministry of Corporate Affairs (“MCA”) through a notification dated 24.03.2021, amended Division II of Schedule III of the Companies Act, 2013 w.e.f. 01.04.2021. The Company will assess and implement the amendments to Division II in the FY 2021-22, as applicable.

- G.** The Code on Social Security, 2020 (‘Code’) relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

**66. a)** Figures have been rounded off to nearest rupees in crore up to two decimals.

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

**For and on behalf of the Board of Directors**

**Mrinal Srivastava**  
Company Secretary

**Mohammed Taj Mukarrum**  
Director (Finance)

**K. Sreekant**  
Chairman & Managing Director

**As per our report of even date**

**For T R CHADHA & CO LLP**  
Chartered Accountants  
FRN : 006711N/N500028

**For UMAMAHESWARA RAO & CO**  
Chartered Accountants  
FRN : 004453S

**For B M CHATRATH & CO LLP**  
Chartered Accountants  
FRN : 301011E/E300025

**For PSD & ASSOCIATES**  
Chartered Accountants  
FRN : 004501C

**CA Neena Goel**  
Partner  
M. No. 057986  
Place: Gurugram

**CA G. Sivaramakrishna Prasad**  
Partner  
M. No. 024860  
Place: Gurugram

**CA Sanjay Sarkar**  
Partner  
M. No. 064305  
Place: Kolkata

**CA Satish Chandra Sharma**  
Partner  
M. No. 072846  
Place: Jaipur

Date: 17 June 2021  
Place: Gurugram



## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF POWER GRID CORPORATION OF INDIA LIMITED

#### Report on the Audit of the Standalone Financial Statements

##### Opinion

We have audited the accompanying standalone financial statements of Power Grid Corporation of India Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, the profit & total comprehensive income, changes in equity and its cash flows for the year ended on that date.

##### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) 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 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 (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

##### Emphasis of Matter

We draw attention to the following matter in the notes to the Standalone financial statements:

- In respect of provisional recognition of revenue from transmission assets for which final tariff orders are yet to be issued by the CERC [Refer Note No. 35(b)]

Our opinion is not modified in respect of the above matter.

##### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year ended 31 March 2021. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
1	<b><u>Recognition of Revenue from Transmission Income</u></b> Transmission Income is accounted for based on tariff orders notified by the CERC. In case of transmission projects where final tariff orders are yet to be notified, transmission income is accounted for on provisional basis as per Tariff Regulations and Orders of the CERC in earlier cases. Difference, if any, is accounted for on issuance of final Tariff Orders by the CERC. As at each reporting date, transmission income also includes an accrual for services rendered to the customers but not yet billed i.e. Unbilled Revenue.	Our audit approach involved: Obtaining an understanding of the CERC Tariff Regulations, Orders, Circulars, Guidelines and the Company's internal circulars and procedures in respect of recognition and measurement of revenue from transmission of power. <ul style="list-style-type: none"> <li>• Evaluated and tested the effectiveness of the design of Internal controls relating to recognition and measurement of revenue from Transmission.</li> <li>• Verified the transmission revenue based on the CERC Tariff Regulation, Orders, Circulars, Guidelines and the company's internal circulars.</li> </ul>



	<p>This is considered as Key Audit Matter due to the nature and extent of estimates made as per CERC Tariff Regulations and contracts with customers for recognition of revenue.</p> <p>(Refer Note No. 35(b) Standalone Financial Statement)</p>	<ul style="list-style-type: none"> <li>Verified on test basis, the income recognised on provisional basis as per the regulatory guidelines and orders of the CERC in recent cases where tariff orders were issued, for the assets whose final orders are yet to be notified by CERC, based on the date of commercial operation (DOC0) letters issued by Regional technical heads, and capital cost, as certified by the Management.</li> </ul>
2	<p><b><u>Deferred Tax Assets relating to MAT credit entitlement</u></b></p> <p>The Company has considered MAT credit in anticipation of set off against the tax payable in future years and created Deferred Tax Asset for the same during the year. Corresponding to the said MAT Credit Entitlement, a Deferred Regulatory liability payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations has been recognized.</p> <p>We identified this as a key audit matter because of the importance of this matter to the intended users of the financial statements and its materiality and requirement of judgement in assessing future taxable profits for recognition of MAT credit entitlement.</p> <p>(Refer Note No.26 of Standalone financial statements.)</p>	<p>Our audit approach involved:</p> <ul style="list-style-type: none"> <li>Reviewing the current status of availability of MAT credits.</li> <li>Assessing the related forecasts of future taxable profits, evaluated the reasonableness and consistency of the considerations/assumptions underlying the preparation of these forecasts.</li> <li>Based on the above procedures performed, the recognition and measurement of Deferred tax asset relating to MAT credit entitlement and corresponding Regulatory Deferral Liability towards customers, is considered adequate and reasonable.</li> </ul>
3	<p><b><u>Assessment of Contingent liabilities in respect of certain litigations including land compensation, direct and indirect taxes, various claims filed by other parties not acknowledged as debt.</u></b></p> <p>There is a high level of judgement required in estimating the contingent liabilities. The company's assessment of contingent liabilities is supported by the facts of the matter, Company's judgement thereon, past experience and advices from legal and independent tax consultants wherever necessary.</p> <p>We identified the above area as Key Audit Matters in view of associated uncertainty relating to the outcome of these matter.</p> <p>(Refer Note No. 58 of Standalone financial statements)</p>	<p>We have obtained an understanding of the Company's procedure in respect of estimation and disclosure of contingent liabilities and adopted the following audit procedure:</p> <ul style="list-style-type: none"> <li>Reviewing the current status and material developments of legal matters.</li> <li>Examining recent orders from competent authorities and/or communication received from various authorities, judicial forums and follow-up action thereon.</li> <li>Review and analysis of evaluation of the contentions of the company through discussions, collection of details of the subject matter under consideration, the likely outcome and consequent potential outflows on those issues.</li> </ul>

#### Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our Auditor's Report thereon. The other information as identified above is expected to be made available to us after the date of this Auditor's Report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read those documents including annexures, if any thereon, if we conclude that there is a material misstatement therein, we shall communicate the matter to those charged with the governance.

### **Management's Responsibility for the Standalone 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 financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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 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 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 financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls 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 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 Company'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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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



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

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in **Annexure '1'** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. In terms of section 143(5) of the Companies Act, 2013, we give in the **Annexure '2'** our report on the directions issued by the Comptroller and Auditor General of India.
3. As required by Section 143(3) of the Act, based on our audit 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;
  - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with the relevant rules issued thereunder;
  - (e) In view of exemption given vide notification no. G.S.R. 463(E) dated June 5, 2015, issued by the Ministry of Corporate Affairs, provisions of Section 164(2) of the Act regarding disqualification of Directors, are not applicable to the Company;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting with reference to standalone financial statements of the company and the operating effectiveness of such controls, refer to our separate report in **Annexure '3'**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Standalone financial statements.
  - (g) Pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of Section 197 of the Companies Act, 2013, are not applicable to the Company, being a Government Company; and
  - (h) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i) The Company has disclosed the impact of pending litigations on its financial position in its Standalone financial statements – Refer Note 58 to the Standalone financial statements.
    - ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
    - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

#### For T R CHADHA & CO LLP

Chartered Accountants  
FRN : 006711N/N500028

#### For UMAMAHESWARA RAO & CO

Chartered Accountants  
FRN : 004453S

#### For B M CHATRATH & CO LLP

Chartered Accountants  
FRN : 301011E/E300025

#### For PSD & ASSOCIATES

Chartered Accountants  
FRN : 004501C

#### Neena Goel

Partner  
M. No. 057986  
UDIN: 21057986AAAAGF5951  
Place: Gurugram

#### G. Sivaramakrishna Prasad

Partner  
M. No. 024860  
UDIN: 21024860AAAAAQ1523  
Place: Gurugram

#### Sanjay Sarkar

Partner  
M. No. 064305  
UDIN: 21064305AAAABQ6921  
Place: Kolkata

#### Satish Chandra Sharma

Partner  
M. No. 072846  
UDIN: 21072846AAAAG4522  
Place: Jaipur

Date: 17 June 2021

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

As referred to in our Independent Auditors' Report of even date to the members of the **Power Grid Corporation of India Limited**, on the standalone Ind AS financial statements for the year ended 31 March 2021, we report that:

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

	No. of Cases	Cost (₹ in Crores)	Net Block (₹ in Crores)
Leasehold Land	10	147.19	139.67
Freehold Land	23	151.63	151.63
Buildings (Flats in Mumbai)	28	2.96	1.02

- (ii) The inventories have been physically verified by the management during the year. In our opinion, frequency of verification is reasonable having regard to the size of the Company and nature of its business. No material discrepancies were noticed on such verification.
- (iii) According to the information and explanations given to us, the Company has not granted loans, secured or unsecured, during the year, to any companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. In view of the above, the clause 3(iii) (a), clause 3(iii) (b) and clause 3(iii) (c) of the Order are not applicable.
- (iv) In our opinion and according to information and explanation given to us, the company has complied with the provisions of section 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- (v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposit from the public in accordance with the provisions of the sections 73 to 76 or any other relevant provisions of the Act, and the rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the company.
- (vi) We have broadly reviewed the cost records maintained by the company specified by the Central Government under sub section (1) of section 148 of the Companies Act, 2013, in respect of Transmission & Telecom Operations of the Company and we are of the opinion that prima facie the prescribed records have been made and maintained. However, we have not made detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues with appropriate authorities including Provident Fund, Income Tax, Goods and Services Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and other statutory dues applicable to the Company and that there are no undisputed statutory dues outstanding as at 31 March 2021 for a period of more than six months from the date they became payable. As informed, provisions of the Employees State Insurance Act are not applicable to the Company.
- b) According to information and explanations given to us, there are no disputed dues of Duty of Customs or Duty of Excise which have not been deposited. However, the following disputed demands of Income Tax, Sales Tax, Service Tax, Value Added Tax and Cess dues have not been deposited:

Name of the Statute	Nature of dues	Amount* (₹ in Crores)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	4.58	For the F.Y. 2007-08 to F.Y. 2016-17 & F.Y. 2018-19 to F.Y. 2020-21	Jurisdictional Assessing Officers of TANS
Chhattisgarh Entry Tax Act, 1976	Entry Tax	183.18	For the F.Y. 2011-12 to 2017-18	Chhattisgarh High Court
Finance Act, 1994	Service Tax	0.28	For the F.Y. 2003-04	Patna High Court
Central Sales Tax and Sales Tax/VAT Acts of various states	Sales Tax	6.47	From F.Y. 1996-97 to 2013-14	Sales Tax Authority and Appellate Tribunal, J&K





Name of the Statute	Nature of dues	Amount* (₹ in Crores)	Period to which the amount relates	Forum where dispute is pending
Punjab VAT Act, 2005 (Entry Tax)	Entry Tax	9.64	From F.Y. 2011-12 to F.Y. 2013-14	Hon'ble High Court Punjab, Haryana & Chandigarh
Central Sales Tax and Sales Tax/VAT Acts of various states	Service Tax	37.57	From F.Y. 2014-15 to F.Y. 2015-16	Sales Tax Authority Appeal
Building & Other Construction Workers (BOCW) Cess Act, 1996	BOCW	3.71	For F.Y. 2007-08	Hon'ble High Court Himachal Pradesh, Shimla
Central Sales Tax Act	Sales Tax	0.46	For F.Y. 2015-16	Appellate Deputy Commissioner
	<b>Total</b>	<b>245.89</b>		

\* Demand amount including interest, net of amount paid under protest.

- (viii) In our opinion and according to the information and explanations given to us the Company has not defaulted during the year in repayment of loans to its financial institutions, bankers and dues to the Bond holders.
- (ix) The company has not raised money by way of initial public offer or further public offer during the year. The company has raised funds by issuance of debt instruments (bonds) during the year. In our opinion, on an overall basis and according to the information and explanations given to us, the company has applied the term loans including funds raised through bonds for the purpose they were obtained.
- (x) According to the information and explanations given to us and as represented by the management, we have been informed that no case of fraud has been committed on or by the company during the year.
- (xi) In view of exemption given vide notification no. G. S. R. 463(E) dated June 5, 2015, issued by Ministry of Corporate Affairs, provisions of Section 197 read with Schedule V of the Act regarding managerial remuneration are not applicable to the Company. Accordingly, paragraph 3(xi) 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, paragraph 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) According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) is not applicable to the company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) is not applicable to the company.
- (xvi) According to the information and explanations given to us the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) is not applicable to the company.

**For T R CHADHA & CO LLP**

Chartered Accountants  
FRN : 006711N/N500028

**For UMAMAHESWARA RAO & CO**

Chartered Accountants  
FRN : 004453S

**For B M CHATRATH & CO LLP**

Chartered Accountants  
FRN : 301011E/E300025

**For PSD & ASSOCIATES**

Chartered Accountants  
FRN : 004501C

**Neena Goel**

Partner  
M. No. 057986  
UDIN: 21057986AAAAGF5951  
Place: Gurugram

**G. Sivaramakrishna Prasad**

Partner  
M. No. 024860  
UDIN: 21024860AAAAAQ1523  
Place: Gurugram

**Sanjay Sarkar**

Partner  
M. No. 064305  
UDIN: 21064305AAAABQ6921  
Place: Kolkata

**Satish Chandra Sharma**

Partner  
M. No. 072846  
UDIN: 21072846AAAAG4522  
Place: Jaipur

Date: 17 June 2021



## Annexure '2' to the Auditors Report

As referred to in our Independent Auditors' Report of even date to the members of the **Power Grid Corporation of India Limited**, on the standalone Ind AS financial statements for the year ended 31 March 2021

S. No.	Directions	Auditors' Comments
1.	Whether the Company has a system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The company is having ERP system (SAP) in place for processing all accounting transactions. Based on our verification, no accounting transaction is being recorded/processed other than through the ERP system in place.
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (Incase, lender is a Government company, then this direction is also applicable for Statutory Auditor of lender company).	Based on our verification and explanations and information given to us, there were no cases of restructuring of an existing loan or cases of waiver/ write off of debts/loan/interest etc. made by a lender to the company due to the company's inability to repay the loan.
3.	Whether funds(grants/subsidy etc.) received/receivable for specific schemes from Central/State or its agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.	Based on our verification and explanations and information given to us, funds received/receivable for specific scheme from Central/State agencies were properly accounted for and utilized as per its terms and conditions. No deviations were noticed by us.

**For T R CHADHA & CO LLP**

Chartered Accountants  
FRN : 006711N/N500028

**Neena Goel**

Partner  
M. No. 057986  
UDIN: 21057986AAAAGF5951  
Place: Gurugram

**For UMAMAHESWARA RAO & CO**

Chartered Accountants  
FRN : 004453S

**G. Sivaramakrishna Prasad**

Partner  
M. No. 024860  
UDIN: 21024860AAAAAQ1523  
Place: Gurugram

**For B M CHATRATH & CO LLP**

Chartered Accountants  
FRN : 301011E/E300025

**Sanjay Sarkar**

Partner  
M. No. 064305  
UDIN: 21064305AAAABQ6921  
Place: Kolkata

**For PSD & ASSOCIATES**

Chartered Accountants  
FRN : 004501C

**Satish Chandra Sharma**

Partner  
M. No. 072846  
UDIN: 21072846AAAAG4522  
Place: Jaipur

Date: 17 June 2021



## Annexure '3' to the Auditors' Report

As referred to in our Independent Auditors' Report of even date to the members of the **Power Grid Corporation of India Limited**, on the standalone Ind AS financial statements for the year ended 31 March 2021

### **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 with reference to Ind AS financial statements of the company as at 31 March 2021 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 Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls with reference to Ind AS financial statements that were operating effectively for ensuring the orderly and efficient conduct of business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to Ind AS financial statements 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 Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. 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 with reference to Ind AS financial statements 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 with reference to Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting with reference to Ind AS financial statements included obtaining an understanding of internal financial controls over financial reporting with reference to Ind AS financial statements, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal controls 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 with reference to Ind AS financial statements.

#### **Meaning of Internal Financial Controls Over Financial Reporting With Reference to Ind AS Financial Statements**

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

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

**Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to Ind AS Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to Ind AS financial statements, 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 with reference to Ind AS financial statements to future periods are subject to the risk that the internal financial controls over financial reporting with reference to Ind AS financial statements 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 Ind AS financial statements and such internal financial controls over financial reporting with reference to Ind AS financial statements were operating effectively as at 31 March 2021, based on the internal financial controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For T R CHADHA & CO LLP**

Chartered Accountants  
FRN : 006711N/N500028

**Neena Goel**

Partner  
M. No. 057986  
UDIN: 21057986AAAAGF5951  
Place: Gurugram

Date: 17 June 2021

**For UMAMAHESWARA RAO & CO**

Chartered Accountants  
FRN : 004453S

**G. Sivaramakrishna Prasad**

Partner  
M. No. 024860  
UDIN: 21024860AAAAAQ1523  
Place: Gurugram

**For B M CHATRATH & CO LLP**

Chartered Accountants  
FRN : 301011E/E300025

**Sanjay Sarkar**

Partner  
M. No. 064305  
UDIN: 21064305AAAABQ6921  
Place: Kolkata

**For PSD & ASSOCIATES**

Chartered Accountants  
FRN : 004501C

**Satish Chandra Sharma**

Partner  
M. No. 072846  
UDIN: 21072846AAAAG4522  
Place: Jaipur



## Consolidated Balance Sheet as at 31 March 2021

(₹ in crore)

Particulars	Note No	As at 31 March 2021	As at 31 March 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	4	182,108.99	179,449.82
Capital work-in-progress	5	24,679.80	34,904.41
Investment Property	6	0.03	0.03
Intangible assets	7	1,616.95	1,662.28
Intangible assets under development	8	157.99	273.00
Investments in Joint Ventures accounted for using the equity method	9A	1,346.85	1,332.18
Financial Assets			
Investments	9	138.70	98.90
Loans	10	322.58	271.58
Other non-current financial assets	11	4,433.70	4,100.30
Other non-current assets	12	4,925.46	6,325.73
		<b>219,731.05</b>	<b>228,418.23</b>
<b>Current assets</b>			
Inventories	13	1,366.94	1,433.46
Financial Assets			
Trade receivables	14	3,675.53	5,040.71
Cash and cash equivalents	15	4,487.23	4,849.59
Bank balances other than Cash and cash equivalents	16	871.48	604.31
Loans	17	127.05	156.41
Other current financial assets	18	8,038.97	5,799.43
Other current assets	19	174.69	228.02
		<b>18,741.89</b>	<b>18,111.93</b>
Assets Classified as Held for Sale	19A	6,701.05	-
		<b>25,442.94</b>	<b>18,111.93</b>
<b>Regulatory Deferral Account Balances</b>	20	10,575.13	10,123.06
<b>Total Assets</b>		<b>255,749.12</b>	<b>256,653.22</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	21	5,231.59	5,231.59
Other Equity	22	64,704.48	59,463.76
		<b>69,936.07</b>	<b>64,695.35</b>

**Consolidated Balance Sheet as at 31 March 2021 (Contd.)**

(₹ in crore)

Particulars	Note No	As at 31 March 2021	As at 31 March 2020
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial Liabilities			
Borrowings	23	<b>129,174.79</b>	135,421.11
Other non-current financial liabilities	24	<b>3,625.14</b>	3,523.13
Provisions	25	<b>462.02</b>	424.71
Deferred tax liabilities (Net)	26	<b>11,836.62</b>	11,228.78
Other non-current liabilities	27	<b>347.10</b>	362.54
		<b>145,445.67</b>	<b>150,960.27</b>
<b>Current liabilities</b>			
Financial Liabilities			
Borrowings	28	<b>1,800.00</b>	3,000.00
Trade payables			
(A) total outstanding dues of micro enterprises and small enterprises	29	<b>29.76</b>	11.59
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	29	<b>157.72</b>	214.95
Other current financial liabilities	30	<b>23,106.44</b>	21,784.15
Other current liabilities	31	<b>3,884.70</b>	4,305.93
Provisions	32	<b>845.12</b>	742.04
Current Tax Liabilities (Net)	33	<b>425.51</b>	22.92
		<b>30,249.25</b>	<b>30,081.58</b>
Liabilities directly associated with Assets Classified as Held for Sale	19A	<b>363.98</b>	-
		<b>30,613.23</b>	<b>30,081.58</b>
<b>Deferred Revenue</b>	34	<b>9,754.15</b>	10,916.02
<b>Total Equity and Liabilities</b>		<b>255,749.12</b>	<b>256,653.22</b>

The accompanying notes (1 to 69) form an integral part of financial statements

**For and on behalf of the Board of Directors**
**Mrinal Srivastava**  
Company Secretary

**Mohammed Taj Mukarrum**  
Director (Finance)

**K. Sreekant**  
Chairman & Managing Director
**As per our report of even date**
**For T R CHADHA & CO LLP**  
Chartered Accountants  
FRN : 006711N/N500028

**For UMAMAHESWARA RAO & CO**  
Chartered Accountants  
FRN : 004453S

**For B M CHATRATH & CO LLP**  
Chartered Accountants  
FRN : 301011E/E300025

**For PSD & ASSOCIATES**  
Chartered Accountants  
FRN : 004501C

**CA Neena Goel**  
Partner  
M. No. 057986  
Place: Gurugram

**CA G. Sivaramakrishna Prasad**  
Partner  
M. No. 024860  
Place: Gurugram

**CA Sanjay Sarkar**  
Partner  
M. No. 064305  
Place: Kolkata

**CA Satish Chandra Sharma**  
Partner  
M. No. 072846  
Place: Jaipur

Date: 17 June 2021  
Place: Gurugram



## Consolidated Statement of Profit and Loss for the year ended 31 March 2021

(₹ in crore)

Particulars	Note No.	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue From Operations	35	39,639.79	37,743.54
Other Income	36	1,183.74	927.42
<b>Total Income</b>		<b>40,823.53</b>	<b>38,670.96</b>
<b>EXPENSES</b>			
Employee benefits expense	37	2,114.76	1,959.75
Finance costs	38	8,134.69	9,509.00
Depreciation and amortization expense	39	12,039.19	11,607.04
Other expenses	40	2,531.92	2,843.55
<b>Total expenses</b>		<b>24,820.56</b>	<b>25,919.34</b>
Profit before share of net profits of investments in Joint Ventures accounted for using Equity Method, Exceptional items, tax and Regulatory Deferral Account Balances		16,002.97	12,751.62
Share of net profits of investments in Joint Ventures accounted for using Equity Method		214.70	155.13
<b>Profit before Exceptional items, tax and Regulatory Deferral Account Balances</b>		<b>16,217.67</b>	<b>12,906.75</b>
Exceptional items		1,078.64	-
<b>Profit Before Tax and Regulatory Deferral Account Balances</b>		<b>15,139.03</b>	<b>12,906.75</b>
Tax expense:			
Current tax - Current Year		2,565.27	2,198.54
- Earlier Years		(56.68)	121.91
Deferred tax	26	955.66	1,210.30
		<b>3,464.25</b>	<b>3,530.75</b>
<b>Profit for the period before Regulatory Deferral Account Balances</b>		<b>11,674.78</b>	<b>9,376.00</b>
Net movement in Regulatory Deferral Account Balances- Income/ (Expenses) (net of tax)	41	361.68	1,683.40
<b>Profit for the period</b>		<b>12,036.46</b>	<b>11,059.40</b>



**Consolidated Statement of Profit and Loss for the year ended 31 March 2021 (Contd.)**

(₹ in crore)

Particulars	Note No.	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss (net of tax)	42	<b>25.36</b>	(104.02)
Share of other comprehensive income of Joint Ventures accounted for using Equity Method		<b>0.13</b>	-
<b>Total Comprehensive Income for the period</b>		<b>12,061.95</b>	<b>10,955.38</b>
Earnings per equity share including movement in Regulatory Deferral Account Balances (Par value ₹ 10/- each):			
Basic & Diluted (₹)	63	<b>23.01</b>	21.14
Earnings per equity share excluding movement in Regulatory Deferral Account Balances (Par value ₹ 10/- each):			
Basic & Diluted (₹)	63	<b>22.32</b>	17.92

The accompanying notes (1 to 69) form an integral part of financial statements

**For and on behalf of the Board of Directors**
**Mrinal Srivastava**

Company Secretary

**Mohammed Taj Mukarrum**

Director (Finance)

**K. Sreekant**

Chairman &amp; Managing Director

**As per our report of even date**
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Chartered Accountants

FRN : 006711N/N500028

**For UMAMAHESWARA RAO & CO**

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**For B M CHATRATH & CO LLP**

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**For PSD & ASSOCIATES**

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FRN : 004501C

**CA Neena Goel**

Partner

M. No. 057986

Place: Gurugram

**CA G. Sivaramakrishna Prasad**

Partner

M. No. 024860

Place: Gurugram

**CA Sanjay Sarkar**

Partner

M. No. 064305

Place: Kolkata

**CA Satish Chandra Sharma**

Partner

M. No. 072846

Place: Jaipur

Date: 17 June 2021

Place: Gurugram



## Consolidated Statement of Changes in Equity for the year ended 31 March 2021

### A. Equity Share Capital

(₹ in crore)	
As at 01 April 2020	5,231.59
Changes during the year	-
As at 31 March 2021	5,231.59
As at 01 April 2019	5,231.59
Changes during the year	-
As at 31 March 2020	5,231.59

### B. Other Equity

(₹ in crore)								
Particulars	Reserves and Surplus						Other Comprehensive Income (OCI)	Total
	Capital Reserve	Securities Premium	Bond Redemption Reserve	Self Insurance Reserve	General Reserve	Retained Earnings	Equity instruments through OCI	
As at 01 April 2020	-	9,578.29	8,696.91	832.09	36,905.49	3,423.64	27.34	59,463.76
Profit for the year						12,036.46		12,036.46
Other Comprehensive Income						(14.31)	39.80	25.49
<b>Total Comprehensive Income</b>						<b>12,022.15</b>	<b>39.80</b>	<b>12,061.95</b>
<b>Adjustments during the year</b>								
On account of business combination	0.76							0.76
Transfer to General Reserve					6,000.00	(6,000.00)		-
Transfer from Bond Redemption Reserve			(1,308.94)			1,308.94		-
Transfer to Self Insurance Reserve				289.31		(289.31)		-
Transfer from Self Insurance Reserve				(387.33)	363.73	23.60		-
Final Dividend F.Y. 2019-20						(2,113.56)		(2,113.56)
Interim Dividend F.Y. 2020-21						(4,708.43)		(4,708.43)
<b>As at 31 March 2021</b>	<b>0.76</b>	<b>9,578.29</b>	<b>7,387.97</b>	<b>734.07</b>	<b>43,269.22</b>	<b>3,667.03</b>	<b>67.14</b>	<b>64,704.48</b>

## Consolidated Statement of Changes in Equity for the year ended 31 March 2021 (Contd.)

### B. Other Equity Share Capital (Contd.)

(₹ in crore)

Particulars	Reserves and Surplus						Other Comprehensive Income (OCI)	Total
	Securities Premium	Bond Redemption Reserve	Self Insurance Reserve	CSR Reserve	General Reserve	Retained Earnings		
As at 01 April 2019	9,578.29	9,942.79	893.37	114.54	31,454.07	1,797.05	76.69	53,856.80
Profit for the year						11,059.40		11,059.40
Other Comprehensive Income						(54.67)	(49.35)	(104.02)
Total Comprehensive Income						11,004.73	(49.35)	10,955.38
Adjustments during the year								
Transfer to General Reserve					5,000.00	(5,000.00)		-
Transfer to Bond redemption reserve		439.88				(439.88)		-
Transfer from Bond Redemption Reserve		(1,685.76)				1,685.76		-
Transfer to Self Insurance Reserve			275.60			(275.60)		-
Transfer from Self Insurance Reserve			(336.88)		336.88	-		-
Transfer from CSR Reserve				(114.54)	114.54	-		-
Final Dividend F.Y. 2018-19						(1,307.90)		(1,307.90)
Tax on Final Dividend F.Y. 2018-19						(280.14)		(280.14)
Interim Dividend F.Y. 2019-20						(3,118.02)		(3,118.02)
Tax on Interim dividend F.Y. 2019-20						(637.94)		(637.94)
Other Changes						(4.42)		(4.42)
As at 31 March 2020	9,578.29	8,696.91	832.09	-	36,905.49	3,423.64	27.34	59,463.76

The accompanying notes (1 to 69) form an integral part of financial statements  
Refer to Note No. 22 for nature and movement of Reserves and Surplus

**Mrinal Srivastava**  
Company Secretary

**For and on behalf of the Board of Directors**

**Mohammed Taj Mukarrum**  
Director (Finance)

**K. Sreekanth**

Chairman & Managing Director

**For T R CHADHA & CO LLP**  
Chartered Accountants  
FRN : 006711N/N500028

**CA Neena Goel**  
Partner  
M. No. 057986  
Place: Gurugram

Date: 17 June 2021  
Place: Gurugram

**For UMAMAHESWARA RAO & CO**  
Chartered Accountants  
FRN : 0044535

**CA G. Sivaramakrishna Prasad**  
Partner  
M. No. 024860  
Place: Gurugram

**As per our report of even date**

**For B M CHATRATH & CO LLP**  
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**CA Sanjay Sarkar**  
Partner  
M. No. 064305  
Place: Kolkata

**For PSD & ASSOCIATES**  
Chartered Accountants  
FRN : 004501C

**CA Satish Chandra Sharma**  
Partner  
M. No. 072846  
Place: Jaipur



## Consolidated Statement of Cash Flows for the year ended 31 March 2021

(₹ in crore)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit Before Tax and Regulatory Deferral Account Balances	15,139.03	12,906.75
Add: Net movement in Regulatory Deferral Account Balances (net of tax)	361.68	1,683.40
Add: Tax on Net movement in Regulatory Deferral Account Balances	74.60	356.39
Net Profit Before Tax (including Net movement in regulatory deferral account balances)	15,575.31	14,946.54
<b>Adjustment for :</b>		
Depreciation & amortization expenses	12,039.19	11,607.04
Transfer from Grants in Aid	(328.89)	(260.25)
Deferred revenue - Advance against Depreciation	(160.05)	(152.65)
Provisions	7.78	6.34
Changes in fair value of financial assets through profit or loss	(7.68)	(39.89)
Share of net profits of joint ventures accounted for using equity method	(214.70)	(155.13)
Net Loss on Disposal / Write off of Property, Plant & Equipment	2.49	17.20
Deferred Foreign Currency Fluctuation Asset	1,022.09	(1,572.74)
Deferred Income from Foreign Currency Fluctuation	(780.92)	1,637.95
Regulatory Deferral Account Debit Balances	(436.28)	(2,039.79)
Finance Costs	8,134.69	9,509.00
Provisions Written Back	(24.82)	(147.56)
FERV loss / (gain)	(0.02)	(0.31)
Interest income on Deposits, Bonds and loans to JVs	(71.47)	(168.33)
Surcharge income	(744.06)	(308.76)
Dividend income	(9.00)	(5.35)
	18,428.35	17,926.77
<b>Operating profit before Changes in Assets and Liabilities</b>	34,003.66	32,873.31
<b>Adjustment for Changes in Assets and Liabilities:</b>		
(Increase)/Decrease in Inventories	36.46	(181.36)
(Increase)/Decrease in Trade Receivables	1,297.52	(290.95)
(Increase)/Decrease in Other Financial Assets	(2,719.76)	1,672.88
(Increase)/Decrease in Other Non-current Assets	(55.20)	(55.41)
(Increase)/Decrease in Other Current Assets	40.09	109.84
Increase/(Decrease) in Liabilities & Provisions	(1,104.12)	(820.97)
	(2,505.01)	434.03
<b>Cash generated from operations</b>	31,498.65	33,307.34
Direct taxes paid	(2,186.50)	(2,568.71)
<b>Net Cash from Operating Activities</b>	29,312.15	30,738.63

**Consolidated Statement of Cash Flows for the year ended 31 March 2021 (Contd.)**

(₹ in crore)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Property, Plant & Equipment and Capital Work in Progress (Including Advances for Capital Expenditure)	(9,363.55)	(11,367.12)
Receipt of Grant	8.13	233.94
Acquisition of subsidiary, net of cash acquired	(308.39)	-
Investments in joint venture companies	(33.00)	(100.17)
(Increase)/Decrease in Investments in other companies	-	(18.40)
Loans & Advances to JVs (including repayments)	47.83	(12.40)
Lease receivables	(259.16)	(13.82)
Interest received on Deposits, Bonds & loans to JVs	74.98	160.96
Surcharge received	744.06	308.76
Dividend received from joint venture companies	107.15	69.41
Dividend received from other investments	9.00	5.35
<b>Net Cash used in Investing Activities</b>	<b>(8,972.95)</b>	<b>(10,733.49)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Borrowings		
Non Current	7,840.14	10,325.96
Current	11,750.00	18,020.00
Repayment of Borrowings		
Non Current	(11,260.10)	(10,765.64)
Current	(12,950.00)	(19,320.00)
Adjustment for Fair Valuation of Long Term Loans	40.93	12.80
Repayment of Lease Liabilities (Including interest)	(6.32)	(4.82)
Finance Costs paid	(9,113.71)	(11,730.14)
Dividend paid	(6,821.99)	(4,425.92)
Dividend Tax paid	-	(918.08)
<b>Net Cash used in Financing Activities</b>	<b>(20,521.05)</b>	<b>(18,805.84)</b>
D. Net change in Cash and Cash equivalents (A+B+C)	(181.85)	1,199.30
E. Cash and Cash equivalents (Opening balance)	4,849.59	3,650.29
Less: Cash and Cash equivalents classified as held for sale	(180.51)	-
F. Cash and Cash equivalents (Closing balance) (Refer Note No 15)*	4,487.23	4,849.59

The accompanying notes (1 to 69) form an integral part of financial statements

\* Includes ₹ 3122.48 crore (Previous Year ₹ 4668.32 crore) held in designated accounts which is not available for use by the Group.

**Notes:**

- Cash and cash equivalents consist of cheques, drafts, stamps in hands, balances with banks and deposits with original maturity of upto three months.
- Previous year figures have been re-grouped / re-arranged wherever necessary.



## Consolidated Statement of Cash Flows for the year ended 31 March 2021 (Contd.)

3. Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities.  
(₹ in crore)

Particulars	Non-current borrowings	Current borrowings
<b>Opening Balance as at 1st April, 2020</b>	<b>148,544.13</b>	<b>3,000.00</b>
Net Cash Flows during the year	(12,075.71)	(1,200.00)
Non-cash changes due to :		
- Interest on borrowings	8,657.71	
- Variation in exchange rates	(655.21)	
- Fair value adjustments	40.93	
<b>Closing Balance as at 31st March, 2021</b>	<b>144,511.85</b>	<b>1,800.00</b>

(₹ in crore)

Particulars	Non-current borrowings	Current borrowings
<b>Opening Balance as at 1st April, 2019</b>	<b>145,452.36</b>	<b>4,300.00</b>
Net Cash Flows during the year	(10,315.92)	(1,300.00)
Non-cash changes due to :		
- Interest on borrowings	9,774.73	
- Variation in exchange rates	3,620.16	
- Fair value adjustments	12.80	
<b>Closing Balance as at 31st March, 2020</b>	<b>148,544.13</b>	<b>3,000.00</b>

### For and on behalf of the Board of Directors

**Mrinal Srivastava**  
Company Secretary

**Mohammed Taj Mukarrum**  
Director (Finance)

**K. Sreekant**  
Chairman & Managing Director

### As per our report of even date

**For T R CHADHA & CO LLP**  
Chartered Accountants  
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M. No. 064305  
Place: Kolkata

**CA Satish Chandra Sharma**  
Partner  
M. No. 072846  
Place: Jaipur



## Notes to Consolidated Financial Statements

### 1. Group Information

Power Grid Corporation of India Limited ('the Company') is a public company domiciled and incorporated in India under the provisions of The Companies Act and its shares are listed on the National Stock Exchange (NSE) and BSE Limited (BSE) in India. The Registered Office of the Company is situated at B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi, India and its Corporate Office is located at Saudamini, Plot No.2, Sector-29, Gurgaon, Haryana.

The Company is notified as the Central Transmission Utility (CTU) under The Electricity Act, 2003. It is principally engaged in planning, implementation, operation and maintenance of Inter-State Transmission System (ISTS), Telecom and consultancy services.

The consolidated financial statements of the group for the year ended 31 March 2021 were approved for issue by the Board of Directors on 17 June 2021.

### 2. Significant Accounting Policies

A summary of the significant accounting policies applied in the preparation of the consolidated financial statements are as given below. These accounting policies have been applied consistently to all periods presented in the consolidated financial statements. The Consolidated financial statements of the group are consisting of the Company and its subsidiaries and the Group's interest in joint ventures.

#### 2.1 Basis of Preparation

##### i) Compliance with Ind AS

The consolidated 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 consolidated financial statements have been prepared on accrual basis and under the historical cost convention except following which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value (refer Note no. 2.14 for accounting policy regarding financial instruments),
- Defined benefit plans – plan assets measured at fair value.

##### iii) Functional and presentation currency

The consolidated 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 crore and two decimals thereof, except as stated otherwise.

##### iv) Use of estimates

The preparation of consolidated 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 Group 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 Group recognizes twelve months period as its operating cycle.

## 2.2 Principle of Consolidation and Equity Accounting

### Subsidiaries

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combination by the group.

The Group combines the financial statement of the subsidiaries line by line adding together like items of assets, liabilities, equity, income, and expenses. Inter Group transactions, balances and unrealized gains on transactions between companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The consolidated financial statements have been prepared in accordance with Indian Accounting Standard (Ind AS) 110 – 'Consolidated Financial Statements' and Indian Accounting Standard (Ind AS) 28 – 'Investments in Associates and Joint Ventures.

### Joint Arrangements

Under Ind AS 111 Joint Arrangements, investment in joint arrangements is classified as either joint operation or joint ventures. The classification depends on the contractual right and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has only joint ventures.

### Joint Ventures

Interest in joint ventures is accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

### Equity Method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognize the Group's share of the post – acquisition profits or losses of the investee company in Statement of Profit and Loss, and the Group's share of other comprehensive income of the investee Company in other comprehensive income. Dividends received from joint ventures are recognised as reduction in the carrying amount of the investment.

When the Group's share of losses in an investment accounted under Equity method equals or exceeds its interest in the entity, including any other unsecured long term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the Joint Venture Entities.

Unrealized gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of asset transferred. Accounting policies of equity accounted investees have been changed where necessary.

The financial statements of the subsidiary companies and joint venture companies in the consolidation are drawn up to the same reporting date as of the Group.

### Changes in ownership interests

When the group ceases to consolidate or to account for an investment under equity method due to loss of control or joint control, the retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in Statement of Profit and Loss. The fair value becomes the initial carrying amount for the purpose of subsequent accounting of the retained interest as an associate or a financial asset.

**Difference in Accounting Policies and Impact thereon:**

For certain items the Group and joint venture entities have followed different accounting policies. However, the impact of same is not material.

**2.3 Property, Plant and Equipment**

The Group had opted to consider the carrying value of Property, Plant and Equipment as per previous GAAP on the date of transition to Ind AS (1<sup>st</sup> April 2015) to be the deemed cost as per Ind AS 101 'First-time Adoption of Indian Accounting Standards'.

**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 component 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, deposit works/cost- plus contracts 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.

Assets and systems common to more than one transmission system are capitalized on the basis of technical estimates/ assessments.

Transmission system assets are considered as ready for intended use from the date of commercial operation declared in terms of CERC Tariff Regulations and capitalized accordingly. However in case of subsidiaries, transmission system assets are considered as ready for intended use after meeting the conditions 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 levelling, clearing and grading of land is capitalized as part of cost of the related buildings.

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.

The acquisition or construction of some items of property, plant and equipment although not directly increasing the future economic benefits of any particular existing item of property, plant and equipment, may be necessary for the company to obtain future economic benefits from its other assets. Such items are recognized as property, plant and equipment.

**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 Group and cost of the item can be measured reliably.

The cost of replacing part of an item of Property, Plant & Equipment is recognized in the carrying amount of the item if it is probable that future economic benefits embodied within the part will flow to the Group 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 & 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 their 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.

**2.4 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 Corporate office, Regional Offices 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.

Deposit works/cost-plus contracts are accounted for on the basis of statement received from the contractors or technical assessment of work completed.

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

## 2.5 Intangible Assets and Intangible Assets under development

The Group had opted to consider the carrying value of Intangible Assets as per previous GAAP on the date of transition to Ind AS (1<sup>st</sup> April 2015) to be the deemed cost as per Ind AS 101 'First-time Adoption of Indian Accounting Standards'.

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 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.

Expenditure on research is recognised as an expense when it is incurred.

Expenditure on development activities 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.

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.

## 2.6 Investment property

The Group had opted to consider the carrying value of Investment Property as per previous GAAP on the date of transition to Ind AS (1<sup>st</sup> April 2015) to be the deemed cost as per Ind AS 101 'First-time Adoption of Indian Accounting Standards'.

Investment property comprises portions of land and/or buildings that are held for long term rental yields and/or for capital appreciation.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are carried at cost less accumulated depreciation and accumulated impairment loss, if any.

Transfers to or from investment property is made when there is a change in use - i.e. an asset meets or ceases to meet the definition of investment property and there is evidence of the change in use.

Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised as profit or loss in the period of derecognition.

## 2.7 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 following the rates and methodology notified by the CERC for the purpose of recovery of tariff and on property, plant and equipment of telecom, consultancy business and subsidiaries acquired through Tariff Based Competitive Bidding (TBCB) process is provided on straight line method as per useful life specified in Schedule II of the Companies Act, 2013 except for property, plant and equipment specified in the following paragraphs.

ULDC assets commissioned prior to 1st April 2014 are depreciated on Straight Line Method @ 6.67% per annum. Such assets commissioned on or after 1st April 2014 are depreciated on straight line method following the rates and methodology notified by the CERC for the purpose of recovery of tariff.

In the case of property, plant and equipment of National Thermal Power Corporation Limited (NTPC), National Hydro-Electric Power Corporation Limited (NHPC), North-Eastern Electric Power Corporation Limited (NEEPCO), Neyveli Lignite Corporation Limited (NLC) transferred w.e.f. April 1, 1992, Jammu and Kashmir Lines w.e.f. April 1, 1993, and Tehri Hydro Development Corporation Limited (THDC) w.e.f. August 1, 1993, depreciation is charged based on gross block as indicated in transferor's books with necessary adjustments so that the life of the assets as laid down in the CERC notification for tariff is maintained.

Depreciation on buildings held as investment property is provided on straight line method as specified in Schedule II of The Companies Act, 2013.

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, following the rates and methodology notified by the CERC.

Depreciation on following items of property, plant and equipment (PPE) is provided based on estimated useful life as per technical assessment.

Particulars	Useful life
a. Computers & Peripherals	3 Years
b. Servers & Network Components	5 years
c. PPE of Subsidiaries acquired through TBCB process:	
Buildings	35 years
Transmission line	35 years
Substation Equipment	35 years

Residual value of above assets is considered as Nil.

Mobile phones are charged off in the year of purchase.

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 at the rates and methodology as specified by the CERC Tariff Regulations, except for telecom and consultancy business assets where residual life is determined on the basis of useful life of property, plant and equipment as specified in Schedule II of the Companies Act, 2013.

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 other than items of property, plant and equipment related to transmission business 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 in accordance with the applicable methodology. 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 other than related to subsidiaries acquired through TBCB process are amortized over thirty five years from the date of capitalization of related transmission assets following the rates and methodology notified by Central Electricity Regulatory Commission (CERC) Tariff Regulations.

Afforestation charges related to subsidiaries acquired through TBCB process are amortized over thirty -five years from the date of capitalization of related transmission assets following straight line method with Nil Residual Value.

Telecom Licenses are amortised on straight line basis over their respective useful lives.

Expenditure on development of 1200kv Transmission System shall be amortised over a period of 10 years.

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 an intangible asset are 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".

## 2.8 Borrowing Costs

All the borrowed funds (except short term funds for working capital) are earmarked to specific projects. The borrowing costs (including bond issue expenses, interest, discount on bonds, front end fee, guarantee fee, management fee etc.) are allocated to the projects in proportion to the funds so earmarked.

Exchange differences arising from foreign currency borrowing to the extent regarded as an adjustment to interest costs are treated as borrowing cost.

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalised (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.

## 2.9 Impairment of non-financial assets

The carrying amounts of the Group'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.

## 2.10 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.

## 2.11 Inventories

Inventories are valued at lower of the cost, determined on weighted average basis and 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.

## 2.12 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 Group 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 Group 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 Group 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 Group 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 2.9 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 2.8 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.

State sector Unified Load Dispatch Centre (ULDC)/ Fibre Optic Communication Assets (FOC)/Bilateral line assets leased to the beneficiaries are considered as Finance Lease. Net investment in such leased assets are recorded as receivable at the lower of the fair value of the leased property and the present value of the minimum lease payments along with accretion in subsequent years is accounted for as Lease Receivables under current and non-current other financial assets. Wherever grant-in-aid is received for construction of State Sector ULDC, lease receivable is accounted for net of such grant.

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 as per the tariff notified by CERC.

FERV on foreign currency loans relating to leased assets is adjusted to the amount of lease receivables and is amortised over the remaining tenure of lease. FERV recovery (as per CERC norms) from the constituents is recognised net of such amortised amount.

**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.

**2.13 Employee benefits****2.13.1 Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into separate entities (Funds) and will have no legal or constructive obligation to pay further contributions, if the Fund does not hold sufficient assets to pay all employee's benefits related to employee service in the current and prior periods. Obligations for contributions to defined contribution plans are recognized as an employee benefits expense in the statement of profit and loss in the period during which services are rendered by employees.



The Group has a defined contribution pension scheme which is administered through a separate trust. The obligation of the Group is to contribute to the trust to the extent of amount not exceeding 30% of basic pay and dearness allowance less employer's contribution towards provident fund, gratuity, post retirement medical facility (PRMF) or any other retirement benefits. The contributions to the fund for the year are recognized as an expense and charged to the statement of profit and loss.

### 2.13.2 Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's liability towards gratuity, post-retirement medical facility, baggage allowance for settlement at home town after retirement, long service award on retirement and provident fund scheme to the extent of interest liability on provident fund contribution are in the nature of defined benefit plans.

The gratuity is funded by the Group and is managed by separate trust. The Group has Post-Retirement Medical Facility (PRMF), under which retired employee and the spouse are provided medical facilities in the Group empanelled hospitals. They can also avail treatment as out-patient subject to a ceiling fixed by the Group.

The Group pays fixed contribution to Provident Fund at predetermined rates to a separate trust, which invests the funds in permitted securities. The contributions to the fund for the year are recognized as expense and are charged to the statement of profit and loss. The obligation of the Group is limited to such fixed contributions and to ensure a minimum rate of interest on contributions to the members as specified by the Government of India (GoI).

The Group has schemes for payment of baggage allowance towards expenses for settlement at hometown for the superannuated employees & their dependents and for providing a Long Service Award to all regular employees of the Group on superannuation.

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognized asset is limited to the total of any unrecognized past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. An economic benefit is available to the Group if it is realizable during the life of the plan, or on settlement of the plan liabilities. Any actuarial gains or losses are recognized in OCI in the period in which they arise and subsequently not reclassified to profit or loss.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized in the statement of profit and loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognized immediately in the statement of profit and loss.

### 2.13.3 Other long-term employee benefits

Benefits under the Group's leave encashment and Employee Family Economic Rehabilitation Scheme constitute other long term employee benefits.

The Group's net obligation in respect of leave encashment is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Group's obligations. The calculation is performed using the projected unit credit method. Any actuarial gains or losses are recognized in the statement of profit and loss in the period in which they arise.

As per the Group's Employee Family Economic Rehabilitation scheme, which is optional, in the event of death or permanent total disability of an employee, the dependent(s) or the employee, as the case may be, is paid a fixed amount based on the last salary drawn by the employee till the notional date of superannuation of the employee upon depositing the final provident fund and gratuity amount which will be interest free.

#### 2.13.4 Short-term benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under performance related pay if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

#### 2.14 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

##### Classification

The Group 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.

##### Equity investments

All equity investments in scope of Ind AS 109 'Financial Instruments' are measured at fair value. The Group may, on initial recognition, make an irrevocable election to present subsequent changes in the fair value in other comprehensive income (FVOCI) on an instrument by-instrument basis.

For equity instruments classified as at FVOCI, all fair value changes on the instrument, excluding dividends are recognized in the OCI. There is no recycling of the amounts from OCI to Profit or Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

##### De-recognition of financial assets

A financial asset is derecognized only when

- i) The right to receive cash flows from the assets have expired, or
- ii)
  - a) The group 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 group has transferred substantially all the risks and rewards of the asset (or) the group 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 unbilled revenue, the group 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 Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month Expected Credit Loss (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 Group 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 unfavourable to the Group.

The Group's financial liabilities include loans & 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 derecognised.

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.

**2.15 Foreign Currency Translation****(a) Functional and presentation currency**

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). The financial statements are presented in Indian Rupees (Rupees or ₹), which is the Group'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.

Foreign exchange gains and losses (other than related to foreign currency loans outstanding) are presented in the statement of profit and loss on a net basis within other gains/(losses).

The Group has availed the exemption available in Ind AS 101, to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary liabilities outstanding as on March 31, 2016.

#### **Foreign currency loans outstanding as on March 31, 2016:**

Foreign Exchange Rate Variation (FERV) arising on settlement / translation of such foreign currency loans relating to property, plant and equipment/ capital work-in-progress is adjusted to the carrying cost of related assets and is recoverable/payable from the beneficiaries on actual payment basis as per Central Electricity Regulatory Commission (CERC) norms w.e.f. 1st April, 2004 or Date of Commercial Operation (DOCO) whichever is later. The above FERV to the extent recoverable or payable as per the CERC norms is accounted for as follows:

- i) FERV recoverable/payable adjusted to carrying cost of property, plant and equipment is accounted for as 'Deferred foreign currency fluctuation asset/liability a/c' with a corresponding credit/debit to 'Deferred income/expenditure from foreign currency fluctuation a/c'.
- ii) 'Deferred income/expenditure from foreign currency fluctuation a/c' is amortized in the proportion in which depreciation is charged on such FERV.
- iii) The amount recoverable/payable as per CERC norms on year to year basis is adjusted to the 'Deferred foreign currency fluctuation asset/liability a/c' with corresponding debit / credit to the trade receivables.

FERV earlier charged to Statement of Profit and Loss & included in the capital cost for the purpose of tariff is adjusted against 'Deferred foreign currency fluctuation asset/liability a/c'.

FERV arising out of settlement/translation of long term monetary items (other than foreign currency loans) relating to Property Plant & Equipment /CWIP is adjusted in the carrying cost of related assets.

FERV arising during the construction period from settlement/translation of monetary items (other than non current loans) denominated in foreign currency to the extent recoverable/payable to the beneficiaries as capital cost as per CERC tariff Regulation are accounted as Regulatory Deferral Account Balances. Transmission charges recognised on such amount is adjusted against above account. Other exchange differences are recognized as income or expenses in the period in which they arise.

#### **Foreign currency loans drawn on or after April 1, 2016:**

Exchange differences arising from foreign currency borrowing to the extent regarded as an adjustment to interest costs are treated as borrowing cost. Other exchange differences are recognized in the Statement of Profit and Loss.

Exchange difference to the extent recoverable as per CERC tariff regulations are recognized as Regulatory Deferral Account Balances through Statement of Profit and Loss.

#### **(c) Foreign Group Companies**

The results and financial position of foreign operations (none of which has the currency of a hyper inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- i) Assets and liabilities are translated at closing rate at the date of that balance sheet.
- ii) Income and expenses are translated at average exchange rates ( unless this is not the reasonable approximation of the cumulative effect of the rates prevailing on the transaction date in which case income and expenses are translated at the date of transactions) and
- iii) All the exchange differences are recognised in other comprehensive income.

### **2.16 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 countries where the group operate and generate 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 Group'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 liabilities are not recognised for temporary differences between the carrying amount and tax bases of investment in subsidiaries where the group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in foreseeable future.

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.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

**2.17 Regulatory Deferral Account Balances**

Certain expenses and income, allowed under CERC regulations to be reimbursed by/passed on to beneficiaries in future, are to be accounted in the Statement of Profit and Loss as per the provisions of Ind AS 114 'Regulatory Deferral Accounts' and Guidance Note on "Accounting for Rate Regulated Activities" issued by the Institute of Chartered Accountants of India (ICAI). Such expenses and income, to the extent recoverable /payable as part of tariff under CERC Regulations are treated as Regulatory Deferral Assets/Liabilities.

The Group presents separate line items in the Balance Sheet for:

- (a) the total of all Regulatory Deferral Account Debit Balances; and
- (b) the total of all Regulatory Deferral Account Credit Balances.

A separate line item is presented in the profit or loss section of the Statement of Profit and Loss for the net movement in all Regulatory Deferral Account Balances for the reporting period.

Regulatory deferral accounts balances are adjusted in the year in which the same become recoverable from or payable to the beneficiaries.

**2.18 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 Group recognizes revenue when it transfers control over a product or service to a customer.

**Significant Financing Component**

Where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year, the Group assesses the effects of significant financing component in the contract. As a consequence, the Group makes adjustment in the transaction prices for the effects of time value of money.



### 2.18.1 Revenue from Operations

#### Transmission

Transmission Income is accounted for based on tariff orders notified by the CERC. In case of transmission projects where final tariff orders are yet to be notified, transmission income is accounted for on provisional basis as per tariff regulations and orders of the CERC in similar cases. Difference, if any, is accounted on issuance of final tariff orders by the CERC. Transmission Income in respect of additional capital expenditure incurred after the date of commercial operation is accounted for based on expenditure incurred on year to year basis as per CERC tariff regulations. As at each reporting date, transmission income includes an accrual for services rendered to the customers but not yet billed i.e. Unbilled Revenue. However in case of subsidiaries transmission Income is accounted for based on orders issued by CERC u/s 63 of Electricity Act 2003 for adoption of transmission charges.

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 (RPCs) and in accordance with the CERC tariff regulations. Where certification by RPCs is not available, incentive/disincentive is accounted for on provisional basis as per estimate of availability by the Group and differences, if any is accounted upon certification by RPCs.

Advance against depreciation (AAD), forming part of tariff pertaining upto the block period 2004-09, to facilitate repayment of loans, was reduced from transmission income and considered as deferred income to be included in transmission income in subsequent years. The outstanding deferred income in respect of AAD is recognized as transmission income, after twelve years from the end of the financial year in which the asset was commissioned, to the extent depreciation recovered in the tariff during the year is lower than depreciation charged in the accounts.

#### Telecom Services

Income from Telecom Services, net of downtime credit, is recognised on the basis of terms of agreements/purchase orders from the customers. Upfront fee received in advance under long term contracts providing Indefeasible Right to Use (IRU), is recognised as revenue on the basis of estimation of revenue over the period of contract.

#### Consultancy Services

In respect of 'Cost-plus-consultancy contracts', involving execution on behalf of the client, revenue is recognized in proportion to the stage of completion of the work performed at the reporting date, which is determined based on input method.

Income from other consultancy contracts are accounted for on technical assessment of progress of services rendered.

### 2.18.2 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.

Application Fees towards Long Term Open Access (LTOA) as per CERC Guidelines is accounted for on receipt.

Scrap other than steel scrap & conductor scrap are accounted for as and when sold.

Dividend income is recognized when right to receive payment is established.

Insurance claims for loss of profit are accounted for in the year of acceptance. Other 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.

### 2.19 Government Grants

Grants-in-aid from Central Government or other authorities towards capital expenditure for projects, betterment of transmission systems and specific depreciable assets initially are treated as deferred income when there is a reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant. Deferred Income is recognized in the Statement of Profit and Loss over the useful life of related asset in proportion to which depreciation on these assets is provided. In case of non-monetary government grants, both asset and grant are recorded at nominal value.

Grants that compensate the Group for expenses incurred are recognized over the period in which the related costs are incurred and deducted from the related expenses.



## 2.20 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.

## 2.21 Provisions and Contingencies

### a) Provisions

Provisions are recognised when the Group 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 Group 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.

## 2.22 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'.

## 2.23 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.

## 2.24 Operating Segments

The Board of Directors is the Group's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108 'Operating Segments'. CODM monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

The operating segments have been identified on the basis of the nature of products / services.

- Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter-segment transactions.
- Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result. Expenses which relate to the Group as a whole and not allocable to segments are included under un-allocable expenditure.

- Income which relates to the Group as a whole and not allocable to segments is included in un-allocable income.
- Segment assets and liabilities include those directly identifiable with the respective segments. Un-allocable assets and liabilities represent the assets and liabilities that relate to the Group as a whole and not allocable to any segment.
- Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets.

### 2.25 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.

Additionally, basic and diluted earnings per share are computed using the earnings amounts excluding the movements in Regulatory Deferral Account Balances.

### 2.26 Statement of Cash Flows

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

### 2.27 Non-current assets (or disposal groups) held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets (or disposal groups) and its sale is highly probable.

Assets and liabilities classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell and presented separately in the Balance Sheet. An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

### 2.28 Business Combination

Business combinations are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the Group. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognized at fair values on their acquisition date. Goodwill is initially measured at cost, being the excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed. Where the fair value of net identifiable assets acquired and liabilities assumed exceed the consideration transferred, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognized as capital reserve. Acquisition related costs are expensed as incurred.

## 3. Critical Estimates and Judgments

The preparation of consolidated 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 group'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:****Revenue Recognition:**

Transmission income is accounted for based on tariff orders notified by the CERC. In case of transmission projects where final tariff orders are yet to be notified, transmission income is accounted for as per tariff regulations and other orders of the CERC in similar cases. Differences, if any, are accounted on issuance of final tariff orders by the CERC. Transmission income in respect of additional capital expenditure incurred after the date of commercial operation is accounted for based on expenditure incurred on year to year basis as per CERC tariff regulations.

**Regulatory Deferral Balances:**

Recognition of Regulatory Deferral Balances involves significant judgments including about future tariff regulations since these are based on estimation of the amounts expected to be recoverable/payable through tariff in future.

**Estimation of defined benefit obligation:**

Estimation of defined benefit obligation involves certain significant actuarial assumptions which are listed in Note 66.

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 Group and that are believed to be reasonable under the circumstances.

**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 Group reviews at the end of each reporting date the useful life of plant and equipment, other than the assets of transmission business which are governed by CERC Regulations, 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.

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

In assessing the recoverability of trade receivables, unbilled revenue and investments, the group has considered internal and external information up to the date of approval of these financial statements including credit reports and economic forecasts. In view of the nature of the Group's business, the regulated tariff mechanism applicable to the major part of the group's revenue and based on the current indicators of future economic conditions, the group expects to recover the carrying amount of these assets.

**Assets held for sale:**

Significant judgment is required to apply the accounting of non-current assets held for sale under Ind AS 105 – "Noncurrent assets held for sale and discontinued operations". In assessing the applicability, management has exercised judgment to evaluate the availability of the asset for immediate sale, management's commitment for the sale and probability of sale within one year to conclude if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

**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.

## Note 4: Property, Plant and Equipment

(₹ in crore)

Particulars	Cost						Accumulated depreciation					Net Book Value	
	As at 01 April 2020	Additions during the year	Disposal	Adjustment during the year	Classified as held for sale	As at 31 March 2021	As at 01 April 2020	Additions during the year	Disposal	Adjustment during the year	Classified as held for sale	As at 31 March 2021	As at 31 March 2020
Land													
Freehold	2,369.01	29.98	-	(6.71)	20.12	2,385.58	-	-	-	-	-	-	2,369.01
Buildings													
a) Sub-Stations & Office	1,686.08	618.40	-	(2.79)	18.87	2,288.40	218.99	70.41	-	(0.02)	2.16	287.26	1,467.09
b) Township	635.39	52.04	-	-	-	687.43	114.35	29.08	-	(0.05)	-	143.48	521.04
Temporary Erection	1.19	0.22	-	0.03	-	1.38	1.14	0.25	-	0.03	-	1.36	0.05
Roads & Bridges	182.97	80.90	-	-	-	263.87	36.66	8.18	-	-	-	44.84	146.31
Water Supply Drainage & Sewerage	101.88	19.58	-	0.02	0.88	120.56	21.56	4.74	-	(0.21)	0.08	26.43	80.32
Plant & Equipment													
a) Transmission	139,845.27	11,438.91	34.00	404.84	5,888.76	144,956.58	29,134.86	7,434.28	7.16	0.36	821.85	35,739.77	110,710.41
b) Sub-station	76,202.08	8,339.56	78.02	37.75	1,014.90	83,410.97	15,204.03	4,392.14	69.11	(6.16)	135.60	19,397.62	60,998.05
c) Unified Load Despatch & Communication	1,142.64	245.11	-	(97.63)	3.01	1,482.37	275.97	78.50	-	(15.47)	0.43	369.51	866.67
d) Telecom	1,291.41	125.26	-	111.29	-	1,305.38	507.37	104.67	-	16.15	-	595.89	784.04
Furniture Fixtures	142.01	19.13	0.31	(0.16)	0.83	160.16	38.46	10.41	0.08	(0.38)	0.21	48.96	103.55
Vehicles	2.78	1.06	0.46	(0.02)	-	3.40	1.19	0.16	0.09	(0.02)	-	1.28	1.59
Office equipment	228.35	19.27	0.47	0.37	0.18	246.60	55.57	15.44	0.21	(0.45)	0.07	71.18	172.78
Electronic Data Processing & Word Processing Machines	165.29	85.35	6.83	0.15	0.07	243.59	100.27	43.09	4.34	0.44	0.06	138.52	65.02
Construction and Workshop equipment	344.15	256.29	0.52	0.04	0.01	599.87	78.78	25.48	0.03	(0.10)	-	104.33	265.37
Electrical Installation	145.16	10.00	-	0.32	0.27	154.57	31.65	6.35	-	(1.61)	0.07	39.54	113.51
Laboratory Equipments	80.91	1.96	0.33	(5.31)	-	87.85	16.93	4.20	0.25	(1.56)	-	22.44	63.98
Workshop & Testing Equipments	292.45	34.17	-	(0.40)	1.05	325.97	40.14	16.74	-	(0.44)	0.04	57.28	252.31
Miscellaneous Assets/Equipments	0.44	0.03	-	-	0.01	0.46	0.06	0.02	-	-	-	0.08	0.38
Right-of-use (ROU) Assets													
a) ROU Assets- Land	521.10	47.55	-	28.77	-	539.88	56.80	15.33	-	(0.01)	-	72.14	464.30
b) ROU Asset- Buildings	9.51	7.33	3.03	0.26	-	13.55	3.76	5.46	2.97	0.26	-	5.99	5.75
c) ROU Asset- Plant & Machinery- Telecom	0.06	0.21	-	-	-	0.27	0.03	0.03	-	-	-	0.06	0.03
Total	225,390.13	21,432.31	123.97	470.82	6,948.96	239,278.69	45,938.57	12,264.96	84.24	(9.24)	960.57	57,167.96	179,451.56
Less: Provision for assets discarded	1.74	-	-	-	-	1.74	-	-	-	-	-	-	1.74
Grand Total	225,388.39	21,432.31	123.97	470.82	6,948.96	239,276.95	45,938.57	12,264.96	84.24	(9.24)	960.57	57,167.96	179,449.82



# Note 4: Property, Plant and Equipment (Contd.)

(₹ in crore)

Particulars	Cost					Accumulated depreciation					Net Book Value		
	As at 01 April 2019	Initial recognition/Reclassification on account of adoption of Ind AS 116	Additions during the year	Disposal	Adjustment during the year	As at 31 March 2020	As at 01 April 2019	Reclassification on account of adoption of Ind AS 116	Additions during the year	Disposal	Adjustment during the year	As at 31 March 2020	As at 31 March 2019
<b>Land</b>													
a) Freehold	2,330.78		37.73	-	(0.50)	2,369.01	-	-	-	-	-	2,369.01	2,330.78
b) Leasehold	491.28	(491.28)	-	-	-	-	43.24	(43.24)	-	-	-	-	448.04
<b>Buildings</b>													
a) Sub-Stations & Office	1,528.46		157.59	-	(0.03)	1,686.08	158.14		60.86	-	0.01	218.99	1,370.32
b) Township	587.80		49.20	-	1.61	635.39	87.67		26.68	-	-	114.35	500.13
Temporary Erection	1.02		0.16	-	(0.01)	1.19	0.95		0.18	-	(0.01)	1.14	0.07
Roads & Bridges	172.67		8.93	-	(1.37)	182.97	29.15		7.44	-	(0.07)	36.66	143.52
Water Supply Drainage & Sewerage	99.28		2.56	-	(0.04)	101.88	17.22		4.34	-	-	21.56	82.06
<b>Plant &amp; Equipment</b>													
a) Transmission	129,913.92		8,696.79	14.44	(1,249.00)	139,845.27	21,743.47		7,395.55	3.71	0.45	29,134.86	108,170.45
b) Sub-station	66,824.94		8,753.51	18.01	(641.64)	76,202.08	11,152.96		4,048.58	-	(2.49)	15,204.03	55,671.98
c) Unified Load Despatch & Communication	956.97		183.78	-	(1.89)	1,142.64	204.70		71.28	-	0.01	275.97	752.27
d) Telecom	1,117.92		160.23	0.40	(13.66)	1,291.41	401.07		106.20	0.22	(0.32)	507.37	716.85
Furniture Fixtures	131.56		10.84	0.20	0.19	142.01	29.07		9.49	0.08	0.02	38.46	102.49
Vehicles	2.90		0.25	0.37	-	2.78	1.32		0.21	0.30	0.04	1.19	1.58
Office equipment	211.01		17.58	0.18	0.06	228.35	41.05		14.58	0.03	0.03	55.57	169.96
Electronic Data Processing & Word Processing Machines	110.77		55.48	0.88	0.08	165.29	75.88		24.85	0.43	0.03	100.27	34.89
Construction and Workshop equipment	298.17		46.75	-	0.77	344.15	59.63		19.07	-	(0.08)	78.78	238.54
Electrical Installation	106.30		38.90	0.01	0.03	145.16	23.44		8.24	-	0.03	31.65	82.86
Laboratory Equipments	47.50		33.43	0.02	-	80.91	12.52		4.41	-	-	16.93	34.98
Workshop & Testing Equipments	233.51		58.91	-	(0.03)	292.45	25.70		14.41	-	(0.03)	40.14	207.81
Miscellaneous Assets/Equipments	0.17		0.30	-	0.03	0.44	0.02		0.04	-	-	0.06	0.15
<b>Right-of-use (ROU) Assets</b>													
a) ROU Assets- Land	-	503.27	15.50	-	(2.33)	521.10	-	43.24	13.60	-	0.04	56.80	464.30
b) ROU Asset- Buildings	-	8.41	0.93	0.01	(0.18)	9.51	-	-	3.73	0.01	(0.04)	3.76	5.75
c) ROU Asset- Plant & Machinery- Telecom	-	0.05	0.15	-	0.14	0.06	-	-	0.06	-	0.03	0.03	-
<b>Total</b>	<b>205,166.93</b>	<b>20.45</b>	<b>18,329.50</b>	<b>34.52</b>	<b>(1,907.77)</b>	<b>225,390.13</b>	<b>34,107.20</b>	<b>-</b>	<b>11,833.80</b>	<b>4.78</b>	<b>(2.35)</b>	<b>45,938.57</b>	<b>179,451.56</b>
Less: Provision for assets discarded	1.74	-	-	-	-	1.74	-	-	-	-	-	-	1.74
<b>Grand Total</b>	<b>205,165.19</b>	<b>20.45</b>	<b>18,329.50</b>	<b>34.52</b>	<b>(1,907.77)</b>	<b>225,388.39</b>	<b>34,107.20</b>	<b>-</b>	<b>11,833.80</b>	<b>4.78</b>	<b>(2.35)</b>	<b>45,938.57</b>	<b>179,449.82</b>
													<b>171,057.99</b>



## Note 4: Property, Plant and Equipment (Contd.)

### Further Notes:

- a) The Group owns 7714 hectare (Previous Year 7598 hectare) of land amounting to ₹ 2,945.58 crore (Previous Year ₹ 2,890.11 crore) which has been classified into freehold land 6476 hectare (Previous Year 6421 hectare) amounting to ₹ 2,405.70 crore (Previous Year ₹ 2,369.01 crore) and Right of Use - Land 1238 hectare (Previous Year 1177 hectare) amounting to ₹ 539.88 crore (Previous Year ₹ 521.10 crore) based on available documentation. Out of above Freehold land, land of 72.53 hectare amounting to ₹ 20.12 crore is classified as Asset held for Sale.
- b) Freehold land acquired by the group includes 170.26 hectare (Previous Year 241.46 hectare) amounting to ₹ 151.63 crore (Previous Year ₹ 219.44 crore) in respect of which conveyance deed in favour of the group is pending and 115.68 hectare (Previous Year 86.70 hectare) amounting to ₹ 113.85 crore (Previous Year ₹ 54.34 crore) in respect of land acquired by the group for which only mutation in revenue records is pending.
- c)
  - i) The land classified as Right of Use - Land held in the state of Jammu and Kashmir with area of 113.88 hectare (Previous Year 113.88 hectare) amounting to ₹ 129.18 crore (Previous Year ₹ 94.01 crore) is acquired by state government as per procedures under State Land Acquisition Act. As per prevailing law the state government remains the owner of the land so acquired and group is only given possession for the specific use.
  - ii) The transmission system situated in the state of Jammu and Kashmir have been taken over by the group w.e.f. 01 April 1993 from National Hydroelectric Power Corporation of India Limited (NHPC) upon mutually agreed terms pending completion of legal formalities.
  - iii) Right of Use - Land includes area of 2.65 hectare (Previous Year 2.65 hectare) amounting to ₹ 12.36 crore (Previous Year ₹ 12.36 crore) in respect of land in Chamba (HP) acquired from NHPC by the group for which legal formalities are pending.
  - iv) Right of Use - Land other than above includes 139.10 hectare (Previous Year 171.86 hectare) amounting to ₹ 139.67 crore (Previous Year ₹ 217.32 crore) in respect of which lease agreements/ legal formalities are pending.
- d) Right of Use - Land includes area of 66.68 hectare (Previous Year 44.28 hectare) amounting to ₹ 48.87 crore (Previous Year ₹ 48.87 crore) in respect of land acquired for office complex and substation on perpetual lease basis and hence not amortised.
- e) Township building includes ₹ 2.96 crore (Previous Year ₹ 2.96 crore) for 28 flats (Previous Year 28 flats) at Mumbai, for which registration in favour of the group is pending. Out of the above flats, 17 flats are occupied by employees of M/S Power System Operation Corporation Ltd.
- f) 5.63 hectare (Previous Year 5.63 hectare) having value of ₹ 0.04 crore (Previous Year ₹ 0.04 crore) has been transferred to National High Power Test Laboratory Pvt. Ltd. on right to use without granting ownership.
- g) Refer note no. 51 for disclosure on Right of Use Assets as per Ind AS 116 – “Leases”.
- h) Refer note no. 23 for information on property, plant and equipment pledged as security by the group.
- i) Refer note no. 19A for disclosure on Assets classified as held for sale.



## Note 5: Capital work in progress

(₹ in crore)

Particulars	As at 01 April 2020	Additions during the year	Adjustments	Capitalised during the year	Classified as held for sale	As at 31 March 2021
<b>Land</b>						
Development of land	0.18	42.13	-	35.18	-	<b>7.13</b>
<b>Buildings</b>						
a) Sub-Stations & Office	95.67	41.03	(534.73)	596.43	-	<b>75.00</b>
b) Township	142.13	61.98	-	34.99	2.88	<b>166.24</b>
Roads & Bridges	25.34	6.87	(73.99)	77.34	-	<b>28.86</b>
Water Supply Drainage and Sewerage	5.17	1.95	1.55	1.45	-	<b>4.12</b>
<b>Plant &amp; Equipments (including associated civil works)</b>						
a) Transmission	11,242.50	5,708.46	-	8,585.34	-	<b>8,365.62</b>
b) Sub-Station	12,341.32	3,787.88	630.57	7,253.69	3.72	<b>8,241.22</b>
c) Unified Load Despatch & Communication	370.65	170.56	47.10	239.25	-	<b>254.86</b>
d) Telecom	99.67	91.99	-	61.59	-	<b>130.07</b>
Other office equipments	1.99	0.50	0.05	2.24	-	<b>0.20</b>
Electrical Installations	2.61	2.78	2.02	0.73	-	<b>2.64</b>
Construction Stores (Net of Provision)	6,728.26	4,320.95	6,761.18	-	-	<b>4,288.03</b>
<b>Expenditure pending allocation</b>						
i) Survey, investigation, consultancy & supervision Charges	6.16	1.72	0.17	5.08	-	<b>2.63</b>
ii) Difference in Exchange on foreign currency loans	79.03	(12.68)	1.60	28.29	-	<b>36.46</b>
iii) Expenditure during construction period(net) (Note 43)	3,765.99	1,448.55	(47.46)	2,183.02	-	<b>3,078.98</b>
	<b>34,906.67</b>	<b>15,674.67</b>	<b>6,788.06</b>	<b>19,104.62</b>	<b>6.60</b>	<b>24,682.06</b>
Less: Provision for unserviceable Assets	2.26	-	-	-	-	<b>2.26</b>
<b>Grand Total</b>	<b>34,904.41</b>	<b>15,674.67</b>	<b>6,788.06</b>	<b>19,104.62</b>	<b>6.60</b>	<b>24,679.80</b>

**Note 5: Capital work in progress (Contd.)**

(₹ in crore)

<b>Particulars</b>	<b>As at 01 April 2019</b>	<b>Additions during the year</b>	<b>Adjustments</b>	<b>Capitalised during the year</b>	<b>As at 31 March 2020</b>
<b>Land</b>					
Development of land	6.44	5.48	-	11.74	<b>0.18</b>
<b>Buildings</b>					
a) Sub-Stations & Office	98.15	63.37	2.13	63.72	<b>95.67</b>
b) Township	117.19	77.74	11.46	41.34	<b>142.13</b>
Roads & Bridges	18.27	8.94	0.69	1.18	<b>25.34</b>
Water Supply Drainage and Sewerage	3.54	1.85	-	0.22	<b>5.17</b>
<b>Plant &amp; Equipments (including associated civil works)</b>					
a) Transmission	11,999.74	6,632.32	20.23	7,369.33	<b>11,242.50</b>
b) Sub-Station	10,210.84	10,002.25	(0.01)	7,871.78	<b>12,341.32</b>
c) Unified Load Despatch & Communication	478.34	145.78	-	253.47	<b>370.65</b>
d) Telecom	75.32	110.34	-	85.99	<b>99.67</b>
Other office equipments	9.83	23.81	31.65	-	<b>1.99</b>
Electrical Installations	3.44	2.09	-	2.92	<b>2.61</b>
Construction Stores (Net of Provision)	11,399.93	7,188.90	11,860.57	-	<b>6,728.26</b>
<b>Expenditure pending allocation</b>					
i) Survey, investigation, consultancy & supervision Charges	6.43	2.70	-	2.97	<b>6.16</b>
ii) Difference in Exchange on foreign currency loans	127.33	84.76	-	133.06	<b>79.03</b>
iii) Expenditure during construction period(net) (Note 43)	2,835.94	2,813.51	(82.43)	1,965.89	<b>3,765.99</b>
	<b>37,390.73</b>	<b>27,163.84</b>	<b>11,844.29</b>	<b>17,803.61</b>	<b>34,906.67</b>
Less: Provision for unserviceable Assets	2.26	-	-	-	<b>2.26</b>
<b>Grand Total</b>	<b>37,388.47</b>	<b>27,163.84</b>	<b>11,844.29</b>	<b>17,803.61</b>	<b>34,904.41</b>



## Note 5: Capital work in progress (Contd.)

Details of Construction stores (At cost)

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Construction Stores</b>		
Towers	642.71	1,203.12
Conductors	1,128.88	1,845.49
Other Line Materials	275.24	434.43
Sub-Station Equipments	1,559.59	1,788.77
High Voltage Direct Current (HVDC) Equipments	328.86	1,087.74
Unified Load Despatch & Communication(ULDC) Materials	232.95	209.93
Telecom Materials	76.53	80.75
Others	43.27	78.03
<b>Total</b>	<b>4,288.03</b>	<b>6,728.26</b>
<b>Construction Stores include:</b>		
<b>i) Material in transit</b>		
Towers	27.95	68.94
Conductors	19.32	31.42
Other Line Materials	2.39	1.03
Sub-Station Equipments	158.40	170.61
High Voltage Direct Current (HVDC) Equipments	34.78	138.09
Unified Load Despatch & Communication(ULDC) Materials	0.86	-
Telecom Materials	0.25	-
Others	0.70	-
<b>Total</b>	<b>244.65</b>	<b>410.09</b>
<b>ii) Material with Contractors</b>		
Towers	614.76	1,134.18
Conductors	1,109.56	1,814.07
Other Line Materials	272.85	433.40
Sub-Station Equipments	1,401.19	1,618.16
High Voltage Direct Current (HVDC) Equipments	294.08	949.65
Unified Load Despatch & Communication (ULDC) Materials	232.09	209.93
Telecom Materials	76.28	80.75
Others	42.57	78.03
<b>Total</b>	<b>4,043.38</b>	<b>6,318.17</b>
<b>Grand total</b>	<b>4,288.03</b>	<b>6,728.26</b>

### Further Notes:

Materials with Contractors amounting to ₹ 175.71 crore (Previous Year ₹ 229.28 crore) in respect of commissioned lines is pending for reconciliation. However reconciliation are carried out on ongoing basis.

**Note 6: Investment Property**

(₹ in crore)

Particulars	Cost				Accumulated Amortisation				Net Book Value		
	As at 01 April 2020	Additions during the year	Disposal	Adjustment during the year	As at 31 March 2021	As at 01 April 2020	Additions during the year	Disposal	Adjustment during the year	As at 31 March 2021	As at 31 March 2020
Land (Freehold)	0.02	-	-	-	0.02	-	-	-	-	0.02	0.02
Buildings	0.01	-	-	-	0.01	-	-	-	-	0.01	0.01
<b>Total</b>	<b>0.03</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.03</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.03</b>	<b>0.03</b>

(₹ in crore)

Particulars	Cost				Accumulated Amortisation				Net Book Value		
	As at 01 April 2019	Additions during the year	Disposal	Adjustment during the year	As at 31 March 2020	As at 01 April 2019	Additions during the year	Disposal	Adjustment during the year	As at 31 March 2020	As at 31 March 2019
Land (Freehold)	0.02	-	-	-	0.02	-	-	-	-	0.02	0.02
Buildings	0.01	-	-	-	0.01	-	-	-	-	0.01	0.01
<b>Total</b>	<b>0.03</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.03</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.03</b>	<b>0.03</b>



## Note 6: Investment Property (Contd.)

### Further Notes:

(i) Amount recognised in profit or loss for investment property (₹ in crore)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Rental income	Nil	Nil
Direct operating expenses from property that generated rental income	Nil	Nil
Direct operating expenses from property that did not generate rental income	Nil	Nil
Profit from investment property before depreciation	Nil	Nil
Depreciation	Nil	Nil
<b>Profit from investment property</b>	<b>Nil</b>	<b>Nil</b>

(ii) There is no contractual obligation for future repairs and maintenance which not recognised as a liability as at 31.03.2021 and 31.03.2020.

(iii) There are no Leasing arrangements as at 31.03.2021 and 31.03.2020.

(iv) Fair value

(₹ in crore)

Particulars	As at 31.03.2021	As at 31.03.2020
Investment property	3.52	2.87

### Estimation of fair value

The fair value of investment property has been determined by independent valuer. The main inputs used are the rental growth rates, expected vacancy rates, terminal yields and discount rates based on comparable transactions and industry data. All resulting fair value estimates for investment property are included in level 2.



**Note 7: Intangible assets**

(₹ in crore)

Particulars	Cost				Accumulated Amortisation						Net Book Value		
	As at 01 April 2020	Additions during the year	Disposal	Adjustment during the year	Classified as held for sale	As at 31 March 2021	As at 01 April 2020	Additions during the year	Disposal	Adjustment during the year	Classified as held for sale	As at 31 March 2021	As at 31 March 2020
Electronic Data Processing Software	57.88	10.17	0.03	-	0.01	68.01	51.53	5.94	0.03	-	0.01	57.43	10.58
Right of Way-Afforestation Expenses	2,022.25	180.93	-	0.70	123.88	2,078.60	413.08	110.31	-	(1.29)	13.06	511.62	1,566.98
Telecom Licenses	2.80	-	-	-	-	2.80	0.41	0.14	-	-	-	0.55	2.25
Development of 1200 KV TS*	71.86	-	-	-	-	71.86	27.49	7.23	-	-	-	34.72	37.14
Total	2,154.79	191.10	0.03	0.70	123.89	2,221.27	492.51	123.62	0.03	(1.29)	13.07	604.32	1,616.95
													1,662.28

\* Internally generated intangible asset

(₹ in crore)

Particulars	Cost					Accumulated Amortisation					Net Book Value	
	As at 01 April 2019	Additions during the year	Disposal	Adjustment during the year	As at 31 March 2020	As at 01 April 2019	Additions during the year	Disposal	Adjustment during the year	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020
Electronic Data Processing Software	54.87	3.01	-	-	57.88	47.10	4.42	-	(0.01)	51.53	6.35	7.77
Right of Way-Afforestation Expenses	1,919.85	61.29	-	(41.11)	2,022.25	300.16	112.90	-	(0.02)	413.08	1,609.17	1,619.69
Telecom Licenses	2.80	-	-	-	2.80	0.27	0.14	-	-	0.41	2.39	2.53
Development of 1200 KV TS*	71.86	-	-	-	71.86	20.25	7.24	-	-	27.49	44.37	51.61
<b>Total</b>	<b>2,049.38</b>	<b>64.30</b>	<b>-</b>	<b>(41.11)</b>	<b>2,154.79</b>	<b>367.78</b>	<b>124.70</b>	<b>-</b>	<b>(0.03)</b>	<b>492.51</b>	<b>1,662.28</b>	<b>1,681.60</b>

\* Internally generated intangible asset



## Note 8: Intangible assets under development

(₹ in crore)

Particulars	As at 01 April 2020	Additions	Adjustments	Capitalised during the year	As at 31 March 2021
Right of Way-Afforestation expenses	273.00	57.61	-	172.62	157.99
<b>Total</b>	<b>273.00</b>	<b>57.61</b>	<b>-</b>	<b>172.62</b>	<b>157.99</b>

(₹ in crore)

Particulars	As at 01 April 2019	Additions	Adjustments	Capitalised during the year	As at 31 March 2020
Right of Way-Afforestation expenses	242.59	69.94	-	39.53	273.00
<b>Total</b>	<b>242.59</b>	<b>69.94</b>	<b>-</b>	<b>39.53</b>	<b>273.00</b>

## Note 9A: Investments in Joint Ventures accounted for using the equity method

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Investments in Equity Instruments (fully paid up)</b>		
<b>Unquoted</b>		
<b>Joint Venture Companies</b>		
Torrent Power Grid Limited		
23400000 (Previous Year 23400000) Equity Shares of ₹10/- each.	34.67	33.86
Jaypee Powergrid Limited		
Previous Year 78000000 Equity Shares of ₹10/- each. (Refer further note 3 below)	-	112.46
Parbati Koldam Transmission Company Limited		
70937620 (Previous Year 70937620) Equity Shares of ₹10/- each.	86.60	105.39
Teestavalley Power Transmission Limited		
120120000 (Previous Year 120120000) Equity Shares of ₹10/- each.	140.02	128.67
Powerlinks Transmission Limited		
229320000 (Previous Year 229320000) Equity Shares of ₹10/- each. (Refer further note 1 below)	469.63	465.45
North East Transmission Company Limited		
106964000 (Previous Year 106964000) Equity Shares of ₹10/- each.	124.62	121.10
National High Power Test Laboratory Private Limited		
30400000 (Previous Year 30400000) Equity Shares of ₹10/- each.	18.22	21.96
Cross Border Power Transmission Company Limited		
12612473 (Previous Year 12612473) Equity Shares of ₹10/- each.	29.97	28.57
Kalinga Bidyut Prasaran Nigam Private Limited		
Nil (Previous Year Nil) Equity Shares of ₹10/- each. (Refer further note 4 below)	-	-
Less: Provision for diminution in the value of Investment	-	-
	-	-
Bihar Grid Company Limited		
290296935 (Previous Year 250795526) Equity Shares of ₹10/- each.	431.29	303.59

**Note 9A: Investments in Joint Ventures accounted for using the equity method (Contd.)**

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
Power Transmission Company Nepal Limited 1170000 (Previous Year 1170000) Equity Shares of Nepali ₹100/- each.	<b>11.83</b>	11.13
RINL POWERGRID TLT Private Limited 4000000 (Previous Year 4000000) Equity Shares of ₹10/- each. (Refer further note 5 below)	-	-
Less: Provision for diminution in the value of Investment	-	-
<b>Total</b>	<b>1,346.85</b>	<b>1,332.18</b>

**Further notes:**

- During the previous financial year, the pledge on 229319997 equity shares held by POWERGRID in M/s Powerlinks Transmission Limited has been released from IDFC FIRST Bank (formerly IDFC Ltd) being the Trustee on behalf of Security lenders in terms of Share pledge agreement dated 15.04.2004.
- Investments have been valued as per accounting policy no. 2.2 & 2.14.
- Wholly owned subsidiary w.e.f. 26.03.2021 (Joint venture till 25.03.2021) (Refer note no. 52).
- The present status of the M/s Kalinga Bidyut Prasaran Nigam Private Limited as per MCA website is "Strike Off". Investment of ₹ 0.01 crore in Kalinga Bidyut Prasaran Nigam Private Limited has been written off during the Previous Year.
- 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.

**Note 9: Investments**

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Investments in Equity Instruments (fully paid up)</b>		
<b>Investments at Fair Value through Other Comprehensive Income (OCI)</b>		
<b>Quoted</b>		
PTC India Limited 12000006 (Previous Year 12000006) Equity Shares of ₹10/- each	<b>93.30</b>	46.50
<b>Unquoted</b>		
Energy Efficiency Services Limited 56118350 (Previous Year 56118350) Equity Shares of ₹10/- each	<b>45.40</b>	52.40
<b>Others</b>		
1 (Previous Year 1) share of ₹10/- each in Bharat Broadband Network Limited (₹ 10/-)	<b>0.00</b>	0.00
<b>Total</b>	<b>138.70</b>	<b>98.90</b>



## Note 9: Investments (Contd.)

### Further notes:

(₹ in crore)

1) a) Aggregate amount of Quoted Investments	As at 31 March 2021	As at 31 March 2020
At Cost	12.00	12.00
Market Value	93.30	46.50
b) Aggregate amount of Unquoted Investments	45.40	52.40

2) Investments have been valued as per accounting policy no. 2.2 & 2.14.

## Note 10: Loans (considered good unless otherwise stated)

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Loans to Related Parties **</b>		
Loans to JVs-Unsecured	12.40	18.40
Loan to Directors & Key Managerial Personnel (KMP)		
Secured #	0.02	0.02
Unsecured	0.04	0.03
	12.46	18.45
<b>Loans to Employees (including interest accrued)</b>		
Secured #	278.39	218.92
Unsecured	31.73	34.21
	310.12	253.13
<b>Total</b>	<b>322.58</b>	<b>271.58</b>

### Further notes:

\*\* Details of loans to related parties is provided in Note 58.

# House building loans and conveyance advance to Directors, KMP and Employees are secured against the mortgage of the house properties or hypothecation of vehicles for which such loans have been given in line with the policies of the Company.

## Note 11: Other Non-current Financial Assets

(Unsecured considered good unless otherwise stated)

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
Lease receivables	853.54	601.69
Bank deposits with more than 12 months maturity #	92.66	11.11
Recoverable for GOI fully serviced bonds ##	3,487.50	3,487.50
<b>Total</b>	<b>4,433.70</b>	<b>4,100.30</b>

### Further notes:

# Bank deposits against designated accounts for consultancy work.

## In the FY 2018-19, the Company issued 'GOI fully serviced bonds' for an amount of ₹ 3487.50 crore for raising of Extra Budgetary Resources (EBR) for GOI scheme of Power System Development Fund (PSDF) in terms of letter No: 7/1/2018-OM dated 21st January, 2019 of Ministry of Power, Govt. of India (GOI) for meeting accrued liabilities for creation of Capital Assets. The repayment of principal and the interest payment on such bonds shall be met by GOI. An amount of ₹ 3487.50 Crore from bond issue has been recognised as Grant in aid in Previous Years.

**Note 12: Other non-current Assets**

(Unsecured considered good unless otherwise stated)

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Advances for Capital Expenditure</b>		
Unsecured		
a. Against bank guarantees	293.35	671.05
b. Others	84.87	84.93
Unsecured considered doubtful	1.19	1.19
	379.41	757.17
Less: Provision for bad & doubtful Advances	1.19	1.19
	378.22	755.98
<b>Advances other than for Capital Expenditure</b>		
Security Deposits	22.91	19.78
Deferred Employee Cost	49.09	61.05
Deferred Foreign currency Fluctuation Asset	4,225.87	5,247.96
Advances recoverable in kind or for value to be received		
Employees	0.09	2.77
Balance with Customs Port Trust and other authorities	10.78	25.12
Advance tax and Tax deducted at source #	15.46	7.10
Other Taxes	2.82	1.67
Others*	220.22	204.30
	249.37	240.96
Considered doubtful	0.91	0.91
	250.28	241.87
Less: Provision for doubtful Advances	0.91	0.91
	249.37	240.96
<b>Total</b>	<b>4,925.46</b>	<b>6,325.73</b>

**Further notes:**

\*Others include amount recoverable from Customers &amp; State Governments, insurance claims etc.

# Net of Current Tax Liabilities - Note 33.

**Note 13: Inventories**

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>(For mode of valuation refer Note 2.11)</b>		
Components, Spares & other spare parts	1,350.30	1,416.61
Loose tools	23.70	23.59
Consumable stores	11.44	11.17
	1,385.44	1,451.37
Less Provision for Shortages/damages etc	18.50	17.91
<b>Total</b>	<b>1,366.94</b>	<b>1,433.46</b>
<b>Inventories includes material in transit</b>		
Components, Spares & other spare parts	-	0.23



## Note 14: Trade Receivables

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Trade receivables - Unsecured</b>		
Considered good	3,666.65	5,031.81
Credit Impaired	300.44	317.70
	3,967.09	5,349.51
Receivable from related parties - Unsecured *		
Considered good	8.88	8.90
	3,975.97	5,358.41
Less: Loss Allowance	300.44	317.70
<b>Total</b>	<b>3,675.53</b>	<b>5,040.71</b>

### Further notes:

\*Details of trade receivables from related parties are provided in Note 58.

Refer Note 47 for disclosure as per Ind AS 115 'Revenue from Contracts with Customers'.

Based on arrangements between the Company, banks and beneficiaries, the bills of the beneficiaries have been discounted. Accordingly, trade receivables have been disclosed net off bills discounted amounting to ₹ 2871.49 crore (Previous Year ₹ 1060.24 crore). Refer Note 61 for contingent liabilities relating to bill discounting.

## Note 15: Cash and Cash Equivalents

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Balance with banks-</b>		
- In Current accounts	985.58	147.71
- In designated Current accounts (For Consultancy clients and others)	71.64	433.90
In term deposits (with maturity less than 3 months) (including interest accrued)*	3,429.87	4,267.95
Drafts/Cheques in hand/Remittances in transit	0.09	0.02
Cash in hand	0.03	-
Others (Stamps and Imprest)	0.02	0.01
<b>Total</b>	<b>4,487.23</b>	<b>4,849.59</b>

### Further notes:

\*Term deposit includes ₹ 3050.84 crore (Previous Year ₹ 4234.42 crore) for Consultancy clients and others.

## Note 16: Bank Balances other than Cash & cash equivalents

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
Earmarked balance with banks*	152.91	21.35
In Term Deposits having maturity over 3 months but upto 12 months (For Consultancy clients and others) (including interest accrued)	718.57	582.96
<b>Total</b>	<b>871.48</b>	<b>604.31</b>

### Further notes:

\*Earmarked balance with Bank includes unpaid dividend, dividend payable, TDS on Dividend and refund of FPO proceeds.



**Note 17: Loans**

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Loans to Related Parties (including interest accrued)**</b>		
Loans to Joint Venture - Unsecured	<b>40.48</b>	81.16
Loan to Directors & Key Managerial Personnel (KMP)		
Secured #	<b>0.01</b>	0.01
Unsecured Considered good	<b>0.07</b>	0.03
	<b>40.56</b>	81.20
<b>Loans to Employees (including interest accrued)</b>		
Secured #	<b>46.08</b>	35.64
Unsecured Considered good	<b>40.41</b>	39.57
	<b>86.49</b>	75.21
<b>Total</b>	<b>127.05</b>	<b>156.41</b>

**Further notes:**

\*\* Details of loans to related parties is provided in Note No 58.

# House building loans and conveyance advance to Directors, KMP and Employees are secured against the mortgage of the house properties or hypothecation of vehicles for which such loans have been given in line with the policies of the Company.

**Note 18: Other Current Financial Assets**

(Unsecured considered good unless otherwise stated)

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
Lease Receivables	<b>55.59</b>	48.28
Unbilled Revenue*	<b>7,194.13</b>	5,351.17
Less: Provision for Unbilled revenue	<b>18.92</b>	18.92
	<b>7,175.21</b>	5,332.25
Recoverable for GOI fully Service Bonds (including interest accrued)	<b>36.22</b>	36.90
Advances to/Recoverable from Related Parties #	<b>0.82</b>	0.17
Others ##		
Considered Good	<b>771.13</b>	381.83
<b>Total</b>	<b>8,038.97</b>	<b>5,799.43</b>

**Further notes:**

\* Unbilled revenue includes transmission charges for the month of March in the financial year amounting to ₹2627.82crore (Previous Year ₹4063.20crore) billed to beneficiaries in the month of April of subsequent financial year. Further refer note no 47 for disclosure as per Ind AS 115 'Revenue from Contracts with Customers'. Unbilled revenue includes ₹ 0.53 crore (previous year nil) from related parties (refer note 58)

# Details of advances to related parties are provided in Note 58.

## Others include:-

(a) an amount of ₹ 59.88 crore (Previous Year ₹ 30.85 crore) recoverable from M/s Delhi Transco Limited towards transfer of 2.427 hectare (Previous Year 1.167 hectare) land at Tughlaqabad and Dwarka Sub-station pending completion of legal formalities for transfer of title.

(b) amount recoverable from Customers, Advance rent for Residential and Office accommodation, Other advance etc.



## Note 19: Other Current Assets

(Unsecured considered good unless otherwise stated)

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Advances other than for Capital Expenditure</b>		
<b>Advances recoverable in kind or for value to be received</b>		
Contractors & Suppliers	9.75	3.29
Employees	5.98	24.77
Balance with Customs Port Trust and other authorities	39.27	58.22
Claims recoverable	0.54	0.54
	55.54	86.82
<b>Others*</b>		
Considered Good	119.15	141.20
Considered Doubtful	0.01	0.01
	119.16	141.21
<b>Less: Provision for Doubtful Advances</b>	0.01	0.01
	119.15	141.20
<b>Total</b>	<b>174.69</b>	<b>228.02</b>

### Further notes:

\*Others include advance given for CSR activities, prepaid expenses and input tax credit - GST.

## Note 19A: Assets Classified as Held for Sale and related Liabilities

(₹ in crore)

Particulars	As at 31 March 2021
<b>Non-current assets</b>	
Property, Plant and Equipment	5,988.39
Capital work-in-progress	6.60
Intangible assets	110.82
Other non-current assets	63.98
	6,169.79
<b>Current assets</b>	
Inventories	30.99
Financial Assets	
(i) Trade receivables	107.49
(ii) Cash and cash equivalents	180.51
(iii) Other current financial assets	197.01
Other current assets	15.26
	531.26
<b>Assets Classified as Held for Sale</b>	<b>6,701.05</b>

**Note 19A: Assets Classified as Held for Sale and related Liabilities (Contd.)**

(₹ in crore)

Particulars	As at 31 March 2021
<b>Non-current liabilities</b>	
Deferred tax liabilities(Net)	327.25
	<b>327.25</b>
<b>Current liabilities</b>	
Financial Liabilities	
(i) Trade payables - MSE	-
- Other Than MSE	0.36
(ii) Other current financial liability	36.23
Other current liabilities	0.06
Provisions	0.08
Current Tax Liabilities (Net)	-
	<b>36.73</b>
<b>Liabilities directly associated with Assets Classified as held for Sale</b>	<b>363.98</b>

**Further notes:**

The Group has monetised five (05) of its Subsidiaries, namely Powergrid Vizag Transmission Limited, Powergrid Kala Amb Transmission Limited, Powergrid Jabalpur Transmission Limited, Powergrid Warora Transmission Limited and Powergrid Parli Transmission Limited through POWERGRID Infrastructure Investment Trust ('PGInvIT/ Trust'). PGInvIT has been registered by SEBI under SEBI (Infrastructure Investment Trusts) Regulations, 2014 ('InvIT Regulations') as an Infrastructure Investment Trust vide registration no. IN/InvIT/20-21/0016 dated 07.01.2021. The company is the Sponsor of PGInvIT and shall also act as the Project Manager to PGInvIT. IDBI Trusteeship Services Limited is the Trustee and Powergrid Unchahar Transmission Limited (PUTL), a wholly owned subsidiary of the company, has been appointed as Investment Manager to PGInvIT. The Offer Document for initial public offer has been filed by PGInvIT with the SEBI and Stock Exchanges on 22.04.2021 and units got listed on stock exchanges on 14.05.2021. The 74% shares in the above five SPVs have been transferred to PGInvIT in May, 2021 and balance 26% will be transferred in line with Transmission Service Agreement (TSA). In lieu of consideration of shareholding so transferred, 41,06,50,900 Units were allotted by PGInvIT to the company. The company retained 13,65,00,100 units being 15% of total units of PGInvIT outstanding on post issue basis. pursuant to InvIT Regulations and remaining 27,41,50,800 units were sold by way of 'Offer for Sale (OFS)'. The company received an amount of ₹ 2736.02 crore (net of STT) against the OFS.

As the control of these subsidiaries has been transferred in FY 2021-22, the assets and related liabilities of these subsidiaries have been classified as "Assets Classified as Held for Sale" and "Liabilities directly associated with Assets Classified as Held for Sale" respectively as on 31.03.2021.

**Note 20: Regulatory Deferral Account Balances**

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Assets</b>		
Deferred assets for deferred tax liability	9,351.43	8,814.19
Foreign Currency Fluctuation	1,089.54	1,174.71
Employee Benefits Expense	134.16	134.16
<b>Total</b>	<b>10,575.13</b>	<b>10,123.06</b>

**Further Note:**

Refer to note no. 53 for detailed disclosure on Regulatory Deferral Account Balances.



## Note 21: Equity Share capital

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Equity Share Capital</b>		
<b>Authorised</b>		
10,00,00,00,000 (Previous Year 10,00,00,00,000) equity shares of ₹10/- each at par	10,000.00	10,000.00
<b>Issued, subscribed and paid up</b>		
5,23,15,89,648 (Previous Year 5,23,15,89,648) equity shares of ₹10/- each at par fully paid up	5,231.59	5,231.59

### 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 31 March 2021		For the year ended 31 March 2020	
	No. of Shares	Amount (₹ in crore)	No. of Shares	Amount (₹ in crore)
Shares outstanding at the beginning of the year	5231589648	5,231.59	5231589648	5,231.59
Additions during the year	-	-	-	-
Deduction during the year	-	-	-	-
Shares outstanding at the end of the year	5231589648	5,231.59	5231589648	5,231.59

- 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 to voting rights proportionate to their shareholding at meetings of the Shareholders.
- 4) Shareholders holding more than 5% equity shares of the Company

Particulars	As at 31 March 2021		As at 31 March 2020	
	No. of Shares	% of holding	No. of Shares	% of holding
Government of India	2685872408	51.34	2685872408	51.34
Life Insurance Corporation of India	310294907	5.93	274430207	5.25

## Note 22: Other Equity

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Reserves and Surplus</b>		
Capital Reserve	0.76	-
Securities Premium	9,578.29	9,578.29
Bonds Redemption Reserve	7,387.97	8,696.91
Self Insurance Reserve	734.07	832.09
Corporate Social Responsibility (CSR) Activity Reserve	-	-
General Reserve	43,269.22	36,905.49
Retained Earnings	3,667.03	3,423.64
<b>Other Reserves</b>		
Other Comprehensive Income Reserve	67.14	27.34
<b>Total</b>	<b>64,704.48</b>	<b>59,463.76</b>

## Note 22: Other Equity (Contd.)

### 22.1 Capital Reserve

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	-	-
Addition during the year	0.76	-
Deduction during the year	-	-
<b>Balance at the end of the year</b>	<b>0.76</b>	<b>-</b>

Addition during the year is on account of business combination. (Refer note no. 52)

### 22.2 Securities Premium

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	9,578.29	9,578.29
Addition during the year	-	-
Deduction during the year	-	-
<b>Balance at the end of the year</b>	<b>9,578.29</b>	<b>9,578.29</b>

Securities premium is used to record the premium on issue of shares/securities. This amount is utilised in accordance with the provision of the Companies Act, 2013.

### 22.3 Bonds Redemption Reserve

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	8,696.91	9,942.79
Addition during the year	-	439.88
Deduction during the year	1,308.94	1,685.76
<b>Balance at the end of the year</b>	<b>7,387.97</b>	<b>8,696.91</b>

Bonds Redemption Reserve is created for the purpose of redemption of debentures in term of the Companies Act, 2013. As per the Companies (Share Capital and Debentures) rule 2014, listed companies are not required to create Bonds Redemption Reserve w.e.f. 16.08.2019.

### 22.4 Self Insurance Reserve

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	832.09	893.37
Addition during the year	289.31	275.60
Deduction during the year	387.33	336.88
<b>Balance at the end of the year</b>	<b>734.07</b>	<b>832.09</b>

Self-Insurance Reserve is created @ 0.12% p.a. (0.12% p.a. in previous year) on the Original Gross Block of Property, Plant & Equipments and value of inventory except ROU Assets and assets covered under insurance as at the end of the year to meet future losses which may arise from un-insured risks and for procurement of towers and other transmission line materials including strengthening of towers and equipments of AC sub-station to take care of future contingencies. From current year, the Group has included inventories also for the calculation of self insurance reserve and the same does not have any material impact on the Group.



## Note 22: Other Equity (Contd.)

### 22.5 Corporate Social Responsibility (CSR) Activity Reserve

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	-	114.54
Addition during the year	-	-
Deduction during the year	-	114.54
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>

Corporate Social Responsibility Reserve is created to the extent of shortfall in the actual expenditure in any year vis-à-vis the amount stipulated as per the Companies Act, 2013.

### 22.6 General Reserve

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	36,905.49	31,454.07
Addition during the year	6,363.73	5,451.42
<b>Balance at the end of the year</b>	<b>43,269.22</b>	<b>36,905.49</b>

General Reserve is retained earnings of the company which are kept aside out of company's profits. It is a free reserve which can be utilized to meet any unknown future contingencies and to pay dividends to shareholders.

### 22.7 Retained Earnings

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	3,423.64	1,797.05
Add: Additions		
Net Profit for the period	12,036.46	11,059.40
Items of other comprehensive income recognised directly in surplus balance		
- Remeasurements of post employment benefit obligations	(14.31)	(54.67)
Transfer from Bond Redemption Reserve	1,308.94	1,685.76
Transfer from Self Insurance	23.60	-
Other Adjustments	-	(4.42)
Less: Appropriations		
General Reserve	6,000.00	5,000.00
Bonds Redemption Reserve	-	439.88
Self Insurance Reserve	289.31	275.60
Interim dividend paid	4,708.43	3,118.02
Tax on Interim dividend	-	637.94
Final Dividend (refer note 62(b))	2,113.56	1,307.90
Tax on Final Dividend	-	280.14
<b>Balance at the end of the year</b>	<b>3,667.03</b>	<b>3,423.64</b>

### 22.8 Other Comprehensive Income Reserve

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	27.34	76.69
Addition during the year	39.80	(49.35)
<b>Balance at the end of the year</b>	<b>67.14</b>	<b>27.34</b>

Other Comprehensive Income Reserve is created from increase/decrease in valuation of Non Current Investments in Equity instruments classified as fair valued through Other Comprehensive Income (FVOCI).

**Note 23: Borrowings**

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>A) BONDS</b>		
<b>A1) Secured (Taxable, Redeemable, Non-Cumulative, Non-Convertible)</b>		
<b>A1.1</b> i) Bonds of ₹10 Lakh each		
<b>LV Issue-7.55% Redeemable at par on 21.09.2031</b>	<b>1,289.04</b>	1,288.30
<b>LX Issue-7.20% Redeemable at par on 09.08.2027</b>	<b>3,201.67</b>	3,201.86
<b>LIX Issue-7.30% Redeemable at par on 19.06.2027</b>	<b>3,245.43</b>	3,245.54
<b>XXXIX Issue-9.40% redeemable at par on 29.03.2027</b>	<b>1,801.33</b>	1,801.26
<b>LVIII Issue-7.89% redeemable at par on 09.03.2027</b>	<b>2,070.07</b>	2,069.69
<b>XXXVIII Issue-9.25% redeemable at par on 09.03.2027</b>	<b>859.92</b>	859.71
<b>LVI Issue-7.36% redeemable at par on 18.10.2026</b>	<b>1,100.06</b>	1,099.67
<b>LXII Issue-8.36% Redeemable at par in 05 (five) equal installments w.e.f. 07.01.2025</b>	<b>2,038.28</b>	2,038.61
<b>XLII Issue-8.80% redeemable at par on 13.03.2023</b>	<b>1,999.05</b>	1,998.66
<b>LVII Issue-7.20% redeemable at par on 21.12.2021</b>	<b>2,162.20</b>	2,161.38
ii) Bonds of ₹30 Lakh each consisting of 3 STRPPs of ₹10 lakh each redeemable at par in 3 (Three) equal installments on 15.07.2021, 15.07.2026 and 15.07.2031		
<b>LIV Issue-7.97% Redeemable w.e.f. 15.07.2021</b>	<b>3,170.17</b>	3,168.45
iii) Bonds of ₹30 Lakh each consisting of 3 STRPPs of ₹10 lakh each redeemable at par in 3 (Three) equal installments on 23.12.2020, 23.12.2025 and 23.12.2030		
<b>LII Issue-8.32% redeemable w.e.f. 23.12.2020</b>	<b>952.89</b>	1,428.83
iv) Bonds of ₹1.20 crore each consisting of 12 STRPPs of ₹10 lakh each redeemable at par in 12 (Twelve) equal installments		
<b>LIII Issue-8.13% Redeemable w.e.f. 25.04.2020</b>	<b>3,939.45</b>	4,299.65
v) Bonds of ₹30 Lakh each consisting of 3 STRPPs of ₹10 lakh each redeemable at par in 3 (Three) equal installments on 09.03.2020, 09.03.2025 and 09.03.2030		
<b>XLIX Issue-8.15% redeemable w.e.f. 09.03.2020</b>	<b>874.34</b>	874.17
vi) Bonds of ₹0.10 crore each redeemable at par at the end of 5th year 2900 Bonds-8.90% redeemable on 10.06.2020	-	310.87
vii) Bonds of ₹40 Lakh each consisting of 4 STRPPs of ₹10 lakh each redeemable at par in 4 (Four) equal installments on 23.01.2020, 23.01.2022, 23.01.2025 and 23.01.2030		
<b>XLVIII Issue-8.20% redeemable w.e.f. 23.01.2020</b>	<b>1,963.59</b>	1,963.99
viii) Bonds of ₹1.20 crore each consisting of 12 STRPPs of ₹10 lakh each redeemable at par in 12 (Twelve) equal installments		
<b>LI Issue-8.40% redeemable w.e.f. 14.09.2019</b>	<b>2,614.37</b>	2,872.53
ix) Bonds of ₹30 Lakh each consisting of 3 STRPPs of ₹10 lakh each redeemable at par in 3 (Three) equal installments on 04.09.2019, 04.09.2024 and 04.09.2029		
<b>XLVI Issue-9.30% redeemable w.e.f. 04.09.2019</b>	<b>3,062.74</b>	3,060.18





## Note 23: Borrowings (Contd.)

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
x) Bonds of ₹1.20 crore each consisting of 12 STRPPs of ₹10 lakh each redeemable at par in 12 (Twelve) equal installments <b>L Issue-8.40% redeemable w.e.f. 27.05.2019</b>	<b>2,613.39</b>	2,873.90
xi) Bonds of ₹1.20 crore each consisting of 12 STRPPs of ₹10 lakh each redeemable at par in 12 (Twelve) equal installments <b>XLVII Issue-8.93% redeemable w.e.f. 20.10.2018</b>	<b>2,058.85</b>	2,285.25
xii) Bonds of ₹30 Lakh each redeemable at par in 3 equal instalments on 15.07.2018, 15.07.2023 and 15.07.2028 <b>XLIV Issue-8.70% redeemable w.e.f. 15.07.2018</b>	<b>2,807.76</b>	2,805.95
xiii) Bonds of ₹1.2 crores each consisting of 12 STRPPs of ₹10 lakhs each redeemable at par in 12 (Twelve) equal annual instalments <b>XLV Issue-9.65% redeemable w.e.f. 28.02.2018</b> <b>XLIII Issue-7.93% redeemable w.e.f. 20.05.2017</b>	<b>1,343.63</b> <b>2,227.00</b>	1,512.37 2,504.60
xiv) Bonds of ₹1.5 crores each consisting of 12 STRPPs of ₹ 12.50 Lakhs each redeemable at par in 12 (Twelve) equal annual instalments. <b>XLI Issue-8.85% redeemable w.e.f. 19.10.2016</b>	<b>1,724.01</b>	1,968.79
xv) Bonds of ₹1.50 crores each, consisting of 15 STRPPs of ₹10.00 Lakhs each redeemable at par in 15 (Fifteen) equal annual instalments <b>XXXVI Issue- 9.35% redeemable w.e.f. 29.08.2016</b>	<b>2,173.42</b>	2,388.76
xvi) Bonds of ₹1.5 crores each consisting of 12 STRPPs of ₹12.50 Lakhs each redeemable at par in 12 (Twelve) equal annual instalments. <b>XL Issue-9.30% redeemable w.e.f. 28.06.2016</b> <b>XXXVII Issue- 9.25% redeemable w.e.f 26.12.2015</b> <b>XXXV Issue- 9.64% redeemable w.e.f 31.05.2015</b> <b>XXXIV Issue- 8.84% redeemable w.e.f 21.10.2014</b> <b>XXXIII Issue- 8.64% redeemable w.e.f 08.07.2014</b> <b>XXXII Issue- 8.84% redeemable w.e.f 29.03.2014</b> <b>XXXI Issue- 8.90% redeemable w.e.f 25.02.2014</b> <b>XXX Issue- 8.80% redeemable w.e.f 29.09.2013</b> <b>XXIX Issue- 9.20% redeemable w.e.f 12.03.2013</b> <b>XXVIII Issue- 9.33% redeemable w.e.f 15.12.2012</b> <b>XXVII Issue- 9.47% redeemable w.e.f 31.03.2012</b> <b>XXVI Issue- 9.30% redeemable w.e.f 07.03.2012</b> <b>XXV Issue- 10.10% redeemable w.e.f 12.06.2011</b> <b>XXIV Issue- 9.95% redeemable w.e.f 26.03.2011</b> <b>XXIII Issue- 9.25% redeemable w.e.f 09.02.2011</b> <b>XXII Issue- 8.68% redeemable w.e.f 07.12.2010</b> <b>XXI Issue- 8.73% redeemable w.e.f 11.10.2010</b> <b>XX Issue- 8.93% redeemable w.e.f 07.09.2010</b> <b>XIX Issue- 9.25% redeemable w.e.f 24.07.2010</b>	<b>2,496.43</b> <b>1,021.74</b> <b>1,057.57</b> <b>1,510.12</b> <b>1,275.83</b> <b>345.24</b> <b>688.31</b> <b>811.98</b> <b>326.00</b> <b>616.40</b> <b>117.53</b> <b>167.56</b> <b>191.89</b> <b>66.73</b> <b>25.96</b> <b>59.07</b> <b>44.25</b> <b>131.30</b> <b>43.87</b>	2,851.19 1,191.33 1,233.18 1,810.77 1,530.06 431.53 860.29 1,014.19 434.58 821.33 176.25 251.27 287.64 133.46 51.90 118.07 88.43 262.39 87.68

**Note 23: Borrowings (Contd.)**

(₹ in crore)

Particulars		As at 31 March 2021	As at 31 March 2020
<b>XVIII Issue- 8.15% redeemable w.e.f 09.03.2010</b>		-	83.66
		<b>62,290.44</b>	<b>67,802.17</b>
<b>A2) Unsecured</b>			
<b>A2.1 Redeemable Domestic Bonds</b>			
i) Bonds of ₹10 Lakh each			
<b>LXVIII Issue-6.28% redeemable at par on 11.04.2031</b>	<b>520.54</b>	-	
<b>LXVI Issue-7.38% Redeemable at par on 12.04.2030</b>	<b>508.16</b>		508.22
ii) Bonds of ₹50 Lakhs each consisting of 05 STRPPs of ₹10.00 Lakhs each redeemable at par in 05 (Five) equal annual instalments.			
<b>LXI Issue-7.74% redeemable w.e.f. 12.12.2028</b>	<b>3,069.77</b>		3,070.20
iii) Bonds of ₹10 Lakh each			
<b>LXVII Issue-6.85% redeemable at par on 15.04.2025</b>	<b>2,984.24</b>		-
iv) Bonds of ₹10 Lakhs each consisting of 03 STRPPs of ₹ 3.00 Lakhs, ₹ 3.00 Lakhs & ₹ 4.00 Lakhs each redeemable at par in 03 (Three) equal annual instalments.			
<b>LXIV Issue-7.49% redeemable w.e.f. 25.10.2024</b>	<b>2,601.48</b>		2,601.75
v) Bonds of ₹ 30 Lakhs each consisting of 03 STRPPs of ₹10.00 Lakhs each redeemable at par in 03 (Three) equal annual instalments.			
<b>LXIII Issue-7.34% redeemable w.e.f. 15.07.2024</b>	<b>1,893.90</b>		1,893.98
vi) Bonds of ₹10 Lakh each			
<b>LXV Issue-6.35% Redeemable at par on 14.04.2023</b>	<b>202.82</b>		202.82
<b>A2.2 Redeemable Foreign Currency Bonds</b>			
3.875% Foreign Currency Bonds to be redeemed at par on 17.01.2023	<b>3,723.90</b>		3,819.03
	<b>15,504.81</b>		<b>12,096.00</b>
<b>Total (A)</b>	<b>77,795.25</b>		<b>79,898.17</b>
<b>B) Term Loan</b>			
<b>From Banks</b>			
<b>Secured</b>			
Foreign Currency Loans (Guaranted by Government of India (GOI))	<b>25,983.53</b>		27,947.23
Other Foreign Currency Loans	<b>7,256.11</b>		7,192.24
Rupee Loans	<b>10,388.85</b>		12,184.00
	<b>43,628.49</b>		<b>47,323.47</b>
<b>Unsecured</b>			
Foreign Currency Loans (Guaranted by GOI)	<b>3,891.20</b>		4,048.52
Other Foreign Currency Loans	<b>3,222.26</b>		3,350.56
Rupee Loans	<b>15,974.65</b>		13,923.41
	<b>23,088.11</b>		<b>21,322.49</b>
<b>Total (B)</b>	<b>66,716.60</b>		<b>68,645.96</b>
<b>Total (A to B)</b>	<b>144,511.85</b>		<b>148,544.13</b>



## Note 23: Borrowings (Contd.)

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
Less: Current maturities of Non Current Borrowing (refer note 30)	12,235.54	9,848.53
Less: Interest Accrued but not due on borrowings (refer note 30)	3,101.52	3,274.49
<b>Total</b>	<b>129,174.79</b>	<b>135,421.11</b>

### Further notes:

#### Details of terms of repayment and rate of interest

- Secured Foreign Currency Loans (Guaranteed by Gol) carry floating rate of interest linked to 6M LIBOR . These loans are repayable in semi annual installment, as per terms of the respective loan agreement, commencing after moratorium period of 3 to 5 years except for one loan ₹ 364.64 Crore (Previous year ₹ 374.16 Crore) which carry fixed rate of interest of 0.25% p.a.
- Secured other Foreign Currency Loans carry floating rate of interest linked to 6M (LIBOR /EURIBOR/STIBOR) .These loans are repayable in semi annual installment, as per terms of the respective loan agreements, commencing after moratorium period of 3 to 5 years.
- Secured Rupee loan from banks carry floating rate of interest linked to 3M MCLR . These loans are repayable in semi annual installments, as per terms of the respective loan agreements, commencing after moratorium period of 5 years.
- Unsecured Foreign Currency Loans (Guaranteed by Gol) carry fixed rate of interest ranging from 1.63% p.a. to 2.30% p.a. These loans are repayable in semi annual installments as per terms of the respective loan agreements.
- Unsecured Foreign Currency Loans carry floating rate of interest linked to 6M (STIBOR/EURIBOR).These loans are repayable in semi annual installments as per terms of the respective loan agreements, commencing after moratorium period as per terms of the respective loan agreements.
- Unsecured Foreign Currency Loans carry floating rate of interest linked to 6M JPYLIBOR. This loan is repayable in five equal annual installment as per the terms of the loan agreement.
- Unsecured Rupee loan from bank carry floating rate of interest linked to 3 months MCLR or Repo rate. These loans are repayable in semi annual installments, as per terms of the respective loan agreements, commencing after moratorium period as per terms of the respective loan agreements.
- There has been no default in repayment of loans or payment of interest thereon as at the end of the year.

#### Details of Securities

- Domestic Bonds are Secured by way of Registered Bond Trust Deed ranking pari passu on immovable property situated at Mouje Ambheti Taluka Kaparada in district Valsad Gujarat and floating charge on the assets of the company.
- Secured Foreign Currency Loans (Guaranteed by Gol) are secured by pari passu interest in the lien created on the assets as security for the debts.
- Secured Other Foreign Currency Loans and Rupee Loans are secured by the way of
  - pari passu charge on the assets of the company except investments, land and building, roads and bridges, water supply, drainage and sewerage and current assets or
  - pari passu charge on the assets of the company except investments and current assets or
  - floating charge on the immovable properties of the company.
 as per the terms of respective loan agreements.

## Note 24: Other Non-current financial liabilities

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
Deposits/Retention money from contractors and others.	106.96	22.34
Govt. of India fully serviced bonds *	3,487.50	3,487.50
Dues for Capital Expenditure	12.48	-
Lease Liabilities#	18.20	13.29
<b>Total</b>	<b>3,625.14</b>	<b>3,523.13</b>

## Note 24: Other Non-current financial liabilities (Contd.)

### Further Notes:

Disclosure with regard to Micro and Small enterprises as required under "The Micro, Small and Medium Enterprises Development Act, 2006" is given in Note No 50.

\* Govt of India fully serviced bonds issued @ 8.24% redeemable at par on 14.02.2029. Refer Note 11 for details.

# Refer note no 51 for disclosure on Lease Liabilities as per Ind AS 116 – "Leases".

## Note 25: Provisions

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Employee Benefits</b>		
As per last balance sheet	<b>424.71</b>	368.15
Additions/(adjustments) during the year	<b>37.31</b>	56.56
Closing Balance	<b>462.02</b>	<b>424.71</b>

### Further Notes:

Provision is created for the purpose of leave encashment, Settlement Allowance, Long Service Award and other benefits. Refer Note 66 for detailed disclosure related to Employee Benefit Obligations.

## Note 26: Deferred tax liabilities (Net)

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>A. Deferred Tax Liability</b>		
Difference in book depreciation and tax depreciation	<b>23,007.06</b>	20,961.12
Finance lease assets	<b>72.47</b>	76.96
Others	<b>23.42</b>	43.15
Share of undistributed dividends in Joint Ventures	-	-
<b>Deferred Tax Liability (A)</b>	<b>23,102.95</b>	<b>21,081.23</b>
<b>B. Deferred Tax Assets</b>		
Income during Construction Period	<b>17.95</b>	24.88
Provisions allowable on payment basis	<b>514.70</b>	467.85
Advance Against Depreciation	<b>353.20</b>	409.12
Unused Tax Losses	<b>301.94</b>	917.94
MAT Credit Entitlement	<b>9,969.02</b>	7,906.46
Others	<b>109.52</b>	126.20
<b>Deferred Tax Assets (B)</b>	<b>11,266.33</b>	<b>9,852.45</b>
<b>Deferred Tax Liability (Net) (A-B)</b>	<b>11,836.62</b>	<b>11,228.78</b>

### Further Notes:

#### Movement in Deferred Tax Liabilities

(₹ in crore)

Particulars	Property Plant and Equipment	Finance Leased Assets	Others	Undistributed Dividend in JVs	Total
<b>As at 01.04.2019</b>	<b>17,606.33</b>	<b>83.23</b>	<b>37.60</b>	<b>69.79</b>	<b>17,796.95</b>
Charged/(credited) to profit or loss	3,354.79	(6.27)	5.55	(69.79)	3,284.28
<b>As at 31.03.2020</b>	<b>20,961.12</b>	<b>76.96</b>	<b>43.15</b>	-	<b>21,081.23</b>



## Note 26: Deferred tax liabilities (Net) (Contd.)

(₹ in crore)

Particulars	Property Plant and Equipment	Finance Leased Assets	Others	Undistributed Dividend in JVs	Total
Charged/(credited) to profit or loss	2,596.43	(4.49)	(19.73)	-	2,572.21
Other Adjustments	(550.49)				(550.49)
<b>As at 31.03.2021</b>	<b>23,007.06</b>	<b>72.47</b>	<b>23.42</b>	<b>-</b>	<b>23,102.95</b>

### Movement in Deferred Tax Asset

(₹ in crore)

Particulars	Property Plant & Equipment- Income during construction period	Provisions allowable on payment basis	Advance against depreciation	MAT Credit	Others	Total
<b>As at 01.04.2019</b>	<b>20.95</b>	<b>481.93</b>	<b>462.47</b>	<b>6,043.80</b>	<b>769.32</b>	<b>7,778.47</b>
Charged/(credited) to profit or loss	3.93	(14.08)	(53.35)	1,862.66	274.82	2,073.98
<b>As at 31.03.2020</b>	<b>24.88</b>	<b>467.85</b>	<b>409.12</b>	<b>7,906.46</b>	<b>1,044.14</b>	<b>9,852.45</b>
Charged/(credited) to profit or loss	(6.93)	46.85	(55.92)	2,066.46	(433.91)	1,616.55
Other Adjustments				(3.90)	(198.77)	(202.67)
<b>As at 31.03.2021</b>	<b>17.95</b>	<b>514.70</b>	<b>353.20</b>	<b>9,969.02</b>	<b>411.46</b>	<b>11,266.33</b>

### Recognised in Statement of Profit and Loss

(₹ in crore)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Increase/ (Decrease) in Deferred Tax Liabilities	<b>2,572.21</b>	3,284.28
Decrease / (Increase) in Deferred Tax Assets	<b>(1,616.55)</b>	(2,073.98)
<b>Total</b>	<b>955.66</b>	<b>1,210.30</b>

- a) In the opinion of the management, it is probable that future economic benefits will flow to the group in the form of availability of set off against future income tax liability by recognizing MAT credit as follows:

Future taxable profits will be adjusted against (a) tax holiday u/s 80-IA of Income Tax Act, 1961 for the projects commissioned upto 31 March 2017 (b) initial depreciation on the assets to be commissioned in future and (c) regular income tax depreciation u/s 32 of Income Tax Act, 1961 and thereafter tax amount will be set off against MAT credit to the extent of ₹ 2,066.46 crore (Previous Year ₹ 1,862.66 crore). Hence, the same has been recognised as Deferred Tax Assets during the year.

- b) MAT credit available to the group in future but not recognised in the books:

(₹ in crore)

For the Financial Year	As at 31.03.2021	Expiry Date	As at 31.03.2020	Expiry Date
2015-16	<b>1,421.20</b>	<b>31.03.2026</b>	1,421.20	31.03.2026
2014-15	<b>1,281.23</b>	<b>31.03.2025</b>	1,281.23	31.03.2025
2013-14	<b>1,085.14</b>	<b>31.03.2024</b>	1,085.14	31.03.2024
2012-13	<b>1,071.31</b>	<b>31.03.2023</b>	1,071.31	31.03.2023
2011-12	<b>239.01</b>	<b>31.03.2022</b>	239.01	31.03.2022
2010-11	-	<b>31.03.2021</b>	9.36	31.03.2021

**Note 27: Other non-current liabilities**

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
Advance from customers (Consultancy/Telecom services) \$	215.76	233.51
Others*	131.34	129.03
<b>Total</b>	<b>347.10</b>	<b>362.54</b>

**Further Notes:**

\$ Refer Note 47 for disclosure as per Ind AS 115 'Revenue from Contracts with Customers'.

\*Others includes amount payable to Customers upon recovery.

**Note 28: Borrowings**

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Short Term - Unsecured</b>		
From Banks	600.00	-
Commercial Paper	1,200.00	3,000.00
<b>Total</b>	<b>1,800.00</b>	<b>3,000.00</b>

**Further Notes:**

- Commercial Papers/short term loan are unsecured in nature, with rate of interest ranging from 3.07% to 5.59% (Previous Year from 5.08% to 6.93%) and repayable within 44 days to 270 days (Previous Year in 28 days to 90 days) from the date of drawl.
- There has been no default in repayment of loans or payment of interest thereon as at the end of the year.

**Note 29: Trade payables**

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>For goods and services</b>		
(A) total outstanding dues of micro enterprises and small enterprises	29.76	11.59
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	157.72	214.95
<b>Total</b>	<b>187.48</b>	<b>226.54</b>

**Further Notes:**

Disclosure with regard to Micro and Small enterprises as required under "Division II of Schedule III of The Companies Act, 2013" and "The Micro, Small and Medium Enterprises Development Act, 2006" is given in Note No 50.

**Note 30: Other Current Financial Liabilities**

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Current maturities of long term borrowings</b>		
<b>Secured</b>		
Bonds	8,223.72	5,297.96
Rupee Term Loans	1,018.13	1,454.00
Foreign Currency Loans	2,722.35	2,434.48
	<b>11,964.20</b>	<b>9,186.44</b>



### Note 30: Other Current Financial Liabilities (Contd.)

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Un-secured</b>		
Foreign Currency Loans	271.34	662.09
	<b>12,235.54</b>	9,848.53
<b>Interest accrued but not due on borrowings from</b>		
Foreign Banks & Financial Institutions	94.09	225.00
Secured/Unsecured redeemable Bonds	3,007.43	3,049.49
	<b>3,101.52</b>	3,274.49
<b>Interest accrued but not due from Govt. of India fully serviced bonds</b>	36.22	36.90
<b>Others</b>		
Dues for capital expenditure	1,235.08	1,640.64
Employee related liabilities	73.06	70.57
Unclaimed dividends & FPO*	20.88	15.95
Deposits/Retention money from contractors and others	3,889.69	4,603.44
Related parties**	-	2.78
Dividend Payable	2.85	5.40
Lease Liabilities#	3.97	3.74
Others ##	2,507.63	2,281.71
	<b>7,733.16</b>	8,624.23
<b>Total</b>	<b>23,106.44</b>	<b>21,784.15</b>

#### Further notes:

Disclosure with regard to Micro and Small enterprises as required under "The Micro, Small and Medium Enterprises Development Act, 2006" is given in Note No 50.

\* No amount is due for payment to Investor Education and Protection Fund.

\*\*Details of amount payable to related parties are provided in Note 58.

# Refer note no 51 for disclosure on Lease Liabilities as per Ind AS 116 – "Leases".

## Others include liability for payment against Long Term Access (LTA), Short Term Open Access (STOA), ISTS License recovery, dead cheques, Price variation etc.

### Note 31: Other current liabilities

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
Advances from customers *	3,531.15	4,008.89
Advances from customers - related parties #	79.78	79.27
Statutory dues	273.77	217.77
<b>Total</b>	<b>3,884.70</b>	<b>4,305.93</b>

#### Further notes:

\* Refer Note 47 for disclosure as per Ind AS 115 'Revenue from Contracts with Customers'.

#Details of amount payable to related party are provided in Note 58



**Note 32: Provisions**

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>A) Employee Benefits</b>		
<b>i) Performance related pay /special incentive</b>		
As per last balance sheet	<b>461.00</b>	444.50
Addition during the year	<b>509.83</b>	3,148.03
Amount paid/adjusted during the year	<b>461.00</b>	3,131.53
Closing Balance	<b>509.83</b>	461.00
<b>ii) Other Employee Benefits</b> <b>(Leave Encashment, Settlement Allowance and Long Service Award etc.)</b>		
As per last balance sheet	<b>76.77</b>	68.11
Additions/(adjustments) during the year	<b>(9.11)</b>	8.66
Closing Balance	<b>67.66</b>	76.77
<b>Total (A)</b>	<b>577.49</b>	<b>537.77</b>
<b>B) Others</b>		
<b>i) Downtime Service Credit-Telecom</b>		
As per last balance sheet	<b>11.36</b>	17.95
Additions during the year	<b>12.38</b>	4.25
Amounts adjusted during the year	<b>14.88</b>	10.84
Closing Balance	<b>8.86</b>	11.36
<b>ii) Provision Others</b>		
As per last balance sheet	<b>192.91</b>	170.58
Add: on account of business combination	<b>9.19</b>	-
Additions/(adjustments) during the year	<b>56.75</b>	22.33
Less: Classified as Held for sale	<b>0.08</b>	-
Closing Balance	<b>258.77</b>	192.91
<b>Total (B)</b>	<b>267.63</b>	<b>204.27</b>
<b>Total (A+B)</b>	<b>845.12</b>	<b>742.04</b>

**Further Notes:****A) Employee Benefits**

- i) Performance Related Pay/Special Incentive:  
Provision is created for Performance Related Pay to Executives and Non-Executives
- ii) Other Employee Benefits:  
Provision is created for the purpose of meeting out leave encashment, settlement allowance, long service award and POWERGRID Employee Family Rehabilitation Scheme.

**B) Others:**

- i) Downtime Service Credit – Telecom:  
Provision is created in case when actual downtime is in excess of the permissible service level agreement, in such cases the necessary credit is passed on to the customer on demand.  
However, in some case, the downtime is not claimed by the customer then in such cases necessary provision on account of downtime is made in the books of accounts as per the links availability reports received from National Telecom Control Centre (NTCC) for the period of non-operation of links given to the customers. The calculation of downtime credit is based on the SLA signed with various customers.



## Note 32: Provisions (Contd.)

### ii) Provision Others:

It includes provision for entry tax ₹ 156.98 crore (Previous Year ₹ 147.69 crore) as per demand raised by revenue authorities disputed by the company and are under litigation. An amount of ₹ 8.24 crore (Previous Year ₹ 8.24 crore) has been paid under court order and shown as "Balance with custom port trust and other authorities" in note no. 19.

Also includes provision of ₹ 0.46 crore (Previous Year ₹ 0.46 crore) towards demand raised by the commercial taxes department of Telangana in relation to absence of statutory form and other evidence on account of inter-state sale not covered by 'C' form. The Company has filled the appeal before Appellate Deputy Commissioner (ADC) and later on ADC remanded back to the assessing authority for reassessment & decision is awaited.

## Note 33: Current Tax Liabilities (Net)

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Taxation (Including interest on tax)</b>		
As per last balance sheet	6,624.18	6,117.42
Additions during the year	2,580.13	2,665.27
Amount adjusted during the year	34.42	2,158.51
<b>Total</b>	<b>9,169.89</b>	<b>6,624.18</b>
Net off against Advance tax and TDS	8,744.38	6,601.26
<b>Closing Balance</b>	<b>425.51</b>	<b>22.92</b>

## Note 34: Deferred Revenue

(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
Advance against depreciation	1,010.75	1,170.80
Grants in aid (Refer Further Notes)		
As per last Balance Sheet	4,147.01	4,173.32
Addition during the year	107.99	233.94
Adjustments during the year	328.89	260.25
Closing balance	3,926.11	4,147.01
Deferred income from foreign currency fluctuation (Net)	4,817.29	5,598.21
<b>Total</b>	<b>9,754.15</b>	<b>10,916.02</b>

### Further Notes:

- Grant in Aid of ₹ 5.95 crore (Previous Year ₹ 74.68 crore) was received from Power System Development Fund (PSDF) under Ministry of Power (MoP), Govt. of India (GoI) for installation of STATCOM in ER (ERSS-XI) and SR (System Strengthening in SR-XXI). In addition to Grant received, an interest of ₹ 1.43 crore (Previous Year ₹ 4.44 crore) credited to the Grant.
- Grant in Aid of ₹ 0.00 crore (Previous Year ₹ 30.27 crore) was received from Power System Development Fund (PSDF) under MoP, GoI for establishment of Unified Real Time Dynamic State Measurement (URTDMS). In addition to Grant received, an interest of ₹ 0.75 crore (Previous Year ₹ 1.41 crore) credited to the Grant.
- Grant in Aid, of ₹ 99.83 crore (Previous Year ₹ 122.89 crore) including interest has been recognised, from Ministry of New & Renewable Energy (MNRE), GoI for establishment of transmission system associated with Ultra Mega Solar Parks in Andhra Pradesh, Karnataka, Madhya Pradesh, Rajasthan and Gujarat.
- Grant in Aid of ₹ 0.03 crore (Previous Year ₹ 0.25 crore) has been recognised under achievement linked/incentive award scheme for Government Sector by Ministry of New & Renewable Energy (MNRE), GoI for establishing solar roof top plants in various buildings of the company.

**Note 35: Revenue from operations**

(₹ in crore)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Sales of services</b>		
<b>Transmission Business</b>		
Transmission Charges	37,999.65	35,435.46
Add: Revenue recognised out of Advance Against Depreciation	160.06	152.65
	<b>38,159.71</b>	35,588.11
<b>Other Operating Revenue</b>		
Interest on differential Provisional and Final Tariff	2.48	676.04
Income from lease lines	7.59	7.12
Recognised from deferred revenue - Grant in aid	328.89	260.25
	<b>338.96</b>	943.41
	<b>38,498.67</b>	36,531.52
<b>Telecom Business</b>	<b>707.45</b>	698.21
<b>Consultancy Project Management and Supervision</b>	<b>433.67</b>	513.81
<b>Total</b>	<b>39,639.79</b>	<b>37,743.54</b>

**Further Notes:**

- In exercise of powers u/s 178 of the Electricity Act 2003, Central Electricity Regulatory Commission (CERC) has notified "CERC (Terms and Conditions of Tariff) Regulations, 2019" vide order dated 07.03.2019 for the determination of transmission tariff for the block period 2019-24.
- In respect of projects whose tariffs are determined by CERC, the company has recognised transmission income during the year as per the following:
  - ₹ 9,407.16 crore (Previous Year ₹ 0.00 crore) as per final tariff orders issued by CERC for block period 2019-24 and
  - ₹ 26,713.76 crore (Previous Year ₹ 33,932.94 crore) provisionally as per CERC Tariff Regulations for the block period 2019-24 and other orders in similar cases, in respect of transmission assets for which final tariff orders were yet to be issued.
- Consequent to the final order issued by CERC, transmission income includes ₹ 538.30 crore (increase) (Previous Year ₹ 173.30 crore (increase) ) pertaining to earlier years.
- Refer note no. 68 for disclosure on formation of wholly owned subsidiary of the company to undertake Telecommunications and Digital Technology Business of the company and wholly owned subsidiary of the company to undertake Energy Management services and Consultancy Business of the company.
- Refer note no. 47 for disclosure as per Ind AS 115 "Revenue from Contracts with Customer".

**Note 36: Other income**

(₹ in crore)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Interest income from financial assets at amortised cost</b>		
Indian Banks	59.76	154.33
Interest on Loan to Joint Ventures (JVs)	11.71	14.00
Others*	99.90	30.47
	<b>171.37</b>	198.80
<b>Interest from advances to contractors</b>	<b>16.83</b>	27.56
	<b>188.20</b>	226.36



### Note 36: Other income (Contd.)

(₹ in crore)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Dividend income from investment in</b>		
Equity investments designated at fair value through other comprehensive income	9.00	5.35
	9.00	5.35
<b>Others</b>		
Profit on sale of Property, Plant and Equipment	12.60	1.14
Finance Income from finance lease	81.18	85.13
Surcharge	744.06	308.76
FERV gain	0.02	0.31
Provisions written back	24.82	147.56
Fair Value gain on initial recognition of Financial liability/investment	21.64	75.76
Miscellaneous income **	130.11	149.91
	1,014.43	768.57
	1,211.63	1000.28
Less: Transferred to expenditure during construction(Net)-Note 43	27.89	72.86
<b>Total</b>	<b>1,183.74</b>	<b>927.42</b>

#### Further Notes:

\* Others include interest on employee loans & unwinding of finance cost on employee loans.

\*\* Miscellaneous income include Sale of Scrap, Insurance Claim Recovery, UI Charges etc.

### Note 37: Employee benefits expense

(₹ in crore)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries, wages, allowances & benefits	2,071.81	2,019.95
Contribution to provident and other funds	323.28	185.24
Staff Welfare expenses (Including Deferred Employee cost)	203.35	243.38
	2,598.44	2,448.57
Less: Transferred to Expenditure during Construction(Net)-Note 43	483.68	486.25
Transferred to CSR expenses- Note 40	-	2.57
<b>Total</b>	<b>2,114.76</b>	<b>1,959.75</b>

#### Further Notes:

a) Refer note no. 58 for Remuneration to Key Managerial Personnel (KMPs).

b) Refer note no. 66 for details of Employee Benefit Obligations.

**Note 38: Finance costs**

(₹ in crore)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Interest and finance charges on financial liabilities at amortised cost</b>		
Indian Banks & Financial Institutions	1,871.08	2,353.74
Foreign Banks and Financial Institutions	562.31	1,047.19
Secured/Unsecured redeemable Bonds	6,067.50	6,223.31
Foreign Currency Bonds	156.82	150.49
<b>Unwinding of discount on financial liabilities</b>	62.86	102.13
<b>Interest - Others</b>	5.44	1.34
<b>Interest on Lease Liability</b>	1.79	0.50
	<b>8,727.80</b>	9,878.70
<b>Other Finance charges</b>		
Commitment charges	1.28	4.92
Guarantee Fee	376.44	363.69
Others*	58.32	38.04
	<b>436.04</b>	406.65
<b>Exchange differences regarded as adjustment to Borrowing Cost</b>	(223.10)	1,343.96
	<b>212.94</b>	1,750.61
<b>Total</b>	<b>8,940.74</b>	11,629.31
Less: Transferred to Expenditure during Construction(Net)-Note 43	806.05	2,120.31
<b>Total</b>	<b>8,134.69</b>	<b>9,509.00</b>

**Further Notes:**

\*Others includes management fees, agency fees, trustee fees, front-end fees, interest on land compensation, tree & crop compensation etc

**Note 39: Depreciation and amortization expense**

(₹ in crore)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation of Property, Plant and Equipment	12,244.14	11,816.41
Amortization of Intangible assets	123.62	124.70
Depreciation on ROU Assets	20.82	17.39
	<b>12,388.58</b>	11,958.50
Less: Transferred to Expenditure During Construction(Net)-Note 43	13.46	10.91
	<b>12,375.12</b>	<b>11,947.59</b>
Less: Depreciation amortised due to FERV adjustment	335.93	340.55
<b>Charged to Statement of Profit &amp; Loss</b>	<b>12,039.19</b>	<b>11,607.04</b>

**Further Notes:**

Up to year ended 31 March 2020, the Subsidiaries acquired through TBCB process ("TBCB companies") have been charging depreciation as per the rates and methodology notified by CERC Tariff Regulations. During the year ended 31 March 2021, the TBCB Companies have conducted operational efficiency review of their plant and based on the technical evaluation performed, the TBCB companies have reassessed the useful life, residual value and methodology of depreciation of items of Property, Plant & Equipment (PP&E) and Intangible Assets. As per the technical evaluation, the pattern of consumption of economic benefits is assessed as straight-line basis over the period of respective useful life; and estimated residual value of items of Property, Plant & Equipment (PP&E) is assessed as 5% in line with the Companies Act, 2013.



### Note 39: Depreciation and amortization expense (Contd.)

The above change in useful lives, residual value and method of depreciation is considered as change in accounting estimate and accordingly, the TBCB companies have charged the depreciation in the year ended 31 March 2021, based on revised useful lives on straight line basis prospectively. This has resulted in decrease in depreciation for the year ended 31 March 2021 by an amount of ₹ 329.85 crore with corresponding increase in Profit Before Tax and also lead to overall increase in depreciation by an amount of ₹ 606.30 crore over the remaining useful life of assets due to reduction in residual value.

### Note 40: Other expenses

(₹ in crore)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Repair &amp; Maintenance</b>		
Buildings	90.00	92.23
Plant & Machinery		
Sub-Stations	390.58	439.19
Transmission lines	204.44	154.81
Telecom equipments	45.02	38.85
Others	39.12	43.14
	679.16	675.99
System and Market Operation Charges	57.31	63.07
Power charges	266.82	286.17
Less: Recovery from contractors	2.68	3.14
	264.14	283.03
Expenses of Diesel Generating sets	3.52	4.54
Stores consumed	5.45	7.02
Water charges	4.56	4.01
Right of Way charges-Telecom	62.59	10.27
Patrolling Expenses-Telecom	0.68	0.39
Last Mile connectivity-Telecom	7.44	7.27
Training & Recruitment Expenses	17.78	35.85
Less:Fees for training and application	0.12	0.76
	17.66	35.09
Legal expenses	22.38	25.87
Professional charges	25.12	80.70
Consultancy expenses	81.02	100.16
Communication expenses	20.93	23.49
Inland Travelling Expenses	90.38	119.30
Foreign travel	1.78	8.94
	92.16	128.24
Tender expenses	1.93	3.25
Less: Sale of tenders	1.53	1.00
	0.40	2.25
<b>Payments to Statutory Auditors</b>		
Audit Fees	1.63	1.50

**Note 40: Other expenses (Contd.)**

(₹ in crore)

<b>Particulars</b>	<b>For the year ended 31 March 2021</b>	<b>For the year ended 31 March 2020</b>
Tax Audit Fees	0.41	0.36
In Other Capacity	1.16	2.83
Arrears	-	0.04
Out of pocket Expenses	0.13	1.07
	3.33	5.80
Advertisement and publicity	7.38	17.49
Printing and stationery	4.41	6.93
Books Periodicals and Journals	0.84	1.30
EDP hire and other charges	10.51	11.88
Entertainment expenses	3.78	2.97
Brokerage & Commission	0.91	1.53
Research & Development expenses	4.55	9.54
Cost Audit and Physical verification Fees	1.39	1.23
Rent #	39.85	50.89
CERC petition & Other charges	76.75	85.84
Miscellaneous expenses	60.97	85.09
Horticulture Expenses	33.64	32.70
Security Expenses	292.98	284.36
Hiring of Vehicle	117.98	113.83
Insurance	118.92	96.78
Rates and taxes	42.44	46.30
License Fees to DOT	62.47	62.28
Bandwidth charges dark fibre lease charges (Telecom)	23.15	20.51
Corporate Social Responsibility (CSR) Expenses*	247.22	349.36
Transit Accomodation Expenses	32.21	29.06
Less : Income from Transit Accomodation	0.97	1.92
	31.24	27.14
Foreign Exchange Rate Variation	60.63	222.17
<b>Provisions for</b>		
Doubtful loans, advances, debts, claims etc.	7.78	6.34
	2,687.64	3,085.88
Less: Transferred to Expenditure during Construction(Net)-Note 43	170.81	260.67
	2,516.83	2,825.21
Loss on Disposal/Write off of Property, Plant & Equipment	15.09	18.34
<b>Total</b>	<b>2,531.92</b>	<b>2,843.55</b>

**Further Notes:**

\* Includes an amount of ₹ NIL (Previous Year ₹ 2.57 crore) transferred from Note No 37- 'Employee Benefits Expense'

# Refer Note 51 for Short term lease expenses.





### Note 41: Net Movement in Regulatory Deferral Account Balances-Incomes/(expenses) (net of tax)

(₹ in crore)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Deferred assets for deferred tax liability	521.45	1,297.69
Foreign Currency Fluctuation	(85.17)	742.10
	436.28	2,039.79
Tax on net movement in regulatory deferral account balances	74.60	356.39
<b>Total</b>	<b>361.68</b>	<b>1,683.40</b>

#### Further Note:

Refer to note no 53 for detailed disclosure on Regulatory Deferral Account Balances.

### Note 42: Other Comprehensive Income

(₹ in crore)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Items that will not be reclassified to Profit or Loss		
Gain/(Loss) on valuation of Investment in Equity	39.80	(49.35)
Provisions for actuarial valuation	(19.94)	(74.47)
	19.86	(123.82)
Less: Transferred to Expenditure during Construction(Net)-Note 43	(2.44)	(8.23)
	22.30	(115.59)
Income Tax relating to items that will not be reclassified to Profit or Loss	(3.06)	(11.57)
<b>Items that will not be reclassified to Profit or Loss (net of tax)</b>	<b>25.36</b>	<b>(104.02)</b>

### Note 43: Expenditure during Construction (Net)

(₹ in crore)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>A. Employees Remuneration &amp; Benefits</b>		
Salaries wages allowances and benefits	419.70	421.35
Contribution to provident and other funds	41.13	39.18
Welfare expenses	22.85	25.72
<b>Total (A)</b>	<b>483.68</b>	<b>486.25</b>
<b>B. Other Expenses</b>		
Repair and maintenance	7.39	7.13
Power charges	7.39	5.72
Less: Recovery from contractors	2.22	1.89
	5.17	3.83
Expenses on Diesel Generating sets	0.06	0.01
Water charges	0.09	0.65
Training & Recruitment Expenses	-	-

**Note 43: Expenditure during Construction (Net) (Contd.)**

(₹ in crore)

<b>Particulars</b>	<b>For the year ended 31 March 2021</b>	<b>For the year ended 31 March 2020</b>
Legal expenses	9.71	8.73
Professional charges	5.33	83.71
Consultancy expenses	80.27	75.79
Communication expenses	2.96	3.32
Travelling & Conv.exp. (Including Foreign Travel)	17.81	26.14
Tender expenses	1.84	1.63
Less: Sale of tenders	1.46	0.94
	0.38	0.69
Payment to Auditors	0.19	0.19
Advertisement and Publicity	0.29	0.05
Printing and stationery	0.32	0.57
Books, Periodicals and Journals	-	0.03
EDP hire and other charges	0.11	0.19
Entertainment expenses	0.31	0.24
Brokerage and commission	0.16	0.10
Rent	2.40	2.49
Miscellaneous expenses	4.86	11.88
Horticulture Expenses	0.17	0.72
Security Expenses	11.13	13.10
Hiring of Vehicles	14.04	15.82
Insurance	0.01	-
Rates and taxes	6.81	4.12
Bandwidth charges, dark fibre lease charges(Telecom)	0.01	0.06
Transit Accomodation Expenses	0.83	1.23
Less : Income from Transit Accomodation	-	0.12
	0.83	1.11
<b>Total (B)</b>	<b>170.81</b>	<b>260.67</b>
<b>C. Depreciation/Amortisation</b>	<b>13.46</b>	<b>10.91</b>
<b>Total (C)</b>	<b>13.46</b>	<b>10.91</b>
<b>D. Finance Costs</b>		
a) Interest and finance charges on financial liabilities at amortised cost		
Indian Banks and Financial Institutions	199.64	341.47
Foreign Banks and Financial Institutions	128.42	299.10
Secured/Unsecured Redeemable Bonds	190.65	351.82
Foreign Currency Bonds	0.80	-



### Note 43: Expenditure during Construction (Net) (Contd.)

(₹ in crore)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Others	382.68	250.81
	902.19	1,243.20
b) Other finance charges		
Commitment charges	0.85	3.81
Guarantee fee	45.40	76.25
Others	0.91	1.94
	47.16	82.00
c) FERV adjustment to borrowing cost	(143.30)	795.11
<b>Total (D)</b>	<b>806.05</b>	<b>2,120.31</b>
<b>E. Less: Other Income</b>		
Interest from		
Indian banks	-	-
Contractors	16.20	24.70
Others	1.71	-
	17.91	24.70
Miscellaneous income	9.98	48.16
<b>Total (E)</b>	<b>27.89</b>	<b>72.86</b>
<b>F. Less: Other Comprehensive Income</b>		
Other Comprehensive Income	(2.44)	(8.23)
<b>Total (F)</b>	<b>(2.44)</b>	<b>(8.23)</b>
<b>GRAND Total (A+B+C+D-E-F)</b>	<b>1,448.55</b>	<b>2,813.51</b>

### 44. Interest in Other Entities

#### 1. Subsidiaries:

The Group's subsidiaries at 31.03.2021 are set out below. Unless otherwise stated, they have share capital consists solely of equity share that are held directly by the Group, and the proportion of ownership interest held equals the voting rights held by the Group:

Name of entity	Place of business/ country of incorporation	Proportion (%) of Shareholding as on		Principle activities
		As at 31.03.2021	As at 31.03.2020	
Powergrid Vizag Transmission Limited <sup>5</sup>	India	100%	100%	Transmission
Powergrid NM Transmission Limited	India	100%	100%	Transmission
Powergrid Unchahar Transmission Limited	India	100%	100%	Transmission
Powergrid Kala Amb Transmission Limited <sup>5</sup>	India	100%	100%	Transmission
Powergrid Jabalpur Transmission Limited <sup>5</sup>	India	100%	100%	Transmission

**44. Interest in Other Entities (Contd.)**

Name of entity	Place of business/ country of incorporation	Proportion (%) of Shareholding as on		Principle activities
		As at 31.03.2021	As at 31.03.2020	
Powergrid Warora Transmission Limited <sup>5</sup>	India	100%	100%	Transmission
Powergrid Parli Transmission Limited <sup>5</sup>	India	100%	100%	Transmission
Powergrid Southern Interconnector Transmission System Limited	India	100%	100%	Transmission
Powergrid Vemagiri Transmission Limited*	India	100%	100%	Transmission
Powergrid Medinipur Jeerat Transmission Limited	India	100%	100%	Transmission
Powergrid Mithilanchal Transmission Limited (erstwhile ERSS XXI Transmission Limited)	India	100%	100%	Transmission
Powergrid Varanasi Transmission System Limited (erstwhile WR-NR Power Transmission Limited )	India	100%	100%	Transmission
Powergrid Jawaharpur Firozabad Transmission Limited (erstwhile Jawaharpur Firozabad Transmission Limited)	India	100%	100%	Transmission
Powergrid Khetri Transmission System Limited (Erstwhile Khetri Transco Limited)	India	100%	100%	Transmission
Powergrid Bhuj Transmission Limited (Erstwhile Bhuj-II Transmission Limited)	India	100%	100%	Transmission
Powergrid Bhind Guna Transmission Limited (Erstwhile Bhind Guna Transmission Limited)	India	100%	100%	Transmission
Powergrid Ajmer Phagi Transmission Limited (Erstwhile Ajmer Phagi Transco Limited)	India	100%	100%	Transmission
Powergrid Fatehgarh Transmission Limited (Erstwhile Fatehgarh-II Transco Limited)	India	100%	100%	Transmission
Powergrid Rampur Sambhal Transmission Limited (Erstwhile Rampur Sambhal Transco Limited)	India	100%	100%	Transmission
Powergrid Meerut Simbhavali Transmission Limited (Erstwhile Meerut-Simbhavali Transmission Limited)	India	100%	100%	Transmission
Central Transmission Utility of India Limited <sup>1</sup>	India	100%	Not Applicable	Transmission
Powergrid Ramgarh Transmission Limited (Erstwhile Ramgarh New Transmission Limited) <sup>2</sup>	India	100%	Not Applicable	Transmission
Jaypee Powergrid Limited <sup>3</sup>	India	100%	Not Applicable	Transmission
Bikaner-II Bhiwadi Transco Limited <sup>4</sup>	India	100%	Not Applicable	Transmission

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

<sup>1</sup> Incorporated on 28.12.2020.

<sup>2</sup> 100% equity acquired from REC Power Distribution Company Limited on 09.03.2021.

<sup>3</sup> Wholly owned subsidiary from 26.03.2021 (Joint venture till 25.03.2021).

<sup>4</sup> 100% equity acquired from PFC Consulting Limited on 25.03.2021.

<sup>5</sup> Refer note 19A "Assets classified as held for sale".



#### 44. Interest in Other Entities (Contd.)

- a) All Subsidiary companies are unlisted entities.
- b) Financial statements used for consolidation are audited except Bikaner-II Bhiwadi Transco Limited.
- c) The group has made further Investment of ₹ 206.65 crore (Previous Year ₹ 14.40 crore) in Powergrid NM Transmission Limited which is wholly owned subsidiary company of the group.
- d) The group has made further Investment of ₹ 9.76 crore (Previous Year ₹ 44.00 crore) in Powergrid Jabalpur Transmission Limited which is wholly owned subsidiary company of the group.
- e) The group has made further Investment of ₹ Nil crore (Previous Year ₹ 67.00 crore) in Powergrid Warora Transmission Limited which is wholly owned subsidiary company of the group.
- f) The group has made further Investment of ₹ 2.60 crore (Previous Year ₹ 91.00 crore) in Powergrid Parli Transmission Limited which is wholly owned subsidiary company of the group.
- g) The group has made further Investment of ₹ Nil crore (Previous Year ₹ 193.50 crore) in Powergrid Southern Interconnector Transmission System Limited which is wholly owned subsidiary company of the group.
- h) The group has made further Investment of ₹ 260.30 crore (Previous Year ₹ 289.32 crore) in Powergrid Medinipur Jeerat Transmission Limited which is wholly owned subsidiary company of the group.
- i) The group has made further Investment of ₹ 93.50 crore (Previous Year ₹ 119.95 crore) in Powergrid Mithilanchal Transmission Limited which is wholly owned subsidiary company of the group.
- j) The group has made further Investment of ₹ 43.00 crore (Previous Year ₹ 125.00 crore) in Powergrid Varanasi Transmission System Limited which is wholly owned subsidiary company of the group.
- k) The group has made further Investment of ₹ 77.15 crore (Previous Year ₹ Nil crore) in Powergrid Jawaharpur Firozabad Transmission Limited which is wholly owned subsidiary company of the group.
- l) The group has made further Investment of ₹ 161.35 crore (Previous Year ₹ 0.05 crore) in Powergrid Khetri Transmission System Limited which is wholly owned subsidiary company of the group.
- m) The group has made further Investment of ₹ 97.70 crore (Previous Year ₹ 0.01 crore) in Powergrid Bhuj Transmission Limited which is wholly owned subsidiary company of the group.
- n) The group has made further Investment of ₹ 50.00 crore (Previous Year ₹ 0.05 crore) in Powergrid Bhind Guna Transmission Limited which is wholly owned subsidiary company of the group.
- o) The group has made further Investment of ₹ 111.95 crore (Previous Year ₹ 0.05 crore) in Powergrid Ajmer Phagi Transmission Limited which is wholly owned subsidiary company of the group.
- p) The group has made further Investment of ₹ 113.40 crore (Previous Year ₹ 0.01 crore) in Powergrid Fatehgarh Transmission Limited which is wholly owned subsidiary company of the group.
- q) The group has made further Investment of ₹ 21.47 crore (Previous Year ₹ 0.05 crore) in Powergrid Rampur Sambhal Transmission Limited which is wholly owned subsidiary company of the group.
- r) The group has made further Investment of ₹ 32.00 crore (Previous Year ₹ 0.01 crore) in Powergrid Meerut Simbhavali Transmission Limited which is wholly owned subsidiary company of the group.
- s) During the year group has made investment of ₹ 0.05 crore in Central Transmission Utility of India Limited which is wholly owned subsidiary company of the group. The Company was incorporated on 28.12.2020 to undertake and discharge all functions of CTU (Refer note no. 68).
- t) During the year group has made investment of ₹ 0.05 crore in Powergrid Ramgarh Transmission Limited (Erstwhile Ramgarh New Transmission Limited) which is wholly owned subsidiary company of the group. The Company was taken over from REC Power Distribution Company Limited vide share purchase agreement dated 09.03.2021 to carry over the business awarded under tariff based competitive bidding, after transfer Powergrid Ramgarh Transmission Limited became wholly owned subsidiary of the Group.
- u) During the year group has made investment of ₹ 354.50 crore in Jaypee Powergrid Limited to acquire 74% of stake from Jaiprakash Power Ventures Limited (Refer note no. 52) through which it became wholly owned subsidiary of the Group.
- v) During the year group has made investment of ₹ 0.01 crore in Bikaner-II Bhiwadi Transco Limited which is wholly owned subsidiary company of the group. The Company was taken over from PFC Consulting Limited vide share purchase agreement dated 25.03.2021 to carry over the business awarded under tariff based competitive bidding, after transfer Bikaner-II Bhiwadi Transco Limited became wholly owned subsidiary of the Group.

#### 44. Interest in Other Entities (Contd.)

##### 2. Joint Ventures

Set out below are joint ventures of the Group as at 31.03.2021, which in the opinion of the management, are material to the Group. The entities listed below have share capital consisting solely of equity shares, which are held directly by ownership interest in the same as the proportion of voting rights held:

(₹ in crore)

Name of the Entity	Place of business	Proportion (%) of Shareholding		Carrying amount		Nature of activity
		As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020	
Powerlinks Transmission Limited	India	49%	49%	469.63	465.45	Transmission system associated with Tala HEP in Bhutan – under successful operation since Aug' 06
Torrent Power Grid Limited	India	26%	26%	34.67	33.86	Transmission System associated with 1100 MW Sugan generating project at Surat - progressively commissioned in Mar'11
Jaypee Powergrid Limited <sup>1</sup>	India	NA	26%	-	112.46	Transmission system associated with 1000 MW Power Project at Karcham-Wangtoo in HP - progressively commissioned in Apr'12
Parbati Koldam Transmission Company Limited	India	26%	26%	86.60	105.39	Transmission Lines associated with Parbati-II (800 MW) and Koldam (800 MW) HEPs. - Progressively commissioned in Nov'15
Teestavalley Power Transmission Limited <sup>2</sup>	India	30.92%	30.92%	140.02	128.67	Transmission System associated with 1200 MW Teesta – III HEP in Sikkim
North East Transmission Company Limited	India	26%	26%	124.62	121.10	Transmission system associated with 726.6 MW Gas Based Combined Cycle Power Project at Pallatana in Tripura. - Progressively commissioned in Feb'15
National High Power Test Laboratory Private Limited	India	20%	20%	18.22	21.96	To create high power short circuit test facility
Bihar Grid Company Limited	India	50%	50%	431.29	303.59	Establishment of Intra-State Transmission system in the State of Bihar
Kalinga Bidyut Prasaran Nigam Private Limited <sup>3</sup>	India	NA	50%	-	-	Establishment of Intra-State Transmission system in the State of Odisha
Cross Border Power Transmission Company Limited	India	26%	26%	29.97	28.57	Establishment of Indian Portion of Indo-Nepal Cross Border Transmission Line from Muzaffarpur to Sursand
RINL Powergrid TLT Private Limited <sup>4</sup>	India	50%	50%	-	-	Establishment of manufacturing of Transmission Line Tower parts plant
Power Transmission Company Nepal Limited	Nepal	26%	26%	11.83	11.13	Establishment of Nepal Portion of Indo-Nepal Cross Border Transmission Line from Dhalkebar to Bhattamod

<sup>1</sup> Joint venture till 25.03.2021 (Wholly owned subsidiary from 26.03.2021).

<sup>2</sup> POWERGRID & Teesta Urja Ltd are the Joint venture partners in Teestavalley Power Transmission Limited & holds 26% & 74 % equity, respectively as per Shareholding agreement. On call of additional equity by Teestavalley Power Transmission limited, POWERGRID contributed their share while the other JV partner has not yet contributed their share of money. Consequently, the holding of POWERGRID increased to 30.92% against 26% provided in shareholding agreement.

<sup>3</sup> The present status of the Company (M/s KBPNL) as per MCA website is "Strike Off".



#### 44. Interest in Other Entities (Contd.)

<sup>4</sup> POWERGRID's Board of Directors in its meeting held on 01.05.2018 accorded in principle approval to close RINL Powergrid TLT Private Limited (RPTPL) and seek consent of other JV Partner Rashtriya Ispat Nigam Limited (RINL). RINL's Board of Directors in its meeting held on 08.03.2019 has agreed in principle for winding up proceedings of RPTPL & to seek the approval from Ministry of Steel, Government of India, for closure of RPTPL. RINL's Board of Directors in its meeting held on 05.11.2019 has advised to put up the closure proposal again to Ministry of steel for onward submission to NITI Ayog. The Ministry of Steel vide letter dated 29.09.2020 informed RINL that closure of RPTPL is being examined and seeks further clarifications from RINL. Accordingly, relevant information was forwarded by RINL to The Ministry of Steel. The Approval from Government is still awaited.

- All joint venture companies are unlisted entities.
- Financial statements used for consolidation are unaudited except for Powerlinks Transmission Limited, Torrent Power Grid Limited and North East Transmission Company Limited.
- During the year group has made investment of ₹ 354.50 crore in Jaypee Powergrid Limited to acquire 74% of stake from Jaiprakash Power Ventures Limited (Refer note no. 52) through which it became wholly owned subsidiary of the Group.
- The group has made further Investment of ₹ Nil crore (Previous Year ₹ 14.56 crore) in Teestavalley Power Transmission Limited, a joint venture company in which 30.92% share is held by the Group and balance 69.08% share is held by Teesta Urja Limited.
- The group has made further Investment of ₹ 33.00 crore (Previous Year ₹ 85.61 crore) in Bihar Grid Company Limited, a joint venture company in which 50% share is held by the Group and balance 50% share is held by Bihar State Power Holding Company.

#### Commitments and contingent liabilities in respect of joint venture:

(₹ in crore)

Particulars	As at 31.03.2021	As at 31.03.2020
<b>Share of Group</b>		
Commitment	170.87	390.29
Contingent Liabilities	53.54	51.32
<b>Total commitments and contingent liabilities</b>	<b>224.41</b>	<b>441.61</b>

#### Summarised financial information for joint ventures:

Table below provide summarised financial information for these joint ventures that are material to the Group. The information disclosed reflects the amounts presented in the financial statements of the relevant joint venture.

#### Summarised Balance Sheet

(₹ in crore)

Particulars	Powerlinks Transmission Limited		Torrent Power Grid Limited		Jaypee Powergrid Limited		Parbati Koldam Transmission Company Limited	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020
<b>Current Assets</b>								
Cash & Cash Equivalent	8.23	0.11	3.51	0.46	-	7.59	39.50	95.58
Other Assets	155.71	189.51	34.58	45.55	-	67.54	134.63	123.64
<b>Total Current Assets</b>	<b>163.94</b>	<b>189.62</b>	<b>38.09</b>	<b>46.01</b>	<b>-</b>	<b>75.13</b>	<b>174.13</b>	<b>219.22</b>
<b>Total Non-Current Assets</b>	<b>875.08</b>	<b>883.62</b>	<b>140.09</b>	<b>156.33</b>	<b>-</b>	<b>615.92</b>	<b>643.67</b>	<b>719.36</b>
<b>Current Liabilities</b>								
Financial Liabilities	53.89	100.55	31.80	30.39	-	88.12	134.56	131.57
Other Liabilities	16.33	11.89	2.03	6.37	-	10.30	0.25	2.70
<b>Total Current Liabilities</b>	<b>70.22</b>	<b>112.44</b>	<b>33.83</b>	<b>36.76</b>	<b>-</b>	<b>98.42</b>	<b>134.81</b>	<b>134.27</b>
<b>Non- Current Liabilities</b>								
Financial Liabilities	8.72	8.90	5.20	25.67	-	159.98	349.93	398.39
Other Liabilities	1.65	2.00	5.82	9.68	-	0.11	-	0.57
<b>Total Non-Current Liabilities</b>	<b>10.37</b>	<b>10.90</b>	<b>11.02</b>	<b>35.35</b>	<b>-</b>	<b>160.09</b>	<b>349.93</b>	<b>398.96</b>
<b>Net Assets</b>	<b>958.43</b>	<b>949.90</b>	<b>133.33</b>	<b>130.23</b>	<b>-</b>	<b>432.54</b>	<b>333.06</b>	<b>405.35</b>



**44. Interest in Other Entities (Contd.)****Summarised Balance Sheet (Contd.)**

(₹ in crore)

Particulars	Teestavalley Power Transmission Limited		North East Transmission Company Limited		National High Power Test Laboratory Private Limited		Bihar Grid Company Limited	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020
<b>Current Assets</b>								
Cash & Cash Equivalent	38.42	1.98	59.57	0.40	4.09	2.48	110.06	164.20
Other Assets	83.74	102.44	211.47	226.51	5.53	10.42	571.56	217.80
<b>Total Current Assets</b>	<b>122.16</b>	<b>104.42</b>	<b>271.04</b>	<b>226.91</b>	<b>9.62</b>	<b>12.90</b>	<b>681.62</b>	<b>382.00</b>
<b>Total Non-Current Assets</b>	<b>1,459.61</b>	<b>1,562.56</b>	<b>1,465.02</b>	<b>1,561.00</b>	<b>332.97</b>	<b>337.29</b>	<b>2,555.73</b>	<b>2,452.37</b>
<b>Current Liabilities</b>								
Financial Liabilities	167.46	224.50	111.22	139.95	64.68	62.55	156.13	142.34
Other Liabilities	39.31	39.01	136.97	81.05	0.01	0.80	51.38	129.58
<b>Total Current Liabilities</b>	<b>206.77</b>	<b>263.51</b>	<b>248.19</b>	<b>221.00</b>	<b>64.69</b>	<b>63.35</b>	<b>207.51</b>	<b>271.92</b>
<b>Non- Current Liabilities</b>								
Financial Liabilities	895.77	986.41	945.01	1,048.74	186.54	176.77	2,036.08	1,823.27
Other Liabilities	26.40	0.92	63.55	52.39	0.28	0.25	131.18	132.01
<b>Total Non-Current Liabilities</b>	<b>922.17</b>	<b>987.33</b>	<b>1,008.56</b>	<b>1,101.13</b>	<b>186.82</b>	<b>177.02</b>	<b>2,167.26</b>	<b>1,955.28</b>
<b>Net Assets</b>	<b>452.83</b>	<b>416.14</b>	<b>479.31</b>	<b>465.78</b>	<b>91.08</b>	<b>109.82</b>	<b>862.58</b>	<b>607.17</b>

(₹ in crore)

Particulars	Cross Border Power Transmission Company Limited		RINL Powergrid TLT Private Limited		Power Transmission Company Nepal Limited	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020
<b>Current Assets</b>						
Cash & Cash Equivalent	18.24	18.89	0.19	0.19	0.41	0.67
Other Assets	36.52	61.43	-	-	45.27	41.05
<b>Total Current Assets</b>	<b>54.76</b>	<b>80.32</b>	<b>0.19</b>	<b>0.19</b>	<b>45.68</b>	<b>41.72</b>
<b>Total Non-Current Assets</b>	<b>203.31</b>	<b>186.89</b>	<b>-</b>	<b>-</b>	<b>74.70</b>	<b>79.73</b>
<b>Current Liabilities</b>						
Financial Liabilities	15.56	15.85	1.49	0.56	4.31	4.18
Other Liabilities	1.38	2.42	0.08	-	2.56	3.41
<b>Total Current Liabilities</b>	<b>16.94</b>	<b>18.27</b>	<b>1.57</b>	<b>0.56</b>	<b>6.87</b>	<b>7.59</b>
<b>Non- Current Liabilities</b>						
Financial Liabilities	121.56	134.35	-	-	68.02	71.06
Other Liabilities	4.32	4.70	-	-	-	-
<b>Total Non-Current Liabilities</b>	<b>125.88</b>	<b>139.05</b>	<b>-</b>	<b>-</b>	<b>68.02</b>	<b>71.06</b>
<b>Net Assets</b>	<b>115.25</b>	<b>109.89</b>	<b>(1.38)</b>	<b>(0.37)</b>	<b>45.49</b>	<b>42.80</b>



#### 44. Interest in Other Entities (Contd.)

##### Reconciliation to carrying amounts:

(₹ in crore)

Particulars	Powerlinks Transmission Limited		Torrent Power Grid Limited		Jaypee Powergrid Limited		Parbati Koldam Transmission Company Limited	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Opening net assets	949.90	913.40	130.23	136.72	-	405.56	405.35	366.54
Investment by JV Partners	-	-	-	-	-	-	-	-
Profit for the year	102.01	121.14	19.31	18.48	-	57.28	60.97	84.73
Other Comprehensive income	0.12	(0.01)	(0.01)	(0.02)	-	(0.01)	0.36	0.13
Dividend Paid	93.60	84.63	16.20	24.95	-	19.89	135.04	46.05
Other Adjustments	-	-	-	-	-	(10.40)	1.42	-
<b>Closing net assets</b>	<b>958.43</b>	<b>949.90</b>	<b>133.33</b>	<b>130.23</b>	<b>-</b>	<b>432.54</b>	<b>333.06</b>	<b>405.35</b>
Group's share in %	49%	49%	26%	26%	-	26%	26%	26%
Group's share in INR	469.63	465.45	34.67	33.86	-	112.46	86.60	105.39
<b>Carrying Amount</b>	<b>469.63</b>	<b>465.45</b>	<b>34.67</b>	<b>33.86</b>	<b>-</b>	<b>112.46</b>	<b>86.60</b>	<b>105.39</b>

(₹ in crore)

Particulars	Teestavalley Power Transmission Limited		North East Transmission Company Limited		National High Power Test Laboratory Private Limited		Bihar Grid Company Limited	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Opening net assets	416.14	359.43	465.78	483.51	109.82	130.38	607.17	391.85
Investment by JV Partners	-	14.56	-	-	-	-	66.00	171.21
Profit for the year	46.05	43.38	75.24	59.10	(19.22)	(21.86)	201.67	43.91
Other Comprehensive income	(0.07)	0.05	0.01	(0.02)	(0.01)	(0.05)	-	-
Dividend Paid	-	-	61.72	59.51	-	-	-	-
Other Adjustments	(9.29)	(1.28)	-	(17.30)	0.49	1.35	(12.26)	0.20
<b>Closing net assets</b>	<b>452.83</b>	<b>416.14</b>	<b>479.31</b>	<b>465.78</b>	<b>91.08</b>	<b>109.82</b>	<b>862.58</b>	<b>607.17</b>
Group's share in %	30.92%	30.92%	26%	26%	20%	20%	50%	50%
Group's share in INR	140.02	128.67	124.62	121.10	18.22	21.96	431.29	303.59
<b>Carrying Amount</b>	<b>140.02</b>	<b>128.67</b>	<b>124.62</b>	<b>121.10</b>	<b>18.22</b>	<b>21.96</b>	<b>431.29</b>	<b>303.59</b>

(₹ in crore)

Particulars	Cross Border Power Transmission Company Limited		RINL Powergrid TLT Private Limited		Power Transmission Company Nepal Limited	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Opening net assets	109.89	88.57	(0.37)	7.94	42.80	40.20
Investment by JV Partners	-	-	-	-	-	-
Profit for the year	14.74	21.39	(1.01)	(8.31)	7.76	7.65
Other Comprehensive income	-	-	-	-	-	-
Dividend Paid	10.19	-	-	-	5.06	5.06
Other Adjustments	0.81	(0.07)	-	-	(0.01)	0.01
<b>Closing net assets</b>	<b>115.25</b>	<b>109.89</b>	<b>(1.38)</b>	<b>(0.37)</b>	<b>45.49</b>	<b>42.80</b>
Group's share in %	26%	26%	50%	50%	26%	26%
Group's share in INR	29.97	28.57	-	-	11.83	11.13
<b>Carrying Amount</b>	<b>29.97</b>	<b>28.57</b>	<b>-</b>	<b>-</b>	<b>11.83</b>	<b>11.13</b>

#### 44. Interest in Other Entities (Contd.)

##### Summarised Statement of Profit and Loss

(₹ in crore)

Particulars	Powerlinks Transmission Limited		Torrent Power Grid Limited		Jaypee Powergrid Limited		Parbati Koldam Transmission Company Limited	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Revenue From Operations	117.01	92.25	42.12	43.66	-	159.79	167.37	189.41
Other Income	10.31	7.02	2.12	2.24	-	3.71	8.75	19.62
<b>Total Income</b>	<b>127.32</b>	<b>99.27</b>	<b>44.24</b>	<b>45.90</b>	<b>-</b>	<b>163.50</b>	<b>176.12</b>	<b>209.03</b>
Employee benefits expense	7.84	6.91	2.16	2.05	-	3.59	3.27	3.43
Finance costs	0.77	0.75	2.85	4.81	-	33.88	44.10	47.46
Depreciation and amortization expense	0.71	0.68	16.45	16.45	-	53.54	49.32	49.24
Other expenses	6.68	7.91	3.39	3.74	-	5.58	5.88	5.46
<b>Total Expenses</b>	<b>16.00</b>	<b>16.25</b>	<b>24.85</b>	<b>27.05</b>	<b>-</b>	<b>96.59</b>	<b>102.57</b>	<b>105.59</b>
Tax Expenses	9.31	(38.12)	0.08	0.37	-	9.63	12.58	18.71
Profit for the year	102.01	121.14	19.31	18.48	-	57.28	60.97	84.73
Other Comprehensive income	0.12	(0.01)	(0.01)	(0.02)	-	(0.01)	0.36	0.13
<b>Total Comprehensive income</b>	<b>102.13</b>	<b>121.13</b>	<b>19.30</b>	<b>18.46</b>	<b>-</b>	<b>57.27</b>	<b>61.33</b>	<b>84.86</b>
Dividend Received	45.86	34.40	4.21	5.38	-	4.29	35.11	9.93

(₹ in crore)

Particulars	Teestavalley Power Transmission Limited		North East Transmission Company Limited		National High Power Test Laboratory Private Limited		Bihar Grid Company Limited	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Revenue From Operations	299.42	268.69	306.63	314.15	15.39	11.37	460.20	212.36
Other Income	0.84	9.64	17.33	11.67	0.16	0.16	41.88	15.54
<b>Total Income</b>	<b>300.26</b>	<b>278.33</b>	<b>323.96</b>	<b>325.82</b>	<b>15.55</b>	<b>11.53</b>	<b>502.08</b>	<b>227.90</b>
Employee benefits expense	7.09	7.04	5.76	4.59	1.86	1.75	12.49	4.31
Finance costs	133.81	150.55	131.82	113.26	18.91	16.67	164.87	66.47
Depreciation and amortization expense	87.34	87.60	117.37	117.53	8.32	7.64	95.60	86.83
Other expenses	10.06	9.78	12.29	14.92	5.68	7.33	28.55	12.53
<b>Total Expenses</b>	<b>238.30</b>	<b>254.97</b>	<b>267.24</b>	<b>250.30</b>	<b>34.77</b>	<b>33.39</b>	<b>301.51</b>	<b>170.14</b>
Tax Expenses	15.91	(20.02)	(18.52)	16.42	-	-	(1.10)	13.85
Profit for the year	46.05	43.38	75.24	59.10	(19.22)	(21.86)	201.67	43.91
Other Comprehensive income	(0.07)	0.05	0.01	(0.02)	(0.01)	(0.05)	-	-
<b>Total Comprehensive income</b>	<b>45.98</b>	<b>43.43</b>	<b>75.25</b>	<b>59.08</b>	<b>(19.23)</b>	<b>(21.91)</b>	<b>201.67</b>	<b>43.91</b>
Dividend Received	-	-	16.05	12.83	-	-	-	-



#### 44. Interest in Other Entities (Contd.)

##### Summarised Statement of Profit and Loss (Contd.)

(₹ in crore)

Particulars	Cross Border Power Transmission Company Limited		RINL Powergrid TLT Private Limited		Power Transmission Company Nepal Limited	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Revenue From Operations	5.89	6.51	-	-	16.31	16.46
Other Income	27.55	34.23	-	-	3.48	3.06
<b>Total Income</b>	<b>33.44</b>	<b>40.74</b>	<b>-</b>	<b>-</b>	<b>19.79</b>	<b>19.52</b>
Employee benefits expense	1.35	1.14	-	-	0.83	0.75
Finance costs	13.61	14.89	-	-	4.02	3.90
Depreciation and amortization expense	0.03	0.02	-	-	5.20	5.20
Other expenses	3.71	3.30	1.01	8.31	1.25	1.49
<b>Total Expenses</b>	<b>18.70</b>	<b>19.35</b>	<b>1.01</b>	<b>8.31</b>	<b>11.30</b>	<b>11.34</b>
Tax Expenses	-	-	-	-	0.73	0.53
Profit for the year	14.74	21.39	(1.01)	(8.31)	7.76	7.65
Other Comprehensive income	-	-	-	-	-	-
<b>Total Comprehensive income</b>	<b>14.74</b>	<b>21.39</b>	<b>(1.01)</b>	<b>(8.31)</b>	<b>7.76</b>	<b>7.65</b>
Dividend Received	2.65	1.26	-	-	1.32	1.32

45. Cash equivalent of deemed export benefits availed of ₹ 209.99 crore in respect of supplies effected for East South Inter Connector-II Transmission Project (ESI) and Sasaram Transmission Project (STP), were paid to the Customs and Central Excise Authorities in accordance with direction from Ministry of Power (GOI) during 2002-03 due to non-availability of World Bank loan for the entire supplies in respect of ESI project and for the supplies prior to March 2000 in respect of STP project and the same was capitalised in the books of accounts. Thereafter, World Bank had financed both the ESI project and STP project as originally envisaged and they became eligible for deemed export benefits. Consequently, the group has lodged claims with the Customs and Excise Authorities.

In this regard the Cumulative amount received and de-capitalized upto 31 March 2021 is ₹ 12.12 crore (Previous Year ₹ 12.12 crore). The group continued to show the balance of ₹ 197.87 crore (Previous Year ₹ 197.87 crore) in the capital cost of the respective assets / projects pending receipt of the same from Customs and Excise Authorities.

46. a) Some balances of Trade Receivables and recoverable shown under Assets and Trade and Other Payables shown under Liabilities include balances subject to confirmation/ reconciliation and consequential adjustments if any. However, reconciliations are carried out on ongoing basis. The management does not expect any material adjustment in the books of accounts as a result of the reconciliation.
- b) In the opinion of the management, the value of any of the assets other than Property, Plant and Equipment and non-current investments on realization in the ordinary course of business will not be less than the value at which they are stated in the Balance Sheet.

#### 47. Disclosure as per Ind AS 115 - "Revenue from Contracts with Customer"

- a) For milestone based contracts (consultancy contracts), unsatisfied performance obligations are as follows:

(₹ in crore)

Particulars	As at 31.03.2021	As at 31.03.2020
Transaction price related to unsatisfied (or partially satisfied) performance obligation	2,477.46	2,611.14
These performance obligations are expected to be satisfied within	3 Years	4 Years

**47. Disclosure as per Ind AS 115 - "Revenue from Contracts with Customer" (Contd.)**

- b) The movement in unbilled revenue during the year is as follows: (₹ in crore)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Balance at the beginning	5,332.25	6,596.23
Add: Revenue recognised during the period	6,587.47	3,243.32
Less: Invoiced during the period	4,541.51	4,613.01
Less: Impairment/reversal during the period	-	(105.71)
Less: Classified as held for sale	196.99	-
Add/(Less): Other Adjustments	(6.01)	-
Balance at the end	7,175.21	5,332.25

- c) The movement in contract liability during the year is as follows: (₹ in crore)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Balance at the beginning	1,164.02	1,261.19
Add: Advance billing during the period	548.83	537.01
Less: revenue recognised during the period		
a) From contract liability as at beginning of the period	588.09	558.07
b) From contract liability recognised during the period	89.45	76.37
Add: Translation gain/(Loss)	(0.17)	0.26
Balance at the end	1,035.14	1,164.02

- d) The entity determines transaction price based on expected value method considering its past experiences of refunds or significant reversals in amount of revenue. In estimating significant financing component, management considers the financing element inbuilt in the transaction price based on imputed rate of return. Reconciliation of Contracted Price vis-a-vis revenue recognized in profit or loss statement is as follows:

(₹ in crore)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Contracted price	38,703.41	36,260.84
Add/ (Less)- Discounts/ rebates provided to customer	(116.64)	(139.26)
Add/ (Less)- Performance bonus	480.90	429.20
Add/ (Less)- Adjustment for significant financing component	73.10	96.70
Add/ (Less)- Other adjustments	499.02	1,096.06
Revenue recognized in profit or loss statement	39,639.79	37,743.54

48. (i) FERV Gain ₹ 450.57 crore (Previous Year FERV Loss ₹ 2,079.72 crore) has been adjusted in the respective carrying amount of Property, Plant and Equipment/Capital work in Progress (CWIP)/Lease Receivables
- (ii) FERV Loss of ₹ 60.61 crore (Previous Year ₹ 221.86 crore) has been recognised in the Statement of Profit and Loss.
49. Borrowing cost capitalised during the year is ₹ 806.05 crore (Previous Year ₹ 2,120.31 crore) in the respective carrying amount of Property, Plant and Equipment/Capital work in Progress (CWIP) as per Ind AS 23 'Borrowing Costs'.



- 50.** Based on information available with the group, 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 crore)

Sr. No	Particulars	Trade Payables		Others	
		As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020
1	Principal amount and interest due thereon remaining unpaid to any supplier as at end of each accounting year:				
	Principal	29.75	11.58	3.65	2.98
	Interest	0.01	0.01	-	-
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	-	0.04	-	-
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	0.01	-	-	-
4	The amount of interest accrued and remaining unpaid at the end of each accounting year	0.01	0.01	-	-
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	-	-	-	-

## 51. Disclosure as per Ind AS 116 - "Leases"

### a) As a Lessor - Finance Leases:

The group has classified and accounted for the arrangements for state sector ULDC assets and bilateral assets as finance leases. Agreements for State Sector ULDC are for a period of 15 years and Bilateral Line Assets with the beneficiary are for the period as specified in CERC Regulations and Transmission Service Agreements (TSA).

Other Non-Current Financial Assets and Other Current Financial Assets include lease receivables representing the present value of future lease rentals receivable on the finance lease transactions entered into by the group with the constituents in respect of State Sector ULDC and Bilateral Line Assets. Disclosure requirements of Ind AS 116 'Leases' notified under the Companies Act, 2013 are given as under:

- (i) Details of gross investment in lease, un-earned finance income and present value of minimum lease payments receivables at the end of financial year are given as under:

(₹ in crore)

Particulars	As at 31.03.2021	As at 31.03.2020
Gross investment in Lease	2127.52	1547.26
Un-earned Finance Income	1323.41	980.06
Present value of Minimum Lease Payment (MLP)	804.11	567.20

## 51. Disclosure as per Ind AS 116 - "Leases" (Contd.)

(ii) The value of contractual maturity of such leases is as under:

(₹ in crore)

Particulars	Gross Investment in Lease		Present Value of MLPs	
	As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020
Not later than one year	160.99	132.37	55.72	50.15
Later than one year and not later than two years	160.60	127.38	57.04	46.21
Later than two years and not later than three years	160.41	127.19	58.71	47.02
Later than three years and not later than four years	160.20	127.19	60.57	48.14
Later than four years and not later than five years	159.99	127.19	62.63	49.39
Later than five years	1,325.33	905.94	509.44	326.29
<b>Total</b>	<b>2,127.52</b>	<b>1,547.26</b>	<b>804.11</b>	<b>567.20</b>

(iii) There are differences in balance lease receivable as at year end as per accounts and tariff records on account of:

- Undischarged liabilities amounting to ₹ 53.36 crore (Previous Year ₹ 61.30 crore). Such cost become part of project cost only on discharge of such liabilities.
- Unamortized FERV on loans included in lease receivable amounting to ₹ 51.66 crore (Previous Year ₹ 21.47 crore). Such FERV are allowed to be recovered as part of tariff on actual payment basis.

### b) As a Lessee:

The group has taken assets on lease such as dark fibre, colocation & repeater shelter spaces and office buildings etc. for various periods which are assessed and accounted as per the requirements of Ind AS 116 - "Leases" and required disclosures as per the said Ind AS are as follows:

#### (i) ROU Assets:

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 has been disclosed in note no. 4 as a separate line item.

#### (ii) Lease Liabilities:

Interest expense on lease liabilities for the year is shown under note no. 38 and total cash outflow for leases for the year has been disclosed in statement of cash flow under financing activities as separate line item and maturity analysis of lease liabilities has been disclosed in note no. 64.

#### (iii) Short term leases:

The group, during the financial year, has incurred ₹ 37.56 crore (Previous Year ₹ 48.85 crore) with respect to short term leases.

The group was committed to short term leases and the total commitment of such leases at the end of financial year was ₹ 5.94 crore (Previous Year ₹ 4.83 crore).

## 52. Disclosure as per Ind AS 103 - "Business Combinations"

The Group was having joint control and holding 26% of share capital of Jaypee Powergrid Limited (JPL) (a joint venture between the Group and Jaiprakash Power Ventures Limited). The Group acquired remaining interest (74%) from other joint venturer through share purchase agreement dated 25 March 2021 and terminated joint venture agreement. As JPL is in a regulated tariff mechanism having predictable returns similar to the company and with economies of scale of its operations, the Group will benefit in terms of cost optimisation and shared resources.

### i) Consideration transferred:

Out of total Purchase consideration of ₹ 354.50 crore for acquisition of JPL, ₹ 351.65 crore has been paid in cash and cash equivalents in FY 2020-21 & remaining ₹ 2.85 crore is yet to be paid.

### ii) Identifiable assets acquired and liabilities assumed:

The following table summarises the recognised amounts of assets and liabilities assumed as at the date of acquisition:

(₹ in crore)

Particulars	Amount
Property, Plant and Equipment	529.51
Other Non-current assets	0.02
Deferred Tax Assets	20.57





## 52. Disclosure as per Ind AS 103 - "Business Combinations" (Contd.)

(₹ in crore)

Particulars	Amount
Current assets	101.48
Regulatory deferral account balances	15.79
Non-current liabilities	(110.89)
Current liabilities	(76.40)
<b>Total net identifiable assets acquired</b>	<b>480.08</b>

### iii) Capital Reserve:

(₹ in crore)

Particulars	Amount
Fair Value of Net identifiable Assets	480.08
Less: Fair Value of previously held equity interest	124.82
Less: Consideration for acquisition of 74% stake	354.50
<b>Capital Reserve</b>	<b>0.76</b>

### iv) Revenue and profit contribution

Acquisition of JPL has contributed revenue of ₹ 2.43 crore and ₹1.19 crore to profit before tax, from 25 March 2021 to 31 March 2021. If the acquisition had occurred on 1 April 2020, consolidated pro-forma revenue and profit before tax of the Group for the year ended 31 March 2021 would have been ₹39,785.11 crore and ₹15,188.40 crore respectively.

### v) Purchase consideration – cash outflow:

(₹ in crore)

Particulars	Amount
Outflow of cash to acquire subsidiary (net of cash acquired)	
Total Consideration	354.50
Less: Consideration yet to be paid	2.85
Less: Cash and Cash Equivalents acquired	43.26
<b>Net outflow of cash - investing activities</b>	<b>308.39</b>

### vi) Contingent liabilities acquired on acquisition:

JPL has contingent liability amounting to ₹1.50 crore in respect of Land /Crop/Tree Compensation cases on the date of acquisition.

### vii) Gain/(loss) on remeasurement of previously held equity interest:

The Group previously held 26% interest in JPL which was classified as investment in joint venture till the date of acquisition of 74% stake. There is no gain/(loss) recognised on existing equity interest in JPL by the Group as the acquisition date fair value is equal to the carrying value of the previously held equity interest.

## 53. Disclosures relating to Regulatory Deferral Account Balances

### i) Nature of rate regulated activities

The group is mainly engaged in the business of transmission of power. The tariff for transmission of power is determined by the CERC through tariff regulations. The tariff is based on capital cost admitted by CERC and provides for transmission charges recovery of annual fixed cost consisting of Return on equity, Interest on loan capital, Depreciation, interest on working capital and Operation & Maintenance expenses.

### ii) Recognition and measurement

FERV arising during the construction period for settlement/translation of monetary items (other than non-current loans) denominated in foreign currency to the extent recoverable/payable to the beneficiaries as capital cost as per CERC Tariff Regulations are accounted as Regulatory Deferral Account Balances. In respect of long-term foreign currency loan drawn on or after 01 April 2016, exchange difference to the extent recoverable as per CERC Tariff Regulations are recognised as Regulatory Deferral Account Balances. The group expects to recover these amounts through depreciation component of the tariff over the life of the asset or as exchange rate variation on repayment of the loan.

### 53. Disclosures relating to Regulatory Deferral Account Balances (Contd.)

The tariff norms for the block period 2019-2024 notified by the Central Electricity Regulatory Commission (CERC) provide for grossing up of the return on equity based on effective tax rate for the financial year based on the actual tax paid during the year on the transmission income. Accordingly, deferred tax provided during the year ended 31.03.2021 on the transmission income is accounted as 'Deferred Assets against Deferred Tax Liability'. Deferred Assets against Deferred Tax Liability for the year will be reversed in future years (including tax holiday period) when the related deferred tax liability forms a part of current tax.

The cumulative amount of ₹ 134.16 crore (cumulative previous year amount of ₹ 134.16 crore) on account of pay revision is recoverable from the beneficiaries is included in Regulatory Deferral Account Balances and will be adjusted in the year in which they become recoverable from beneficiaries as per CERC. Amount of regulatory deferral account balances is on undiscounted basis.

#### iii) Risk associated with future recovery/ reversal of regulatory deferral account balances

- regulatory risk on account of changes in regulations.
- other risks including currency or other market risks, if any.

Any change in the Tariff regulations beyond the current tariff period ending on 31.03.2024 may have an impact on the recovery of Regulatory Deferral Account Balances.

The Regulatory Deferral Account Balances (assets) recognized in the books to be recovered from the beneficiaries in future periods are as follows:

(₹ in crore)		
Particulars	As at 31.03.2021	As at 31.03.2020
A. Opening Balance	10,123.06	8,083.27
B. Addition/(deduction) during the year	506.93	2,045.17
C. Amount collected/refunded during the year	70.65	5.38
D. a) Regulated Income/(Expense) recognized in the statement of Profit and Loss (B-C)	436.28	2,039.79
b) Addition on business combination	15.79	-
E. Closing Balance (A+D)	10,575.13	10,123.06
F. Tax on Regulated Income/(Expense) recognized in the statement of Profit and Loss	74.60	356.39

### 54. Disclosure as required by Regulation 34 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

#### A. Loans and Advances in nature of Loans:

##### 1. To Joint Ventures

(₹ in crore)

Name of the Company	Outstanding balance		Maximum amount outstanding	
	As at 31.03.2021	As at 31.03.2020	For the year ended 31.03.2021	For the year ended 31.03.2020
<b>Joint Ventures</b>				
National High Power Test Laboratory Private Limited	18.40	18.40	18.40	18.40
Teestavalley Power Transmission Limited	29.29	77.12	95.00	191.72
<b>Total</b>	<b>47.69</b>	<b>95.52</b>	<b>113.40</b>	<b>210.12</b>

##### 2. To firms/companies in which directors are interested: NIL

##### B. Investment by the loanee (as detailed above) in the shares of Power Grid Corporation of India Ltd: NIL

### 55. Corporate Social Responsibility (CSR) Expenses

As per Section 135 of the Companies Act, 2013 along with Companies (Corporate Social Responsibility Policy) Rules, 2014 read with DPE guidelines no F.No.15 (13)/2013-DPE (GM), the group is required to spend, in every financial year, at least two per cent of the average net profits of the group made during the three immediately preceding financial years in accordance with its CSR Policy. Accordingly, the Group has spent ₹ 247.22 crore (Previous Year ₹ 349.36 crore) on CSR activities.



# 56. Additional Information as required under Schedule III of the Companies Act, 2013

(₹ in crore)

Particulars	Net Asset i.e. assets minus total liabilities				Share in profit or loss				Share in Other Comprehensive Income				Share in Total Comprehensive Income			
	As at 31.03.2021		As at 31.03.2020		For the year ended 31.03.2021		For the year ended 31.03.2020		For the year ended 31.03.2021		For the year ended 31.03.2020		For the year ended 31.03.2021		For the year ended 31.03.2020	
	As % of consol. net assets	Amount	As % of consol. net assets	Amount	As % of consol. profit or loss	Amount	As % of consol. profit or loss	Amount	As % of consol. OCI	Amount	As % of consol. OCI	Amount	As % of consol. Total Comp. Income	Amount	As % of consol. Total Comp. Income	Amount
<b>Parent</b>																
Power Grid Corporation of India Limited	91.41%	63,926.96	93.50%	60,492.60	93.36%	11,237.33	95.32%	10,542.18	99.49%	25.36	100.00%	(104.02)	93.37%	11,262.69	95.28%	10,438.16
<b>Subsidiaries</b>																
Indian																
Powergrid Jabalpur Transmission Limited	0.37%	256.29	0.37%	241.91	0.75%	89.70	0.44%	48.39	0.00%	-	0.00%	-	0.74%	89.70	0.44%	48.39
Powergrid Kala Amb Transmission Limited	0.12%	83.73	0.13%	81.40	0.24%	29.48	0.21%	23.37	0.00%	-	0.00%	-	0.24%	29.48	0.21%	23.37
Powergrid NM transmission Limited	0.36%	252.87	0.13%	83.27	-0.31%	(37.05)	-0.27%	(29.48)	0.00%	-	0.00%	-	-0.31%	(37.05)	-0.27%	(29.48)
Powergrid Parli Transmission Limited	0.55%	384.56	0.55%	358.48	1.13%	136.54	0.72%	79.22	0.00%	-	0.00%	-	1.13%	136.54	0.72%	79.22
Powergrid Southern Interconnector Transmission System Ltd	1.18%	824.78	1.11%	716.10	0.90%	108.68	0.08%	8.68	0.00%	-	0.00%	-	0.90%	108.68	0.08%	8.68
Powergrid Unchahar Transmission Limited	0.03%	21.61	0.04%	24.45	0.04%	4.94	0.09%	9.64	0.00%	-	0.00%	-	0.04%	4.94	0.09%	9.64
Powergrid Vemagiri transmission Limited	-0.03%	(19.41)	-0.03%	(19.41)	0.00%	-	0.00%	(0.01)	0.00%	-	0.00%	-	0.00%	-	0.00%	(0.01)
Powergrid Vizag Transmission Limited	0.46%	322.76	0.58%	372.95	0.91%	109.20	1.37%	151.75	0.00%	-	0.00%	-	0.91%	109.20	1.39%	151.75
Powergrid Warora Transmission Limited	0.66%	465.06	0.74%	478.95	1.17%	140.28	0.69%	76.09	0.00%	-	0.00%	-	1.16%	140.28	0.69%	76.09
Powergrid Medinipur Jeerat Transmission Limited	0.81%	568.78	0.45%	289.33	0.16%	19.15	0.00%	-	0.00%	-	0.00%	-	0.16%	19.15	0.00%	-
Powergrid Mithlanchal Transmission Limited	0.31%	214.44	0.19%	119.99	0.01%	0.95	0.00%	-	0.00%	-	0.00%	-	0.01%	0.95	0.00%	-
Powergrid Varanasi Transmission System Limited	0.24%	168.06	0.19%	125.04	0.00%	0.02	0.00%	-	0.00%	-	0.00%	-	0.00%	0.02	0.00%	-
Powergrid Jawaharpur Firozabad Transmission Limited	0.11%	78.25	0.00%	0.05	0.01%	1.05	0.00%	-	0.00%	-	0.00%	-	0.01%	1.05	0.00%	-
Powergrid Khetri Transmission System Limited	0.23%	161.02	0.00%	(0.28)	0.00%	(0.05)	0.00%	(0.33)	0.00%	-	0.00%	-	0.00%	(0.05)	0.00%	(0.33)
Powergrid Bhuj Transmission Limited	0.14%	97.71	0.00%	0.01	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Powergrid Bhind Guna Transmission Limited	0.07%	49.41	0.00%	(0.59)	0.00%	-	0.00%	0.12	0.00%	-	0.00%	-	0.00%	-	0.00%	0.12
Powergrid Ajmer Phagi Transmission Limited	0.16%	111.66	0.00%	(0.27)	0.00%	(0.02)	0.00%	(0.32)	0.00%	-	0.00%	-	0.00%	(0.02)	0.00%	(0.32)

**56. Additional Information as required under Schedule III of the Companies Act, 2013 (Contd.)**

(₹ in crore)

Particulars	Net Asset i.e. assets minus total liabilities		Share in profit or loss				Share in Other Comprehensive Income				Share in Total Comprehensive Income	
	As at 31.03.2021	As at 31.03.2020	For the year ended 31.03.2021		For the year ended 31.03.2020		For the year ended 31.03.2021		For the year ended 31.03.2020		For the year ended 31.03.2021	
	As % of consol. net assets	Amount	As % of consol. net assets	Amount	As % of consol. profit or loss	Amount	As % of consol. OCI	Amount	As % of consol. OCI	Amount	As % of consol. Total Comp. Income	Amount
Powergrid Fatehgarh Transmission Limited	0.16%	113.41	0.00%	0.01	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Powergrid Rampur Sambhal Transmission Limited	0.03%	20.64	0.00%	(0.83)	-0.01%	(0.88)	0.00%	-	0.00%	-	-0.01%	(0.88)
Powergrid Meerut Simbhavali Transmission Limited	0.05%	32.01	0.00%	0.01	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Central Transmission Utility of India Limited	0.00%	0.02	NA	NA	0.00%	(0.03)	0.00%	NA	0.00%	(0.03)	NA	NA
Powergrid Ramgarh Transmission Limited	0.00%	(0.46)	NA	NA	0.00%	(0.51)	0.00%	NA	0.00%	(0.51)	NA	NA
Jaypee Powergrid Limited	0.65%	455.05	NA	NA	-0.21%	(25.03)	0.00%	NA	0.00%	(25.03)	NA	NA
Bikaner-II Bhiwadi Transco Limited	0.00%	0.01	NA	NA	0.00%	-	0.00%	NA	0.00%	-	NA	NA
<b>Joint Ventures</b>												
Indian												
Powerlinks Transmission Limited	0.67%	469.63	0.72%	465.45	0.54%	49.98	0.24%	0.06	0.01%	(0.01)	0.42%	50.04
Torrent Powergrid Limited	0.05%	34.67	0.05%	33.86	0.04%	5.02	0.00%	-	0.01%	(0.01)	0.04%	5.02
Jaypee Powergrid Limited	NA	NA	0.17%	112.46	0.13%	14.31	0.00%	-	0.01%	(0.01)	0.12%	14.31
Parbati Koldam Transmission Company Limited	0.12%	86.60	0.16%	105.39	0.20%	15.86	0.35%	0.09	-0.03%	0.03	0.13%	15.95
Teestavalley Power Transmission Limited	0.20%	140.02	0.20%	128.67	0.12%	14.24	-0.08%	(0.02)	-0.02%	0.02	0.12%	14.22
North East Transmission Company Limited	0.18%	124.62	0.19%	121.10	0.14%	19.57	0.00%	-	0.01%	(0.01)	0.16%	19.57
National High Power Test Lab Pvt Limited	0.03%	18.22	0.03%	21.96	-0.04%	(3.84)	0.00%	-	0.01%	(0.01)	-0.03%	(3.84)
Bihar Grid Company Limited	0.62%	431.29	0.47%	303.59	0.20%	100.83	0.00%	-	0.00%	-	0.84%	100.83
Kalinga Bidyut Prasaran Nigam Pvt. Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Cross Border Transmission Limited	0.04%	29.97	0.04%	28.57	0.05%	3.84	0.00%	-	0.00%	-	0.03%	3.84
RINL POWERGRID TLT Pvt. Limited	0.00%	-	0.00%	-	-0.04%	(3.97)	0.00%	-	0.00%	-	0.00%	-
Foreign												
Power Transmission Company Nepal Ltd	0.02%	11.83	0.02%	11.13	0.02%	2.02	0.00%	-	0.00%	-	0.02%	2.02
<b>Total</b>	<b>100.00%</b>	<b>69,936.07</b>	<b>100.00%</b>	<b>64,695.35</b>	<b>100.00%</b>	<b>12,036.46</b>	<b>100.00%</b>	<b>25.49</b>	<b>100.00%</b>	<b>(104.02)</b>	<b>100.00%</b>	<b>12,061.95</b>
												<b>10,955.38</b>



## 57. Fair Value Measurement

(₹ in crore)

Financial Instruments by category	As at 31.03.2021		As at 31.03.2020	
	FVOCI	Amortised cost	FVOCI	Amortised cost
<b>Financial Assets</b>				
<u>Investments</u>				
<u>Equity Instruments</u>				
-PTC India Limited (12000006 shares of ₹ 10 each)	93.30		46.50	
Energy Efficiency Services Limited (56118350 shares of ₹ 10 each)	45.40		52.40	
Trade Receivables		3,675.53		5,040.71
Loans		449.63		427.99
Cash & cash Equivalents		4,487.23		4,849.59
Bank Balance		964.14		615.42
<u>Other Financial Assets</u>				
Current		8,038.97		5,799.43
Non-Current		4,341.04		4,089.19
<b>Total Financial assets</b>	<b>138.70</b>	<b>21,956.54</b>	<b>98.90</b>	<b>20,822.33</b>
<b>Financial Liabilities</b>				
Borrowings		1,46,311.85		1,51,544.13
Trade Payables		187.48		226.54
<u>Other Financial Liabilities</u>				
Current		7,769.38		8,661.13
Non-Current		3,625.14		3,523.13
<b>Total financial liabilities</b>	<b>-</b>	<b>1,57,893.85</b>	<b>-</b>	<b>1,63,954.93</b>

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are measured at fair value and financial instruments that are measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group 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 Fair value:

(₹ in crore)

Particulars	Level 1	Level 2	Level 3	Total
<b>As at 31.03.2021</b>				
<b>Financial Assets</b>				
<u>Investments</u>				
<u>Equity Instruments</u>				
-PTC India Limited (12000006 shares of ₹ 10 each)	93.30	-	-	93.30
Energy Efficiency Services Limited (56118350 shares of ₹ 10 each)	-	45.40	-	45.40
<b>Total Financial Assets</b>	<b>93.30</b>	<b>45.40</b>	<b>-</b>	<b>138.70</b>

**57. Fair Value Measurement (Contd.)**

(₹ in crore)

Particulars	Level 1	Level 2	Level 3	Total
<b>As at 31.03.2020</b>				
<b><u>Financial Assets</u></b>				
<u>Investments</u>				
<u>Equity Instruments</u>				
-PTC India Limited (12000006 shares of ₹ 10 each)	46.50	-	-	46.50
Energy Efficiency Services Limited (56118350 shares of ₹ 10 each)	-	52.40	-	52.40
<b>Total Financial Assets</b>	<b>46.50</b>	<b>52.40</b>	<b>-</b>	<b>98.90</b>

Financial instruments that are measured at Amortised Cost:

(₹ in crore)

Particulars	Level	As at 31.03.2021		As at 31.03.2020	
		Carrying Amount	Fair value	Carrying Amount	Fair value
<b><u>Financial Assets</u></b>					
<b><u>Loans</u></b>					
Loan to Joint Venture	2	52.88	49.04	99.56	92.59
Loans to employees	2	396.75	379.82	328.43	320.73
<b>Total Financial Assets</b>		<b>449.63</b>	<b>428.86</b>	<b>427.99</b>	<b>413.32</b>
<b><u>Financial Liabilities</u></b>					
Borrowings	2	1,46,311.85	1,52,217.37	1,51,544.13	1,56,511.73
Deposits/retention money from contractors and others	2	3,643.16	3,993.20	3,546.74	3,853.29
<b>Total financial liabilities</b>		<b>1,49,955.01</b>	<b>1,56,210.57</b>	<b>1,55,090.87</b>	<b>1,60,365.02</b>

The carrying amounts of trade receivables, trade payables, cash and cash equivalents 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 group'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 include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of Energy Efficiency Services Limited has been determined by making qualitative adjustment to trading multiples such as P/E, EV/EBITDA of comparable listed prices. The same has been included in Level 2 fair value hierarchy.
- 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 apart from equity instruments of PTC India Limited which is included in Level 1 fair value hierarchy.

Fair value of financial instruments has been determined by an independent valuer.



## 58. Disclosure as per Ind AS 24 - “Related Party Disclosures”

### (a) Joint Ventures

Name of entity	Place of business/ country of incorporation	Proportion of Ownership Interest	
		As at 31.03.2021	As at 31.03.2020
Powerlinks Transmission Limited	India	49%	49%
Torrent Power Grid Limited	India	26%	26%
Jaypee Powergrid Limited <sup>1</sup>	India	NA	26%
Parbati Koldam Transmission Company Limited	India	26%	26%
Teestavalley Power Transmission Limited <sup>2</sup>	India	30.92%	30.92%
North East Transmission Company Limited	India	26%	26%
National High Power Test Laboratory Private Limited	India	20%	20%
Bihar Grid Company Limited	India	50%	50%
Kalinga Bidyut Prasaran Nigam Private Limited <sup>3</sup>	India	NA	50%
Cross Border Power Transmission Company Limited	India	26%	26%
RINL Powergrid TLT Private Limited <sup>4</sup>	India	50%	50%
Power Transmission Company Nepal Limited	Nepal	26%	26%

<sup>1</sup> Joint venture till 25.03.2021 (Wholly owned subsidiary from 26.03.2021).

<sup>2</sup> POWERGRID & Teesta Urja Ltd are the Joint venture partners in Teestavalley Power Transmission Limited & holds 26% & 74 % equity, respectively as per Shareholding agreement. On call of additional equity by Teestavalley Power Transmission limited, POWERGRID contributed their share while the other JV partner has not yet contributed their share of money. Consequently, the holding of POWERGRID increased to 30.92% against 26% provided in shareholding agreement.

<sup>3</sup> The present status of the Company (M/s KBPNL) as per MCA website is “Strike Off”.

<sup>4</sup> POWERGRID’s Board of Directors in its meeting held on 01.05.2018 accorded in principle approval to close RINL Powergrid TLT Private Limited (RPTPL) and seek consent of other JV Partner Rashtriya Ispat Nigam Limited (RINL). RINL’s Board of Directors in its meeting held on 08.03.2019 has agreed in principle for winding up proceedings of RPTPL & to seek the approval from Ministry of Steel, Government of India, for closure of RPTPL. RINL’s Board of Directors in its meeting held on 05.11.2019 has advised to put up the closure proposal again to Ministry of steel for onward submission to NITI Ayog. The Ministry of Steel vide letter dated 29.09.2020 informed RINL that closure of RPTPL is being examined and seeks further clarifications from RINL. Accordingly, relevant information was forwarded by RINL to The Ministry of Steel. The Approval from Government is still awaited.

### (b) Key Managerial Personnel

#### Whole Time Directors

Name	Designation
Shri K. Sreekant	Chairman & Managing Director
Smt. Seema Gupta	Director (Operations) [Additional Charge of Director (Finance) w.e.f. 06.02.2020 to 05.05.2020 & 14.05.2020 to 03.07.2020]
Shri Rajeev Kumar Chauhan	Director (Projects) [ceased to be director on 31.10.2020]
Shri Vinod Kumar Singh	Director (Personnel)
M. Taj Mukarrum	Director (Finance) w.e.f. 04.07.2020 and CFO w.e.f. 01.08.2020
Shri Abhay Choudhary	Director (Projects) w.e.f. 01.11.2020

#### Independent Directors

Name	Designation
Shri Manoj Kumar Mittal	Independent Director upto 11.09.2020
Shri Sunil Kumar Sharma	Independent Director
Smt. A.R. Mahalakshmi	Independent Director
Shri M.N. Venkatesan	Independent Director



## 58. Disclosure as per Ind AS 24 - "Related Party Disclosures" (Contd.)

### Government Nominee Directors and other KMP

Name	Designation
Shri Dilip Nigam	Government Nominee Director [ceased to be director on 30.04.2020] & Government Nominee Director w.e.f. 04.01.2021
Shri Tanmay Kumar	Government Nominee Director [ceased to be director on 05.11.2020]
Shri Mritunjay Kumar Narayan	Government Nominee Director w.e.f. 05.11.2020
Smt. Divya Tandon	Company Secretary [ceased to be Company Secretary w.e.f. 30.06.2020]
Shri Mrinal Srivastava	Company Secretary w.e.f. 01.07.2020
Shri K. S. R. Murty	CFO [ceased to be CFO on 31.07.2020]

### (c) List of Other Related Parties

Name of Entity	Place of business/country of incorporation	Nature of Relationship
Powergrid Employees P.F. Trust	India	Post-employment benefit plan of Powergrid
Powergrid Self Contributory Superannuation Benefit (Pension) Fund Trust	India	Post-employment benefit plan of Powergrid
Powergrid Employees Gratuity Fund Trust	India	Post-employment benefit plan of Powergrid
Powergrid Employees Post-Retirement Medical Benefit Trust	India	Post Retirement Benefit plan of Powergrid

### (d) Government Related Entities

The company is controlled by the Government of India (GOI), being a Central Public Sector Enterprise (CPSE) under the Ministry of Power, with GOI holding 51.34% (Previous Year 51.34%) of equity shares capital issued and paid up.

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.

### (e) 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 crore)

Particulars	As at 31.03.2021	As at 31.03.2020
<b>Amounts Receivable</b>		
<b>Loans to Joint Ventures</b>		
National High Power Test Laboratory Private Limited	18.40	18.40
Teestavalley Power Transmission Limited	29.29	77.12
<b>Total</b>	<b>47.69</b>	<b>95.52</b>
<b>Interest Accrued on loan to Joint Ventures</b>		
National High Power Test Laboratory Private Limited	1.58	0.83
Teestavalley Power Transmission Limited	3.61	3.21
<b>Total</b>	<b>5.19</b>	<b>4.04</b>
<b>Loans to Key Managerial Personnel</b>	<b>0.14</b>	<b>0.09</b>



## 58. Disclosure as per Ind AS 24 - “Related Party Disclosures” (Contd.)

(₹ in crore)

Particulars	As at 31.03.2021	As at 31.03.2020
<b>Other Receivables</b>		
<u>Joint Ventures:</u>		
Powerlinks Transmission Limited	0.21	0.02
Torrent Power Grid Limited	0.44	0.19
Jaypee Powergrid Limited	-	0.02
Parbati Koldam Transmission Company Limited	0.38	0.38
Teestavalley Power Transmission Limited	6.12	5.75
North East Transmission Company Limited	0.25	1.42
National High Power Test Laboratory Private Limited	0.46	0.62
Bihar Grid Company Limited	1.63	-
Cross Border Power Transmission Company Limited	0.74	0.67
<b>Total</b>	<b>10.23</b>	<b>9.07</b>
<b>Advances / Amounts Payable</b>		
<u>Joint Ventures</u>		
Powerlinks Transmission Limited	0.54	2.78
Torrent Power Grid Limited	0.20	-
Teestavalley Power Transmission Limited	48.03	47.56
North East Transmission Company Limited	19.73	20.29
Bihar Grid Company Limited	0.01	0.30
Cross Border Power Transmission Company Limited	11.27	11.12
<b>Total payables to related parties</b>	<b>79.78</b>	<b>82.05</b>
<b>Other Related Parties</b>		
Outstanding balances with Employees Benefit Trust		
Powergrid Employees P.F. Trust	0.01	34.74
Powergrid Self Contributory Superannuation Benefit (Pension) Fund Trust	-	11.01
Powergrid Employees Gratuity Fund Trust	(0.42)	16.22
Powergrid Employees Post-Retirement Medical Benefit Trust	3.44	27.14
<b>Total</b>	<b>3.03</b>	<b>89.11</b>

### (f) Transactions with related parties

The following transactions occurred with related parties:

(₹ in crore)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
<b>Services provided by the Company</b>		
<b>Consultancy Income</b>		
<u>Joint Ventures:</u>		
Powerlinks Transmission Limited	-	-
Torrent Power Grid Limited	0.67	0.64
Jaypee Powergrid Limited	0.66	0.64
Teestavalley Power Transmission Limited	1.12	1.61
North East Transmission Company Limited	2.49	4.49

**58. Disclosure as per Ind AS 24 - “Related Party Disclosures” (Contd.)**

(₹ in crore)

<b>Particulars</b>	<b>For the year ended 31.03.2021</b>	<b>For the year ended 31.03.2020</b>
National High Power Test Laboratory Private Limited	0.81	0.84
Bihar Grid Company Limited	3.98	13.11
Cross Border Power Transmission Company Limited	1.75	2.02
<b>Total</b>	<b>11.48</b>	<b>23.35</b>
<b><u>Interest on Loan</u></b>		
<u>Joint Ventures:</u>		
National High Power Test Laboratory Private Limited	1.89	1.40
Teestavalley Power Transmission Limited	9.82	12.60
<b>Total</b>	<b>11.71</b>	<b>14.00</b>
<b><u>Investments made during the year (Equity)</u></b>		
<u>Joint Ventures:</u>		
Teestavalley Power Transmission Limited	-	14.56
Bihar Grid Company Limited	33.00	85.61
<b>Total</b>	<b>33.00</b>	<b>100.17</b>
<b><u>Loans given during the year</u></b>		
<u>Joint Ventures:</u>		
National High Power Test Laboratory Private Limited	-	12.40
Teestavalley Power Transmission Limited	95.00	114.60
<b>Total</b>	<b>95.00</b>	<b>127.00</b>
<b><u>Loans repayment received during the year</u></b>		
<u>Joint Ventures:</u>		
Teestavalley Power Transmission Limited	142.83	114.60
<b>Total</b>	<b>142.83</b>	<b>114.60</b>
<b><u>Other Related Parties</u></b>		
<u>Contribution made during the year</u>		
Powergrid Employees P.F. Trust	114.14	110.45
Powergrid Self Contributory Superannuation Benefit (Pension) Fund Trust	120.46	33.43
Powergrid Employees Gratuity Fund Trust	21.81	30.42
Powergrid Employees Post-Retirement Medical Benefit Trust	12.02	62.77
<b>Total</b>	<b>268.43</b>	<b>237.07</b>
<b><u>Recovery for Deputation of Employees</u></b>		
<u>Joint Ventures:</u>		
Torrent Power Grid Limited	0.51	0.15
Jaypee Powergrid Limited (wholly owned subsidiary from 26.03.2021).	1.11	0.98
Teestavalley Power Transmission Limited	0.95	0.33
North East Transmission Company Limited	0.90	0.65
Cross Border Power Transmission Company Limited	0.77	0.94
<b>Total</b>	<b>4.24</b>	<b>3.05</b>



## 58. Disclosure as per Ind AS 24 - “Related Party Disclosures” (Contd.)

### Terms and Conditions

The loans to key management personnel are on the same terms and conditions as applicable to all other employees.

All other transactions were made on normal commercial terms and conditions and at market rates. All outstanding balances are unsecured and are repayable in cash.

### g) Transaction in the capacity of Central Transmission Utility (CTU) with the related parties

(₹ in crore)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
<u>Joint Ventures:</u>		
Powerlinks Transmission Limited	237.70	227.61
Torrent Power Grid Limited	50.96	48.68
Jaypee Powergrid Limited	171.94	110.87
Parbati Koldam Transmission Company Limited	192.00	247.05
Teestavalley Power Transmission Limited	341.63	176.40
North East Transmission Company Limited	388.15	350.55
<b>Total</b>	<b>1,382.38</b>	<b>1,161.16</b>

### h) Remuneration to Key Managerial Personnel

(₹ in crore)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Short Term Employee Benefits	4.68	4.09
Post-Employment Benefits	0.67	0.24
Long Term Employee Benefits	0.46	1.76
<b>Total</b>	<b>5.81</b>	<b>6.09</b>
Sitting fee	0.32	0.35

In addition to the above remuneration, the whole-time directors have been allowed to use the staff car (including for private journeys) on payment of ₹ 2000/- p.m. as contained in the Department of Public Enterprises (DPE) OM No. 2 (23)/11-DPE (WC)-GL-V/13 dated 21/01/2013.

## 59. Operating Segments

### a) Business Segment

The Board of Directors is the Group’s Chief Operating Decision Maker (CODM) who monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Three reportable segments have been identified on the basis of services provided.

- **Transmission Services** - Group’s principal business is transmission of bulk power across different states of India.
- **Telecom Services** - The Company utilizes the spare Optical fibres available in the Optical Ground Wire (OPGW) laid on the transmission network for providing telecom services. It operates as a neutral carrier in the point to point bandwidth leasing business. Refer note no. 68 for disclosure on formation of wholly owned subsidiary of the company to undertake Telecommunications and Digital Technology Business of the company.

## 59. Operating Segments (Contd.)

- **Consultancy Services**- provides Consultancy Services in the Transmission, Distribution and Telecom sectors, including Planning Design, Engineering, Load Dispatch, OPGW on intra state Transmission network, Procurement Management, Operation & Maintenance, Financing and Project Management. Refer note no. 68 for disclosure on formation of wholly owned subsidiary of the company to undertake Energy Management services and Consultancy Business of the company.

**b)** The operations of the group are mainly carried out within the country and therefore there is no reportable geographical segment.

**c)** Information about major customer: Revenue from any single customer is not equal to or exceeds 10% of the group's total revenue.

**d) Segment Revenue and Expenses**

Revenue directly attributable to the segments is considered as Segment Revenue. Expenses directly attributable to the segments and common expenses allocated on a reasonable basis are considered as segment expenses.

Revenue from external customer in India is ₹ 40,621.38 crore (Previous Year ₹ 38,420.93 crore) and outside India is ₹ 22.86 crore (Previous Year ₹ 42.99 crore).

**e) Segment Assets and Liabilities**

Segment assets include all operating assets comprising of Property, Plant and Equipment, current assets and loan and advances. Construction, Work-in-progress, construction stores and advances and investments are included in unallocated assets. Segment facilities include operating liabilities and provisions.



## 59. Operating Segments (Contd.)

(₹ in crore)

Particulars	Transmission Services		Consultancy Services		Telecom Services		Elimination		Total	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020
<b>Revenue:</b>										
Revenue from Operations (including allocable other income)	39,492.46	37,230.78	438.55	520.85	713.23	712.29	-	-	40,644.24	38,463.92
Inter Segment Revenue			67.61	97.17	69.96	69.94	(137.57)	(167.11)	-	-
Net Revenue from Operations	39,492.46	37,230.78	506.16	618.02	783.19	782.23	(137.57)	(167.11)	40,644.24	38,463.92
Segment results	23,878.09	23,387.26	150.84	277.00	365.72	429.11			24,394.65	24,093.37
Exceptional Item- Transmission									(1,078.64)	-
Unallocated Interest and Other Income									179.29	207.04
Unallocated Finance Costs									8,134.69	9,509.00
Profit before Tax (Including movement in Regulatory Deferral Account Balances)									15,360.61	14,791.41
Add: Share of net profit of Joint ventures accounted for using equity method.										
Profit before Tax									214.70	155.13
Provision for Taxes									15,575.31	14,946.54
Profit after Tax									3,538.85	3,887.14
									12,036.46	11,059.40
<b>Other information:</b>										
Segment Assets	2,15,346.38	2,11,212.26	2,426.61	3,269.56	981.46	1,161.54			2,18,754.45	2,15,643.36
Unallocated Assets									30,293.62	41,009.86
Assets Classified as Held for Sale									6,701.05	-
Total Assets									2,55,749.12	2,56,653.22
Segment Liabilities	14,170.70	14,968.91	3,428.90	3,850.16	454.85	538.88			18,054.45	19,357.95
Unallocated Other Liabilities (including loans)									1,67,394.62	1,72,599.92
Liabilities directly associated with Assets Classified as Held for Sale									363.98	-
Total liabilities									1,85,813.05	1,91,957.87
Depreciation and Amortisation	11,936.83	11,506.45	5.60	3.59	96.76	97.00			12,039.19	11,607.04
Non-cash expenditure other than Depreciation	15.79	18.32	5.97	3.16	1.11	3.20			22.87	24.68
Capital Expenditure	20,935.26	20,191.82	82.50	7.10	10.13	129.69			21,027.89	20,328.61

## 60. Capital and other Commitments

(₹ in crore)

Particulars	As at 31.03.2021	As at 31.03.2020
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	6,542.25	11,507.76
Group's commitment towards further investment/loan in joint venture entities	148.92	276.85
Group's commitment towards further investment in other entities	713.17	23.17

## 61. Contingent Liabilities and contingent assets

### A. Contingent Liabilities

1. Claims against the Group not acknowledged as debts in respect of:

#### (i) Capital Works

Some of the contractors for supply and installation of equipments and execution of works at our projects have lodged claims on the group seeking enhancement of the contract price, revision of work schedule with price escalation, compensation for the extended period of work, idle charges etc. These claims are being contested by the group as being not admissible in terms of the provisions of the respective contracts.

The group is pursuing various options under the dispute resolution mechanism available in the contract for settlement of these claims. In such cases, contingent liability of ₹ 2,540.73 crore (Previous Year ₹ 3,401.71 crore) has been estimated.

#### (ii) Land compensation cases

In respect of land acquired for the projects, the land losers have claimed higher compensation before various authorities/courts which are yet to be settled. In such cases, contingent liability of ₹ 1,769.93 crore (Previous Year ₹ 2,039.97 crore) has been estimated.

#### (iii) Other claims

In respect of claims made by various State/Central Government Departments/Authorities towards building permission fees, penalty on diversion of agriculture land to non-agriculture use, Nala tax, water royalty etc. and by others, contingent liability of ₹ 20.49 crore (Previous Year ₹ 28.73 crore) has been estimated.

#### (iv) Disputed Income Tax/Sales Tax/Excise/Municipal Tax Matters

Disputed Income Tax/Sales Tax/Excise/Municipal Tax Matters amounting to ₹ 234.60 crore (Previous Year ₹ 299.81 crore) are being contested before various Appellate Authorities. Many of these matters have been disposed of in favour of the group but are disputed before higher authorities by the concerned departments. Against total claim of ₹ 191.42 crore (Previous Year ₹ 182.13 crore), provision of ₹ 156.98 crore (Previous Year ₹ 147.69 crore) is made and balance of ₹ 34.44 crore (Previous Year ₹ 34.44 crore) towards penalty is shown as contingent liability as it is not a wilful default and in management opinion, same is not expected to be upheld by the court.

#### (v) Others

- a) Contingent liability in respect of bills discounted with banks against trade receivables is amounting to ₹ 2,533.96 crore (Previous Year ₹ 1,030.24 crore). In case of any claim on the company from the banks in this regard, entire amount shall be recoverable from the beneficiaries along with surcharge.
- b) Other contingent liabilities amounts to ₹ 807.53 crore (Previous Year ₹ 944.66 crore) which includes claim of ₹ 402.37 crore (Previous Year ₹ 417.46 crore) related to Arbitration cases/ROW cases.
- c) Some of the beneficiaries have filed appeals against the tariff orders of the CERC. The amount of contingent liability in this regard is not ascertainable.
- d) Under the Transmission Service Agreement (TSA) with Powerlinks Transmission Ltd, the group has an obligation to purchase the JV Company (Powerlinks Transmission Ltd) at a buyout price determined in accordance with the TSA. Such an obligation may result in case JV Company (Powerlinks Transmission Ltd) serves a termination notice either on "POWERGRID event of default" or on "force majeure event" prescribed under TSA. No contingent liability on this account has been considered as the same is not ascertainable.

### B. Contingent Assets

While determining the tariff for some of the Company's Transmission Systems, CERC has disallowed certain capital expenditure incurred by the Company. The Company aggrieved over such issues has filed appeals with the Appellate Tribunal for Electricity (APTEL)/Hon'ble Supreme Court against the tariff orders issued by the CERC. Based on past experience, the





## 61. Contingent Liabilities and contingent assets (Contd.)

Company believes that a favourable outcome is probable. However, it is impracticable to estimate the financial effect of the same as its receipt is dependent on the outcome of the judgement.

The group has filed an appeal in APTEL on 16/12/2016 for the acquisition cost of Powergrid Vemagiri Transmission Limited amounting to ₹18.28 crore as well as additional expenditure incurred from the date of acquisition and interest and carrying cost till the date of reimbursement. Extensive hearings were held by Hon'ble Tribunal and Hon'ble Tribunal vide order dated 12.02.2020 has directed all the parties to file written submissions. All the parties to dispute have filed written submissions to APTEL. The group believes that a favorable outcome is probable. Since there is no precedence of the judgements on such matters, it is impracticable to estimate the exact financial impact of the same.

## 62. Capital management

### a) Risk Management

The group'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 group's capital management, equity capital includes issued equity capital, securities premium Account and all other equity reserves attributable to the equity holders of the group. The group manages its capital structure and makes adjustments in light of changes in economic conditions, regulatory framework and requirements of financial covenants with lenders. To maintain or adjust the capital structure, the group may adjust the dividend payment to shareholders, regulate investments in new projects, return capital to shareholders or issue new shares. The group monitors capital using debt-equity ratio, which is the ratio of long term debt to total net worth. The policy is to keep the debt-equity ratio wherein the debt is less than 75% of total capital employed (i.e. debt to equity ratio less than 75:25). The group includes within long term debt, interest bearing loans and borrowings and current maturities of long term debt.

The debt –equity ratio of the Group was as follows:-

Particulars	As at 31.03.2021	As at 31.03.2020
Long term debt (₹ in crore)	1,41,410.33	1,45,269.64
Equity (₹ in crore)	69,936.07	64,695.35
Long term debt to Equity ratio	67:33	69:31

Under the terms of the major borrowing facilities, the group is required to comply with the financial covenants. Breaches in meeting the financial covenants would permit the lenders to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current reporting period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31.03.2021 and 31.03.2020.

### b) Dividends

(₹ in crore)

Particular	As at 31.03.2021	As at 31.03.2020
<b>(i) Equity shares</b>		
Final dividend for the year ended 31.03.2020 of ₹4.04 (31.03.2019 – ₹2.50) per fully paid up share	2,113.56	1,307.90
Interim dividend for the year ended 31.03.2021 of ₹9.00 (31.03.2020 – ₹5.96) per fully paid up share	4,708.43	3,118.02

Dividend not recognized at the end of the reporting period:

In addition to above dividend, the Board of Directors on 17 June 2021 recommended the payment of a final dividend of ₹3.00 per fully paid up equity share. This proposed dividend is subject to the approval of shareholders in the ensuing Annual general meeting.

### 63. Earnings per share

(Amount in ₹)

(a) Basic and diluted earnings per share attributable to the equity holders of the group	For the year ended 31.03.2021	For the year ended 31.03.2020
Including movement in Regulatory Deferral Account Balances	23.01	21.14
Excluding movement in Regulatory Deferral Account Balances	22.32	17.92
<b>Total basic and diluted earnings per share attributable to the equity holders of the group</b>	<b>23.01</b>	<b>21.14</b>

(₹ in crore)

(b) Reconciliation of earnings used as numerator in calculating earnings per share	For the year ended 31.03.2021	For the year ended 31.03.2020
Earnings attributable to the equity holders of the company including movement in Regulatory Deferral Account Balances	12,036.46	11,059.40
Earnings attributable to the equity holders of the company excluding movement in Regulatory Deferral Account Balances	11,674.78	9,376.00
<b>Total Earnings attributable to the equity holders of the group</b>	<b>12,036.46</b>	<b>11,059.40</b>

(c) Weighted average number of shares used as the denominator	As at 31.03.2021	As at 31.03.2020
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	5231589648	5231589648
Adjustments for calculation of diluted earnings per share	-	-
<b>Total weighted average number of equity shares used as the denominator in calculating basic earnings per share</b>	<b>5231589648</b>	<b>5231589648</b>

### 64. Financial Risk Management

The Group'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 Group's capital investments and operations.

The Group's principal financial assets include loans and advances, trade and other receivables, and cash and cash equivalents that are generated from its operations.

The Group'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 group's exposure, objectives, policies and processes for measuring and managing these risks.

#### Risk management framework

The Parent company has a duly constituted Risk Management Committee headed by Director (Projects) with Director (Operations), Director (Finance) and independent director as members. For the purpose of evaluating and managing the uncertainties the enterprise faces, Enterprise Risk Management framework has been implemented. The framework is a structured, consistent and continuous process for identification, assessment, monitoring and management of risks. As per this framework, the significant business processes / risks are monitored and controlled through various Key Performance Indicators (KPIs). The Committee meets at regular intervals and reviews KPIs and provides updates to the Audit Committee/Board.

The management of financial risks by the Group 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 Group is exposed to credit risk from its operating activities on account of trade receivables and loans and



## 64. Financial Risk Management (Contd.)

advances and from its financing activities due to deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

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 Group 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 Group. Where loans or receivables have been written off, the Group 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 Unbilled Revenue

The Group primarily provides transmission facilities to inter-state transmission service customers (DICs) comprising mainly state utilities owned by State Governments and the main revenue is from transmission charges. CERC (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020 ("CERC Sharing Regulations") allow payment against monthly bills towards transmission charges within due date i.e., 45 days from the date of presentation of the bill and levy of surcharge on delayed payment beyond 45 days. However, in order to improve the cash flows of group, a graded rebate is provided for payments made within 45 days. If a DIC fails to pay any bill or part thereof by the Due Date, the Central Transmission Utility (CTU) may encash the Letter of Credit provided by the DIC and utilise the same towards the amount of the bill or part thereof that is overdue plus Late Payment Surcharge, if applicable.

The Company has a robust payment security mechanism in the form of Letter of Credit (LC) backed by the Tri-Partite Agreements (TPA). The TPA was signed among the GOI, Reserve Bank of India and the individual State Governments subsequent to the issuance of the One Time Settlement Scheme of State Electricity Boards dues during 2001-02 by the GOI. The TPA also provides that if there is any default in payment of current dues by any State Utility, the outstanding dues can be deducted from the State's RBI account and paid to the concerned CPSU.

As per provisions of CERC Sharing Regulations, in case tripartite agreement exists, the Letter of Credit shall be for an amount equal to 1.05 (one point zero five) times the average amount of the first bill of a year; Provided that where such tripartite agreement does not exist, the DIC shall open the Letter of Credit for an amount equal to 2.10 (two point one times) the average amount of the first bill of a year.

In addition to the encashment of letter of credit, on non-payment of outstanding dues, the CTU has power to Regulate the power supply on the defaulting entity as per CERC (Regulation of Power Supply) Regulation, 2010 or deny Short Term Open Access.

Trade receivables consist of receivables relating to transmission services of ₹ 3,515.77 crore (Previous Year ₹ 4,900.32 crore), receivables relating to consultancy services of ₹ 156.15 crore (Previous Year ₹ 137.07 crore) and receivables relating to telecom business of ₹ 304.05 crore (Previous Year ₹ 321.02 crore).

Unbilled revenue primarily relates to the Group's right to consideration for work completed 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 unbilled revenue)

#### • Cash and cash equivalents

The Group held cash and cash equivalents of ₹ 1,057.36 crore (Previous Year ₹ 581.64 crore). The cash and cash equivalents are held with public sector banks and high rated private sector banks and do not have any significant credit risk.

#### • Deposits with banks and financial institutions

The Group held deposits with banks and financial institutions of ₹ 4,394.01 crore (Previous Year ₹ 4,883.37 crore). Term deposits are placed with public sector banks and have negligible credit risk.

#### • Loans

The Group has given loans to employees, subsidiaries, Joint Venture companies, Government of India and other parties. House building loans and conveyance advance to the employees are secured against the mortgage of the house properties or hypothecation of vehicles for which such loans have been given in line with the policies of the Group. The loans provided to group companies are for projects under Tariff Based Competitive Bidding route and Public private partnership. The risk of default in respect of these loans is considered negligible.

## 64. Financial Risk Management (Contd.)

### (iii) Exposure to credit risk

(₹ in crore)

Particulars	As at 31.03.2021	As at 31.03.2020
<b>Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)</b>		
Non-Current Loans	322.58	271.58
Other non-current financial assets	4,341.04	4,089.19
Cash and cash equivalents	1,057.36	581.64
Deposits with banks and financial institutions	4,394.01	4,883.37
Current loans	127.05	156.41
Other current financial assets	863.76	467.18
<b>Total</b>	<b>11,105.80</b>	<b>10,449.37</b>
<b>Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)</b>		
Trade receivables	3,975.97	5,358.41
Unbilled Revenue	7,194.13	5,351.17

### (iv) Provision for expected credit losses

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

The Group 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 unbilled revenue) 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 lifetime expected credit losses

In respect of trade receivables and unbilled revenue from Telecom and Consultancy, customer credit risk is managed by regular monitoring of the outstanding receivables and follow-up with the consumer for realization.

With regard to transmission segment, the Group 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 unbilled revenue continue to have a negligible credit risk on initial recognition and thereafter on each reporting date.

### (v) Ageing analysis of trade receivables

The ageing analysis of the trade receivables is as below:

(₹ in crore)

Ageing	Not due	0-30 days past due	31-60 days past due	61-90 days past due	91-120 days past due	More than 120 days past due	Total
<b>Gross carrying amount as on 31.03.2021</b>	<b>1,761.37</b>	<b>378.20</b>	<b>156.27</b>	<b>136.89</b>	<b>114.75</b>	<b>1,428.49</b>	<b>3,975.97</b>
<b>Gross carrying amount as on 31.03.2020</b>	<b>10.18</b>	<b>2,104.81</b>	<b>871.64</b>	<b>794.68</b>	<b>323.18</b>	<b>1,253.92</b>	<b>5,358.41</b>



## 64. Financial Risk Management (Contd.)

### (vi) Reconciliation of impairment loss provisions

The movement in the allowance for impairment in respect of financial assets during the year was as follows:

(₹ in crore)

Particulars	Trade receivables	Investments	Advances	Unbilled Debtors	Total
<b>Balance as at 01.04.2019</b>	<b>339.36</b>	<b>3.97</b>	<b>-</b>	<b>124.63</b>	<b>467.96</b>
Impairment loss recognised/(reversed)	(21.66)	(3.97)	-		(25.63)
Amounts written off	-	-	-	105.71	105.71
<b>Balance as at 31.03.2020</b>	<b>317.70</b>	<b>-</b>	<b>-</b>	<b>18.92</b>	<b>336.62</b>
Impairment loss recognised/(reversed)	(17.26)	-	-	-	(17.26)
Amounts written off	-	-	-	-	-
<b>Balance as at 31.03.2021</b>	<b>300.44</b>	<b>-</b>	<b>-</b>	<b>18.92</b>	<b>319.36</b>

Based on historic default rates, the Group believes that, apart from the above, no impairment allowance is necessary in respect of any other assets as the amounts are insignificant.

### (B) LIQUIDITY RISK

Liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. The Group monitors its risk of a shortage of funds using a liquidity planning tool. The Group has access to a variety of sources of funding such as commercial paper, bank loans, bonds and external commercial borrowings and retains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Group's liquidity position comprising the undrawn borrowing facilities below and cash and cash equivalents on the basis of expected cash flows.

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

#### (i) Financial Arrangement

The Group had access to the following undrawn borrowing facilities at the end of the reporting period.

(₹ in crore)

Particulars	As at 31.03.2021	As at 31.03.2020
Expiring within 1 year (bank overdraft and other facilities)	-	388.15
Expiring beyond one year (bank loans)	6,125.35	5,363.29

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time and have remaining availability period of 1 to 5 years (Previous Year 1 to 5 years).

#### (ii) Maturities of financial liabilities

The table below analyses the Group'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 crore)

Contractual maturities of financial liabilities	Within a year	Between 1-5 years	Beyond 5 years	Total
<b>As at 31.03.2021</b>				
Borrowings (including interest outflows)	22,105.96	76,820.18	89,916.93	1,88,843.07
Trade payables	187.48			187.48
<u>Other financial liabilities</u>				
Lease liabilities	3.97	10.50	69.26	83.73

**64. Financial Risk Management (Contd.)**

(₹ in crore)

Contractual maturities of financial liabilities	Within a year	Between 1-5 years	Beyond 5 years	Total
<b>As at 31.03.2021</b>				
Others	8,016.56	1,264.82	4,360.31	<b>13,641.69</b>
<b>Total</b>	<b>30,313.97</b>	<b>78,095.50</b>	<b>94,346.50</b>	<b>2,02,755.97</b>
<b>As at 31.03.2020</b>				
Borrowings (including interest outflows)	21,984.91	81,187.92	1,02,699.76	<b>2,05,872.59</b>
Trade payables	226.54			<b>226.54</b>
<u>Other financial liabilities</u>				
Lease liabilities	4.57	5.80	64.38	<b>74.75</b>
Others	8,907.86	1,171.82	4,636.98	<b>14,716.66</b>
<b>Total</b>	<b>31,123.88</b>	<b>82,365.54</b>	<b>1,07,401.12</b>	<b>2,20,890.54</b>

**(C) MARKET RISK**

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

- (i) Currency risk
- (ii) Interest rate risk
- (iii) Other price risk, such as equity price risk and commodity risk.

**(i) Currency risk**

The Group is exposed to currency risk mainly in respect of foreign currency denominated loans and borrowings and procurement of goods and services whose purchase consideration is denominated in foreign currency. Transmission tariff is regulated by the CERC. According to the CERC tariff regulations for the block 2019-24 the Group may hedge foreign exchange exposure in respect of the interest on foreign currency loan and repayment of foreign loan acquired for the transmission system, in part or full in its discretion and recover the cost of hedging of foreign exchange rate variation corresponding to the normative foreign debt, in the relevant year.

If hedging of the foreign exchange exposure is not undertaken, the extra rupee liability towards interest payment and loan repayment corresponding to the normative foreign currency loan in the relevant year is permissible to be recovered as part of transmission tariff provided it is not attributable to the generating company or the transmission licensee or its suppliers or contractors. During the Current financial year, no hedging for foreign exchange exposure has been undertaken by the Group. In respect of goods and services procured for Capital Investment, the exchange rate variation is part of the project cost, for determination of transmission tariff. The currency risk in respect of goods and services procured for operation activities is not significant.

The Group's exposure to foreign currency risk not hedged by a derivative instrument or otherwise at the end of the reporting period is as follows:

Particulars		Amount in Foreign Currency (in Crore)		Amount (₹ in Crore)	
		As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020
Borrowings	USD	<b>474.37</b>	493.62	<b>35,131.99</b>	37,544.72
	EURO	<b>66.13</b>	62.88	<b>5,772.18</b>	5,309.08
	SEK	<b>175.51</b>	211.80	<b>1,495.34</b>	1,613.88
	JPY	<b>2,309.06</b>	2,327.24	<b>1,554.00</b>	1,645.13



## 64. Financial Risk Management (Contd.)

Particulars	Amount in Foreign Currency (in Crore)			Amount (₹ in Crore)	
		As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020
Interest accrued but not due thereon including Agency Fee, Commitment Fee & other Charges	USD	1.35	3.01	100.24	229.27
	EURO	0.19	0.22	16.41	18.51
	SEK	0.95	1.27	8.05	9.68
	JPY	5.37	5.57	3.61	3.94
Trade Payables/deposits and retention money	USD	4.95	5.43	361.24	394.82
	EURO	3.27	3.80	275.42	314.54
	SEK	15.79	22.52	127.31	177.76
	CHF	0.04	0.02	3.36	1.94
	GBP	1.75	1.90	178.60	179.43
	JPY	76.75	95.43	50.06	63.07
	CAD	0.01	0.01	0.61	0.32
Trade receivables and Bank balances	USD	0.05	0.03	3.73	2.18
	NPR	15.26	23.95	9.54	14.97
	EURO	0.01	-	0.60	-
	BDT	1.25	1.25	0.90	0.90
Amount of contracts remaining to be executed	USD	1.70	2.12	126.48	156.55
	EURO	1.39	2.57	120.96	216.03
	SEK	1.41	3.44	12.05	26.18
	GBP	0.72	1.04	73.41	98.25
	JPY	1.72	9.70	1.16	6.85

### Sensitivity Analysis

Since the impact of strengthening or weakening of Indian rupee against USD, Euro, JPY and other currencies on the statement of profit and loss would not be very significant; therefore, sensitivity analysis for currency risk is not disclosed.

### (ii) Interest rate risk

The Group is exposed to interest rate risk arising mainly from long term borrowings with floating interest rates. The Group is exposed to interest rate risk because the cash flows associated with floating rate borrowings will fluctuate with changes in interest rates. The Group manages the interest rate risks by maintaining a debt portfolio comprising a mix of fixed and floating rate borrowings in domestic and foreign currencies.

At the reporting date, the interest rate profile of the Group's variable interest rate-bearing financial instruments is as follows:

(₹ in crore)

Particulars	As at 31.03.2021	As at 31.03.2020
<b>Long Term Debt with floating rate of interest</b>		
-Domestic	26,363.50	26,107.40
-Foreign	36,018.86	37,907.16
<b>Sub Total</b>	<b>62,382.36</b>	<b>64,014.56</b>
<b>Long Term Debt with fixed rate of interest</b>		
-Domestic	71,093.40	73,059.95
-Foreign	7,934.57	8,195.13
<b>Sub Total</b>	<b>79,027.97</b>	<b>81,255.08</b>
<b>Total Long Term Debt</b>	<b>1,41,410.33</b>	<b>1,45,269.64</b>
<b>% of Floating Interest Rate Debt to Total Long Term Debt</b>	<b>44.11%</b>	<b>44.07%</b>



## 64. Financial Risk Management (Contd.)

### Fair value sensitivity analysis for interest-rate risk

As per CERC Regulations, interest on loan during construction forms part of project cost for the purpose of tariff and after the date of commercial operation, interest on loans is recoverable through tariff calculated on the normative average loan of the year by applying the weighted average rate of interest of the actual loan portfolio.

Accordingly, the Group's interest rate risk is not considered significant; hence sensitivity analysis for the risk is not disclosed.

### (iii) Other price risk

The Group's exposure to equity securities price risk arises from investments held by the Group and classified in the balance sheet as fair value through OCI.

Considering the magnitude of equity investments, no significant risk is expected to arise.

## 65. Income Tax Expense

This note provides an analysis of the group'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 Group's tax position.

### (a) Income tax expense

(₹ in crore)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
<b>Current Tax</b>		
Current tax on profits for the year	2,565.27	2,198.54
Adjustments for current tax of prior periods	(56.68)	121.91
Pertaining to regulatory deferral account balances (A)	74.60	356.39
<b>Total current tax expense (B)</b>	<b>2,583.19</b>	<b>2,676.84</b>
<b>Deferred Tax expense</b>		
Origination and reversal of temporary differences	955.66	1,210.30
Previously unrecognized tax credit recognized as Deferred Tax Asset this year	-	-
<b>Total deferred tax expense /benefit (C)</b>	<b>955.66</b>	<b>1,210.30</b>
<b>Income tax expense (B+C-A)</b>	<b>3,464.25</b>	<b>3,530.75</b>
<b>Pertaining to regulatory deferral account balances</b>	<b>74.60</b>	<b>356.39</b>
<b>Total tax expense including tax on movement in regulatory deferral account balances</b>	<b>3,538.85</b>	<b>3,887.14</b>

### (b) Income Tax recognized in Regulatory Deferral Account Balances:

(₹ in crore)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Deferred assets for Deferred tax liability	521.45	1,297.69
Foreign Currency Fluctuation	(85.17)	742.10
Employee Benefits Expenses	-	-
Total Regulatory Deferral Account Balances Before Tax - Income / (Expenses)	436.28	2,039.79
Current Tax on Regulatory Deferral Account Balances	74.60	356.39
<b>Net Movement in Regulatory Deferral Account Balances - Income / (Expenses) (net of Tax)</b>	<b>361.68</b>	<b>1,683.40</b>



## 65. Income Tax Expense (Contd.)

### (c) Income Tax recognized in other comprehensive income:

(₹ in crore)

Particulars	For the year ended 31.03.2021			For the year ended 31.03.2020		
	Before Tax	Tax expense/(benefit)	Net of Tax	Before Tax	Tax expense/(benefit)	Net of Tax
Net gains/(losses) on fair valuation of equity instruments	39.80	-	39.80	(49.35)	-	(49.35)
Net actuarial losses on defined benefit plans	(19.94)	(3.49)	(16.45)	(74.47)	(13.01)	(61.46)
Less: Transferred to expenditure during construction (net)	(2.44)	(0.43)	(2.01)	(8.23)	(1.44)	(6.79)
<b>Other Comprehensive Income (Net of Tax)</b>	<b>22.30</b>	<b>(3.06)</b>	<b>25.36</b>	<b>(115.59)</b>	<b>(11.57)</b>	<b>(104.02)</b>

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

(₹ in crore)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Profit before income tax expense including movement in Regulatory Deferral Account Balances	15,575.31	14,946.54
<b>Tax at the Company's domestic tax rate</b>	<b>5,525.04</b>	<b>5,273.77</b>
Tax effect of:		
Non Deductible tax items	(2,536.43)	(2,566.92)
Tax exempt income	(2,221.26)	(1,899.30)
Previous Years tax liability	(56.68)	121.91
Unabsorbed tax losses	(37.86)	-
Deferred Tax expense/(income)	955.66	1,210.30
Minimum alternate tax adjustments	1,910.38	1,747.38
<b>Income tax expense</b>	<b>3,538.85</b>	<b>3,887.14</b>

## 66. Employee Benefit Obligations

(₹ in crore)

Particulars	31 March 2021			31 March 2020		
	Current	Non-current	Total	Current	Non-current	Total
Leave Obligations	56.34	411.72	468.06	41.96	382.50	424.46
Post-Retirement Medical Facility (PRMF)	22.58	579.62	602.20	20.82	522.05	542.87
Other Employee benefits /Long Service Award	1.46	20.31	21.77	1.12	15.91	17.03
Gratuity	77.41	514.34	591.75	74.08	527.83	601.91
Other Defined retirement benefits (ODRB)/Baggage Allowance	2.37	21.10	23.47	2.06	18.90	20.96
<b>Total employee benefit obligations</b>	<b>160.16</b>	<b>1547.09</b>	<b>1707.25</b>	<b>140.04</b>	<b>1467.19</b>	<b>1607.23</b>

### (i) Long Term Employee Benefits

#### A. Leave Obligations

The Company provides for earned leave benefit (including compensated absences) and half-pay leave to the employees of the company which accrue annually at 30 days and 20 days respectively. Earned leave is encashable while in

## 66. Employee Benefit Obligations (Contd.)

service. Half pay leaves (HPL) are encashable only on separation beyond the age of 55 years upto the maximum of 300 days (HPL). However, total number of leave that can be encashed on superannuation shall be restricted to 300 days and no commutation of half pay leave shall be permissible. The liability for same is recognized on the basis of actuarial valuation.

### B. Other employee benefits – POWERGRID Employee family rehabilitation scheme

The company has introduced POWERGRID Employees Family Economic Rehabilitation Scheme on 24.06.2017. The Objective of the scheme is to provide monetary assistance and support to an employee in case of his/her permanent total disablement and to his/her family in case of death while in service. The beneficiary would be entitled to monthly payment equivalent to the employee's 50% of one month pay last drawn provided the beneficiary deposits with the company an amount equal to PF (excluding VPF) balance, Gratuity amount and Group Insurance (EDLI) amount. Such monthly payment would continue till the normal notional date on which the employee concerned would have attained the age of superannuation had the employee continued in the service of the company. The scheme is optional. Provision for POWERGRID Employees Family Economic Rehabilitation Scheme amounting to ₹ 1.58 crore (up to Previous Year ₹ 8.09 crore) for the year has been made during the year based on actuarial valuation.

## (ii) Post-employment obligations (Defined Employee Benefit/Contribution Schemes)

### A. Post-Retirement Medical Facility (PRMF)

The Company has Post-Retirement Medical Facility (PRMF), under which retired employees and the spouse are provided medical facilities in the empaneled hospitals. They can also avail treatment as Out-Patient subject to a ceiling fixed by the company. The liability for the same is recognized on the basis of actuarial valuation on annual basis on the Balance Sheet date. The scheme is funded by the company and is managed by a separate trust constituted on 01 May 2018.

### B. Other employee benefits – Long Service Award

This benefit is applicable to all regular employees of the company (except for Directors and CMD) who have superannuated after completing at least 10 years of service. This scheme is unfunded and liability for the same is recognised on the basis of actuarial valuation on annual basis on the balance sheet date.

### C. Gratuity

The company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to get gratuity at 15 days salary (15/26 x last drawn basic salary plus, dearness allowance) for each completed year of service on superannuation, resignation, termination, disablement or on death subject to a maximum of ₹ 20 lacs. The scheme is funded by the company and is managed by a separate trust. The liability for the same is recognized on the basis of actuarial valuation on annual basis on the Balance Sheet date. Company has carried out the actuarial valuation of Gratuity benefit considering ceiling of ₹20 Lakhs.

### D. Other Defined Retirement Benefits (ODRB)/Baggage Allowance

The Company has a scheme for settlement at the time of superannuation at anywhere in India and dependents to superannuated employees. The scheme is unfunded and liability for the same is recognized on the basis of actuarial valuation on annual basis on the Balance Sheet date.

### E. Provident Fund

Company pays fixed contribution to Provident Fund at predetermined rate to a separate trust, which invests the funds in permitted securities. Contribution to family pension scheme is paid to the appropriate authorities. The contribution to the fund and EPS scheme for the year amounting to ₹ 128.30 crore (previous year ₹ 124.43 crore) has been recognized as expense and is charged to Statement of Profit and Loss. The obligation of the company is limited to such fixed contribution and to ensure a minimum rate of interest on contributions to the members as specified by GOI. As per the report of actuary overall interest earning and cumulative surplus is more than statutory interest payment requirement. Hence, no further provision is considered necessary. Since the company does not have unconditional right over the PF corpus, the surplus has not been recognized in the Balance Sheet.

(₹ in crore)

Particulars	31 March 2021			31 March 2020		
	Current	Non-current	Total	Current	Non-current	Total
Provident Fund (PF)	438.42	2821.90	3260.32	376.22	2679.65	3055.87



## 66. Employee Benefit Obligations (Contd.)

(₹ in crore)

Particulars	PF		
	Present value of obligation	Fair value of plan assets	Net amount
<b>01 April 2020</b>	<b>3055.87</b>	<b>3146.09</b>	<b>(90.22)</b>
Service cost	115.35	-	115.35
Interest expense (income)	254.71	207.78	46.93
<b>Total</b>	<b>370.06</b>	<b>207.78</b>	<b>162.28</b>
<b>Re measurements</b>			
Return on plan assets, excluding amount included in interest expense/(income)	-	-	-
(Gain)/Loss from change in demographic assumptions	-	-	-
(Gain)/Loss from change in financial assumptions	-	-	-
Experience (Gain)/ Losses	1.72	-	1.72
<b>Total</b>	<b>1.72</b>	<b>-</b>	<b>1.72</b>
Employee contributions	256.88	372.23	(115.35)
Benefits payments	(424.21)	(424.21)	-
<b>31 March 2021</b>	<b>3260.32</b>	<b>3301.89</b>	<b>(41.57)</b>

(₹ in crore)

Particulars	PF		
	Present value of obligation	Fair value of plan assets	Net amount
<b>01 April 2019</b>	<b>2757.58</b>	<b>2844.43</b>	<b>(86.85)</b>
Service cost	111.20	-	111.20
Interest expense (income)	235.36	248.49	(13.13)
<b>Total</b>	<b>346.56</b>	<b>248.49</b>	<b>98.07</b>
<b>Re measurements</b>			
Return on plan assets, excluding amount included in interest expense/(income)	-	-	-
(Gain)/Loss from change in demographic assumptions	0.01	-	0.01
(Gain)/Loss from change in financial assumptions	0.59	-	0.59
Experience (Gain)/ Losses	9.16	-	9.16
<b>Total</b>	<b>9.76</b>	<b>-</b>	<b>9.76</b>
Employee contributions	250.63	361.83	(111.20)
Benefits payments	(308.66)	(308.66)	-
<b>31 March 2020</b>	<b>3055.87</b>	<b>3146.09</b>	<b>(90.22)</b>

The net liability disclosed above relates to Provident Fund is as follows:

(₹ in crore)

Particulars	PF	
	31 March 2021	31 March 2020
Present value of funded obligations	3260.32	3055.87
Fair value of plan assets	3301.89	3146.09
<b>Deficit/(Surplus) of funded plan</b>	<b>(41.57)</b>	<b>(90.22)</b>

## 66. Employee Benefit Obligations (Contd.)

Sensitivity Analysis of Provident Fund:

(₹ in crore)

Particulars	PF
a) Impact of change in discount rate	
Present value of Obligation at the end of period	3260.32
- Impact due to increase of 0.5%	(0.46)
- Impact due to decrease of 0.5%	0.49

The major categories of plan assets (PF) are as follows:

(₹ in crore)

Particulars	31 March 2021				31 March 2020			
	Quoted	Unquoted	Total	In %	Quoted	Unquoted	Total	In %
Equity instruments (ETF)	60.56	-	60.56	2%	30.49	-	30.49	1%
<b>Debt instruments</b>								
Govt/State Bonds	1774.95	-	1774.95	54%	1689.26	-	1689.26	54%
PSU and Private Bonds	1308.56	-	1308.56	40%	1238.94	-	1238.94	39%
Bank Balance	51.12	-	51.12	1%	25.09	-	25.09	1%
Other Receivables	106.70	-	106.70	3%	162.31	-	162.31	5%
<b>Total</b>	<b>3301.89</b>	<b>-</b>	<b>3301.89</b>		<b>3146.09</b>	<b>-</b>	<b>3146.09</b>	

Fair value of company's own transferable financial instruments held as plan assets is ₹73.52 crore as on 31 March 2021 (₹ 79.28 crore as on 31 March 2020).

The expected maturity analysis of provident fund is as follows:

(₹ in crore)

Particulars	Less than a year	Between 1-2 year	Between 2-5 years	Over 5 years	Total
<b>31 March 2021</b>	<b>438.42</b>	<b>338.33</b>	<b>737.81</b>	<b>1745.76</b>	<b>3260.32</b>
<b>31 March 2020</b>	376.21	242.77	677.75	1759.14	3055.87

### F. Pension

The Company has scheme of employees defined Pension Contribution. Company contribution is paid to separate trust. Amount of contribution paid/payable for the year is ₹ 62.63 crore (previous year ₹ 114.82 crore) has been recognized as expense and is charged to Statement of Profit & Loss.



## 66. Employee Benefit Obligations (Contd.)

The summarized position of various employee benefit obligations is as follows:

(₹ in crore)

Particulars	Gratuity			ODRB			Leaves			PRMF		
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount
<b>01 April 2020</b>	<b>601.91</b>	<b>554.99</b>	<b>46.92</b>	<b>20.96</b>	-	<b>20.96</b>	<b>424.46</b>	-	<b>424.46</b>	<b>542.87</b>	<b>518.16</b>	<b>24.71</b>
Service cost	24.57	-	24.57	1.44	-	1.44	47.35	-	47.35	18.15	-	18.15
Interest expense (income)	40.63	39.91	0.72	1.41	-	1.41	28.65	-	28.65	36.65	-	36.65
<b>Total amount recognized in profit or loss</b>	<b>65.20</b>	<b>39.91</b>	<b>25.29</b>	<b>2.85</b>	-	<b>2.85</b>	<b>76.00</b>	-	<b>76.00</b>	<b>54.80</b>	-	<b>54.80</b>
<b>Re measurements</b>												
Return on plan assets, excluding amount included in interest expense/(income)	-	-	-	-	-	-	-	-	-	-	73.33	(73.33)
(Gain)/Loss from change in demographic assumptions	-	-	-	-	-	-	-	-	-	-	-	-
(Gain)/Loss from change in financial assumptions	-	-	-	-	-	-	-	-	-	-	-	-
Experience (Gain)/ Losses	(3.46)	-	(3.46)	(0.31)	-	(0.31)	47.97	-	47.97	29.77	-	29.77
<b>Total amount recognized in other comprehensive income</b>	<b>(3.46)</b>	<b>-</b>	<b>(3.46)</b>	<b>(0.31)</b>	<b>-</b>	<b>(0.31)</b>	<b>47.97</b>	<b>-</b>	<b>47.97</b>	<b>29.77</b>	<b>73.33</b>	<b>(43.56)</b>
Employer contributions	-	69.81	(69.81)	-	-	-	-	-	-	-	9.64	(9.64)
Benefits payments	(72.05)	(72.05)	-	(0.03)	-	(0.03)	(80.44)	-	(80.44)	(25.24)	-	(25.24)
Addition on business combination	0.15	0.10	0.05	-	-	-	0.07	-	0.07	-	-	-
<b>31 March 2021</b>	<b>591.75</b>	<b>592.76</b>	<b>(1.01)</b>	<b>23.47</b>	<b>-</b>	<b>23.47</b>	<b>468.06</b>	<b>-</b>	<b>468.06</b>	<b>602.20</b>	<b>601.13</b>	<b>1.07</b>

**66. Employee Benefit Obligations (Contd.)**

(₹ in crore)

Particulars	Gratuity			ODRB			Leaves			PRMF		
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount
<b>01 April 2019</b>	<b>626.44</b>	<b>590.28</b>	<b>36.16</b>	<b>18.74</b>	-	<b>18.74</b>	<b>371.69</b>	-	<b>371.69</b>	<b>438.98</b>	<b>418.68</b>	<b>20.30</b>
Service cost	25.51	-	25.51	1.24	-	1.24	31.39	-	31.39	11.55	-	11.55
Interest expense (income)	48.55	47.22	1.33	1.45	-	1.45	28.80	-	28.80	34.02	39.58	(5.56)
<b>Total amount recognized in profit or loss</b>	<b>74.06</b>	<b>47.22</b>	<b>26.84</b>	<b>2.69</b>	-	<b>2.69</b>	<b>60.19</b>	-	<b>60.19</b>	<b>45.57</b>	<b>39.58</b>	<b>5.99</b>
<b>Re measurements</b>												
Return on plan assets, excluding amount included in interest expense/(income)	-	0.93	(0.93)	-	-	-	-	-	-	-	22.57	(22.57)
(Gain)/Loss from change in demographic assumptions	(0.37)	-	(0.37)	(0.01)	-	(0.01)	0.09	-	0.09	(0.28)	-	(0.28)
(Gain)/Loss from change in financial assumptions	42.77	-	42.77	1.81	-	1.81	36.83	-	36.83	55.69	-	55.69
Experience (Gain)/ Losses	(37.70)	-	(37.70)	(2.18)	-	(2.18)	22.91	-	22.91	23.99	-	23.99
<b>Total amount recognized in other comprehensive income</b>	<b>4.70</b>	<b>0.93</b>	<b>3.77</b>	<b>(0.38)</b>	-	<b>(0.38)</b>	<b>59.83</b>	-	<b>59.83</b>	<b>79.40</b>	<b>22.57</b>	<b>56.83</b>
Employer contributions	-	19.85	(19.85)	-	-	-	-	-	-	-	58.41	(58.41)
Benefits payments	(103.29)	(103.29)	-	(0.09)	-	(0.09)	(67.25)	-	(67.25)	(21.08)	(21.08)	-
<b>31 March 2020</b>	<b>601.91</b>	<b>554.99</b>	<b>46.92</b>	<b>20.96</b>	-	<b>20.96</b>	<b>424.46</b>	-	<b>424.46</b>	<b>542.87</b>	<b>518.16</b>	<b>24.71</b>





## 66. Employee Benefit Obligations (Contd.)

The net disclosed above relates to funded and unfunded plans are as follows: -

(₹ in crore)

Particulars	Gratuity		ODRB		Leaves		PRMF	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Present value of funded obligations	591.75	601.91	-	-	-	-	602.20	542.87
Fair value of plan assets	592.76	554.99	-	-	-	-	601.13	518.16
<b>Deficit/(Surplus) of funded plan</b>	<b>(1.01)</b>	<b>46.92</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.07</b>	<b>24.71</b>
<b>Unfunded plans</b>	<b>-</b>	<b>-</b>	<b>23.47</b>	<b>20.96</b>	<b>468.06</b>	<b>424.46</b>	<b>-</b>	<b>-</b>

The company expects to contribute ₹ 36.07 crore to the gratuity trust during the FY 2021-22.

### (iii) Significant actuarial assumptions for Post-Employment Benefits:

#### Economic Assumptions

Particulars	Gratuity, ODRB, Pension, PRMF, PF	
	31 March 2021	31 March 2020
Discount rate	6.75%	6.75%
Salary growth rate (except for PF)	6.50%	6.50%

The discount rate is generally based upon the market yields available on Govt. Bonds at the accounting date relevant to currency of benefit payments for a term that matches the liabilities. Salary growth rate is companies' long term best estimate as to salary increases and takes account of inflation, seniority, promotion, business plan, HR Policy and other relevant factors on long term basis.

#### Demographic Assumptions

Particulars	31 March 2021	31 March 2020
i) Retirement Age	60	60
ii) Mortality rates inclusive of provision for disability	100% of IALM (2012-14)	100% of IALM (2012-14)
iii) Ages	Withdrawal rate %	Withdrawal %
Upto 30 years	3	3
From 31 to 44 years	2	2
Above 44 years	1	1

Mortality rates for specimen ages

Age	Mortality rate	Age	Mortality rate	Age	Mortality rate
15	0.000698	45	0.002579	75	0.038221
20	0.000924	50	0.004436	80	0.061985
25	0.000931	55	0.007513	85	0.100979
30	0.000977	60	0.011162	90	0.163507
35	0.001202	65	0.015932	95	0.259706
40	0.00168	70	0.024058	100	0.397733

## 66. Employee Benefit Obligations (Contd.)

### (iv) Sensitivity Analysis of the defined benefit obligation

(₹ in crore)

Particulars	Gratuity	ODRB	Leave	PRMF
<b>a) Impact of change in discount rate</b>				
Present value of Obligation at the end of period	591.75	23.47	468.06	602.20
- Impact due to increase of 0.5%	(22.80)	(0.89)	(22.19)	(33.27)
- Impact due to decrease of 0.5%	24.86	0.96	24.24	35.08
<b>b) Impact of change in salary increase</b>				
Present value of Obligation at the end of period	591.75	23.47	468.06	602.20
- Impact due to increase of 0.5%	8.61	0.98	24.12	35.83
- Impact due to decrease of 0.5%	(9.12)	(0.90)	(22.21)	(33.61)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

The sensitivity analysis above has been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. This analysis may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

### (v) The major categories of plan assets (Gratuity) are as follows:

(₹ in crore)

Particulars	31 March 2021				31 March 2020			
	Quoted	Unquoted	Total	In %	Quoted	Unquoted	Total	In %
Equity instruments (ETF)	3.14	-	3.14	1%	3.14	-	3.14	1%
<b>Debt instruments</b>		-						
Govt/State Bonds	316.42	-	316.42	54%	280.98	-	280.98	49%
PSU and Private Bonds	266.28	-	266.28	45%	286.85	-	286.85	50%
<b>Total*</b>	<b>585.84</b>	<b>-</b>	<b>585.84</b>		<b>570.97</b>	<b>-</b>	<b>570.97</b>	

\*Fair valuation as per actuarial valuation is ₹ 592.76 crore (Previous Year ₹ 554.99 crore).

Fair value of company's own transferable financial instruments held as plan assets is ₹ 56.03 (Previous Year ₹ 65.11 crore).

### (vi) The major categories of plan assets (PRMF) are as follows:

(₹ in crore)

Particulars	31 March 2021				31 March 2020			
	Quoted	Unquoted	Total	In %	Quoted	Unquoted	Total	In %
Equity instruments (ETF)	-	-	-	-	-	-	-	-
<b>Debt instruments</b>								
Govt/State Bonds	296.17	-	296.17	51%	265.64	-	265.64	52%
PSU and Private Bonds	288.93	-	288.93	49%	240.87	-	240.87	48%
<b>Total#</b>	<b>585.10</b>	<b>-</b>	<b>585.10</b>		<b>506.51</b>	<b>-</b>	<b>506.51</b>	

#Fair valuation as per actuarial valuation is ₹ 601.13 crore (Previous Year ₹ 518.16 crore)

### (vii) Description of Risk exposures

Valuation is based on certain assumptions which are dynamic in nature and vary over time. As such company is exposed to various risks as follows:

- A) Salary Increases (except for PF) – Actual salary increase will increase the plan's liability. Increase in salary increase rate assumptions in future valuation will also increase the liability.



## 66. Employee Benefit Obligations (Contd.)

- B) Investment risk – If plan is funded then assets liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability
- C) Discount Rate – Reduction in discount rate in subsequent valuations can increase the plan's liability.
- D) Mortality & disability – Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- E) Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

### (viii) Defined benefit liability and employee contribution:

The weighted average duration of the defined benefit obligations is 39.57 years (Previous Year 40.18 years). The expected maturity analysis of undiscounted pension, gratuity, other defined retirement benefit and post-employment medical benefits is as follows:

(₹ in crore)

Particulars	Less than a year	Between 1-2 year	Between 2-5 years	Over 5 years	Total
<b>31 March 2021</b>					
Defined benefit obligation (Gratuity)	77.41	73.31	149.02	292.01	591.75
Post-employment medical benefits	22.58	28.78	112.44	438.40	602.20
ODRB	2.37	2.42	5.27	13.41	23.47
Other employee benefits (LSA)	1.46	1.46	3.42	15.43	21.77
<b>Total</b>	<b>103.82</b>	<b>105.97</b>	<b>270.15</b>	<b>759.25</b>	<b>1239.19</b>
<b>31 March 2020</b>					
Defined benefit obligation (Gratuity)	74.08	67.03	170.22	290.58	601.91
Post-employment medical benefits	20.82	26.55	103.69	391.81	542.87
ODRB	2.06	1.95	5.37	11.58	20.96
Other employee benefits (LSA)	1.12	1.11	3.11	11.69	17.03
<b>Total</b>	<b>98.08</b>	<b>96.64</b>	<b>282.39</b>	<b>705.66</b>	<b>1182.77</b>

## 67. Disclosure of material impact of COVID-19 pandemic on listed entities under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Group is mainly engaged in the business of transmission of electricity and the tariffs for the transmission services are regulated in terms of the CERC Tariff Regulations which provide for recovery of the annual transmission charges based on system availability.

Due to the continuing 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. The Company has issued guidelines and protocols to be followed by its various units for the operation and maintenance of its transmission network during the pandemic. The Company has also implemented digital solutions such as e-office, ERP systems, Virtual Private Network, Video Conferencing etc. to facilitate Work from Home of its employees. Due to the various steps taken by the Company, 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 2021.

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 except a consolidated one-time rebate of ₹ 1,078.64 crore given to DISCOMs and Power Departments of States / Union Territories for passing on to end consumers on account of COVID-19 pandemic against the billing of April 2020 and May 2020. Due to said consolidated one-time rebate, there is a reduction in the profit for the year and the same has been disclosed under "Exceptional items" in the Statement of Profit and loss.

## **67. Disclosure of material impact of COVID-19 pandemic on listed entities under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Contd.)**

The Company has made an assessment of 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 investments 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.

## **68. Other Notes**

### **A. Incorporation of wholly owned subsidiary of POWERGRID to undertake Telecommunications and Digital Technology Business of the company**

Board of Directors has accorded in-principal approval on 07.11.2019 to form a wholly owned subsidiary of the Company to undertake Telecommunications and Digital Technology business. The Ministry of Power, Govt. of India, in consultation with NITI Aayog has given approval for incorporation of wholly owned subsidiary of the Company on 05.03.2020. Further, as per regulation 8 (4) of Central Electricity Regulatory Commission (Sharing of Revenue Derived from Utilization of Transmission Assets for Other Business) Regulations, 2020, a petition has been filed with CERC on 04.05.2020 for prior approval of the Hon`ble Commission. The petition was admitted by CERC on 14.07.2020, further hearing was held on 15.04.2021 and approval of CERC is awaited. The Company is evaluating the methodology/ Transaction Scheme for transfer of said business including but not limited to identification of assets and liabilities.

The Company will continue to operate the Telecommunication and Digital Technology business until the above significant activities are completed. As the said business is not available for immediate sale in its present condition, hence the same is not classified as “disposal group held for sale”.

### **B. Incorporation of wholly owned subsidiary of POWERGRID to undertake Energy Management services and Consultancy Business of the company**

Board of Directors has accorded in-principle approval on 28.03.2020 to form a wholly owned subsidiary of the Company to undertake the Energy Management Projects in India and abroad as an investor and/or Project Management Consultant (PMC) to provide services, products, investment & consultancy related to Energy Management. Ministry of Power, Govt. of India, in consultation with NITI Aayog has given approval for incorporation of wholly owned subsidiary of the Company on 08.02.2021.

The Company is evaluating the methodology/ Transaction Scheme for transfer of consultancy business including but not limited to identification of assets and liabilities. The Company will continue to operate the Consultancy business until the incorporation of the new subsidiary.

As the said business is not available for immediate sale in its present condition, hence the same is not classified as “disposal group held for sale”.

### **C. Acquisitions under process**

The Company being the successful bidder in TBCB Projects under the SPVs namely Fatehgarh Bhadla Transco Limited, Sikar New Transmission Limited, Sikar II Aligarh Transmission Limited has received Letters of Intent from concerned Bid Process Coordinators (REC Power Distribution Company Limited/ PFC Consulting Limited) and is in the process of acquiring the above stated 3 SPVs as on 31.03.2021.

### **D. Transfer of function of Central Transmission Utility (CTU) from the company**

Ministry of Power vide Gazette notification dated 09.03.2021 notified that, with effect from 01.04.2021, “Central Transmission Utility of India Limited (CTUIL), a wholly owned subsidiary of the company incorporated on 28.12.2020” to undertake and discharge all functions of CTU pursuant to the provisions of the Electricity Act, 2003 or any regulations or directions of the central commission or authority or any other directions or functions prescribed by the Central Government in that regard. In pursuant to referred notification, the functions of CTU are transferred to CTUIL w.e.f. 01.04.2021.

### **E. “Transmission capacities in the Inter State Transmission System (ISTS) are granted by CTU in form of Long Term Access (LTA) and Medium Term Open Access (MTOA) to Designated ISTS Customers (‘DIC’). LTA Customers had filed petitions, from time to time, in the CERC with regard to relinquishment of their LTAs citing force majeure events. CERC vide its Order dated 08.03.2019 in Petition 92/MP/2015 has directed CTU to determine the relinquishment charges for the stranded capacity due to relinquishment of their LTA. Accordingly, the relinquishment charges were computed by the CTU as per**

**68. Other Notes (Contd.)**

the mechanism given in the Order and demand has been raised on all the relinquished LTA customers. As per Clause (3) of Regulation 18 of the CERC Connectivity Regulations, on receipt of the relinquished charges from the relinquished LTA customers, the same shall be passed on to the DIC's. However, some of the LTA customers had filed appeals in Appellate Tribunal (APTEL) against the above CERC Order or against the demand for relinquishment charges raised by the CTU and appeals are still to be disposed by the Court.

The above relinquishment charges are neither an asset nor liability of the company as per the definition of assets and liability given in "Conceptual Framework for Financial Reporting under Indian Accounting Standards" issued by Institute of Chartered Accountants of India (ICAI). Hence, there is no financial impact to the company.

Further, Ministry of Power vide Gazette notification dated 09.03.2021 notified that, with effect from 01.04.2021, "Central Transmission Utility of India Limited (CTUIL), a wholly owned subsidiary of the company incorporated on 28.12.2020" to undertake and discharge all functions of CTU.

**F. Recent Pronouncements**

The Ministry of Corporate Affairs ("MCA") through a notification dated 24.03.2021, amended Division II of Schedule III of the Companies Act, 2013 w.e.f. 01.04.2021. The Company will assess and implement the amendments to Division II in the FY 2021-22, as applicable.

- G.** The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

- 69.** a) Figures have been rounded off to nearest rupees in crore up to two decimals.  
b) Previous year figures have been regrouped/rearranged wherever considered necessary.

**For and on behalf of the Board of Directors**

**Mrinal Srivastava**  
Company Secretary

**Mohammed Taj Mukarrum**  
Director (Finance)

**K. Sreekant**  
Chairman & Managing Director

**As per our report of even date**

**For T R CHADHA & CO LLP**  
Chartered Accountants  
FRN : 006711N/N500028

**For UMAMAHESWARA RAO & CO**  
Chartered Accountants  
FRN : 004453S

**For B M CHATRATH & CO LLP**  
Chartered Accountants  
FRN : 301011E/E300025

**For PSD & ASSOCIATES**  
Chartered Accountants  
FRN : 004501C

**CA Neena Goel**  
Partner  
M. No. 057986  
Place: Gurugram

**CA G. Sivaramakrishna Prasad**  
Partner  
M. No. 024860  
Place: Gurugram

**CA Sanjay Sarkar**  
Partner  
M. No. 064305  
Place: Kolkata

**CA Satish Chandra Sharma**  
Partner  
M. No. 072846  
Place: Jaipur

Place: Gurugram  
Date: 17 June 2021

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF POWER GRID CORPORATION OF INDIA LIMITED**

#### **Report on the Audit of the Consolidated Financial Statements**

##### **Opinion**

We have audited the accompanying consolidated financial statements of Power Grid Corporation of India Limited (hereinafter referred to as the "Holding Company"), and its subsidiaries (The Holding Company and its subsidiaries together referred to as "the Group"), and its joint ventures, which comprise the consolidated Balance Sheet as at 31 March 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended, and notes to the consolidated financial statement, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and joint ventures, as at 31 March 2021, the consolidated profit & total comprehensive income, consolidated changes in equity and consolidated cash flows for the year ended on that date.

##### **Basis for Opinion**

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) 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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

##### **Emphasis of Matter**

We draw attention to the following matter in the notes to the Consolidated Financial Statements:

- In respect of provisional recognition of revenue from transmission assets for which final tariff orders are yet to be issued by the CERC [Refer Note No. 35(b)]; and

Our opinion is not modified in respect of the above matter.

##### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended 31 March 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, description of how the matter was addressed in our audit is provided in that context. Considering the requirement of Standard on Auditing (SA 600) on 'Using the work of Another Auditor' including materiality, below Key Audit Matters have been reproduced from the Independent Auditors' report on the audit of Standalone Financial Statements of the Holding Company.





Sr. No.	Key Audit Matters #	How the matter was addressed in our audit
1	<p><b><u>Recognition of Revenue from Transmission Income</u></b></p> <p>Transmission Income is accounted for based on tariff orders notified by the CERC. In case of transmission projects where final tariff orders are yet to be notified, transmission income is accounted for on provisional basis as per Tariff Regulations and Orders of the CERC in earlier cases. Difference, if any, is accounted for on issuance of final Tariff Orders by the CERC. As at each reporting date, transmission income also includes an accrual for services rendered to the customers but not yet billed i.e. Unbilled Revenue.</p> <p>This is considered as Key Audit Matter due to the nature and extent of estimates made as per CERC Tariff Regulations and contracts with customers for recognition of revenue.</p> <p>(Refer Note No. 35(b) Consolidated Financial Statement)</p>	<p>Our audit approach involved:</p> <p>Obtaining an understanding of the CERC Tariff Regulations, Orders, Circulars, Guidelines and the Company's internal circulars and procedures in respect of recognition and measurement of revenue from transmission of power.</p> <ul style="list-style-type: none"> <li>• Evaluated and tested the effectiveness of the design of Internal controls relating to recognition and measurement of revenue from Transmission.</li> <li>• Verified the transmission revenue based on the CERC Tariff Regulation, Orders, Circulars, Guidelines and the company's internal circulars.</li> <li>• Verified on test basis, the income recognised on provisional basis consistently as per the regulatory guidelines and orders of the CERC in recent cases where tariff orders were issued, for the assets whose final orders are yet to be notified by CERC, based on the date of commercial operation (DOC) letters issued by Regional technical heads, and capital cost, as certified by the Management.</li> </ul>
2	<p><b><u>Deferred Tax Assets relating to MAT credit entitlement</u></b></p> <p>The Company has considered MAT credit in anticipation of set off against the tax payable in future years and created Deferred Tax Asset for the same during the year. Corresponding to the said MAT Credit Entitlement, a Deferred Regulatory liability payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations has been recognized.</p> <p>We identified this as a key audit matter because of the importance of this matter to the intended users of the financial statements and its materiality and requirement of judgement in assessing future taxable profits for recognition of MAT credit entitlement.</p> <p>(Refer Note No.26 of Consolidated financial statements.)</p>	<p>Our audit approach involved:</p> <ul style="list-style-type: none"> <li>• Reviewing the current status of availability of MAT credits.</li> <li>• Assessing the related forecasts of future taxable profits, evaluated the reasonableness and consistency of the considerations/assumptions underlying the preparation of these forecasts.</li> <li>• Based on the above procedures performed, the recognition and measurement of Deferred tax asset relating to MAT credit entitlement and corresponding Regulatory Deferral Liability towards customers, is considered adequate and reasonable.</li> </ul>
3	<p><b><u>Assessment of Contingent liabilities in respect of certain litigations including land compensation, direct and indirect taxes, various claims filed by other parties not acknowledged as debt.</u></b></p> <p>There is a high level of judgement required in estimating the contingent liabilities. The company's assessment of contingent liabilities is supported by the facts of the matter, Company's judgement thereon, past experience and advices from legal and independent tax consultants wherever necessary.</p> <p>We identified the above area as Key Audit Matters in view of associated uncertainty relating to the outcome of these matter.</p> <p>(Refer Note No. 61 of Consolidated financial statements).</p>	<p>We have obtained an understanding of the Company's procedure in respect of estimation and disclosure of contingent liabilities and adopted the following audit procedures:</p> <ul style="list-style-type: none"> <li>• Reviewing the current status and material development of legal matters.</li> <li>• Examining recent orders from competent authorities and/or communication received from various authorities, judicial forums and follow-up action thereon.</li> <li>• Review and analysis of evaluation of the contentions of the company through discussions, collection of details of the subject matter under consideration, the likely outcome and consequent potential outflows on those issues.</li> </ul>

# Above referred Key Audit Matters are in respect of the Holding Company only. All the subsidiaries in the group are unlisted entities.



### Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our Auditor's Report thereon. The other information as identified above is expected to be made available to us after the date of this Auditor's Report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read those documents including annexures, if any thereon, if we conclude that there is a material misstatement therein, we shall communicate the matter to those charged with the governance.

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of the joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and joint ventures 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 the 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and joint ventures are responsible for assessing the ability of the Group and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and joint ventures are also responsible for overseeing the financial reporting process of the Group and joint ventures.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated 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 the one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Companies in the Group have adequate internal financial controls 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 Holding Company's Management.
- Conclude on the appropriateness of Holding Company's Management 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 ability of the Group and joint ventures 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 consolidated 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 Group and joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the Financial Statements of such entities included in the Consolidated Financial Statements of which we are the Independent Auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other Auditors, such other Auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Holding Company included in the Consolidated Financial Statements, of which we are the Independent Auditors 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 consolidated 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.

#### Other Matters

- (a) We did not audit the financial statements/ financial information of the following subsidiaries whose financial statements reflect the details given below for total assets and net assets as at 31 March 2021, total revenues and net cash flows for the year ended on that date to the extent to which they are reflected in the consolidated financial statements:

(₹ in Crore)

S. No.	Name of the Subsidiaries	Total Assets	Net Assets	Total Revenues	Net Cash Inflows/ (Outflows)
1	Powergrid Vemagiri Transmission Limited	-	(19.41)	-	-
2	Powergrid NM Transmission Limited	1,163.72	252.87	124.95	(0.08)
3	Powergrid Vizag Transmission Limited	1,141.32	322.76	310.55	0.42
4	Powergrid Southern Interconnector Transmission System Limited	3,614.90	824.78	470.82	16.99
5	Powergrid Parli Transmission Limited	1,789.42	384.56	360.40	48.41
6	Powergrid Warora Transmission Limited	2,132.18	465.06	402.70	44.48
7	Powergrid Jabalpur Transmission Limited	1,506.76	256.29	255.19	42.71
8	Powergrid Kala Amb Transmission Limited	302.14	83.73	72.94	4.56

(₹ in Crore)

S. No.	Name of the Subsidiaries	Total Assets	Net Assets	Total Revenues	Net Cash Inflows/ (Outflows)
9	Powergrid Unchahar Transmission Limited	63.42	21.61	21.79	0.67
10	Powergrid Medinipur Jeerat Transmission Limited	3,106.68	568.78	45.72	-
11	Powergrid Mithilanchal Transmission Limited	1,161.71	214.44	2.35	(0.12)
12	Powergrid Varanasi Transmission System Limited	900.87	168.06	0.02	(0.44)
13	Powergrid Jawaharpur Firozabad Transmission Limited	443.16	78.25	3.57	0.07
14	Powergrid Khetri Transmission System Limited	894.37	161.02	-	-
15	Powergrid Bhuj Transmission Limited	531.12	97.71	-	(1.35)
16	Powergrid Bhind Guna Transmission Limited	374.28	49.41	-	(0.14)
17	Powergrid Ajmer Phagi Transmission Limited	579.10	111.66	-	(1.09)
18	Powergrid Fatehgarh Transmission Limited	621.44	113.41	-	0.21
19	Powergrid Rampur Sambhal Transmission Limited	141.93	20.64	-	0.05
20	Powergrid Meerut Simbhalvali Transmission Limited	241.10	32.01	-	(0.05)
21	Central Transmission Utility of India Limited	0.05	0.02	-	0.05
22	Powergrid Ramgarh Transmission Limited	6.34	(0.46)	0.40	-
23	Jaypee Powergrid Limited*	593.27	455.05	2.46	(5.48)
	<b>Total</b>	<b>21309.28</b>	<b>4662.25</b>	<b>2073.86</b>	<b>149.87</b>

The consolidated financial statements also include the Group's share of net profit/loss (including Other Comprehensive Income) for the year ended 31 March 2021 as considered in the consolidated financial statements in respect of following joint ventures whose financial statements/ financial information have not been audited by us.

(₹ in Crore)

SNo.	Name of Joint Ventures	Group's share net profit/(loss) (including Other Comprehensive Income)
1	Powerlinks Transmission Limited	50.04
2	Torrent Powergrid Limited	5.02
3	Jaypee Powergrid Limited*	14.31
4	North East Transmission Company Limited	19.57
	<b>Total</b>	<b>88.94</b>

\* Joint venture till 25.03.2021 (Wholly owned subsidiary from 26.03.2021).

These financial statements/ financial information of subsidiaries and joint ventures have been audited by other auditors whose reports have been furnished to us by the Holding Company's Management upto 17 June 2021 and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures, and our report in terms of sub-section (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries and joint ventures is based solely on the reports of the other auditors after considering the requirement of Standard on Auditing (SA 600) on 'Using the work of Another Auditor' including materiality.

(b) We did not audit the financial statements/ financial information of the following subsidiaries whose financial statements reflect the details given below for total assets and net assets as at 31 March 2021, total revenues and net cash flows for the year ended on that date to the extent to which they are reflected in the consolidated financial statements:



(₹ in Crore)

S. No.	Name of the Subsidiaries	Total Assets	Net Assets	Total Revenues	Net Cash Inflows/ (Outflows)
1	Bikaner-II Bhiwadi Transco Limited	24.84	0.01	-	0.01
	<b>Total</b>	<b>24.84</b>	<b>0.01</b>	<b>-</b>	<b>0.01</b>

The consolidated financial statements include the Group's share of net profit/loss (including Other Comprehensive Income) for the year ended 31 March 2021 as considered in the consolidated financial statements in respect of following joint ventures whose financial statements/ financial information have not been audited by us.

(₹ in Crore)

S. No.	Name of Joint Ventures	Group's share net profit/(loss)
1	Parbati Koldam Transmission Company Limited	15.95
2	Teestavalley Power Transmission Limited	14.22
3	National High Power Test Lab Pvt Limited	-3.84
4	Bihar Grid Company Limited	100.83
5	Cross Border Transmission Limited	3.84
6	RINL POWERGRID TLT Pvt. Limited*	0
7	Power Transmission Company Nepal Limited*	2.02
	<b>Total</b>	<b>133.02</b>

\* located outside India.

# The Holding company's board of directors has accorded in-principle approval for closure of the JV company.

These financial statements/ financial information of joint ventures are unaudited and have been furnished to us by the Holding Company's Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid joint ventures, is based solely on such unaudited financial statements/ financial information. One of the joint ventures as above is located outside India in respect of which the Holding Company's management has provided us the financial statements prepared in accordance with accounting principles generally accepted in India. In our opinion and according to the information and explanations given to us by the Holding Company's Management, these financial statements / financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements given below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Holding Company's Management.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and joint ventures as noted in the other matter paragraph, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

- e) In view of exemption given vide notification no. G. S. R. 463(E) dated June 5, 2015, issued by Ministry of Corporate Affairs, provisions of Section 164(2) of the Act regarding disqualification of Directors, are not applicable to the Holding Company and its subsidiaries. Further, on the basis of the reports of the auditors of 3 (Three) joint ventures incorporated in India, none of the directors of the joint ventures incorporated in India is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, its subsidiaries and joint ventures incorporated in India and the operating effectiveness of such controls, refer to our separate report in 'Annexure 1'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Group's internal financial controls with reference to consolidated financial statements.
- g) Pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of Section 197 of the Companies Act, 2013, are not applicable to the Group. Further, on the basis of the reports of the auditors of 3 (Three) joint ventures incorporated in India, the managerial remuneration for the year ended 31 March 2021 has been paid / provided to their directors in accordance with the provisions of section 197 read with Schedule V to the Act
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and joint ventures, as noted in the 'Other Matters' paragraph:
- The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group (Refer Note 61 to the consolidated financial statements) and the joint venture companies (Refer Note 44.2 to the consolidated financial statements).
  - Provision has been made in the consolidated financial statements, as required under the applicable law or Indian Accounting Standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group and the joint venture companies incorporated in India.

**For T R CHADHA & CO LLP**

Chartered Accountants  
 FRN : 006711N/N500028

**For UMAMAHESWARA RAO & CO**

Chartered Accountants  
 FRN : 004453S

**For B M CHATRATH & CO LLP**

Chartered Accountants  
 FRN : 301011E/E300025

**For PSD & ASSOCIATES**

Chartered Accountants  
 FRN : 004501C

**Neena Goel**

Partner  
 M. No. 057986  
 UDIN: 21057986AAAAGG8730  
 Place: Gurugram

**G. Sivaramakrishna Prasad**

Partner  
 M. No. 024860  
 UDIN: 21024860AAAAAR7514  
 Place: Gurugram

**Sanjay Sarkar**

Partner  
 M. No. 064305  
 UDIN: 21064305AAAAABR8552  
 Place: Kolkata

**Satish Chandra Sharma**

Partner  
 M. No. 072846  
 UDIN: 21072846AAAAAI2661  
 Place: Jaipur

Date: 17 June 2021



## ANNEXURE 1

### **ATTACHED TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF POWER GRID CORPORATION OF INDIA LIMITED FOR THE YEAR ENDED 31 MARCH 2021.**

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

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended on 31 March 2021, we have audited the internal financial controls over financial reporting with reference to Consolidated Financial Statements of Power Grid Corporation of India Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies (the Holding Company and its subsidiaries together referred to as "the Group") and its joint venture companies, which are companies incorporated in India as of 31 March 2021.

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

The respective Board of directors of the Holding company, its subsidiary companies and its joint venture companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Group's and the joint venture companies' which are incorporated in India, internal financial controls over financial reporting with reference to Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 with reference to Consolidated Financial Statements were 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 with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls over financial reporting with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls over financial reporting with reference to Consolidated Financial Statements, assessing the risk that 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 Judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiaries and joint venture companies incorporated in India, in terms of their reports referred to in the 'Other Matters' paragraph is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls system over financial reporting with reference to Consolidated Financial Statements.

#### **Meaning of Internal Financial Controls Over Financial Reporting With Reference to Consolidated Financial Statements**

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

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;



- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to Consolidated Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to Consolidated Financial Statements, 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 with reference to Consolidated Financial Statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to Consolidated Financial Statements 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 Holding Company, its subsidiaries, and joint ventures which are companies incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting with reference to Consolidated Financial Statements and such internal financial controls over financial reporting with reference to Consolidated Financial Statements were operating effectively as at 31 March 2021, 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.

### **Other Matters**

Our aforesaid report under Section 143 (3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to Consolidated Financial Statements insofar as it related to 23 (twenty three) subsidiary companies and 3 (Three) joint venture Companies incorporated in India, is based on the corresponding report of auditors of such companies.

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated Financial Statements in so far as it relates to one subsidiary and six joint ventures incorporated in India, whose financial statements / financial information are unaudited and our opinion on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated Financial Statements of the Group is not affected as the Group's share of net profit/loss (including Other Comprehensive Income) and disclosures included in respect of aforesaid subsidiary and joint ventures in these Consolidated Financial Statements are not material to the Group.

Our report is not modified in respect of the above matters.

#### **For T R CHADHA & CO LLP**

Chartered Accountants  
FRN : 006711N/N500028

#### **For UMAMAHESWARA RAO & CO**

Chartered Accountants  
FRN : 004453S

#### **For B M CHATRATH & CO LLP**

Chartered Accountants  
FRN : 301011E/E300025

#### **For PSD & ASSOCIATES**

Chartered Accountants  
FRN : 004501C

#### **Neena Goel**

Partner  
M. No. 057986  
UDIN: 21057986AAAAGG8730  
Place: Gurugram

#### **G. Sivaramakrishna Prasad**

Partner  
M. No. 024860  
UDIN: 21024860AAAAAR7514  
Place: Gurugram

#### **Sanjay Sarkar**

Partner  
M. No. 064305  
UDIN: 21064305AAAAABR8552  
Place: Kolkata

#### **Satish Chandra Sharma**

Partner  
M. No. 072846  
UDIN: 21072846AAAAAI2661  
Place: Jaipur

Date: 17 June 2021



**Power Grid Corporation of India Ltd. (A Govt. of India Enterprise)**

CIN : L40101DL1989GOI038121

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

**Statement of Standalone Audited Financial Results for the Quarter and Year ended 31 March 2022**

(₹ in Crore)

Sl. No.	Particulars	Quarter ended			Year ended	
		31.03.2022	31.12.2021	31.03.2021	31.03.2022	31.03.2021
		(Un-audited)	(Un-audited)	(Un-audited)	(Audited)	(Audited)
I	Revenue From Operations	10,221.23	10,001.00	9,942.49	39,928.09	37,665.65
II	Other Income	720.70	635.56	763.00	2,407.78	2,861.46
III	<b>Total Income (I+II)</b>	<b>10,941.93</b>	<b>10,636.56</b>	<b>10,705.49</b>	<b>42,335.87</b>	<b>40,527.11</b>
IV	<b>EXPENSES</b>					
	Employee benefits expense	567.54	611.05	652.09	2,234.76	2,110.74
	Finance costs	2,102.66	1,851.68	1,976.31	8,210.94	8,501.01
	Depreciation and amortisation expense	3,187.49	3,192.96	3,025.26	12,550.58	11,711.68
	Other expenses	777.76	701.64	543.21	2,771.62	2,498.97
	<b>Total expenses (IV)</b>	<b>6,635.45</b>	<b>6,357.33</b>	<b>6,196.87</b>	<b>25,767.90</b>	<b>24,822.40</b>
V	Profit before Exceptional Items, Tax and Regulatory Deferral Account Balances (III-IV)	4,306.48	4,279.23	4,508.62	16,567.97	15,704.71
VI	Exceptional Items-(Income)/Expense (Refer Note 5)	(589.93)	-	-	(3,759.51)	1,078.64
VII	<b>Profit before Tax and Regulatory Deferral Account Balances (V-VI)</b>	<b>4,896.41</b>	<b>4,279.23</b>	<b>4,508.62</b>	<b>20,327.48</b>	<b>14,626.07</b>
VIII	Tax expense:					
	Current tax - Current Year	847.91	742.34	782.06	3,320.52	2,527.55
	- Earlier Years	(38.46)	-	1.56	(38.46)	1.56
	Deferred tax	(868.85)	120.07	(157.11)	(571.00)	560.03
		<b>(59.40)</b>	<b>862.41</b>	<b>626.51</b>	<b>2,711.06</b>	<b>3,089.14</b>
IX	Profit for the period before Regulatory Deferral Account Balances (VII-VIII)	4,955.81	3,416.82	3,882.11	17,616.42	11,536.93
X	Net movement in Regulatory Deferral Account Balances-Income/(Expenses)(net of tax)	(635.17)	(67.38)	(366.50)	(522.66)	398.85
XI	<b>Profit for the period (IX+X)</b>	<b>4,320.64</b>	<b>3,349.44</b>	<b>3,515.61</b>	<b>17,093.76</b>	<b>11,935.78</b>
XII	<b>Other Comprehensive Income</b>					
	Items that will not be reclassified to profit or loss(net of tax)	(7.43)	(13.86)	13.67	290.93	25.36
XIII	<b>Total Comprehensive Income for the period (XI+XII)</b>	<b>4,313.21</b>	<b>3,335.58</b>	<b>3,529.28</b>	<b>17,384.69</b>	<b>11,961.14</b>
XIV	Paid up Equity Share Capital (Face value of share : ₹ 10/- each)	6,975.45	6,975.45	5,231.59	6,975.45	5,231.59
XV	Reserves (excluding Revaluation Reserve) as per balance sheet	69,176.12	68,699.41	64,347.25	69,176.12	64,347.25
XVI	Net Worth	76,151.57	75,674.86	69,578.84	76,151.57	69,578.84
XVII	Total Borrowings	1,34,665.27	1,34,356.45	1,43,051.48	1,34,665.27	1,43,051.48
XVIII	Bonds Redemption Reserve	5,532.80	5,881.58	7,387.97	5,532.80	7,387.97
XIX	Earnings per equity share including movement in Regulatory Deferral Account Balances (Face value of ₹10/- each): Basic & Diluted (In ₹)	6.20	4.80	5.04	24.51	17.11
XX	Earnings per equity share excluding movement in Regulatory Deferral Account Balances (Face value of ₹10/- each): Basic & Diluted (In ₹)	7.10	4.90	5.57	25.25	16.54

Refer accompanying notes to the financial results.



**Power Grid Corporation of India Ltd. (A Govt. of India Enterprise)**

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

**Statement of Standalone Assets and Liabilities**

(₹ in Crore)

	Particulars	As at	
		31.03.2022 (Audited)	31.03.2021 (Audited)
<b>A.</b>	<b>ASSETS</b>		
<b>1</b>	<b>Non-current assets</b>		
	Property, plant & equipment	1,78,175.63	1,75,392.06
	Capital work-in-progress	7,344.46	17,896.67
	Investment Property	-	0.03
	Intangible assets	1,556.13	1,551.44
	Intangible assets under development	31.53	74.86
	Financial assets		
	Investments	7,228.53	4,265.36
	Loans	14,269.78	10,474.09
	Other non-current financial assets	4,144.46	4,313.62
	Other non-current assets	4,797.73	4,744.56
		<b>2,17,548.25</b>	<b>2,18,712.69</b>
	Assets Classified as Held for Sale (Refer Note 5)	245.00	260.86
		<b>2,17,793.25</b>	<b>2,18,973.55</b>
<b>2</b>	<b>Current assets</b>		
	Inventories	1,352.60	1,362.82
	Financial assets		
	Trade receivables	9,106.82	8,470.20
	Cash and cash equivalents	2,457.47	4,430.05
	Bank balances other than Cash and cash equivalents	513.57	843.49
	Loans	328.27	5,428.83
	Other current financial assets	6,125.77	3,031.53
	Other current assets	210.99	173.28
		<b>20,095.49</b>	<b>23,740.20</b>
	Assets Classified as Held for Sale (Refer Note 5)	15.86	952.18
		<b>20,111.35</b>	<b>24,692.38</b>
<b>3</b>	<b>Regulatory Deferral Account Balances</b>	9,973.04	10,606.35
	<b>TOTAL ASSETS</b>	<b>2,47,877.64</b>	<b>2,54,272.28</b>
<b>B.</b>	<b>EQUITY AND LIABILITIES</b>		
<b>1</b>	<b>Equity</b>		
	Equity Share capital	6,975.45	5,231.59
	Other Equity	69,176.12	64,347.25
		<b>76,151.57</b>	<b>69,578.84</b>
<b>2</b>	<b>Liabilities</b>		
<b>(i)</b>	<b>Non-current liabilities</b>		
	Financial Liabilities		
	Borrowings	1,14,199.40	1,29,080.07
	Lease Liability	27.04	17.66
	Other non-current financial liabilities	3,523.00	3,696.39
	Provisions	517.05	461.93
	Deferred tax liabilities (Net)	11,424.78	11,941.88
	Other non-current liabilities	240.89	218.06
		<b>1,29,932.16</b>	<b>1,45,415.99</b>
<b>(ii)</b>	<b>Current liabilities</b>		
	Financial liabilities		
	Borrowings	20,465.87	13,971.41
	Lease Liability	2.74	3.93
	Trade payables		
	(A) total outstanding dues of micro enterprises and small enterprises	47.19	29.76
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises.	218.95	156.54
	Other current financial liabilities	7,408.90	10,228.58
	Other current liabilities	3,203.41	3,871.69
	Provisions	932.31	835.88
	Current tax liabilities (net)	-	425.51
		<b>32,279.37</b>	<b>29,523.30</b>
<b>3</b>	<b>Deferred Revenue</b>	9,514.54	9,754.15
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,47,877.64</b>	<b>2,54,272.28</b>





**Power Grid Corporation of India Ltd. (A Govt. of India Enterprise)**

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

**Statement of Standalone Cash flows**

(₹ in Crore)

Sl. No.	Particulars	For the Year ended	
		31.03.2022	31.03.2021
		(Audited)	(Audited)
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Profit Before Tax & Regulatory Deferral Account Balances	20,327.48	14,626.07
	Add: Net movement in Regulatory Deferral Account Balances (net of tax)	(522.66)	398.85
	Add: Tax on Net movement in Regulatory Deferral Account Balances	(110.65)	84.44
	<b>Profit Before Tax (including net movement in Regulatory Deferral Account Balances)</b>	<b>19,694.17</b>	<b>15,109.36</b>
	<b>Adjustment for :</b>		
	Depreciation & amortisation expenses	12,550.58	11,711.68
	Transfer from Grants in Aid	(300.26)	(328.89)
	Deferred revenue - Advance against Depreciation	(152.46)	(160.05)
	Provisions	4.21	7.49
	Changes in fair value of financial assets through profit or loss	(16.44)	(16.92)
	Profit on sale of Investments in Subsidiaries	(3,759.51)	-
	Net Loss on Disposal / Write off of Property, Plant & Equipment	28.39	2.49
	Deferred Foreign Currency Fluctuation Asset	(42.69)	1,022.09
	Deferred Income from Foreign Currency Fluctuation	191.07	(780.92)
	Regulatory Deferral Account Debit Balances	633.31	(483.29)
	Finance Costs	8,210.94	8,501.01
	Provisions Written Back	(13.13)	(24.55)
	FERV loss / (gain)	(0.03)	(0.02)
	Profit on sale of Investment in Mutual Funds	(15.95)	-
	Interest income on Deposits, Bonds and loans to Subsidiaries & JVs, PG InvIT etc	(1,075.96)	(1,126.07)
	Surcharge income	(364.46)	(714.15)
	Income from finance lease	(73.12)	(81.18)
	Dividend income	(664.38)	(662.78)
		<b>15,140.11</b>	<b>16,865.94</b>
	<b>Operating profit before Changes in Assets and Liabilities</b>	<b>34,834.28</b>	<b>31,975.30</b>
	<b>Adjustment for Changes in Assets and Liabilities:</b>		
	(Increase)/Decrease in Inventories	13.96	38.67
	(Increase)/Decrease in Trade Receivables	(520.95)	(3,358.73)
	(Increase)/Decrease in Other Financial Assets	(2,789.46)	2,189.85
	(Increase)/Decrease in Other Non-current Assets	68.23	123.69
	(Increase)/Decrease in Other Current Assets	(37.71)	49.99
	Increase/(Decrease) in Liabilities & Provisions	(3,218.91)	(1,197.28)
		<b>(6,484.84)</b>	<b>(2,153.81)</b>
	<b>Cash generated from operations</b>	<b>28,349.44</b>	<b>29,821.49</b>
	Direct taxes paid	(3,709.24)	(2,207.76)
	<b>Net Cash from Operating Activities</b>	<b>24,640.20</b>	<b>27,613.73</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Property, Plant & Equipment and Capital Work in Progress (Including Advances for Capital Expenditure)	(3,645.32)	(6,389.23)
	Receipt of Grant	131.42	8.13
	Investment in Mutual Funds	(1,470.00)	-
	Sale of Mutual Funds	1,485.95	-
	Sale of Investment in Subsidiaries/Associate (Net)	3,346.69	-
	Investments in Subsidiaries, JVs & others	(1,122.13)	(1,665.59)
	Loans & Advances to Subsidiaries, JVs & Associates (Including repayments)	1,228.83	(2,141.35)
	Financial lease receipts	84.87	76.40
	Interest received on Deposits, Bonds and Loans to Subsidiaries & JVs, PG InvIT etc	1,239.26	1,100.67
	Surcharge received	244.59	545.20
	Dividend received	664.38	662.78
	<b>Net Cash from/(used in) Investing Activities</b>	<b>2,188.54</b>	<b>(7,802.99)</b>



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<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds from Borrowings		
	Non Current	2,584.70	7,840.37
	Current	7,400.00	11,750.00
	Repayment of Borrowings		
	Non Current	(15,251.97)	(10,913.32)
	Current	(3,900.00)	(12,950.00)
	Repayment of Lease Liabilities (Including interest)	(8.14)	(6.23)
	Finance Costs paid	(8,813.95)	(9,084.66)
	Dividend paid	(10,811.96)	(6,821.99)
	<b>Net Cash used in Financing Activities</b>	<b>(28,801.32)</b>	<b>(20,185.83)</b>
<b>D.</b>	<b>Net change in Cash and Cash equivalents (A+B+C)</b>	<b>(1,972.58)</b>	<b>(375.09)</b>
<b>E.</b>	Cash and Cash equivalents (Opening balance)	4,430.05	4,805.14
<b>F.</b>	Cash and Cash equivalents (Closing balance) *	<b>2,457.47</b>	<b>4,430.05</b>

\* Includes ₹ 1341.75 crore (Previous Year ₹ 3122.48 crore) held in designated accounts which is not available for use by the Company.



**Power Grid Corporation of India Ltd. (A Govt. of India Enterprise)**

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**Statement of Standalone Segment wise Revenue, Results, Assets and Liabilities  
for the Quarter and Year ended 31 March 2022**

(₹ in Crore)

Sl. No.	Particulars	Quarter ended			Year ended	
		31.03.2022	31.12.2021	31.03.2021	31.03.2022	31.03.2021
		(Un-audited)	(Un-audited)	(Un-audited)	(Audited)	(Audited)
<b>A.</b>	<b>Segment Revenue (including allocable Other Income)</b>					
	- Transmission	10,003.21	9,800.64	9,787.02	39,187.62	37,418.50
	- Consultancy	259.41	171.43	176.59	771.21	506.16
	- Telecom	173.93	185.15	198.56	668.86	783.19
	<b>Total</b>	<b>10,436.55</b>	<b>10,157.22</b>	<b>10,162.17</b>	<b>40,627.69</b>	<b>38,707.85</b>
	Less: Inter Segment Revenue	17.53	17.35	17.47	69.08	69.96
	<b>Total Revenue including allocable Other Income</b>	<b>10,419.02</b>	<b>10,139.87</b>	<b>10,144.70</b>	<b>40,558.61</b>	<b>38,637.89</b>
<b>B.</b>	<b>Segment Results</b>					
	<b>Profit before Interest and Tax</b>					
	- Transmission	4,910.88	5,454.43	5,312.31	21,797.33	22,283.23
	- Consultancy	130.15	57.20	77.14	347.48	150.84
	- Telecom	47.34	69.17	90.60	223.53	365.72
	<b>Total Profit before Interest and Tax</b>	<b>5,088.37</b>	<b>5,580.80</b>	<b>5,480.05</b>	<b>22,368.34</b>	<b>22,799.79</b>
	<b>Add:</b>					
	Other unallocated income	522.91	496.69	560.79	1,777.26	1,889.22
	<b>Less :</b>					
	Unallocated interest and finance charges	2,102.66	1,851.68	1,976.31	8,210.94	8,501.01
	Exceptional Item (Refer Note 5)	(589.93)	-	-	(3,759.51)	1,078.64
	<b>Profit before Tax (including Regulatory Deferral Account Balances)</b>	<b>4,098.55</b>	<b>4,225.81</b>	<b>4,064.53</b>	<b>19,694.17</b>	<b>15,109.36</b>
<b>C.</b>	<b>Segment Assets</b>					
	- Transmission	2,12,132.74	2,18,186.84	2,08,039.47	2,12,132.74	2,08,039.47
	- Consultancy	1,895.00	1,951.08	2,426.68	1,895.00	2,426.68
	- Telecom	925.48	875.43	981.45	925.48	981.45
	- Unallocated Assets	32,663.56	32,398.53	41,611.64	32,663.56	41,611.64
	- Assets Classified as Held for Sale (Refer Note 5)	260.86	315.39	1,213.04	260.86	1,213.04
	<b>Total Segment Assets</b>	<b>2,47,877.64</b>	<b>2,53,727.27</b>	<b>2,54,272.28</b>	<b>2,47,877.64</b>	<b>2,54,272.28</b>
<b>D.</b>	<b>Segment Liabilities</b>					
	- Transmission	12,144.91	16,698.76	13,971.60	12,144.91	13,971.60
	- Consultancy	2,741.83	2,732.89	3,428.90	2,741.83	3,428.90
	- Telecom	648.01	548.66	454.89	648.01	454.89
	- Unallocated Liabilities	1,56,191.32	1,58,072.10	1,66,838.05	1,56,191.32	1,66,838.05
	<b>Total Segment Liabilities</b>	<b>1,71,726.07</b>	<b>1,78,052.41</b>	<b>1,84,693.44</b>	<b>1,71,726.07</b>	<b>1,84,693.44</b>

**Notes:**

The operations of the Company are mainly carried out within the country and therefore, geographical segments are not applicable.





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Additional Information on Standalone Basis Pursuant to Regulation 52(4) and Regulation 54(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended as at and for the Quarter and Year ended 31 March 2022

Sl. No.	Particulars	Quarter ended			Year ended	
		31.03.2022	31.12.2021	31.03.2021	31.03.2022	31.03.2021
		(Un-audited)	(Un-audited)	(Un-audited)	(Audited)	(Audited)
1	Debt Equity Ratio [Total Borrowings/Shareholder's Equity]	1.77	1.78	2.06	1.77	2.06
2	Debt Service Coverage Ratio (DSCR) [[Profit for the period + Depreciation and amortisation expense + Finance costs + FERV + Net Loss on Sale of Fixed Assets]/(Finance costs + Lease Payments + Principal Repayments)]	2.15	1.31	1.97	1.61	1.66
3	Interest Service Coverage Ratio (ISCR) [[Profit for the period + Depreciation and amortisation expense + Finance costs + FERV + Net Loss on Sale of Fixed Assets]/(Finance costs)]	4.58	4.54	4.23	4.61	3.79
4	Current Ratio [Current Assets/Current Liabilities]	0.62	0.79	0.84	0.62	0.84
5	Long Term Debt to Working Capital [(Non-Current Borrowings+Current Maturities of Long-term Borrowings)/ (Current Assets-Current Liabilities excluding Current Maturities of Long-term Borrowings)]	43.15	43.39	19.24	43.15	19.24
6	Bad debts to Account Receivable Ratio [Bad debts/Average Trade Receivables]	-	-	-	-	-
7	Current Liability Ratio [Current Liabilities/Total Liabilities]	0.19	0.18	0.16	0.19	0.16
8	Total Debts to Total Assets [Total Borrowings/Total Assets]	0.54	0.53	0.56	0.54	0.56
9	Debtors Turnover [Annualised Revenue from Operations/Average Trade Receivables]	4.41	4.24	4.12	4.39	4.19
10	Inventory Turnover [Annualised Revenue from Operations/Average Inventory]	28.61	27.93	26.69	29.14	26.91
11	Operating Margin (%) [Earnings before Interest, depreciation, Tax and exceptional items/Revenue from Operations]	94%	93%	94%	93%	95%
12	Net Profit Margin (%) [Profit for the Period/Revenue from Operations]	42%	33%	35%	43%	32%



## Notes to Standalone financial results:

1. The audited Standalone Financial Results are subject to review by the Comptroller and Auditor General of India under section 143(6) of the Companies Act, 2013.
2. (a) In exercise of powers u/s 178 of the Electricity Act 2003, Central Electricity Regulatory Commission (CERC) has notified "CERC (Terms and Conditions of Tariff) Regulations, 2019" vide order dated 07 March 2019 for the determination of transmission tariff for the block period 2019-24.  
(b) The company has recognised Transmission income during the year ended 31 March 2022 as per the following:  
(i) ₹ 20297.33 Crore for the year (previous year ₹ 9407.16 Crore) as per final tariff orders issued by CERC for the tariff period 2019-24.  
(ii) ₹ 17509.81 Crore for the year (previous year ₹ 26713.76 Crore) provisionally as per CERC Tariff Regulations for the block period 2019-24 and other orders in similar cases, in respect of transmission assets for which final tariff orders are yet to be issued.  
(c) Consequent to the final order issued by CERC, transmission income includes ₹ 628.80 crore (increase) for the year (previous year ₹ 538.30 Crore (increase)) pertaining to earlier years.
3. The Company, in its Board Meetings has declared interim dividend of ₹ 12.50 per share (including Special Dividend of ₹ 3.00 per share) (face value of ₹ 10/- each) for financial year 2021-22. The Board of Directors has recommended final dividend of ₹ 2.25 per share (face value ₹ 10/- each). The total dividend (including interim dividend) for the financial year 2021-22 is ₹ 14.75 per share (face value ₹ 10/- each).
4. 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 CERC Tariff Regulations which provide for recovery of the annual transmission charges based on system availability. Due to the continuing 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.  
  
The Company has considered various internal and external information available up to the date of approval of financial results in assessing the impact of COVID-19 pandemic on the financial results for the ended 31 March 2022 & there has been no material impact on the operations or profitability of the company during the year ended 31 March 2022. The Company will continue to monitor any material changes to future economic conditions.
5. The Company has monetised five (05) of its Subsidiaries, namely Powergrid Vizag Transmission Limited (PVTL), Powergrid Kala Amb Transmission Limited (PKATL), Powergrid Jabalpur Transmission Limited (PJTL), Powergrid Warora Transmission Limited (PWTL) and Powergrid Parli Transmission Limited (PPTL) through POWERGRID Infrastructure Investment Trust ('PGInvIT/ Trust'). PGInvIT has been registered by SEBI under SEBI (Infrastructure Investment Trusts) Regulations, 2014 ('InvIT Regulations') as an Infrastructure Investment Trust vide registration no. IN/InvIT/20-21/0016 dated 07 January 2021. The company is the Sponsor of PGInvIT and acts as the Project Manager to PGInvIT. IDBI Trusteeship Services Limited is the Trustee and Powergrid Unchahar Transmission Limited (PUTL), a wholly owned subsidiary of the company, has been appointed as Investment Manager to PGInvIT. The Offer Document for initial public offer was filed by PGInvIT with the SEBI and Stock Exchanges on 22 April 2021 and units got listed on stock exchanges on 14 May 2021. The 74% shares in the above five SPVs have been transferred to PGInvIT in May, 2021 and balance 26% shares of PVTL has been transferred in March 2022. The balance 26% of remaining SPVs i.e. PKATL, PJTL, PWTL & PPTL will be transferred in line with Transmission Service Agreement (TSA) & the same has been classified as "Assets Classified as Held for Sale" as on 31.03.2022.

In lieu of consideration of shareholding so transferred, 41,06,50,900 Units at the price of ₹ 100 each were allotted by PGInvIT to the company and ₹ 330.78 crore towards transfer of 26% share of PVTL. Further, the Company received ₹ 304.15 crore on relinquishment of right on additional revenue in PPTL, PWTL & PJTL. The company retained 13,65,00,100 units being 15% of total units of PGInvIT outstanding on post issue basis pursuant to InvIT Regulations and remaining 27,41,50,800 units were sold by way of 'Offer for Sale (OFS)'. The company received an amount of ₹ 2736.02 crore (net of STT) against the OFS. The Profit on above transactions (net of related expenses) amounting to ₹ 3759.51 crore has been disclosed under "Exceptional items".





In previous year ended 31 March 2021, a consolidated one-time rebate of ₹ 1078.64 crore has been disclosed under "Exceptional items" in the Statement of Financial Results.

6. Ministry of Power vide Gazette notification dated 09.03.2021 notified that, with effect from 01.04.2021, "Central Transmission Utility of India Limited (CTUIL), a wholly owned subsidiary of the company incorporated on 28.12.2020" to undertake and discharge all functions of CTU pursuant to the provisions of the Electricity Act, 2003 or any regulations or directions of the central commission or authority or any other directions or functions prescribed by the Central Government in that regard. In pursuant to referred notification, the functions of CTU are transferred to CTUIL w.e.f. 01.04.2021.

Central Electricity Regulatory Commission (CERC) vide order dated 25.02.2022 stated that expenses related to employees and other related expenses of CTUIL shall continue to be taken care of by the company for the period till 31.3.2024 or until further orders, whichever is earlier as the same was allowed through various tariff orders. Hence, the expenses related to functions of CTU are being borne by the company.

7. The Company has invested ₹ 407.49 crore during the year ended 31 March 2022 in Energy Efficiency Services Limited (EESL), thereby increasing its shareholding from 5.71% to 33.33%. EESL has been considered as Joint Venture being the Joint control has been reinstated vide Agreement dated 01 September 2021.
8. The Company has issued 174,38,63,216 equity shares of ₹ 10/- each as fully paid bonus shares in the ratio of one equity share of ₹ 10/- each for every three equity shares held on record date of 30 July 2021. This has been considered for calculating weighted average number of equity shares for all comparative periods presented as per Ind AS 33. In line with the above, EPS (basic and diluted) have been adjusted for all periods presented.
9. A company "Powergrid Teleservices Limited" was incorporated on 25.11.2021 as a wholly owned subsidiary of the company with an objective to undertake Telecommunications and Digital Technology business. The Company is evaluating the methodology/ Transaction Scheme for transfer of said business including but not limited to identification of assets and liabilities. The approval from CERC regarding above transfer are yet to be received.

The Company will continue to operate the Telecommunication and Digital Technology business until the above significant activities are completed. As the said business is not available for immediate sale in its present condition, hence the same is not classified as "disposal group held for sale".

10. A company "Powergrid Energy Services Limited" was incorporated on 14.03.2022 as a wholly owned subsidiary of the Company to undertake the Energy Management Projects in India and abroad as an investor and/or Project Management Consultant (PMC) to provide services, products, investment & consultancy related to Energy Management.
11. The Board of Directors of the company have, in its meeting held on 01 May 2022, approved the proposal for purchase of 77,30,225 no. of equity shareholding of IL&FS Energy Development Company Limited in Cross Border Power Transmission Company Limited (Joint venture of the company).
12. Provision for taxes, employee benefits and other provisions for contingencies have been considered on estimated basis.
13. Some balances of Trade Receivables and recoverable shown under Assets and Trade and Other Payables shown under Liabilities include balances subject to confirmation/ reconciliation and consequential adjustments if any. However, reconciliations are carried out on ongoing basis. The management does not expect any material adjustment in the books of accounts as a result of the reconciliation.
14. Figures for the fourth quarter are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the financial year.
15. The above statement of Standalone financial results has been reviewed by the Audit Committee and has been approved by the Board of Directors in their respective meetings held on 21 May 2022.



16. The standalone financial statements of the Company for the year ended 31 March 2022 have been prepared in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013. The statutory auditors have issued unmodified opinion on these standalone financial statements.
17. Previous period figures have been regrouped / rearranged wherever considered necessary.





**Power Grid Corporation of India Ltd. (A Govt. of India Enterprise)**

CIN : L40101DL1989GOI038121

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

**Statement of Consolidated Audited Financial Results for the Quarter and Year ended 31 March 2022**

(**₹ in Crore**)

Sl. No.	Particulars	Quarter ended			Year ended	
		31.03.2022	31.12.2021	31.03.2021	31.03.2022	31.03.2021
		(Un-audited)	(Un-audited)	(Un-audited)	(Audited)	(Audited)
I	Revenue From Operations	10,686.00	10,446.88	10,510.23	41,616.34	39,639.79
II	Other Income	381.94	276.73	306.10	1,081.56	1,183.74
III	<b>Total Income (I+II)</b>	<b>11,067.94</b>	<b>10,723.61</b>	<b>10,816.33</b>	<b>42,697.90</b>	<b>40,823.53</b>
IV	<b>EXPENSES</b>					
	Employee benefits expense	570.74	612.69	653.89	2,243.89	2,114.76
	Finance costs	2,090.66	1,845.08	1,881.50	8,036.22	8,134.69
	Depreciation and amortisation expense	3,279.09	3,285.51	3,112.20	12,871.66	12,039.19
	Other expenses	774.72	716.92	560.80	2,805.55	2,531.92
	<b>Total expenses (IV)</b>	<b>6,715.21</b>	<b>6,460.20</b>	<b>6,208.39</b>	<b>25,957.32</b>	<b>24,820.56</b>
V	Profit before Share of net profits of investments in Joint Ventures accounted for using Equity Method, Exceptional Items, Tax and Regulatory Deferral Account Balances (III-IV)	4,352.73	4,263.41	4,607.94	16,740.58	16,002.97
VI	Share of net profits of investments in Joint Ventures accounted for using Equity Method	49.33	(16.62)	54.24	78.47	214.70
VII	Profit before Exceptional Items, Tax and Regulatory Deferral Account Balances (V+VI)	4,402.06	4,246.79	4,662.18	16,819.05	16,217.67
VIII	Exceptional Items-(Income)/Expense (Refer Note 5 and 6)	(306.36)	-	-	(3,320.33)	1,078.64
IX	<b>Profit before Tax and Regulatory Deferral Account Balances (VII-VIII)</b>	<b>4,708.42</b>	<b>4,246.79</b>	<b>4,662.18</b>	<b>20,139.38</b>	<b>15,139.03</b>
X	Tax expense:					
	Current tax - Current Year	864.68	745.65	790.59	3,352.29	2,565.27
	- Earlier Years	(38.46)	-	1.57	(38.46)	(56.68)
	Deferred tax	(911.52)	139.60	(59.88)	(528.26)	955.66
		<b>(85.30)</b>	<b>885.25</b>	<b>732.28</b>	<b>2,785.57</b>	<b>3,464.25</b>
XI	Profit for the period before Regulatory Deferral Account Balances (IX-X)	4,793.72	3,361.54	3,929.90	17,353.81	11,674.78
XII	Net movement in Regulatory Deferral Account Balances-Income/(Expenses)(net of tax)	(637.28)	(68.57)	(403.67)	(529.74)	361.68
XIII	<b>Profit for the period (XI+XII)</b>	<b>4,156.44</b>	<b>3,292.97</b>	<b>3,526.23</b>	<b>16,824.07</b>	<b>12,036.46</b>
XIV	<b>Other Comprehensive Income</b>					
	Items that will not be reclassified to profit or loss(net of tax)	(7.45)	(13.87)	13.67	290.90	25.36
	Share of other comprehensive income of Joint Ventures accounted for using Equity Method	0.52	(0.29)	0.06	0.24	0.13
XV	<b>Total Comprehensive Income for the period (XIII+XIV)</b>	<b>4,149.51</b>	<b>3,278.81</b>	<b>3,539.96</b>	<b>17,115.21</b>	<b>12,061.95</b>
XVI	Paid up Equity Share Capital (Face value of share : ₹ 10/- each)	6,975.45	6,975.45	5,231.59	6,975.45	5,231.59
XVII	Reserves (excluding Revaluation Reserve) as per balance sheet	69,271.68	68,995.34	64,704.48	69,271.68	64,704.48
XVIII	Net Worth	76,247.13	75,970.79	69,936.07	76,247.13	69,936.07
XIX	Total Borrowings	1,34,665.27	1,34,356.45	1,43,210.33	1,34,665.27	1,43,210.33
XX	Bonds Redemption Reserve	5,532.80	5,881.58	7,387.97	5,532.80	7,387.97
XXI	Earnings per equity share including movement in Regulatory Deferral Account Balances (Face value of ₹10/- each): Basic & Diluted (In ₹)	5.96	4.72	5.06	24.12	17.26
XXII	Earnings per equity share excluding movement in Regulatory Deferral Account Balances (Face value of ₹10/- each): Basic & Diluted (In ₹)	6.87	4.82	5.64	24.88	16.74

Refer accompanying notes to the financial results.



**Power Grid Corporation of India Ltd. (A Govt. of India Enterprise)**

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

**Statement of Consolidated Assets and Liabilities**

(₹ in Crore)

	Particulars	As at	
		31.03.2022 (Audited)	31.03.2021 (Audited)
<b>A.</b>	<b>ASSETS</b>		
<b>1</b>	<b>Non-current assets</b>		
	Property, plant & equipment	1,90,048.35	1,82,108.99
	Capital work-in-progress	12,799.90	24,679.80
	Investment Property	-	0.03
	Intangible assets	1,724.49	1,616.95
	Intangible assets under development	53.70	157.99
	Financial assets		
	Investments in Joint Ventures accounted for using the equity method	1,861.21	1,346.85
	Investments	1,926.43	138.70
	Loans	406.45	322.58
	Other non-current financial assets	4,591.16	4,560.74
	Other non-current assets	4,977.66	4,795.60
		<b>2,18,389.35</b>	<b>2,19,728.23</b>
	Assets Classified as Held for Sale (Refer Note 5)	245.00	-
		<b>2,18,634.35</b>	<b>2,19,728.23</b>
<b>2</b>	<b>Current assets</b>		
	Inventories	1,357.17	1,366.94
	Financial assets		
	Trade receivables	9,475.07	8,629.42
	Cash and cash equivalents	2,577.11	4,487.23
	Bank balances other than Cash and cash equivalents	2,471.07	871.48
	Loans	98.59	127.05
	Other current financial assets	6,156.69	3,025.43
	Other current assets	224.28	177.51
		<b>22,359.98</b>	<b>18,685.06</b>
	Assets Classified as Held for Sale (Refer Note 5)	15.86	6,701.05
		<b>22,375.84</b>	<b>25,386.11</b>
<b>3</b>	<b>Regulatory deferral account balances</b>	9,933.24	10,575.13
	<b>TOTAL ASSETS</b>	<b>2,50,943.43</b>	<b>2,55,689.47</b>
<b>B.</b>	<b>EQUITY AND LIABILITIES</b>		
<b>1</b>	<b>Equity</b>		
	Equity Share capital	6,975.45	5,231.59
	Other Equity	69,271.68	64,704.48
		<b>76,247.13</b>	<b>69,936.07</b>
<b>2</b>	<b>Liabilities</b>		
<b>(i)</b>	<b>Non-current liabilities</b>		
	Financial Liabilities		
	Borrowings	1,14,199.40	1,29,174.79
	Lease Liabilities	27.58	18.20
	Other non-current financial liabilities	3,523.00	3,733.98
	Provisions	517.14	462.02
	Deferred tax liabilities (Net)	11,356.98	11,836.62
	Other non-current liabilities	242.89	220.06
		<b>1,29,866.99</b>	<b>1,45,445.67</b>
<b>(ii)</b>	<b>Current liabilities</b>		
	Financial liabilities		
	Borrowings	20,465.87	14,035.54
	Lease Liabilities	2.78	3.97
	Trade payables		
	(A) total outstanding dues of micro enterprises and small enterprises	47.19	29.76
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises.	219.91	157.72
	Other current financial liabilities	10,174.00	10,807.28
	Other current liabilities	3,228.45	3,884.70
	Provisions	1,167.12	845.12
	Current tax liabilities (net)	9.45	425.51
		<b>35,314.77</b>	<b>30,189.60</b>
	Liabilities directly associated with Assets Classified as Held for Sale (Refer Note 5)	-	363.98
		<b>35,314.77</b>	<b>30,553.58</b>
<b>3</b>	<b>Deferred Revenue</b>	9,514.54	9,754.15
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,50,943.43</b>	<b>2,55,689.47</b>





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**Statement of Consolidated Cash flows**

(₹ in Crore)

Sl. No.	Particulars	For the Year ended	
		31.03.2022	31.03.2021
		(Audited)	(Audited)
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Profit Before Tax & Regulatory Deferral Account Balances	20,139.38	15,139.03
	Add: Net movement in Regulatory Deferral Account Balances (net of tax)	(529.74)	361.68
	Add: Tax on Net movement in Regulatory Deferral Account Balances	(112.15)	74.60
	<b>Profit Before Tax (including net movement in Regulatory Deferral Account Balances)</b>	<b>19,497.49</b>	<b>15,575.31</b>
	<b>Adjustment for :</b>		
	Depreciation & amortisation expenses	12,871.66	12,039.19
	Transfer from Grants in Aid	(300.26)	(328.89)
	Deferred revenue - Advance against Depreciation	(152.46)	(160.05)
	Provisions	4.20	7.78
	Changes in fair value of financial assets through profit or loss	(16.44)	(7.68)
	Profit on sale of investment in subsidiaries	(3,554.88)	-
	Share of net profits of joint ventures accounted for using equity method	(78.47)	(214.70)
	Net Loss on Disposal / Write off of Property, Plant & Equipment	28.41	2.49
	Deferred Foreign Currency Fluctuation Asset	(42.69)	1,022.09
	Deferred Income from Foreign Currency Fluctuation	191.07	(780.92)
	Regulatory Deferral Account Debit Balances	641.89	(436.28)
	Finance Costs	8,036.22	8,134.69
	Provisions Written Back	(13.13)	(24.82)
	FERV loss / (gain)	(0.03)	(0.02)
	Income on investments in Mutual Funds	(15.95)	-
	Interest income on Deposits, Bonds , loans to JVs, PG InvIT etc	(243.09)	(71.47)
	Surcharge income	(375.30)	(744.06)
	Income from finance lease	(124.82)	(84.75)
	Dividend income	(159.60)	(9.00)
		<b>16,696.33</b>	<b>18,343.60</b>
	<b>Operating profit before Changes in Assets and Liabilities</b>	<b>36,193.82</b>	<b>33,918.91</b>
	<b>Adjustment for Changes in Assets and Liabilities:</b>		
	(Increase)/Decrease in Inventories	13.51	36.46
	(Increase)/Decrease in Trade Receivables	(836.80)	(3,424.46)
	(Increase)/Decrease in Other Financial Assets	(4,695.75)	2,173.07
	(Increase)/Decrease in Other Non-current Assets	61.79	71.84
	(Increase)/Decrease in Other Current Assets	(68.72)	40.09
	Increase/(Decrease) in Liabilities & Provisions	(824.95)	(1,226.73)
		<b>(6,350.92)</b>	<b>(2,329.73)</b>
	<b>Cash generated from operations</b>	<b>29,842.90</b>	<b>31,589.18</b>
	Direct taxes paid	(3,719.38)	(2,186.50)
	<b>Net Cash from Operating Activities</b>	<b>26,123.52</b>	<b>29,402.68</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Property, Plant & Equipment and Capital Work in Progress (Including Advances for Capital Expenditure)	(7,966.22)	(9,616.55)
	Receipt of Grant	131.42	8.13
	Investment in Mutual Funds	(1,470.00)	-
	Sale of Mutual Funds	1,485.95	-
	Consideration received on transfer of subsidiaries/associates (net)	3,130.64	-
	Acquisition of subsidiary, net of cash acquired	-	(308.39)
	Investments in joint venture companies & others	(442.54)	(33.00)
	Loans & Advances to Joint Venture/Associate Companies (including repayments)	5,022.78	47.83
	Financial lease receipts	143.53	78.59
	Interest received on Deposits, Bonds & loans to JVs, PG InvIT etc	238.06	74.98
	Surcharge received	251.19	568.78
	Dividend received from joint venture companies	68.38	107.15
	Dividend received from other investments	159.60	9.00
	<b>Net Cash from/(used in) Investing Activities</b>	<b>752.79</b>	<b>(9,063.48)</b>



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<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds from Borrowings		
	Non Current	2,584.70	7,840.37
	Current	7,400.00	11,750.00
	Repayment of Borrowings		
	Non Current	(15,410.82)	(11,219.40)
	Current	(3,900.00)	(12,950.00)
	Repayment of Lease Liabilities (Including interest)	(8.18)	(6.32)
	Finance Costs paid	(8,820.68)	(9,113.71)
	Dividend paid	(10,811.96)	(6,821.99)
	<b>Net Cash used in Financing Activities</b>	<b>(28,966.94)</b>	<b>(20,521.05)</b>
<b>D.</b>	<b>Net change in Cash and Cash equivalents (A+B+C)</b>	<b>(2,090.63)</b>	<b>(181.85)</b>
<b>E.</b>	Cash and Cash equivalents (Opening balance) (including classified as held for sale)	4,667.74	4,849.59
	Less: Cash and Cash equivalents classified as held for sale	-	(180.51)
<b>F.</b>	<b>Cash and Cash equivalents (Closing balance) *</b>	<b>2,577.11</b>	<b>4,487.23</b>

\* Includes ₹ 1341.75 crore (Previous Year ₹ 3122.48 crore) held in designated accounts which is not available for use by the Group.





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

**Statement of Consolidated Segment wise Revenue, Results, Assets and Liabilities  
for the Quarter and Year ended 31 March 2022**

(₹ in Crore)

Sl. No.	Particulars	Quarter ended			Year ended	
		31.03.2022	31.12.2021	31.03.2021	31.03.2022	31.03.2021
		(Un-audited)	(Un-audited)	(Un-audited)	(Audited)	(Audited)
<b>A.</b>	<b>Segment Revenue (including allocable Other Income)</b>					
	- Transmission	10,540.84	10,274.91	10,389.17	40,976.38	39,492.46
	- Consultancy	261.32	173.28	176.59	780.67	506.16
	- Telecom	173.93	185.15	198.56	668.86	783.19
	<b>Total</b>	<b>10,976.09</b>	<b>10,633.34</b>	<b>10,764.32</b>	<b>42,425.91</b>	<b>40,781.81</b>
	Less: Inter Segment Revenue	40.34	45.96	40.94	167.66	137.57
	<b>Total Revenue including allocable Other Income</b>	<b>10,935.75</b>	<b>10,587.38</b>	<b>10,723.38</b>	<b>42,258.25</b>	<b>40,644.24</b>
<b>B.</b>	<b>Segment Results</b>					
	<b>Profit before Interest and Tax</b>					
	- Transmission	5,333.62	5,789.97	5,737.65	23,120.26	23,878.09
	- Consultancy	129.82	58.26	77.14	351.47	150.84
	- Telecom	47.34	69.17	90.60	223.53	365.72
	<b>Total Profit before Interest and Tax</b>	<b>5,510.78</b>	<b>5,917.40</b>	<b>5,905.39</b>	<b>23,695.26</b>	<b>24,394.65</b>
	<b>Add:</b>					
	Share of net profits of investments in Joint Ventures accounted for using Equity Method	49.33	(16.62)	54.24	78.47	214.70
	Other unallocated income	132.19	136.23	92.95	439.65	179.29
	<b>Less :</b>					
	Unallocated interest and finance charges	2,090.66	1,845.08	1,881.50	8,036.22	8,134.69
	Exceptional Item - Transmission (Refer Note 5 and 6)	(306.36)	-	-	(3,320.33)	1,078.64
	<b>Profit before Tax (including Regulatory Deferral Account Balances)</b>	<b>3,908.00</b>	<b>4,191.93</b>	<b>4,171.08</b>	<b>19,497.49</b>	<b>15,575.31</b>
<b>C.</b>	<b>Segment Assets</b>					
	- Transmission	2,27,077.55	2,40,962.18	2,15,286.67	2,27,077.55	2,15,286.67
	- Consultancy	1,899.37	1,956.64	2,426.68	1,899.37	2,426.68
	- Telecom	925.48	875.43	981.45	925.48	981.45
	- Unallocated Assets	20,780.17	21,085.63	30,293.62	20,780.17	30,293.62
	- Assets Classified as Held for Sale (Refer Note 5)	260.86	315.39	6,701.05	260.86	6,701.05
	<b>Total Segment Assets</b>	<b>2,50,943.43</b>	<b>2,65,195.27</b>	<b>2,55,689.47</b>	<b>2,50,943.43</b>	<b>2,55,689.47</b>
<b>D.</b>	<b>Segment Liabilities</b>					
	- Transmission	14,295.14	26,603.31	14,012.95	14,295.14	14,012.95
	- Consultancy	2,743.96	2,734.93	3,428.90	2,743.96	3,428.90
	- Telecom	648.01	548.66	454.89	648.01	454.89
	- Unallocated Liabilities	1,57,009.19	1,59,337.58	1,67,492.68	1,57,009.19	1,67,492.68
	- Liabilities directly associated with Assets Classified as Held for Sale (Refer Note 5)	-	-	363.98	-	363.98
	<b>Total Segment Liabilities</b>	<b>1,74,696.30</b>	<b>1,89,224.48</b>	<b>1,85,753.40</b>	<b>1,74,696.30</b>	<b>1,85,753.40</b>

**Notes**

The operations of the Group are mainly carried out within the country and therefore, geographical segments are not applicable.



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**Additional Information on Consolidated Basis Pursuant to Regulation 52(4) and Regulation 54(2) of Securities and Exchange Board of India (Listing and Disclosure Requirements) Regulations, 2015, as amended as at and for the Quarter and Year ended 31 March 2022**

Sl. No.	Particulars	Quarter ended			Year ended	
		31.03.2022	31.12.2021	31.03.2021	31.03.2022	31.03.2021
		(Un-audited)	(Un-audited)	(Un-audited)	(Audited)	(Audited)
1	Debt Equity Ratio [Total Borrowings/Shareholder's Equity]	1.77	1.77	2.05	1.77	2.05
2	Debt Service Coverage Ratio (DSCR) [[Profit for the period + Depreciation and amortisation expense + Finance costs + FERV + Net Loss on Sale of Fixed Assets]/(Finance costs + Lease Payments + Principal Repayments)]	2.14	1.32	2.00	1.61	1.67
3	Interest Service Coverage Ratio (ISCR) [[Profit for the period + Depreciation and amortisation expense + Finance costs + FERV + Net Loss on Sale of Fixed Assets]/(Finance costs)]	4.57	4.57	4.45	4.70	3.97
4	Current Ratio [Current Assets/Current Liabilities]	0.63	0.82	0.83	0.63	0.83
5	Long Term Debt to Working Capital [(Non-Current Borrowings+Current Maturities of Long-term Borrowings)/ (Current Assets-Current Liabilities excluding Current Maturities of Long-term Borrowings)]	58.09	70.10	20.01	58.09	20.01
6	Bad debts to Account Receivable Ratio [Bad debts/Average Trade Receivables]	-	-	-	-	-
7	Current Liability Ratio [Current Liabilities/Total Liabilities]	0.20	0.22	0.16	0.20	0.16
8	Total Debts to Total Assets [Total Borrowings/Total Assets]	0.54	0.51	0.56	0.54	0.56
9	Debtors Turnover [Annualised Revenue from Operations/Average Trade Receivables]	4.41	4.24	4.19	4.45	4.29
10	Inventory Turnover [Annualised Revenue from Operations/Average Inventory]	29.73	28.99	28.03	30.27	27.95
11	Operating Margin (%) [Earnings before Interest, depreciation, Tax and exceptional items/Revenue from Operations]	91%	90%	90%	90%	92%
12	Net Profit Margin (%) [Profit for the Period/Revenue from Operations]	39%	32%	34%	40%	30%





# Power Grid Corporation of India Ltd. (A Govt. of India Enterprise)

CIN : L40101DL1989GOI038121

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

The Subsidiaries, Joint Venture & Associates Companies considered in Consolidated Audited Financial Results for the Quarter and Year ended 31 March 2022

Subsidiary Companies	Ownership (%)
<b>Incorporated in India</b>	
1 Powergrid Vizag Transmission Limited <sup>1</sup>	NA
2 Powergrid NM Transmission Limited	100%
3 Powergrid Unchahar Transmission Limited	100%
4 Powergrid Kala Amb Transmission Limited <sup>1</sup>	NA
5 Powergrid Jabalpur Transmission Limited <sup>1</sup>	NA
6 Powergrid Warora Transmission Limited <sup>1</sup>	NA
7 Powergrid Parli Transmission Limited <sup>2</sup>	NA
8 Powergrid Southern Interconnector Transmission System Limited	100%
9 Powergrid Vemagiri Transmission Limited	100%
10 Powergrid Medinipur Jeerat Transmission Limited	100%
11 Powergrid Mithilanchal Transmission Limited (Erstwhile ERSS XXI Transmission Limited)	100%
12 Powergrid Varanasi Transmission System Limited (Erstwhile WR-NR Power Transmission Limited)	100%
13 Powergrid Jawaharpur Firozabad Transmission Limited (Erstwhile Jawaharpur Firozabad Transmission Limited)	100%
14 Powergrid Khatri Transmission System Limited (Erstwhile Khatri Transco Limited)	100%
15 Powergrid Bhuj Transmission Limited (Erstwhile Bhuj-II Transmission Limited)	100%
16 Powergrid Bhind Guna Transmission Limited (Erstwhile Bhind Guna Transmission Limited)	100%
17 Powergrid Ajmer Phagi Transmission Limited (Erstwhile Ajmer Phagi Transco Limited)	100%
18 Powergrid Fatehgarh Transmission Limited (Erstwhile Fatehgarh-II Transco Limited)	100%
19 Powergrid Rampur Sambhal Transmission Limited (Erstwhile Rampur Sambhal Transco Limited)	100%
20 Powergrid Meerut Simbhavali Transmission Limited (Erstwhile Meerut-Simbhavali Transmission Limited)	100%
21 Central Transmission Utility of India Limited	100%
22 Powergrid Ramgarh Transmission Limited (Erstwhile Ramgarh New Transmission Limited)	100%
23 Powergrid Himachal Transmission Limited (Erstwhile Jaypee Powergrid Limited)	100%
24 Powergrid Bikaner Transmission System Limited (Erstwhile Bikaner-II Bhiwadi Transco Limited)	100%
25 Powergrid Sikar Transmission Limited (Erstwhile Sikar New Transmission Limited) <sup>2</sup>	100%
26 Powergrid Bhadla Transmission Limited (Erstwhile Fatehgarh Badla Transco Limited) <sup>2</sup>	100%
27 Powergrid Aligarh Sikar Transmission Limited (Erstwhile Sikar II Aligarh Transmission Limited) <sup>3</sup>	100%
28 Powergrid Teleservices Limited <sup>4</sup>	100%
29 Powergrid Energy Services Limited <sup>5</sup>	100%

<sup>1</sup> Subsidiary till 12th May, 2021(Associate from 13th May, 2021 onwards)

<sup>2</sup> 100% equity acquired from REC Power Distribution Company Limited on 04.06.2021.

<sup>3</sup> 100% equity acquired from PFC Consulting Limited on 08.06.2021

<sup>4</sup> Incorporated on 25.11.2021

<sup>5</sup> Incorporated on 14.03.2022 as a wholly owned subsidiary of the Company to undertake the Energy Management Projects in India and abroad as an investor and/or Project Management Consultant (PMC) to provide services, products, investment & consultancy related to Energy Management.

Joint Ventures	Ownership (%)
<b>Incorporated in India</b>	
1 Powerlinks Transmission Limited	49%
2 Torrent Power Grid Limited	26%
3 Parbati Koldam Transmission Company Limited	26%
4 Teestavalley Power Transmission Limited <sup>1</sup>	30.92%
5 North East Transmission Company Limited	26%
6 National High Power Test Laboratory Private Limited	20%
7 Bihar Grid Company Limited	50%
8 Cross Border Power Transmission Company Limited	26%
9 RINL Powergrid TLT Private Limited <sup>2</sup>	50%
10 Energy Efficiency Services Limited <sup>3</sup>	33.33%



**Power Grid Corporation of India Ltd. (A Govt. of India Enterprise)**

CIN : L40101DL1989GOI038121

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

	Joint Ventures	Ownership (%)
	Incorporated outside India	
11	Power Transmission Company Nepal Limited	26%

<sup>1</sup> POWERGRID & Teesta Urja Ltd are the Joint venture partners in Teestavalley Power Transmission Limited & holds 26% & 74% equity, respectively as per Shareholding agreement. On call of additional equity by Teestavalley Power Transmission limited, POWERGRID contributed their share while the other JV partner has not yet contributed their share of money. Consequently, the holding of POWERGRID increased to 30.92% against 26% provided in shareholding agreement.

<sup>2</sup>POWERGRID's Board of Directors in its meeting held on 01.05.2018 accorded in principle approval to close RINL Powergrid TLT Private Limited (RPTPL) and seek consent of other JV Partner Rashtriya Ispat Nigam Limited (RINL). RINL's Board of Directors in its meeting held on 08.03.2019 has agreed in principle for winding up proceedings of RPTPL & to seek the approval from Ministry of Steel, Government of India, for closure of RPTPL. RINL's Board of Directors in its meeting held on 05.11.2019 has advised to put up the closure proposal again to Ministry of steel for onward submission to NITI Ayog. The Ministry of Steel vide letter dated 29.09.2020 informed RINL that closure of RPTPL is being examined and seeks further clarifications from RINL. Accordingly, relevant information was forwarded by RINL to The Ministry of Steel. The Approval from Government is still awaited.

<sup>3</sup> Joint venture from 01.09.2021(Refer Note 8)

	Associate Companies*	Ownership (%)
	Incorporated in India	
1	Powergrid Vizag Transmission Limited <sup>1</sup>	0%
2	Powergrid Kala Amb Transmission Limited <sup>2</sup>	26%
3	Powergrid Jabalpur Transmission Limited <sup>2</sup>	26%
4	Powergrid Warora Transmission Limited <sup>2</sup>	26%
5	Powergrid Parli Transmission Limited <sup>2</sup>	26%

<sup>1</sup> Associate with holding of 26% from 13.05.2021 and transferred to PG InvIT on 31.03.2022 (Subsidiary till 12.05.2021) (Refer note 5)

<sup>2</sup> Associate from 13.05.2021 onwards (Subsidiary till 12.05.2021).(Refer note 5)

\* Accounted as per Ind AS 105 as these are classified as Assets held for sale.





### Notes to Consolidated financial results:

1. The audited Consolidated Financial Results are subject to review by the Comptroller and Auditor General of India under section 143(6) of the Companies Act, 2013.
2. (a) In exercise of powers u/s 178 of the Electricity Act 2003, Central Electricity Regulatory Commission (CERC) has notified "CERC (Terms and Conditions of Tariff) Regulations, 2019" vide order dated 07 March 2019 for the determination of transmission tariff for the block period 2019-24.  
(b) In respect of projects whose tariffs are determined by CERC, the group has recognised Transmission income during year ended 31 March 2022 as per the following:  
(i) ₹ 20297.33 Crore for the year (previous year ₹ 9407.16 Crore) as per final tariff orders issued by CERC for the tariff period 2019-24.  
(ii) ₹ 17509.81 Crore for the year (previous year ₹ 26713.76 Crore) provisionally as per CERC Tariff Regulations for the block period 2019-24 and other orders in similar cases, in respect of transmission assets for which final tariff orders are yet to be issued.  
(c) Consequent to the final order issued by CERC, transmission income includes ₹ 628.80 crore (increase) for the year (previous year ₹ 538.30 Crore (increase)) pertaining to earlier years.
3. The Company, in its Board Meetings has declared interim dividend of ₹ 12.50 per share (including Special Dividend of ₹ 3.00 per share) (face value of ₹ 10/- each) for financial year 2021-22. The Board of Directors has recommended final dividend of ₹ 2.25 per share (face value ₹ 10/- each). The total dividend (including interim dividend) for the financial year 2021-22 is ₹ 14.75 per share (face value ₹ 10/- each).

4. The Group is mainly engaged in the business of transmission of electricity and the tariffs for the transmission services are regulated in terms of the CERC Tariff Regulations which provide for recovery of the annual transmission charges based on system availability. Due to the continuing 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.

The Group has considered various internal and external information available up to the date of approval of financial results in assessing the impact of COVID-19 pandemic on the financial results for the year ended 31 March 2022 & there has been no material impact on the operations or profitability of the company during the year ended 31 March 2022. The Group will continue to monitor any material changes to future economic conditions.

5. The Group has monetised five (05) of its Subsidiaries, namely Powergrid Vizag Transmission Limited (PVTL), Powergrid Kala Amb Transmission Limited (PKATL), Powergrid Jabalpur Transmission Limited (PJTL), Powergrid Warora Transmission Limited (PWTL) and Powergrid Parli Transmission Limited (PPTL) through POWERGRID Infrastructure Investment Trust ('PGInvIT/ Trust'). PGInvIT has been registered by SEBI under SEBI (Infrastructure Investment Trusts) Regulations, 2014 ('InvIT Regulations') as an Infrastructure Investment Trust vide registration no. IN/InvIT/20-21/0016 dated 07 January 2021. The company is the Sponsor of PGInvIT and acts as the Project Manager to PGInvIT. IDBI Trusteeship Services Limited is the Trustee and Powergrid Unchahar Transmission Limited (PUTL), a wholly owned subsidiary of the company, has been appointed as Investment Manager to PGInvIT. The Offer Document for initial public offer was filed by PGInvIT with the SEBI and Stock Exchanges on 22 April 2021 and units got listed on stock exchanges on 14 May 2021. The 74% shares in the above five SPVs have been transferred to PGInvIT in May, 2021 and balance 26% shares of PVTL has been transferred in March 2022. The balance 26% of remaining SPVs i.e., PKATL, PJTL, PWTL and PPTL will be transferred in line with Transmission Service Agreement (TSA) & the same has been classified as "Assets Classified as Held for Sale" as on 31.03.2022.

In lieu of consideration of shareholding so transferred, 41,06,50,900 Units at the price of ₹100 each were allotted by PGInvIT to the company and ₹330.78 crore towards transfer of 26% share of PVTL. Further, the company received an amount of ₹304.15 crore on relinquishment of right on additional revenue in PPTL, PWTL and PJTL. The company retained 13,65,00,100 units being 15% of total units of PGInvIT outstanding on post issue basis pursuant to InvIT Regulations and remaining 27,41,50,800 units were sold by way of 'Offer for Sale (OFS)'. The company received an





amount of ₹2736.02 crore (net of STT) against the OFS. The Profit on above transactions (net of related expenses) amounting to ₹ 3554.88 crore has been disclosed under "Exceptional items".

In previous year ended 31 March 2021, a consolidated one-time rebate of ₹ 1078.64 crore has been disclosed under "Exceptional items" in the Statement of Financial Results.

6. One of the Group entities filed a petition with CERC to seek relief for time extension of Scheduled Date of Commercial Operations (SCOD) and Compensation in form of increase in Transmission charges on account of Force Majeure and change in law events under Article 11 and Article 12 respectively of Transmission Service Agreement (TSA) dated 31.08.2015 signed by the Group entity with LTTCs for execution of a Transmission Project. CERC, vide its order dated 07.05.2022 has allowed partial increase in transmission Charges on account of Change in Law events. However, CERC has denied time extension on account of Force Majeure events, which may result in action by LTTCs to claim Liquidated Damages (LD) as per the provisions of TSA.

The Group entity has filed an appeal with Appellate Tribunal for Electricity (APTEL) challenging the above CERC order. The matter was listed for hearing on 20.05.2022 and APTEL granted interim protection against coercive/precipitative actions by LTTCs till next date of hearing. The matter is sub-judice.

However, a provision for the amount of ₹ 234.55 crore towards LD has been made by the group in FY 2021-22 leading to a reduction in the profit for the year. The same has been disclosed under "Exceptional items" in the Statement of Profit and loss.

7. Ministry of Power vide Gazette notification dated 09.03.2021 notified that, with effect from 01.04.2021, "Central Transmission Utility of India Limited (CTUIL), a wholly owned subsidiary of the company incorporated on 28.12.2020" to undertake and discharge all functions of CTU pursuant to the provisions of the Electricity Act, 2003 or any regulations or directions of the central commission or authority or any other directions or functions prescribed by the Central Government in that regard. In pursuant to referred notification, the functions of CTU are transferred to CTUIL w.e.f. 01.04.2021.
8. The Company has invested ₹ 407.49 crore during the year ended 31 March 2022 in Energy Efficiency Services Limited (EESL), thereby increasing its shareholding from 5.71% to 33.33%. EESL has been considered as Joint Venture being the Joint control has been reinstated vide Agreement dated 01 September 2021.
9. The Company has issued 174,38,63,216 equity shares of ₹ 10/- each as fully paid bonus shares in the ratio of one equity share of ₹ 10/- each for every three equity shares held on record date of 30 July 2021. This has been considered for calculating weighted average number of equity shares for all comparative periods presented as per Ind AS 33. In line with the above, EPS (basic and diluted) have been adjusted for all periods presented.
10. A company "Powergrid Teleservices Limited" was incorporated on 25 November 2021 as a wholly owned subsidiary of the company with an objective to undertake Telecommunications and Digital Technology business.
11. A company "Powergrid Energy Services Limited" was incorporated on 14.03.2022 as a wholly owned subsidiary of the Company to undertake the Energy Management Projects in India and abroad as an investor and/or Project Management Consultant (PMC) to provide services, products, investment & consultancy related to Energy Management.
12. The Board of Directors of the company have, in its meeting held on 01 May 2022, approved the proposal for purchase of 77,30,225 no. of equity shareholding of IL&FS Energy Development Company Limited in Cross Border Power Transmission Company Limited (Joint venture of the company).
13. Provision for taxes, employee benefits and other provisions for contingencies have been considered on estimated basis.
14. Some balances of Trade Receivables and recoverable shown under Assets and Trade and Other Payables shown under Liabilities include balances subject to confirmation/ reconciliation and consequential adjustments if any.





However, reconciliations are carried out on ongoing basis. The management does not expect any material adjustment in the books of accounts as a result of the reconciliation.

15. Figures for the fourth quarter are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the financial year.
16. The above statement of Consolidated financial results has been reviewed by the Audit Committee and has been approved by the Board of Directors in their respective meetings held on 21 May 2022.
17. The consolidated financial statements of the Group for the year ended 31 March 2022 have been prepared in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013. The statutory auditors have issued unmodified opinion on these consolidated financial statements.
18. Previous period figures have been regrouped / rearranged wherever considered necessary.

For and on behalf of **POWER GRID CORPORATION OF INDIA LTD.**



M. Taj Mukarrum  
Director (Finance)

Place: Gurugram  
Date: 21 May 2022



**Power Grid Corporation of India Ltd. (A Govt. of India Enterprise)**

CIN : L40101DL1989GOI038121

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

Extract of the Financial Results for the Quarter and Year ended 31 March 2022

(₹ in Crore)

S.No.	Particulars	Standalone					Consolidated				
		Quarter ended			Year ended		Quarter ended			Year ended	
		31.03.2022	31.12.2021	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.12.2021	31.03.2021	31.03.2022	31.03.2021
		(Un-audited)	(Un-audited)	(Un-audited)	(Audited)	(Audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Audited)	(Audited)
1	Total Income from Operations	10,941.93	10,636.56	10,705.49	42,335.87	40,527.11	11,067.94	10,723.61	10,816.33	42,697.90	40,823.53
2	Net Profit before Exceptional Items and Tax (including Regulatory Deferral Account Balances (net of tax))	3,671.31	4,211.85	4,142.12	16,045.31	16,103.56	3,764.78	4,178.22	4,258.51	16,289.31	16,579.35
3	Net Profit before Tax (after exceptional items)(including Regulatory Deferral Account Balances (net of tax))	4,261.24	4,211.85	4,142.12	19,804.82	15,024.92	4,071.14	4,178.22	4,258.51	19,609.64	15,500.71
4	Net Profit after Tax for the period	4,320.64	3,349.44	3,515.61	17,093.76	11,935.78	4,156.44	3,292.97	3,526.23	16,824.07	12,036.46
5	Total Comprehensive Income comprising net Profit after Tax and Other Comprehensive Income	4,313.21	3,335.58	3,529.28	17,384.69	11,961.14	4,149.51	3,278.81	3,539.96	17,115.21	12,061.95
6	Paid up Equity Share Capital (Face value of share : ₹10/- each)	6,975.45	6,975.45	5,231.59	6,975.45	5,231.59	6,975.45	6,975.45	5,231.59	6,975.45	5,231.59
7	Reserves (excluding Revaluation Reserve) as shown in the Balance sheet	69,176.12	68,699.41	64,347.25	69,176.12	64,347.25	69,271.68	68,995.34	64,704.48	69,271.68	64,704.48
8	Securities Premium Account	7,834.43	7,834.43	9,578.29	7,834.43	9,578.29	7,834.43	7,834.43	9,578.29	7,834.43	9,578.29
9	Net worth	76,151.57	75,674.86	69,578.84	76,151.57	69,578.84	76,247.13	75,970.79	69,936.07	76,247.13	69,936.07
10	Total Borrowings	1,34,665.27	1,34,356.45	1,43,051.48	1,34,665.27	1,43,051.48	1,34,665.27	1,34,356.45	1,43,210.33	1,34,665.27	1,43,210.33
11	Debt Equity Ratio	1.77	1.78	2.06	1.77	2.06	1.77	1.77	2.05	1.77	2.05
12	Earnings per equity share including movement in Regulatory Deferral Account Balances (Face value of ₹10/- each): Basic and Diluted (in ₹)	6.20	4.80	5.04	24.51	17.11	5.96	4.72	5.06	24.12	17.26
13	Earnings per equity share excluding movement in Regulatory Deferral Account Balances (Face value of ₹10/- each): Basic and Diluted (in ₹)	7.10	4.90	5.57	25.25	16.54	6.87	4.82	5.64	24.88	16.74
14	Bonds Redemption Reserve	5,532.80	5,881.58	7,387.97	5,532.80	7,387.97	5,532.80	5,881.58	7,387.97	5,532.80	7,387.97
15	Debt Service Coverage Ratio	2.15	1.31	1.97	1.61	1.66	2.14	1.32	2.00	1.61	1.67
16	Interest Service Coverage Ratio	4.58	4.54	4.23	4.61	3.79	4.57	4.57	4.45	4.70	3.97

**Notes :**

- The above is an extract of the detailed format of Quarterly and Year ended Consolidated and Standalone Financial Results filed with the Stock Exchanges under Regulations 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of the Quarterly and Year ended Consolidated and Standalone Financial Results is available on the Investor Relations section of our website <https://www.powergrid.in> and under Corporates Section of BSE Limited & National Stock Exchange of India Limited at <https://www.bseindia.com> and <https://www.nseindia.com> respectively.
- Previous periods figures have been regrouped/rearranged wherever considered necessary.

For and on behalf of **POWER GRID CORPORATION OF INDIA LTD.**

M. Taj Mukarrum  
Director (Finance)

Place : Gurugram  
Date : 21 May 2022





**T R CHADHA & CO LLP**  
Chartered Accountants  
B-30, Kuthiala Building,  
Connaught Circus,  
New Delhi-110001

**UMAMAHESWARA RAO & CO**  
Chartered Accountants  
Flat No.5-H, D Block, 8-3-324,  
Yellareddyguda Lane, Ameerpet X Roads,  
Hyderabad,  
Telangana-500073.

**B M CHATRATH & CO LLP**  
Chartered Accountants  
#Centre Point# ,4th floor,  
Room No-440  
21, Hemanta Basu Sarani,  
Kolkata,  
West Bengal-700001

**PSD & ASSOCIATES**  
Chartered Accountants  
808, Tower – A,  
Omkar Alta Monte,  
Pathanwadi Malad East,  
Mumbai-400097.

**Independent Auditor's Report on Quarterly and Year Ended 31 March 2022 Audited Standalone Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.**

To,  
The Board of Directors of  
**Power Grid Corporation of India Limited**  
**Report on the audit of the Standalone Financial Results**

**Opinion**

We have audited the accompanying standalone financial results of POWER GRID CORPORATION OF INDIA LIMITED ("the Company") for the quarter ended 31 March 2022 and the year ending 31 March 2022 results ("the Statement"), attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us the Statement:

- i) is presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Accounting Standards and other accounting principles generally accepted in India of the net profit and other comprehensive income and other financial information for the quarter ended and year ended results for the year ended 31 March 2022.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Results 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial results for the quarter and year ended March 31, 2022 under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matter**

We draw attention to the following matter in notes to the standalone financial results:

- In respect of provisional recognition of revenue from transmission assets for which final tariff orders are yet to be issued by the CERC [Refer Note No. 2 (b)(ii)].

Our opinion is not modified in respect of the above matters.





## Management's Responsibilities for the Standalone Financial Results

These quarterly standalone financial results as well as for the year ended 31 March 2022 results have been prepared on the basis of the reviewed standalone financial results for the nine-month period ended 31 December 2021 and the audited standalone financial statements as at and for the year ended 31 March 2022.

The Company's Board of Directors are responsible for the preparation and presentation of the Statement that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 the 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 financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial results, the Board of Directors are 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.

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

## Auditor's Responsibilities for the Audit of the Standalone Financial Results

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

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

- Identify and assess the risks of material misstatement of the standalone financial results, 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 the for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control 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 through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements 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 Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 Company'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 financial results 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 Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the standalone financial results, including the disclosures, and whether the standalone financial results represent the underlying transactions and events in a manner that achieves fair presentation.

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.

#### Other Matters

The statement includes the results for the quarter ended 31 March, 2022 and the corresponding quarter ended in the previous year as reported in these standalone financial results, are the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current and previous financial year respectively, which were subject to limited review, as required under the Listing Regulations.

For **T R CHADHA & CO LLP**  
Chartered Accountants  
FRN : 006711N/N500028

*Neena Goel*  
**Neena Goel**  
Partner  
M. No. 057986  
UDIN: 22057986AJUR07825  
Place: Gurugram



For **UMAMAHESWARA RAO & CO**  
Chartered Accountants  
FRN : 004453S

*R R Dakshinamurthy*  
**R R Dakshinamurthy**  
Partner  
M. No. 211639  
UDIN: 22211639AJJKQH4069  
Place: Gurugram



For **B M CHATRATH & CO LLP**  
Chartered Accountants  
FRN : 301011E/E300025

*Sanjay Sarkar*  
**Sanjay Sarkar**  
Partner  
M. No. 064305  
UDIN: 22064305AJHWL5514  
Place: Gurugram



For **PSD & ASSOCIATES**  
Chartered Accountants  
FRN : 004501C

*Prakash Sharma*  
**Prakash Sharma**  
Partner  
M. No. 072332  
UDIN: 22072332AJHCF8351  
Place: Gurugram



**Date: 21 May 2022**



**T R CHADHA & CO LLP**

Chartered Accountants  
B-30, Kuthiala Building,  
Connaught Circus, New Delhi,  
New Delhi-110001

**UMAMAHESWARA RAO & CO**

Chartered Accountants  
Flat No.5-H, D Block, 8-3-324,  
Yellareddyguda Lane, Ameerpet X Roads,  
Hyderabad,  
Telangana-500073.

**B M CHATRATH & CO LLP**

Chartered Accountants  
#Centre Point# ,4th floor,  
Room No-440  
21, Hemanta Basu Sarani,  
Kolkata,  
West Bengal-700001

**PSD & ASSOCIATES**

Chartered Accountants  
808, Tower – A,  
Omkar Alta Monte,  
Pathanwadi Malad East,  
Mumbai-400097.

**Independent Auditor's Report on the Quarterly and Year Ended 31 March 2022 Consolidated financial results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.**

To

The Board of Directors of

Power Grid Corporation of India Limited

**Report on the audit of the Consolidated Financial Results****Opinion**

We have audited the accompanying statement of quarterly and yearly consolidated financial results of POWER GRID CORPORATION OF INDIA LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), and its joint ventures, for the quarter ended 31 March 2022 and for the year ended 31 March 2022 ("the Statement"), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Regulation").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on separate audited financial statements and other financial information of subsidiaries and joint ventures referred to in Other Matter paragraph below, the Statement:

(a) includes the annual financial results of the following entities:

**List of Subsidiaries:**

- (i) Powergrid Vemagiri transmission Ltd
- (ii) Powergrid NM transmission Ltd
- (iii) Powergrid Vizag Transmission Ltd<sup>1</sup>
- (iv) Powergrid Southern Interconnector Transmission System Limited
- (v) Powergrid Parli Transmission Limited<sup>2</sup>
- (vi) Powergrid Warora Transmission Limited<sup>2</sup>
- (vii) Powergrid Jabalpur Transmission Limited<sup>2</sup>
- (viii) Powergrid Kala Amb Transmission Ltd<sup>2</sup>
- (ix) Powergrid Unchahar Transmission Ltd
- (x) Powergrid Medinipur Jeeral Transmission Limited
- (xi) Powergrid Mithilanchal Transmission Limited
- (xii) Powergrid Varanasi Transmission System Limited
- (xiii) Powergrid Jawaharpur Firozabad Transmission Limited
- (xiv) Powergrid Khetri Transmission System Limited
- (xv) Powergrid Bhuj Transmission Limited





- (xvi) Powergrid Bhind Guna Transmission Limited
- (xvii) Powergrid Ajmer Phagi Transmission Limited
- (xviii) Powergrid Fatehgarh Transmission Limited
- (xix) Powergrid Rampur Sambhal Transmission Limited
- (xx) Powergrid Meerut Simbhavali Transmission Limited
- (xxi) Central Transmission Utility of India Limited
- (xxii) Powergrid Ramgarh Transmission Limited (Erstwhile Ramgarh New Transmission Limited)
- (xxiii) Powergrid Himachal Transmission Limited (Erstwhile Jaypee Powergrid Limited)
- (xxiv) Powergrid Bikaner Transmission System Limited (Erstwhile Bikaner-II Bhiwadi Transco Limited)
- (xxv) Powergrid Sikar Transmission Limited (Erstwhile Sikar New Transmission Limited)<sup>3</sup>
- (xxvi) Powergrid Bhadla Transmission Limited (Erstwhile Fatehgarh Bhadla Transco Limited)<sup>3</sup>
- (xxvii) Powergrid Aligarh Sikar Transmission Limited (Erstwhile Sikar-II Aligarh Transmission Limited)<sup>4</sup>
- (xxviii) Powergrid Teleservices Limited<sup>5</sup>
- (xxix) Powergrid Energy Services Limited<sup>6</sup>

<sup>1</sup>Subsidiary till 12.05.2021 and 74% stake transferred to PGINvit in May 2021 and balance has been transferred in March 2022.

<sup>2</sup>Subsidiary till 12.05.2021. 74% stake transferred to PGINviT and balance is shown as Asset held for sale in books of accounts.

<sup>3</sup>100% equity acquired from REC Power Distribution Company Limited on 04.06.2021.

<sup>4</sup>100% equity acquired from PFC Consulting Limited on 08.06.2021.

<sup>5</sup>Incorporated on 25.11.2021.

<sup>6</sup>Incorporated on 14.03.2022.

#### List of Joint Ventures:

- (i) Powerlinks Transmission Limited
- (ii) Torrent Powergrid Limited
- (iii) Parbati Koldam Transmission Company Limited
- (iv) Teestavalley Power Transmission Limited
- (v) North East Transmission Company Limited
- (vi) National High Power Test Lab Pvt Limited
- (vii) Bihar Grid Company Limited
- (viii) Energy Efficiency Services Limited <sup>1</sup>
- (ix) Cross Border Transmission Limited
- (x) RINL POWERGRID TLT Pvt. Limited<sup>2</sup>
- (xi) Power Transmission Company Nepal Ltd<sup>3</sup>

<sup>1</sup> Joint venture from 01.09.2021.

<sup>2</sup> The Holding company's Board of directors has accorded in-principle approval for closure of the JV company.

<sup>3</sup> located outside India.

(b) is presented in accordance with the requirements of the Regulation, in this regard; and

(c) give a true and fair view, in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the consolidated net profit including other comprehensive income and other financial information of the Group for the quarter ended 31 March 2022 and year to date results for the year ended 31 March 2022.

#### Basis for Opinion

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





### Emphasis of Matter

Considering the requirement of Standard on Auditing (SA 600) on 'Using the work of Another Auditor' including materiality, we draw attention to the following matter in the notes to the aforesaid consolidated financial results:

- In respect of provisional recognition of revenue from transmission assets for which final tariff orders are yet to be issued by the CERC [Refer Note No. 2 (b)(ii)].

Our opinion is not modified in respect of the above matters.

### Management's Responsibilities for the Consolidated Financial Results

These quarterly financial results as well as the year to date consolidated financial results have been prepared on the basis of the consolidated financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial results that give a true and fair view of the net profit and other comprehensive income and other financial information of the Group including its joint ventures in accordance with the applicable Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its joint ventures 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial results by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Results, the respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for assessing the ability of the Group and its joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

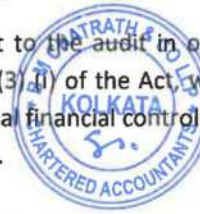
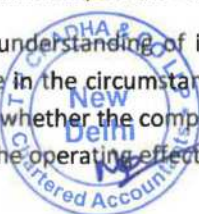
The respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for overseeing the financial reporting process of the Group and of its joint ventures.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Results

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

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

- Identify and assess the risks of material misstatement of the consolidated financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(ii) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements 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 Board of Directors.
- Conclude on the appropriateness of the Board of Directors 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 ability of the Group and its joint ventures 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 consolidated financial results 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 Group and its joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group and its joint ventures to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the consolidated Financial Results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial results of which we are the independent auditors 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.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

## Other Matters

The consolidated financial results include the audited Financial Results of

- 26 subsidiaries whose financial statements reflect Group's share of total assets of Rs. 19,675.81 crore as at 31 March 2022, Group's share of total revenue of Rs. 539.88 crore and Rs. 1849.12 crore, Group's share of total net profit after tax of Rs. 32.47 crore and Rs. 428.31 crore, Group's share of total comprehensive income of Rs 32.44 crore and Rs 428.28 crore, for the quarter and year ended 31 March 2022 respectively and Group's share of net cash inflows of Rs 62.51 Crore for the year ended 31 March 2022 and
- 3 joint ventures whose financial statements reflect Group's share of net profit after tax of Rs. 18.28 crore and Rs. 67.67 crore and Group's share of total comprehensive income of 18.43 crore and Rs. 67.86 crore for the quarter and year ended 31 March 2022.

as considered in the consolidated financial results, which have been audited by their respective independent auditors. The independent auditors' reports on financial statements of these entities have been furnished to us and our opinion on the consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.

The consolidated Financial Results include the unaudited Financial Results of

- 3 subsidiary whose financial statements reflect Group's share of total assets of Rs. 1,315.62 crore as at 31 March 2022, Group's share of total revenue of Rs. 0.00 crore and Rs. 0.00 crore, Group's share of total net profit after tax of Rs. (0.10) crore and Rs. (0.10) crore, Group's share of total comprehensive income of Rs (0.10) crore and Rs. (0.10) crore for the quarter and year ended 31 March 2022 respectively and Group's share of net cash inflows of Rs 0.02 crores for the year ended 31 March 2022 and

- b) 8 joint ventures whose financial statements / financial information reflect Group's share of net profit / (loss) after tax of Rs. 31.06 crore and Rs. 10.80 Crore and Group's share of total comprehensive income of Rs.31.42 crore and Rs. 10.85 Crore for the quarter and year ended 31 March 2022,

as considered in the consolidated financial results. These unaudited Financial Statements / financial information have been furnished to us by the Board of Directors and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures is based solely on such unaudited Financial Statements /financial information. In our opinion and according to the information and explanations given to us by the Board of Directors, these Financial Statements / financial information are not material to the Group.

Our opinion on the consolidated Financial Results is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the Financial Results/financial information certified by the Board of Directors.


The Statement include the results for the quarter ended 31 March 2022 and the corresponding quarter ended in the previous year as reported in these Consolidated financial results which are the balancing figure between the audited figures in respect of the full financial year and the published year to date figures up to the end of third quarter of the current and previous financial year respectively which were subject to limited review, as required under the Listing Regulations.

For **T R CHADHA & CO LLP**  
Chartered Accountants  
FRN : 006711N/N500028

  
**Neena Goel**  
Partner  
M. No. 057986  
UDIN: 22057986AJNV2358  
Place: Gurugram



For **UMAMAHESWARA RAO & CO**  
Chartered Accountants  
FRN : 004453S

  
**R R Dakshinamurthy**  
Partner  
M. No. 211639  
UDIN: 22211639AJNV3643  
Place: Gurugram



For **B M CHATRATH & CO LLP**  
Chartered Accountants  
FRN : 301011E/E300025

  
**Sanjay Sarkar**  
Partner  
M. No. 064305  
UDIN: 22064305AJNV3739  
Place: Gurugram



For **PSD & ASSOCIATES**  
Chartered Accountants  
FRN : 004501C

  
**Prakash Sharma**  
Partner  
M. No. 072332  
UDIN: 22072332AJNV16537  
Place: Gurugram



**Date: 21 May 2022**



## Notes to Standalone Financial Statements

### 1. Corporate and General Information

Power Grid Corporation of India Limited ('the Company') is a public company domiciled and incorporated in India under the provisions of The Companies Act and its shares are listed on the National Stock Exchange (NSE) and BSE Limited (BSE) in India. The registered office of the Company is situated at B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi, India and its Corporate Office is located at Saudamini, Plot No.2, Sector-29, Gurgaon, Haryana.

The Company is notified as the deemed transmission licensee under The Electricity Act, 2003. It is principally engaged in implementation, operation and maintenance of Inter-State Transmission System (ISTS), Telecom and consultancy services.

The financial statements of the company for the year ended 31 March 2022 were approved for issue by the Board of Directors on 21 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 following which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value (refer Note no. 2.13 for accounting policy regarding financial instruments),
- Defined benefit plans – plan assets measured at fair value

##### 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 crore 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 on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects 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

The Company had opted to consider the carrying value of Property, Plant and Equipment as per previous GAAP on the date of transition to Ind AS (1st April, 2015) to be the deemed cost as per Ind AS 101 'First time Adoption of Indian Accounting Standards'.

### 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 component 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, deposit works/cost- plus contracts 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.

Assets and systems common to more than one transmission system are capitalized on the basis of technical estimates/ assessments.

Transmission system assets are considered as ready for intended use from the date of commercial operation declared in terms of CERC Tariff Regulations 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 levelling, 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.

The acquisition or construction of some items of property, plant and equipment although not directly increasing the future economic benefits of any particular existing item of property, plant and equipment, may be necessary for the company to obtain future economic benefits from its other assets. Such items are recognized as property, plant and equipment.

### **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 & Equipment is recognized in the carrying amount of the item if it is probable that future economic benefits 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 & 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 their 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 Corporate office, Regional Offices 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.

Deposit works/cost-plus contracts are accounted for on the basis of statement received from the contractors or technical assessment of work completed.

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**

The Company had opted to consider the carrying value of Intangible Assets as per previous GAAP on the date of transition to Ind AS (1st April, 2015) to be the deemed cost as per Ind AS 101 'First time Adoption of Indian Accounting Standards'.

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 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.



Expenditure on research is recognised as an expense when it is incurred.

Expenditure on development activities 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.

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 Investment property

The Company had opted to consider the carrying value of Investment Property as per previous GAAP on the date of transition to Ind AS (1st April, 2015) to be the deemed cost as per Ind AS 101 'First time Adoption of Indian Accounting Standards'.

Investment property comprises portions of land and/or buildings that are held for long term rental yields and/or for capital appreciation.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are carried at cost less accumulated depreciation and accumulated impairment loss, if any.

Transfers to or from investment property is made when there is a change in use i.e. an asset meets or ceases to meet the definition of investment property and there is evidence of the change in use.

Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised as profit or loss in the period of derecognition.

## 2.6 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 following the rates and methodology notified by the CERC for the purpose of recovery of tariff and on property, plant and equipment of telecom and consultancy business is provided on straight line method as per useful life specified in Schedule II of the Companies Act, 2013 except for property, plant and equipment specified in the following paragraphs.

ULDC assets commissioned prior to 1st April 2014 are depreciated on Straight Line Method @ 6.67% per annum. Such assets commissioned on or after 1st April 2014 are depreciated on straight line method following the rates and methodology notified by the CERC for the purpose of recovery of tariff.

In the case of property, plant and equipment of National Thermal Power Corporation Limited (NTPC), National Hydro-Electric Power Corporation Limited (NHPC), North-Eastern Electric Power Corporation Limited (NEEPCO), Neyveli Lignite Corporation Limited (NLC) transferred w.e.f. April 1, 1992, Jammu and Kashmir Lines w.e.f. April 1, 1993, and Tehri Hydro Development Corporation Limited (THDC) w.e.f. August 1, 1993, depreciation is charged based on gross block as indicated in transferor's books with necessary adjustments so that the life of the assets as laid down in the CERC notification for tariff is maintained.

Depreciation on buildings held as investment property is provided on straight line method as specified in Schedule II of The Companies Act, 2013.

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, following the rates and methodology notified by the CERC.

Depreciation on following items of property, plant and equipment is provided based on estimated useful life as per technical assessment.

Particulars	Useful life
a. Computers & Peripherals	3 Years
b. Servers & Network Components	5 years

Residual value of above assets is considered as Nil.

Mobile phones are charged off in the year of purchase.

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 at the rates and methodology as specified by the CERC Tariff Regulations, except for telecom and consultancy business assets where residual life is determined on the basis of useful life of property, plant and equipment as specified in Schedule II of the Companies Act, 2013.

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 other than items of property, plant and equipment related to transmission business 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 in accordance with the rates and methodology specified in CERC Tariff Regulation. 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 rates and methodology notified by Central Electricity Regulatory Commission (CERC) Tariff Regulations.

Telecom Licenses are amortised on straight line basis over their respective useful lives.

Expenditure on development of 1200kv Transmission System shall be amortised over a period of 10 years.

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 an intangible asset are 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.

## **2.7 Borrowing Costs**

All the borrowed funds (except short term funds for working capital) are earmarked to specific projects. The borrowing costs (including bond issue expenses, interest, discount on bonds, front end fee, guarantee fee, management fee etc.) are allocated to the projects in proportion to the funds so earmarked.

Exchange differences arising from foreign currency borrowing to the extent regarded as an adjustment to interest costs are treated as borrowing cost.

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalised (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.

## **2.8 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.

## 2.9 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.

## 2.10 Inventories

Inventories are valued at lower of the cost, determined on weighted average basis and 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/surplus stores and spares and non-moving unserviceable inventories is ascertained on review and provided for.

## 2.11 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 2.8 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 2.7 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.

State sector Unified Load Dispatch Centre (ULDC)/ Fiber Optic Communication Assets (FOC)/Bilateral line assets leased to the beneficiaries are considered as Finance Lease. Net investment in such leased assets are recorded as receivable at the lower of the fair value of the leased property and the present value of the minimum lease payments along with accretion in subsequent years is accounted for as Lease Receivables under current and non-current other financial assets. Wherever grant-in-aid is received for construction of State Sector ULDC, lease receivable is accounted for net of such grant.

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 as per the tariff notified by CERC.

FERV on foreign currency loans relating to leased assets is adjusted to the amount of lease receivables and is amortised over the remaining tenure of lease. FERV recovery (as per CERC norms) from the constituents is recognised net of such amortised amount.

### **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.

## **2.12 Employee benefits**

### **2.12.1 Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into separate entities (Funds) and will have no legal or constructive obligation to pay further contributions, if the Fund does not hold sufficient assets to pay all employee's benefits related to employee service in the current and prior periods. Obligations for contribution to defined contribution plans are recognized as an employee benefits expense in the statement of profit and loss in the period during which services are rendered by employees.

The Company has a defined contribution pension scheme which is administered through a separate trust. The obligation of the Company is to contribute to the trust to the extent of amount not exceeding 30% of basic pay and dearness allowance less employer's contribution towards provident fund, gratuity, post-retirement medical facility (PRMF) or any other retirement benefits. The contributions to the fund for the year are recognized as an expense and charged to the statement of profit and loss.

### **2.12.2 Defined benefit plans**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's liability towards gratuity, post-retirement medical facility, baggage allowance for settlement at home town after retirement, long service award on retirement and provident fund scheme to the extent of interest liability on provident fund contribution are in the nature of defined benefit plans.

The gratuity is funded by the Company and is managed by separate trust. The Company has Post-Retirement Medical Facility (PRMF), under which retired employee and the spouse are provided medical facilities in the Company empanelled hospitals. They can also avail treatment as out-patient subject to a ceiling fixed by the Company.

The Company pays fixed contribution to Provident Fund at predetermined rates to a separate trust, which invests the funds in permitted securities. The contributions to the fund for the year are recognized as expense and are charged to the statement of profit and loss. The obligation of the Company is limited to such fixed contributions and to ensure a



minimum rate of interest on contributions to the members as specified by the Government of India (GoI).

The Company has schemes for payment of baggage allowance towards expenses for settlement at hometown for the superannuated employees & their dependents and for providing a Long Service Award to all regular employees of the Company on superannuation.

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognized asset is limited to the total of any unrecognized past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. An economic benefit is available to the Company if it is realizable during the life of the plan, or on settlement of the plan liabilities. Any actuarial gains or losses are recognized in OCI in the period in which they arise and subsequently not reclassified to profit or loss.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized in the statement of profit and loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognized immediately in the statement of profit and loss.

### 2.12.3 Other long-term employee benefits

Benefits under the Company's leave encashment and employee family economic rehabilitation scheme constitute other long term employee benefits.

The Company's net obligation in respect of leave encashment is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Company's obligations. The calculation is performed using the projected unit credit method. Any actuarial gains or losses are recognized in the statement of profit and loss in the period in which they arise.

As per 'POWERGRID Employee Family Economic Rehabilitation Scheme', which is optional, in the event of death or permanent total disability of an employee, the dependent(s) or the employee, as the case may be, is paid a fixed amount based on the last salary drawn by the employee till the notional date of super annuation of the employee upon depositing the final provident fund and gratuity amount which will be interest free.

### 2.12.4 Short-term benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under performance related pay if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

## 2.13 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

#### 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.

**Debt instruments at Fair value through profit or loss (FVPL):** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. Interest income and net gain or loss on a debt instrument that is subsequently measured at FVPL are recognised in statement of profit and loss and presented within other income in the period in which it arises.

### **Equity investments**

All equity investments in scope of Ind AS 109 'Financial Instruments' are measured at fair value. The company may, on initial recognition, make an irrevocable election to present subsequent changes in the fair value in other comprehensive income (FVOCI) on an instrument by-instrument basis.

For equity instruments classified as at FVOCI, all fair value changes on the instrument, excluding dividends are recognized in the OCI. There is no recycling of the amounts from OCI to Profit or Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

### **Derecognition 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 Expected Credit Loss (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 unfavourable to the Company.

The Company's financial liabilities include loans & 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 derecognised.

The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

**Derecognition 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.

**2.14 Investment in Subsidiaries**

A subsidiary is an entity controlled by the Company. Control exists when the Company has power over the entity, is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity.

Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns.

Investments in subsidiaries are carried at cost less impairment, if any. The cost comprises price paid to acquire investment and directly attributable cost.

**2.15 Investment in Joint Ventures and Associates**

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The investment in joint ventures and associates are carried at cost less impairment, if any. The cost comprises price paid to acquire investment and directly attributable cost.

**2.16 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.

Foreign exchange gains and losses (other than related to foreign currency loans outstanding) are presented in the statement of profit and loss on a net basis within other gains/ (losses).

The Company has availed the exemption available in Ind AS 101, to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary liabilities outstanding as on March 31, 2016.

### Foreign currency loans outstanding as on March 31, 2016:

Foreign Exchange Rate Variation (FERV) arising on settlement / translation of such foreign currency loans relating to property, plant and equipment/ capital work-in-progress is adjusted to the carrying cost of related assets and is recoverable/payable from the beneficiaries on actual payment basis as per Central Electricity Regulatory Commission (CERC) norms w.e.f. 1st April, 2004 or Date of Commercial Operation (DOCO) whichever is later. The above FERV to the extent recoverable or payable as per the CERC norms is accounted for as follows:

- i) FERV recoverable/payable adjusted to carrying cost of property, plant and equipment is accounted for as 'Deferred foreign currency fluctuation asset/liability a/c' with a corresponding credit/debit to 'Deferred income/expenditure from foreign currency fluctuation a/c'.
- ii) 'Deferred income/expenditure from foreign currency fluctuation a/c' is amortized in the proportion in which depreciation is charged on such FERV.
- iii) The amount recoverable/payable as per CERC norms on year to year basis is adjusted to the 'Deferred foreign currency fluctuation asset/liability a/c' with corresponding debit / credit to the trade receivables.

FERV earlier charged to Statement of Profit and Loss & included in the capital cost for the purpose of tariff is adjusted against 'Deferred foreign currency fluctuation asset/liability a/c'.

FERV arising out of settlement/translation of long term monetary items (other than foreign currency loans) relating to Property Plant & Equipment /CWIP is adjusted in the carrying cost of related assets.

FERV arising during the construction period from settlement/translation of monetary items (other than non-current loans) denominated in foreign currency to the extent recoverable/payable to the beneficiaries as capital cost as per CERC tariff Regulation are accounted as Regulatory Deferral Account Balances. Transmission charges recognised on such amount is adjusted against above account. Other exchange differences are recognized as income or expenses in the period in which they arise.

### Foreign currency loans drawn on or after April 1, 2016:

Exchange differences arising from foreign currency borrowing to the extent regarded as an adjustment to interest costs are treated as borrowing cost. Other exchange differences are recognized in the Statement of Profit and Loss.

Exchange difference to the extent recoverable as per CERC tariff regulations are recognized as Regulatory Deferral Account Balances through Statement of Profit and Loss.

## 2.17 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 countries 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.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

## 2.18 Regulatory Deferral Account Balances

Certain expenses and income, allowed under CERC regulations to be reimbursed by/passed on to beneficiaries in future, are to be accounted in the Statement of Profit and Loss as per the provisions of Ind AS 114 'Regulatory Deferral Accounts' and Guidance Note on "Accounting for Rate Regulated Activities" issued by the Institute of Chartered Accountants of India (ICAI). Such expenses and income, to the extent recoverable /payable as part of tariff under CERC Regulations are treated as Regulatory Deferral Assets/Liabilities.

The Company presents separate line items in the Balance Sheet for:

- (a) the total of all Regulatory Deferral Account Debit Balances; and
- (b) the total of all Regulatory Deferral Account Credit Balances.

A separate line item is presented in the profit or loss section of the Statement of Profit and Loss for the net movement in all Regulatory Deferral Account Balances for the reporting period.

Regulatory deferral accounts balances are adjusted in the year in which the same become recoverable from or payable to the beneficiaries.

## 2.19 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.

### Significant Financing Component

Where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year, the Company assesses the effects of significant financing component in the contract. As a consequence, the Company makes adjustment in the transaction prices for the effects of time value of money.

### 2.19.1 Revenue from Operations

#### Transmission

Transmission Income is accounted for based on tariff orders notified by the CERC. In case of transmission projects where final tariff orders are yet to be notified, transmission income is accounted for on provisional basis as per tariff regulations and orders of the CERC in similar cases. Difference, if any, is accounted on issuance of final tariff orders by the CERC. Transmission Income in respect of additional capital expenditure incurred after the date of commercial operation is accounted for based on expenditure incurred on year to year basis as per CERC tariff regulations. 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 (RPCs) and in accordance with the CERC tariff regulations. 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.

Advance against depreciation (AAD), forming part of tariff pertaining upto the block period 2004-09, to facilitate repayment of loans, was reduced from transmission income and considered as deferred income to be included in transmission income in subsequent years. The outstanding deferred income in respect of AAD is recognized as transmission income, after twelve years from the end of the financial year in which the asset was commissioned, to the extent depreciation recovered in the tariff during the year is lower than depreciation charged in the accounts.

#### **Telecom Services**

Income from Telecom Services, net of downtime credit, is recognised on the basis of terms of agreements/purchase orders from the customers. Upfront fee received in advance under long term contracts providing Indefeasible Right to Use (IRU), is recognised as revenue on the basis of estimation of revenue over the period of contract.

#### **Consultancy Services**

In respect of 'Cost-plus-consultancy contracts', involving execution on behalf of the client, revenue is recognized in proportion to the stage of completion of the work performed at the reporting date, which is determined based on input method.

Income from other consultancy contracts are accounted for on technical assessment of progress of services rendered.

### **2.19.2 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.

Application Fees towards Long Term Open Access (LTOA) as per CERC Guidelines is accounted for on receipt.

Scrap other than steel scrap & conductor scrap are accounted for as and when sold.

Dividend income is recognized when right to receive payment is established.

Insurance claims for loss of profit are accounted for in the year of acceptance. Other 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.

### **2.20 Government Grants**

Grants-in-aid from Central Government or other authorities towards capital expenditure for projects, betterment of transmission systems and specific depreciable assets initially are treated as deferred income when there is a reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant. Deferred Income is recognized in the Statement of Profit and Loss over the useful life of related asset in proportion to which depreciation on these assets is provided. In case of non-monetary government grants, both asset and grant are recorded at nominal value.

Grants that compensate the Company for expenses incurred are recognized over the period in which the related costs are incurred and deducted from the related expenses.

### **2.21 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.

### **2.22 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.

### **2.23 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'.

### **2.24 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.

### **2.25 Operating Segments**

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

The operating segments have been identified on the basis of the nature of products / services.

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



## 2.26 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.

Additionally, basic and diluted earnings per share are computed using the earnings amounts excluding the movements in Regulatory Deferral Account Balances.

## 2.27 Statement of Cash Flows

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

## 2.28 Non-current assets (or disposal groups) held for sale and Discontinued Operation

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets (or disposal groups) and its sale is highly probable.

Assets and liabilities classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell and presented separately in the Balance Sheet. An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

A discontinued operation is a component of the company that comprises the operations and cash flows of which can be clearly distinguished from the rest of the Company which either has been disposed of, or classified as held for sale, and

- represents a separate major line of business or geographic area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss.

## 3. Critical Estimates and Judgments

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

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

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

### Revenue Recognition:

Transmission income is accounted for based on tariff orders notified by the CERC. In case of transmission projects where final tariff orders are yet to be notified, transmission income is accounted for as per tariff regulations and other orders of the CERC in similar cases. Differences, if any, are accounted on issuance of final tariff orders by the CERC. Transmission income in respect of additional capital expenditure incurred after the date of commercial operation is accounted for based on expenditure incurred on year to year basis as per CERC tariff regulations.

### Regulatory Deferral Balances:

Recognition of Regulatory Deferral Balances involves significant judgments including about future tariff regulations since these are based on estimation of the amounts expected to be recoverable/payable through tariff in future.

**Estimation of defined benefit obligation:**

Estimation of defined benefit obligation involves certain significant actuarial assumptions which are listed in Note 63.

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.

**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, other than the assets of transmission business which are governed by CERC Regulations, 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.

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

In assessing the recoverability of trade receivables, contract assets and investments, the company has considered internal and external information up to the date of approval of these financial statements including credit reports and economic forecasts. In view of the nature of the Company's business, the regulated tariff mechanism applicable to the major part of the company's revenue and based on the current indicators of future economic conditions, the company expects to recover the carrying amount of these assets.

**Assets held for sale:**

Significant judgment is required to apply the accounting of non-current assets held for sale under Ind AS 105 – "Noncurrent assets held for sale and discontinued operations". In assessing the applicability, management has exercised judgment to evaluate the availability of the asset for immediate sale, management's commitment for the sale and probability of sale within one year to conclude if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

**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.

## Note 4 Property Plant and Equipment

Particulars	Cost					Accumulated depreciation				Net Book Value	
	As at 01 April 2021	Additions during the year	Disposal	Adjustment during the year	As at 31 March 2022	As at 01 April 2021	Additions during the year	Disposal	Adjustment during the year	As at 31 March 2022	As at 31 March 2021
<b>(₹ in crore)</b>											
<b>Land</b>											
Freehold	2,264.49	26.38	-	2.31	2,288.56	-	-	-	-	2,288.56	2,264.49
<b>Buildings</b>											
a) Sub-Stations & Office	2,281.00	571.95	-	(31.49)	2,884.44	287.25	96.71	-	(4.09)	388.05	2,496.39
b) Township	687.43	85.65	0.04	1.09	771.95	143.48	29.29	0.03	(0.27)	173.01	598.94
Temporary Erection	1.19	-	-	-	1.19	1.17	0.02	-	-	1.19	-
Roads & Bridges	263.37	51.48	-	0.67	314.18	44.84	12.30	-	-	57.14	218.53
Water Supply Drainage & Sewerage	120.56	56.68	-	(0.01)	177.25	26.43	6.17	-	-	32.60	94.13
<b>Plant &amp; Equipment</b>											
a) Transmission	139,031.50	5,801.97	51.32	(389.75)	145,171.90	35,335.12	7,494.27	19.31	6.82	42,803.26	103,696.38
b) Sub-station	82,424.51	7,872.58	22.61	(133.80)	90,408.28	19,378.21	4,796.76	8.09	4.93	24,161.95	63,046.30
c) Unified Load Despatch & Communication	1,448.59	238.89	-	(2.51)	1,689.99	366.58	98.31	-	(0.12)	465.01	1,082.01
d) Telecom	1,305.38	204.15	-	0.91	1,508.62	595.89	113.80	-	0.57	709.12	709.49
Furniture Fixtures	159.75	30.61	1.06	(1.61)	190.91	48.86	12.73	0.19	(0.42)	61.82	110.89
Vehicles	3.04	1.78	0.05	-	4.77	1.27	0.25	0.04	-	1.48	1.77
Office equipment	246.51	46.92	1.97	0.26	291.20	71.15	18.14	0.75	(0.04)	88.58	175.36
Electronic Data Processing & Word Processing Machines	243.57	17.83	35.61	0.07	225.72	138.51	51.72	32.54	0.05	157.64	105.06
Construction and Workshop equipment	599.54	18.54	1.46	0.26	616.36	104.33	33.32	0.30	0.18	137.17	495.21
Electrical Installation	154.57	10.65	0.01	(0.76)	165.97	39.54	8.79	-	(0.04)	48.37	115.03
Laboratory Equipments	87.85	3.73	0.01	0.04	91.53	22.44	4.60	-	-	27.04	65.41
Workshop & Testing Equipments	325.90	27.31	0.21	1.78	351.22	57.28	18.09	0.07	(0.13)	75.43	268.62
Miscellaneous Assets/ Equipments	0.46	0.23	-	0.46	0.23	0.08	0.02	-	0.07	0.03	0.38
<b>Right-of-use (ROU) Assets</b>											
a) ROU Assets- Land	469.66	25.18	-	(0.80)	495.64	70.41	18.13	-	-	88.54	399.25
b) ROU Assets- Buildings	13.54	1.00	1.15	0.25	13.14	5.98	3.73	1.03	0.24	8.44	7.56
c) ROU Assets- Plant & Machinery- Telecom	0.27	0.01	0.06	-	0.22	0.06	0.03	0.06	-	0.03	0.21
<b>Total</b>	<b>232,132.68</b>	<b>15,093.52</b>	<b>115.56</b>	<b>(552.63)</b>	<b>247,663.27</b>	<b>56,738.88</b>	<b>12,817.18</b>	<b>62.41</b>	<b>7.75</b>	<b>69,485.90</b>	<b>175,393.80</b>
Less: Provision for assets discarded	1.74	-	-	-	1.74	-	-	-	-	1.74	1.74
<b>Grand Total</b>	<b>232,130.94</b>	<b>15,093.52</b>	<b>115.56</b>	<b>(552.63)</b>	<b>247,661.53</b>	<b>56,738.88</b>	<b>12,817.18</b>	<b>62.41</b>	<b>7.75</b>	<b>69,485.90</b>	<b>175,392.06</b>

## (₹ in crore)

Particulars	Cost				Accumulated depreciation				Net Book Value			
	As at 01 April 2020	Additions during the year	Disposal	Adjustment during the year	As at 31 March 2021	As at 01 April 2020	Additions during the year	Disposal	Adjustment during the year	As at 31 March 2021	As at 31 March 2020	
<b>Land</b>												
Freehold	2,252.71	5.07	-	(6.71)	2,264.49	-	-	-	-	2,264.49	2,252.71	
<b>Buildings</b>												
a) Sub-Stations & Office	1,667.58	610.63	-	(2.79)	2,281.00	217.49	69.74	-	(0.02)	287.25	1,993.75	
b) Township	635.39	52.04	-	-	687.43	114.35	29.08	-	(0.05)	143.48	543.95	
Temporary Erection	1.19	0.03	-	0.03	1.19	1.14	0.06	-	0.03	1.17	0.02	
Roads & Bridges	182.97	80.40	-	-	263.37	36.66	8.18	-	-	44.84	218.53	
Water Supply Drainage & Sewerage	101.00	19.58	-	0.02	120.56	21.50	4.72	-	(0.21)	26.43	79.50	
<b>Plant &amp; Equipment</b>												
a) Transmission	129,322.45	10,151.16	34.00	408.11	139,031.50	28,188.01	7,153.35	7.16	(0.92)	35,335.12	103,696.38	
b) Sub-station	74,781.19	7,765.01	77.99	43.70	82,424.51	15,088.01	4,353.32	69.11	(5.99)	19,378.21	63,046.30	
c) Unified Load Despatch & Communication	1,116.69	238.50	-	(93.40)	1,448.59	274.44	76.65	-	(15.49)	366.58	1,082.01	
d) Telecom	1,281.23	125.26	-	101.11	1,305.38	507.22	104.67	-	16.00	595.89	709.49	
Furniture Fixtures	140.78	19.12	0.31	(0.16)	159.75	38.27	10.29	0.08	(0.38)	48.86	110.89	
Vehicles	2.78	0.70	0.46	(0.02)	3.04	1.19	0.15	0.09	(0.02)	1.27	1.77	
Office equipment	228.07	19.28	0.47	0.37	246.51	55.55	15.36	0.21	(0.45)	71.15	175.36	
Electronic Data Processing & Word Processing Machines	165.21	85.34	6.83	0.15	243.57	100.20	43.09	4.34	0.44	138.51	105.06	
Construction and Workshop equipment	344.14	255.96	0.52	0.04	599.54	78.78	25.48	0.03	(0.10)	104.33	495.21	
Electrical Installation	144.89	10.00	-	0.32	154.57	31.61	6.32	-	(1.61)	39.54	115.03	
Laboratory Equipments	80.91	1.96	0.33	(5.31)	87.85	16.93	4.20	0.25	(1.56)	22.44	65.41	
Workshop & Testing Equipments	292.31	33.19	-	(0.40)	325.90	40.13	16.71	-	(0.44)	57.28	268.62	
Miscellaneous Assets/ Equipments	0.43	0.03	-	-	0.46	0.06	0.02	-	-	0.08	0.37	
<b>Right-of-use (ROU) Assets</b>												
a) ROU Assets- Land	460.43	38.00	-	28.77	469.66	55.83	14.58	-	-	70.41	399.25	
b) ROU Assets- Buildings	9.51	7.32	3.03	0.26	13.54	3.76	5.45	2.97	0.26	5.98	7.56	
c) ROU Assets- Plant & Machinery- Telecom	0.06	0.21	-	-	0.27	0.03	0.03	-	-	0.06	0.21	
<b>Total</b>	<b>213,211.92</b>	<b>19,518.79</b>	<b>123.94</b>	<b>474.09</b>	<b>232,132.68</b>	<b>44,871.16</b>	<b>11,941.45</b>	<b>84.24</b>	<b>(10.51)</b>	<b>56,738.88</b>	<b>175,393.80</b>	<b>168,340.76</b>
Less: Provision for assets discarded	1.74	-	-	-	1.74	-	-	-	-	-	1.74	1.74
<b>Grand Total</b>	<b>213,210.18</b>	<b>19,518.79</b>	<b>123.94</b>	<b>474.09</b>	<b>232,130.94</b>	<b>44,871.16</b>	<b>11,941.45</b>	<b>84.24</b>	<b>(10.51)</b>	<b>56,738.88</b>	<b>175,392.06</b>	<b>168,339.02</b>

**Note 4. Property, Plant and Equipment (Contd.)****Further Notes:**

- a) The Company owns 7,387 hectare (Previous Year 7,368 hectare) of land amounting to ₹2,784.20 crore (Previous Year ₹2,734.15 crore) which has been classified into freehold land 6,268 hectare (Previous Year 6,256 hectare) amounting to ₹2,288.56 crore (Previous Year ₹2,264.49 crore) and Right of Use - Land 1,119 hectare (Previous Year 1,112 hectare) amounting to ₹495.64 crore (Previous Year ₹469.66 crore) based on available documentation.
- b) Freehold land acquired by the company includes 32.27 hectare (Previous Year 80.57 hectare) amounting to ₹9.13 crore (Previous Year ₹49.92 crore) in respect of land acquired by the company for which only mutation in revenue records is pending.
- c) The transmission system situated in the state of Jammu and Kashmir have been taken over by the company w.e.f. 01.04.1993 from National Hydroelectric Power Corporation of India Limited (NHPC) upon mutually agreed terms pending completion of legal formalities.
- d) Right of Use - Land includes area of 12.23 hectare (Previous Year 12.23 hectare) amounting to ₹8.88 crore (Previous Year ₹8.88 crore) in respect of land acquired for office complex on perpetual lease basis and hence not amortised.
- e) 5.63 hectare (Previous Year 5.63 hectare) having value of ₹0.04 crore (Previous Year ₹0.04 crore) has been transferred to National High Power Test Laboratory Pvt. Ltd. on right to use without granting ownership.
- f) Refer note no. 50 for disclosure on Right of Use Assets as per Ind AS 116 – “Leases”.
- g) Refer note no. 23 for information on property, plant and equipment pledged as security by the company.
- h) Refer note no. 64 (a) for details of immovable properties where title deeds are not in the name of the company.

**Note 5 Capital work in progress**

(₹ in crore)

Particulars	As at 01 April 2021	Additions during the year	Adjustments	Capitalised during the year	As at 31 March 2022
<b>Land</b>					
Development of land	0.18	-	0.18	-	-
<b>Buildings</b>					
a) Sub-Stations & Office	75.00	478.78	-	481.73	<b>72.05</b>
b) Township	158.84	37.69	32.14	89.04	<b>75.35</b>
Roads & Bridges	28.86	0.48	14.50	2.54	<b>12.30</b>
Water Supply Drainage and Sewerage	4.12	0.74	1.02	2.86	<b>0.98</b>
<b>Plant &amp; Equipments (including associated civil works)</b>					
a) Transmission	4,969.59	1,333.89	-	4,687.04	<b>1,616.44</b>
b) Sub-Station	7,503.24	2,508.90	-	7,245.49	<b>2,766.65</b>
c) Unified Load Despatch & Communication	254.86	200.17	20.33	183.32	<b>251.38</b>
d) Telecom	130.07	166.73	60.26	175.20	<b>61.34</b>
Furniture & Fixtures	-	0.54	-	0.54	-
Other office equipments	0.20	2.99	-	2.17	<b>1.02</b>
Electrical Installations	2.64	0.62	0.12	0.52	<b>2.62</b>
Construction Stores (Net of Provision)	2,448.34	346.39	1,543.46	-	<b>1,251.27</b>
<b>Expenditure pending allocation</b>					
i) Survey, investigation, consultancy & supervision Charges	2.63	1.11	0.23	0.08	<b>3.43</b>
ii) Difference in Exchange on foreign currency loans	36.46	34.50	-	58.96	<b>12.00</b>
iii) Expenditure during construction period(net) (Note 43)	2,283.90	752.37	27.68	1,788.70	<b>1,219.89</b>
	<b>17,898.93</b>	<b>5,865.90</b>	<b>1,699.92</b>	<b>14,718.19</b>	<b>7,346.72</b>
Less: Provision for unserviceable Assets	2.26	-	-	-	<b>2.26</b>
<b>Grand Total</b>	<b>17,896.67</b>	<b>5,865.90</b>	<b>1,699.92</b>	<b>14,718.19</b>	<b>7,344.46</b>



## Note 5 Capital work in progress (Contd.)

(₹ in crore)

Particulars	As at 01 April 2020	Additions during the year	Adjustments	Capitalised during the year	As at 31 March 2021
<b>Land</b>					
Development of land	0.18	35.18	-	35.18	0.18
<b>Buildings</b>					
a) Sub-Stations & Office	95.67	41.03	(534.73)	596.43	75.00
b) Township	136.77	57.06	-	34.99	158.84
Roads & Bridges	25.34	6.87	(73.99)	77.34	28.86
Water Supply Drainage and Sewerage	5.17	1.95	1.55	1.45	4.12
<b>Plant &amp; Equipments (including associated civil works)</b>					
a) Transmission	9,616.82	2,966.94	-	7,614.17	4,969.59
b) Sub-Station	11,873.21	2,910.44	630.57	6,649.84	7,503.24
c) Unified Load Despatch & Communication	370.65	170.56	47.10	239.25	254.86
d) Telecom	99.67	91.99	-	61.59	130.07
Other office equipments	1.99	0.50	0.05	2.24	0.20
Electrical Installations	2.61	2.78	2.02	0.73	2.64
Construction Stores (Net of Provision)	4,457.49	2,775.07	4,784.22	-	2,448.34
<b>Expenditure pending allocation</b>					
i) Survey, investigation, consultancy & supervision Charges	6.16	1.72	0.17	5.08	2.63
ii) Difference in Exchange on foreign currency loans	79.03	(12.68)	1.60	28.29	36.46
iii) Expenditure during construction period(net) (Note 43)	3,411.58	978.11	(47.44)	2,153.23	2,283.90
	<b>30,182.34</b>	<b>10,027.52</b>	<b>4,811.12</b>	<b>17,499.81</b>	<b>17,898.93</b>
Less: Provision for unserviceable Assets	2.26	-	-	-	2.26
<b>Grand Total</b>	<b>30,180.08</b>	<b>10,027.52</b>	<b>4,811.12</b>	<b>17,499.81</b>	<b>17,896.67</b>



**Note 5 Capital work in progress (Contd.)****(Details of Construction stores) (At cost)**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Construction Stores</b>		
Towers	177.71	245.96
Conductors	309.88	432.22
Other Line Materials	94.69	152.15
Sub-Station Equipments	330.99	974.73
High Voltage Direct Current (HVDC) Equipments	151.16	328.85
Unified Load Despatch & Communication(ULDC) Materials	103.47	205.20
Telecom Materials	60.12	71.78
Others	23.25	37.45
<b>Total</b>	<b>1,251.27</b>	<b>2,448.34</b>
<b>Construction Stores include:</b>		
<b>i) Material in transit</b>		
Towers	-	-
Conductors	-	-
Other Line Materials	-	2.12
Sub-Station Equipments	20.49	99.44
High Voltage Direct Current (HVDC) Equipments	-	34.78
Unified Load Despatch & Communication(ULDC) Materials	0.44	0.86
Telecom Materials	-	0.25
Others	-	0.70
<b>Total</b>	<b>20.93</b>	<b>138.15</b>
<b>ii) Material with Contractors</b>		
Towers	177.71	245.96
Conductors	309.88	432.22
Other Line Materials	94.69	150.03
Sub-Station Equipments	310.50	875.29
High Voltage Direct Current (HVDC) Equipments	151.16	294.07
Unified Load Despatch & Communication (ULDC) Materials	103.03	204.34
Telecom Materials	60.12	71.53
Others	23.25	36.75
<b>Total</b>	<b>1,230.34</b>	<b>2,310.19</b>
<b>Grand total</b>	<b>1,251.27</b>	<b>2,448.34</b>

**Further Notes:**

1. Materials with Contractors amounting to ₹1.30 crore (Previous Year ₹175.71 crore) in respect of commissioned lines is pending for reconciliation. However reconciliation are carried out on ongoing basis.
2. Refer Note No 64 (b) for ageing of Capital Work in Progress (CWIP) & Refer Note No 64 (c) for CWIP completion schedule for the projects whose completion is overdue or has exceeded its cost compared to original plan.

## Note 6 : Investment Property

Particulars	Cost				Accumulated Amortisation				Net Book Value	
	As at 01 April 2021	Additions during the year	Disposal	Adjustment during the year	As at 31 March 2022	As at 01 April 2021	Additions during the year	Disposal	Adjustment during the year	As at 31 March 2022
Land (Freehold)	0.02	-	-	0.02	-	-	-	-	-	-
Buildings	0.01	-	-	0.01	-	-	-	-	-	-
<b>Total</b>	<b>0.03</b>	<b>-</b>	<b>-</b>	<b>0.03</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.03</b>

Particulars	Cost				Accumulated Amortisation				Net Book Value	
	As at 01 April 2020	Additions during the year	Disposal	Adjustment during the year	As at 31 March 2021	As at 01 April 2020	Additions during the year	Disposal	Adjustment during the year	As at 31 March 2021
Land (Freehold)	0.02	-	-	-	0.02	-	-	-	-	0.02
Buildings	0.01	-	-	-	0.01	-	-	-	-	0.01
<b>Total</b>	<b>0.03</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.03</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.03</b>



## 6. Investment Property (Contd.)

### Further Notes:

The property is now being used for administrative/business purposes of the company and not held for rentals or capital appreciation. As there is a change in use of property as per Ind AS 40 "Investment property", the property is reclassified as Owner-occupied property by transferring from Investment Property to Property, Plant and Equipment.

Disclosures for Investment Property with respect to previous financial year are as under:

(i) Amount recognised in profit or loss for investment property

(₹ in crore)

Particulars	For the year ended 31.03.2021
Rental income	Nil
Direct operating expenses from property that generated rental income	Nil
Direct operating expenses from property that did not generate rental income	Nil
Profit from investment property before depreciation	Nil
Depreciation	Nil
Profit from investment property	Nil

(ii) There is no contractual obligation for future repairs and maintenance which not recognised as a liability as at 31.03.2021.

(iii) There are no Leasing arrangements as at 31.03.2021.

(iv) Fair value

(₹ in crore)

Particulars	As at 31.03.2021
Investment property	3.52

### Estimation of fair value

The fair value of investment property has been determined by independent valuer. The main inputs used are the rental growth rates, expected vacancy rates, terminal yields and discount rates based on comparable transactions and industry data. All resulting fair value estimates for investment property are included in level 2.

## Note 7: Intangible assets

Particulars	Cost				Accumulated Amortisation				Net Book Value	
	As at 01 April 2021	Additions during the year	Disposal	Adjustment during the year	As at 31 March 2022	As at 01 April 2021	Additions during the year	Disposal	Adjustment during the year	As at 31 March 2022
Electronic Data Processing Software	68.01	6.37	-	(5.09)	79.47	57.43	6.38	-	(5.09)	68.90
Right of Way-Afforestation Expenses	2,010.71	117.73	-	(9.60)	2,138.04	509.24	109.19	-	(6.05)	624.48
Telecom Licenses	2.80	-	-	-	2.80	0.55	0.14	-	-	0.69
Development of 1200 KV TS*	71.86	-	-	-	71.86	34.72	7.25	-	-	41.97
<b>Total</b>	<b>2,153.38</b>	<b>124.10</b>	<b>-</b>	<b>(14.69)</b>	<b>2,292.17</b>	<b>601.94</b>	<b>122.96</b>	<b>-</b>	<b>(11.14)</b>	<b>736.04</b>
*Internally generated intangible asset										<b>1,551.44</b>

Particulars	Cost				Accumulated Amortisation				Net Book Value	
	As at 01 April 2020	Additions during the year	Disposal	Adjustment during the year	As at 31 March 2021	As at 01 April 2020	Additions during the year	Disposal	Adjustment during the year	As at 31 March 2021
Electronic Data Processing Software	57.87	10.17	0.03	-	68.01	51.52	5.94	0.03	-	57.43
Right of Way-Afforestation Expenses	1,848.13	163.28	-	0.70	2,010.71	403.83	105.41	-	-	509.24
Telecom Licenses	2.80	-	-	-	2.80	0.41	0.14	-	-	0.55
Development of 1200 KV TS*	71.86	-	-	-	71.86	27.49	7.23	-	-	34.72
<b>Total</b>	<b>1,980.66</b>	<b>173.45</b>	<b>0.03</b>	<b>0.70</b>	<b>2,153.38</b>	<b>483.25</b>	<b>118.72</b>	<b>0.03</b>	<b>-</b>	<b>601.94</b>
*Internally generated intangible asset										<b>1,497.41</b>



## Note 8 Intangible assets under development

(₹ in crore)

Particulars	As at 01 April 2021	Additions	Adjustments	Capitalised during the year	As at 31 March 2022
Right of Way-Afforestation expenses	74.86	26.09	-	69.42	31.53
<b>Total</b>	<b>74.86</b>	<b>26.09</b>	<b>-</b>	<b>69.42</b>	<b>31.53</b>

(₹ in crore)

Particulars	As at 01 April 2020	Additions	Adjustments	Capitalised during the year	As at 31 March 2021
Right of Way-Afforestation expenses	219.55	13.15	-	157.84	74.86
<b>Total</b>	<b>219.55</b>	<b>13.15</b>	<b>-</b>	<b>157.84</b>	<b>74.86</b>

### Further Notes:

Refer Note No 64 (d) for ageing of Intangible assets under development & Refer Note No 64 (e) for Intangible assets under development completion schedule for the projects whose completion is overdue or has exceeded its cost compared to original plan.

## Note 9 Investments

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Investments in Equity Instruments (fully paid up)</b>		
<b>Investments at Fair Value through Other Comprehensive Income (OCI)</b>		
<b>Quoted</b>		
PTC India Limited		
12000006 (Previous Year 12000006) Equity Shares of ₹10/- each	98.69	93.30
Investment in Units of POWERGRID Infrastructure Investment Trust (PG InvIT) 136500100 (Previous Year NIL) units (issue price ₹ 100 each)	1,827.74	-
<b>Unquoted</b>		
Energy Efficiency Services Limited		
Previous Year 56118350 Equity Shares of ₹10/- each (Refer further note 5 below)	-	45.40
<b>Investments at Cost (Fully paid up)</b>		
<b>Unquoted</b>		
<b>i) Subsidiary Companies</b>		
Powergrid NM Transmission Limited		
488950000 (Previous Year 485050000) Equity Shares of ₹10 each.	488.95	485.05
Powergrid Vemagiri Transmission Limited		
50000 (Previous Year 50000) Equity Shares of ₹10 each. (Refer further note 4 below)	0.05	0.05
Less: Provision for diminution in the value of Investment	0.05	0.05
	-	-
Powergrid Vizag Transmission Limited		



## Note 9 Investments (Contd.)

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
NIL (Previous Year 209730000) Equity Shares of ₹10 each. (Refer note 19A "Assets classified as held for sale")	-	-
Powergrid Unchahar Transmission Limited		
12961067 (Previous Year 12961067) Equity Shares of ₹10 each.	12.96	12.96
Powergrid Kala Amb Transmission Limited		
15860000 (Previous Year 61000000) Equity Shares of ₹10 each. (Refer note 19A "Assets classified as held for sale")	-	-
Powergrid Jabalpur Transmission Limited		
58996600 (Previous Year 226910000) Equity Shares of ₹10 each (Refer note 19A "Assets classified as held for sale")	-	-
Powergrid Warora Transmission Limited		
102258000 (Previous Year 393300000) Equity Shares of ₹10 each (Refer note 19A "Assets classified as held for sale")	-	-
Powergrid Parli Transmission Limited		
83746000 (Previous Year 322100000) Equity Shares of ₹10 each (Refer note 19A "Assets classified as held for sale")	-	-
Powergrid Southern Interconnector Transmission System Limited		
709004000 (Previous Year 709004000) Equity Shares of ₹10 each	709.00	709.00
Powergrid Medinipur Jeerat Transmission Limited		
638000000 (Previous Year 549630000) Equity Shares of ₹10 each	638.00	549.63
Powergrid Mithilanchal Transmission Limited		
233200000 (Previous Year 213500000) Equity Shares of ₹10 each	233.20	213.50
Powergrid Varanasi Transmission System Limited		
186000000 (Previous Year 168050000) Equity Shares of ₹10 each	186.00	168.05
Powergrid Jawaharpur Firozabad Transmission Limited		
89600000 (Previous Year 77200000) Equity Shares of ₹10 each	89.60	77.20
Powergrid Khetri Transmission System Limited		
198250000 (Previous year 161400000) Equity Shares of ₹ 10 each	198.25	161.40
Powergrid Bhind Guna Transmission Limited		
90150000 (Previous year 50050000) Equity Shares of ₹ 10 each	90.15	50.05
Powergrid Ajmer Phagi Transmission Limited		
115000000 (Previous Year 112000000) Equity Shares of ₹10 each	115.00	112.00
Powergrid Fatehgarh Transmission Limited		
141000000 (Previous Year 113410000) Equity Shares of ₹10 each	141.00	113.41
Powergrid Bhuj Transmission Limited		
180000000 (Previous Year 97710000) Equity Shares of ₹10 each	180.00	97.71
Powergrid Rampur Sambhal Transmission Limited		
109000000 (Previous Year 21520000) Equity Shares of ₹10 each	109.00	21.52



**Note 9 Investments (Contd.)**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
Powergrid Meerut Simbhalvi Transmission Limited 129710000 (Previous Year 32010000) Equity Shares of ₹10 each	<b>129.71</b>	32.01
Central Transmission Utility of India Limited 50000 (Previous Year 50000) Equity Shares of ₹10 each	<b>0.05</b>	0.05
Powergrid Ramgarh Transmission Limited 1100000 (Previous Year 50000) Equity Shares of ₹10 each	<b>1.10</b>	0.05
Powergrid Himachal Transmission Limited 300000000 Equity Shares of ₹10 each	<b>432.50</b>	432.50
Powergrid Bikaner Transmission System Limited 22210000 (Previous Year 10000) Equity Shares of ₹10 each	<b>22.21</b>	0.01
Powergrid Sikar Transmission Limited 47350000 (Previous Year NIL) Equity Shares of ₹10 each	<b>47.35</b>	-
Powergrid Bhadla Transmission limited 20310000 (Previous Year NIL) Equity Shares of ₹10 each	<b>20.31</b>	-
POWERGRID Aligarh Sikar Transmission Limited 62350000 (Previous Year NIL) Equity Shares of ₹10 each	<b>62.35</b>	-
Powergrid Teleservices Limited 9000000 (Previous Year NIL) Equity Shares of ₹10 each	<b>9.00</b>	-
	<b>3,915.69</b>	<b>3,236.10</b>
<b>ii) Joint Venture Companies</b>		
Torrent Power Grid Limited 23400000 (Previous Year 23400000) Equity Shares of ₹10/- each.	<b>23.40</b>	23.40
Parbati Koldam Transmission Company Limited 70937620 (Previous Year 70937620) Equity Shares of ₹10/- each.	<b>70.94</b>	70.94
Teestavalley Power Transmission Limited 120120000 (Previous Year 120120000) Equity Shares of ₹10/- each.	<b>120.12</b>	120.12
Powerlinks Transmission Limited 229320000 (Previous Year 229320000) Equity Shares of ₹10/- each.	<b>229.32</b>	229.32
North East Transmission Company Limited 106964000 (Previous Year 106964000) Equity Shares of ₹10/- each.	<b>106.96</b>	106.96
National High Power Test Laboratory Private Limited 30400000 (Previous Year 30400000) Equity Shares of ₹10/- each.	<b>30.40</b>	30.40
Cross Border Power Transmission Company Limited 12612473 (Previous Year 12612473) Equity Shares of ₹10/- each.	<b>12.62</b>	12.62
Bihar Grid Company Limited 322535036 (Previous Year 290296935) Equity Shares of ₹10/- each.	<b>322.54</b>	290.30



## Note 9 Investments (Contd.)

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
Power Transmission Company Nepal Limited 1170000 (Previous Year 1170000) Equity Shares of Nepali ₹100/- each.	6.50	6.50
RINL POWERGRID TLT Private Limited 4000000 (Previous Year 4000000) Equity Shares of ₹10/- each. (Refer further note 3 below)	4.00	4.00
Less: Provision for diminution in the value of Investment	4.00	4.00
	-	-
Energy Efficiency Services Limited 463610000 Equity Shares of ₹10/- each (Refer further note 5 below)	463.61	-
	1,386.41	890.56
<b>iii) Others</b>		
Bharat Broadband Network Limited (₹ 10/-) 1 (Previous Year 1) share of ₹10/- each.	-	-
<b>Total</b>	<b>7,228.53</b>	<b>4,265.36</b>

### Further notes:

- 1) a) Aggregate amount of Quoted Investments
 

At Cost	1,377.00	12.00
Market Value	1,926.43	93.30
- b) Aggregate amount of Unquoted Investments
 

	5,302.10	4,172.06
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- c) Aggregate amount of impairment in value of Investment
 

	4.05	4.05
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- 2) Investments have been valued as per accounting policy no. 2.13, 2.14 & 2.15.
- 3) 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.
- 4) Refer remarks at Note No 11 for Powergrid Vemagiri Transmission Limited.
- 5) The Company has invested ₹ 407.49 crore during the 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 as the Joint control has been reinstated vide Agreement dated 01.09.2021.

**Note 10 Loans (considered good unless otherwise stated)**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Loans to Related Parties **</b>		
Loans to Subsidiaries-Unsecured	<b>13,863.33</b>	10,151.51
Loans to JVs-Unsecured	<b>17.48</b>	12.40
Loan to Directors & Key Managerial Personnel (KMP)		
Secured #	-	0.02
Unsecured	<b>0.03</b>	0.04
	<b>13,880.84</b>	10,163.97
<b>Loans to Employees (including interest accrued)</b>		
Secured #	<b>352.86</b>	278.39
Unsecured	<b>36.08</b>	31.73
	<b>388.94</b>	310.12
<b>Total</b>	<b>14,269.78</b>	<b>10,474.09</b>

**Further notes:**

\*\* Details of loans to related parties is provided in Note 55.

# House building loans and conveyance advance to Directors, KMP and Employees are secured against the mortgage of the house properties or hypothecation of vehicles for which such loans have been given in line with the policies of the Company.

**Note 11 Other Non-current Financial Assets**

(Unsecured considered good unless otherwise stated)

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
Lease receivables	<b>590.94</b>	606.42
Bank deposits with more than 12 months maturity #	<b>66.02</b>	92.66
Recoverable for GOI fully serviced bonds ##	<b>3,487.50</b>	3,487.50
Advances to related parties (Subsidiaries and Others)*		
Considered good	-	-
Considered doubtful**	<b>19.42</b>	19.41
	<b>19.42</b>	19.41
Less: Provision for doubtful advances**	<b>19.42</b>	19.41
	-	-
Others ###	-	127.04
<b>Total</b>	<b>4,144.46</b>	<b>4,313.62</b>

**Further notes:**

# Bank deposits against designated accounts for consultancy work.

## In the FY 2018-19, the Company issued 'GoI fully serviced bonds' for an amount of ₹ 3487.50 crore for raising of Extra Budgetary Resources (EBR) for GoI scheme of Power System Development Fund (PSDF) in terms of letter No: 7/1/2018-OM dated 21st January, 2019 of Ministry of Power, Govt. of India (GoI) for meeting accrued liabilities for creation of Capital Assets. The repayment of principal and the interest payment on such bonds shall be met by GoI. An amount of ₹ 3487.50 Crore from bond issue has been recognised as Grant in aid in Previous Years.



## Note 11 Other Non-current Financial Assets (Contd.)

\* Details of advances to related parties are provided in Note 55.

\*\* CERC vide order dated 06/04/2015 in petition no.127/2012 had directed that 80% of the acquisition price incurred by the Company for Vemagiri Transmission Company Limited (VTSL) shall be reimbursed by the Long Term Transmission Customers (LTTCS) and balance 20% along with the expenditure incurred by VTSL from the date of acquisition till the liquidation of the company shall be borne by the Company. Subsequently, on a review petition filed by the Company, CERC vide order dated 20/10/2016 held that there are sufficient reasons to review the liability of the Company to pay 20% of the acquisition price and accordingly, directed that the issue shall be decided afresh by taking a holistic view in the matter after disposal of appeals filed by the LTTCS on the issue in Appellate Tribunal of Electricity (ATE).

The final hearing in the appeals filed in APTEL was held on 02.03.2020 and Hon'ble APTEL directed all parties to file written submission and reserved the Judgement. However, due to COVID pandemic lock down during Mar'20-May'20, the matter was relisted & heard on 24.08.2020 and Hon'ble APTEL directed all the parties to file concise comprehensive written submissions through email and reserved the Judgement again. Accordingly, concise comprehensive written submissions were filed in APTEL.

As one of the Hon'ble Members of APTEL retired during Dec'20 before pronouncement of the judgement, the matter may need to be heard again. An application for early hearing of the appeal was filed in APTEL in Mar'21 to expedite the matter. The said IA for Early Hearing (IA No. 599 of 2021) was listed and allowed on 5.7.2021, and matter was listed on 27.08.2021. Further, the hearing was adjourned and listed on 20.09.2021, 27.09.2021, 11.01.2022, 11.03.2022 and 02.05.2022. However, the matter was adjourned as the quorum for the bench did not assemble due to vacancies on each of those occasions. The next hearing is scheduled on 25.07.2022.

### Others include amount recoverable from Customers.

## Note 12 Other non-current Assets

(Unsecured considered good unless otherwise stated)

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Advances for Capital Expenditure</b>		
Unsecured		
a. Against bank guarantees	158.14	260.06
b. Others	124.80	84.87
Unsecured considered doubtful	1.19	1.19
	284.13	346.12
Less: Provision for bad & doubtful Advances	1.19	1.19
	282.94	344.93
<b>Advances other than for Capital Expenditure</b>		
Security Deposits	24.86	22.24
Deferred Employee Cost	36.62	49.09
Deferred Foreign currency Fluctuation Asset	4,268.56	4,225.87
Advances recoverable in kind or for value to be received		
Employees	0.01	0.09
Balance with Customs Port Trust and other authorities	11.01	10.25
Advance tax and Tax deducted at source #	140.70	-
Others**		
Considered Good	33.03	92.09
Considered doubtful	0.37	0.37
	33.40	92.46
Less: Provision for doubtful Advances	0.37	0.37
	33.03	92.09
	184.75	102.43
<b>Total</b>	<b>4,797.73</b>	<b>4,744.56</b>

### Further notes:

\*\*Others include amount recoverable from Customers & State Governments, insurance claims etc.

# Net of Current Tax Liabilities - Note 33.

**Note 13 Inventories**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>(For mode of valuation refer Note 2.10)</b>		
Components, Spares & other spare parts	<b>1,320.97</b>	1,346.18
Loose tools	<b>26.94</b>	23.70
Consumable stores	<b>11.56</b>	11.44
	<b>1,359.47</b>	1,381.32
Less Provision for Shortages/damages etc.	<b>6.87</b>	18.50
<b>Total</b>	<b>1,352.60</b>	<b>1,362.82</b>

**Note 14 Trade receivables**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Trade receivables - Unsecured</b>		
Considered good	<b>9,063.04</b>	8,434.38
Credit Impaired	<b>300.73</b>	300.40
	<b>9,363.77</b>	8,734.78
Receivable from related parties - Unsecured		
Considered good	<b>43.78</b>	35.82
	<b>9,407.55</b>	8,770.60
Less: Loss Allowance	<b>300.73</b>	300.40
<b>TOTAL</b>	<b>9,106.82</b>	<b>8,470.20</b>

**Further Notes:**

- Refer note no. 46 for disclosure as per Ind AS 115 'Revenue from Contracts with Customers' & note no. 55. for details of trade receivables from related parties.
- Trade Receivables includes Unbilled Receivables relating to transmission segment amounting to ₹ 4,446.93 Crores (Previous Year ₹ 4,807.27 Crores) out of which transmission charges for the month of March including arrear bills for previous quarters, of the financial year amounting to ₹ 2941.38 crore (Previous Year ₹ 2512.28 crore) billed to beneficiaries in the month of April of subsequent financial year.
- Based on arrangements between the Company, banks and beneficiaries, the bills of the beneficiaries have been discounted. Accordingly, trade receivables have been disclosed net off bills discounted amounting to ₹ 4180.23 crore (Previous Year ₹ 2871.49 crore). Refer note no. 58 for details.



## Note 14 Trade receivables (Contd.)

d) Aging of Trade Receivables is as follows:

(₹ in crore)

Particulars		Unbilled	Not Due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>As at 31.03.2022</b>									
Considered – Good	Disputed	-	118.99	564.30	108.41	119.26	66.55	78.60	1,056.11
	Undisputed	4,487.41	1,506.30	1,006.72	607.12	399.37	25.69	18.10	8,050.71
Significant increase in Credit Risk	Disputed	-	-	-	-	-	-	-	-
	Undisputed	-	-	-	-	-	-	-	-
Credit Impaired	Disputed	-	-	-	-	-	0.58	277.76	278.34
	Undisputed	-	-	0.56	0.56	0.88	1.60	18.79	22.39
<b>Total</b>		<b>4,487.41</b>	<b>1,625.29</b>	<b>1,571.58</b>	<b>716.09</b>	<b>519.51</b>	<b>94.42</b>	<b>393.25</b>	<b>9,407.55</b>
<b>As at 31.03.2021</b>									
Considered – Good	Disputed	-	28.57	43.06	148.50	21.16	60.28	38.58	340.15
	Undisputed	4,848.86	1,714.31	848.52	374.65	207.30	49.30	87.11	8,130.05
Significant increase in Credit Risk	Disputed	-	-	-	-	-	-	-	-
	Undisputed	-	-	-	-	-	-	-	-
Credit Impaired	Disputed	-	-	-	-	0.49	20.34	258.94	279.77
	Undisputed	-	-	0.01	0.17	1.07	0.50	18.88	20.63
<b>Total</b>		<b>4,848.86</b>	<b>1,742.88</b>	<b>891.59</b>	<b>523.32</b>	<b>230.02</b>	<b>130.42</b>	<b>403.51</b>	<b>8,770.60</b>

e) Disputed Trade receivables amounting to ₹799.33 crore (Previous Year ₹55.16 crore) are related to disputed proportion of ISTS charges attributed to concerned Designated ISTS Customer (DICs) from ISTS pool as per CERC Sharing Regulations. On settlement of dispute, these receivables shall either be received from concerned DICs or shall be re-apportioned to other DICs as per Sharing Regulations.

## Note 15 Cash and Cash Equivalents

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Balance with banks-</b>		
-In Current accounts	<b>594.58</b>	928.52
-In designated Current accounts (For Consultancy clients and others)	<b>151.41</b>	71.64
In term deposits (with maturity less than 3 months)(including interest accrued)*	<b>1,711.46</b>	3,429.87
Others (Stamps and Imprest)	<b>0.02</b>	0.02
<b>Total</b>	<b>2,457.47</b>	<b>4,430.05</b>

### Further notes:

\*Term deposit includes ₹ 1190.34 crore (Previous Year ₹ 3050.84 crore) for Consultancy clients and others.



**Note 16 Bank Balances other than Cash & cash equivalents**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
Earmarked balance with banks*	28.64	152.91
In Term Deposits having maturity over 3 months but upto 12 months (For Consultancy clients and others) (including interest accrued)	484.93	690.58
<b>Total</b>	<b>513.57</b>	<b>843.49</b>

**Further notes:**

\*Earmarked balance with Bank includes unpaid dividend, dividend payable, TDS on Dividend etc.

**Note 17 Loans**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Loans to Related Parties (including interest accrued)**</b>		
Loans to Subsidiaries - Unsecured	229.68	5,301.78
Loans to Joint Venture - Unsecured	4.26	40.48
Loan to Directors & Key Managerial Personnel (KMP)		
Secured #	-	0.01
Unsecured Considered good	0.08	0.07
	234.02	5,342.34
<b>Loans to Employees (including interest accrued)</b>		
Secured #	53.22	46.08
Unsecured Considered good	41.03	40.41
	94.25	86.49
<b>Total</b>	<b>328.27</b>	<b>5,428.83</b>

**Further notes:**

\*\* Details of loans to related parties is provided in Note No 55.

# House building loans and conveyance advance to Directors, KMP and Employees are secured against the mortgage of the house properties or hypothecation of vehicles for which such loans have been given in line with the policies of the Company.

**Note 18 Other Current Financial Assets**

(Unsecured considered good unless otherwise stated)

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
Lease Receivables	52.06	48.33
Contract Assets #	5,588.82	2,157.17
Recoverable for GOI fully Service Bonds (including interest accrued)	36.22	36.22
Advance to/Receivable from Related Parties ##	5.55	24.66
Others ###		
Considered Good	443.12	765.15
<b>Total</b>	<b>6,125.77</b>	<b>3,031.53</b>

**Further notes:**

# Contract Assets includes ₹ 0.15 Crore (Previous Year Nil) from related parties (refer Note 55). Refer Note 46 for disclosure as per Ind AS 115 'Revenue from Contracts with Customers'.



## Note 18 Other Current Financial Assets (Contd.)

## Details of related parties are provided in Note 55.

### Others include:-

- an amount of ₹ 59.88 crore (Previous Year ₹ 59.88 crore) recoverable from M/s Delhi Transco Limited towards transfer of 2.427 hectare (Previous Year 2.427 hectare) land at Tughlaqabad and Dwarka Sub-station pending completion of legal formalities for transfer of title.
- amount recoverable from Customers, Advance rent for Residential and Office accommodation, Other advance etc.

## Note 19 Other Current Assets

(Unsecured considered good unless otherwise stated)

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Advances other than for Capital Expenditure</b>		
<b>Advances recoverable in kind or for value to be received</b>		
Contractors & Suppliers	5.20	9.75
Employees	8.25	5.98
Balance with Customs Port Trust and other authorities	32.31	35.34
Claims recoverable	15.24	0.54
	61.00	51.61
<b>Others*</b>		
Considered Good	149.99	121.67
Considered Doubtful	0.55	0.55
	150.54	122.22
<b>Less: Provision for Doubtful Advances</b>	0.55	0.55
	149.99	121.67
<b>Total</b>	<b>210.99</b>	<b>173.28</b>

### Further notes:

\*Others include advance given for CSR activities, input tax credit - GST etc.

## Note 19A Assets classified as held for sale

(₹ in crore)

Particulars	As at 31 March 2022		As at 31 March 2021	
	Current	Non-Current	Current	Non-Current
<b>Investments in Equity Instruments (fully paid up)</b>				
<b>Associates Companies</b>				
Powergrid Vizag Transmission Limited				
NIL (Previous Year 209730000) Equity Shares of ₹10 each	-	-	209.73	-
Powergrid Kala Amb Transmission Limited				
15860000 (Previous Year 61000000) Equity Shares of ₹10 each	15.86	-	45.14	15.86
Powergrid Jabalpur Transmission Limited				
58996600 (Previous Year 226910000) Equity Shares of ₹10 each	-	59.00	167.91	59.00
Powergrid Warora Transmission Limited				
102258000 (Previous Year 393300000) Equity Shares of ₹10 each	-	102.26	291.04	102.26
Powergrid Parli Transmission Limited				
83746000 (Previous Year 322100000) Equity Shares of ₹10 each	-	83.74	238.36	83.74
<b>TOTAL</b>	<b>15.86</b>	<b>245.00</b>	<b>952.18</b>	<b>260.86</b>

## Note 19A Assets classified as held for sale (Contd.)

### Further notes:

The Company has monetised five (05) of its Subsidiaries, namely Powergrid Vizag Transmission Limited (PVTL), Powergrid Kala Amb Transmission Limited (PKATL), Powergrid Jabalpur Transmission Limited (PJTL), Powergrid Warora Transmission Limited (PWTL) and Powergrid Parli Transmission Limited (PPTL) through POWERGRID Infrastructure Investment Trust ('PGInvIT/ Trust'). PGInvIT has been registered by SEBI under SEBI (Infrastructure Investment Trusts) Regulations, 2014 ('InvIT Regulations') as an Infrastructure Investment Trust vide registration no. IN/InvIT/20-21/0016 dated 07 January 2021. The company is the Sponsor of PGInvIT and acts as the Project Manager to PGInvIT. IDBI Trusteeship Services Limited is the Trustee and Powergrid Unchahar Transmission Limited (PUTL), a wholly owned subsidiary of the company, has been appointed as Investment Manager to PGInvIT. The Offer Document for initial public offer was filed by PGInvIT with the SEBI and Stock Exchanges on 22 April 2021 and units got listed on stock exchanges on 14 May 2021. The 74% shares in the above five SPVs have been transferred to PGInvIT in May, 2021 and balance 26% shares of PVTL has been transferred in March 2022. The balance 26% of remaining SPVs i.e. PKATL, PJTL, PWTL & PPTL will be transferred in line with Transmission Service Agreement (TSA) & the same has been classified as "Assets Classified as Held for Sale" as on 31.03.2022.

In lieu of consideration of shareholding so transferred, 41,06,50,900 Units at the price of ₹ 100 each were allotted by PGInvIT to the company and ₹330.78 crore towards transfer of 26% share of PVTL. Further, the Company received ₹304.15 crore on relinquishment of right on additional revenue in PPTL, PWTL & PJTL. The company retained 13,65,00,100 units being 15% of total units of PGInvIT outstanding on post issue basis pursuant to InvIT Regulations and remaining 27,41,50,800 units were sold by way of 'Offer for Sale (OFS)'. The company received an amount of ₹2736.02 crore (net of STT) against the OFS. The Profit on above transactions (net of related expenses) amounting to ₹ 3759.51 crore has been disclosed under "Exceptional items".

## Note 20 Regulatory Deferral Account Balances

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Assets</b>		
Deferred assets for deferred tax liability	<b>8,654.71</b>	9,382.65
Foreign Currency Fluctuation	<b>1,182.57</b>	1,089.54
Employee Benefits and Other Expense	<b>135.76</b>	134.16
<b>Total</b>	<b>9,973.04</b>	<b>10,606.35</b>

### Further Note:

Refer to note no 51 for detailed disclosure on Regulatory Deferral Account Balances.

## Note 21 Equity Share capital

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Equity Share Capital</b>		
<b>Authorised</b>		
10,00,00,00,000 (Previous Year 10,00,00,00,000) equity shares of ₹10/- each at par	<b>10,000.00</b>	10,000.00
<b>Issued, subscribed and paid up</b>		
6,97,54,52,864 (Previous Year 5,23,15,89,648) equity shares of ₹10/-each at par fully paid up	<b>6,975.45</b>	5,231.59

### 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 31 March 2022		For the year ended 31 March 2021	
	No. of Shares	Amount (₹ in crore)	No. of Shares	Amount (₹ in crore)
Shares outstanding at the beginning of the year	<b>5231589648</b>	<b>5,231.59</b>	5231589648	5,231.59
Additions during the year *	<b>1743863216</b>	<b>1,743.86</b>	-	-
Deduction during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>6975452864</b>	<b>6,975.45</b>	<b>5231589648</b>	<b>5,231.59</b>



## Note 21 Equity Share capital (Contd.)

- \* During the year, the Company has issued 174,38,63,216 equity shares of ₹ 10/- each as fully paid bonus shares in the ratio of one equity share of ₹ 10/- each for every three equity shares held on record date of 30 July 2021 by utilising Securities Premium.
- The Company has only one class of equity shares having a par value of ₹10/- per share.
  - The holders of equity shares are entitled to receive dividends as declared from time to time and to voting rights proportionate to their shareholding at meetings of the Shareholders.
  - Shareholding of Promoters and Shareholders holding more than 5% equity shares of the Company

Particulars	As at 31 March 2022		As at 31 March 2021		% Change
	No. of Shares	% of holding	No. of Shares	% of holding	
Government of India (Promoter)	3581163210	51.34	2685872408	51.34	-
Life Insurance Corporation of India	415775810	5.96	310294907	5.93	0.03

## Note 22 Other Equity

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Reserves and Surplus</b>		
Securities Premium	7,834.43	9,578.29
Bonds Redemption Reserve	5,532.80	7,387.97
Self Insurance Reserve	853.09	722.99
General Reserve	50,352.82	43,191.78
Retained Earnings	4,056.99	3,399.08
<b>Other Reserves</b>		
Other Comprehensive Income Reserve	545.99	67.14
<b>Total</b>	<b>69,176.12</b>	<b>64,347.25</b>

### 22.1 Securities Premium

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	9,578.29	9,578.29
Addition during the year	-	-
Deduction during the year	1,743.86	-
<b>Balance at the end of the year</b>	<b>7,834.43</b>	<b>9,578.29</b>

The premium on issue of shares is recorded in Securities premium and the same has been utilised to issue fully paid bonus shares during the year in accordance with provisions of the Companies Act, 2013.

### 22.2 Bonds Redemption Reserve

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	7,387.97	8,638.92
Addition during the year	-	-
Deduction during the year	1,855.17	1,250.95
<b>Balance at the end of the year</b>	<b>5,532.80</b>	<b>7,387.97</b>

Bonds Redemption Reserve is created for the purpose of redemption of debentures in term of the Companies Act 2013. As per the Companies (Share Capital and Debentures) rule 2014, listed companies are not required to create Bonds Redemption Reserve w.e.f. 16.08.2019.

## 22.3 Self Insurance Reserve

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	722.99	807.93
Addition during the year	291.14	278.79
Deduction during the year	161.04	363.73
<b>Balance at the end of the year</b>	<b>853.09</b>	<b>722.99</b>

Self-Insurance Reserve is created @ 0.12% p.a. (0.12% p.a. in previous year) on the 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 to meet future losses which may arise from un-insured risks and for procurement of towers and other transmission line materials including strengthening of towers and equipments of AC sub-station to take care of future contingencies.

## 22.4 General Reserve

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	43,191.78	36,828.05
Addition during the year	7,161.04	6,363.73
Deduction during the year	-	-
<b>Balance at the end of the year</b>	<b>50,352.82</b>	<b>43,191.78</b>

General Reserve is retained earnings of the company which are kept aside out of company's profits. It is a free reserve which can be utilized to meet any unknown future contingencies and to pay dividends to shareholders.

## 22.5 Retained Earnings

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	3,399.08	3,327.57
Add: Additions		
Net Profit for the period	17,093.76	11,935.78
Items of other comprehensive income recognised directly in surplus balance		
- Remeasurements of post employment benefit obligations	(187.92)	(14.44)
Transfer from Bond Redemption Reserve	1,855.17	1,250.95
Less: Appropriations		
General Reserve	7,000.00	6,000.00
Bonds Redemption Reserve	-	-
Self Insurance Reserve	291.14	278.79
Interim dividend paid	8,719.32	4,708.43
Final Dividend (refer note 59(b))	2,092.64	2,113.56
<b>Balance at the end of the year</b>	<b>4,056.99</b>	<b>3,399.08</b>

## 22.6 Other Comprehensive Income Reserve

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	67.14	27.34
Addition during the year	478.85	39.80
Deduction during the year	-	-
<b>Balance at the end of the year</b>	<b>545.99</b>	<b>67.14</b>

Other Comprehensive Income Reserve is created from increase/decrease in valuation of Non Current Investments classified as fair valued through Other Comprehensive Income (FVOCI).



## Note 23 Borrowings

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>A) BONDS</b>		
<b>A1) Secured (Taxable, Redeemable, Non-Cumulative, Non-Convertible)</b>		
A1.1 i) Bonds of ₹10 Lakh each		
<b>LV Issue-7.55% Redeemable at par on 21.09.2031</b>	<b>1,289.06</b>	1,289.04
<b>LX Issue-7.20% Redeemable at par on 09.08.2027</b>	<b>3,201.69</b>	3,201.67
<b>LIX Issue-7.30% Redeemable at par on 19.06.2027</b>	<b>3,245.45</b>	3,245.43
<b>XXXIX Issue-9.40% redeemable at par on 29.03.2027</b>	<b>1,801.34</b>	1,801.33
<b>LVIII Issue-7.89% redeemable at par on 09.03.2027</b>	<b>2,070.09</b>	2,070.07
<b>XXXVIII Issue-9.25% redeemable at par on 09.03.2027</b>	<b>859.93</b>	859.92
<b>LVI Issue-7.36% redeemable at par on 18.10.2026</b>	<b>1,100.30</b>	1,100.06
<b>LXII Issue-8.36% Redeemable at par in 05 (five) equal installments w.e.f. 07.01.2025</b>	<b>2,038.31</b>	2,038.28
<b>XLII Issue-8.80% redeemable at par on 13.03.2023</b>	<b>1,999.08</b>	1,999.05
<b>LVII Issue-7.20% redeemable at par on 21.12.2021</b>	<b>-</b>	2,162.20
ii) Bonds of ₹30 Lakh each consisting of 3 STRPPs of ₹10 lakh each redeemable at par in 3 (Three) equal installments on 15.07.2021, 15.07.2026 and 15.07.2031		
<b>LIV Issue-7.97% Redeemable w.e.f. 15.07.2021</b>	<b>2,113.41</b>	3,170.17
iii) Bonds of ₹30 Lakh each consisting of 3 STRPPs of ₹10 lakh each redeemable at par in 3 (Three) equal installments on 23.12.2020, 23.12.2025 and 23.12.2030		
<b>LII Issue-8.32% redeemable w.e.f. 23.12.2020</b>	<b>952.91</b>	952.89
iv) Bonds of ₹1.20 crore each consisting of 12 STRPPs of ₹10 lakh each redeemable at par in 12 (Twelve) equal installments		
<b>LIII Issue-8.13% Redeemable w.e.f. 25.04.2020</b>	<b>3,582.07</b>	3,939.45
v) Bonds of ₹30 Lakh each consisting of 3 STRPPs of ₹10 lakh each redeemable at par in 3 (Three) equal installments on 09.03.2020, 09.03.2025 and 09.03.2030		
<b>XLIX Issue-8.15% redeemable w.e.f. 09.03.2020</b>	<b>874.36</b>	874.34
vi) Bonds of ₹40 Lakh each consisting of 4 STRPPs of ₹10 lakh each redeemable at par in 4 (Four) equal installments on 23.01.2020, 23.01.2022, 23.01.2025 and 23.01.2030		
<b>XLVIII Issue-8.20% redeemable w.e.f. 23.01.2020</b>	<b>1,309.62</b>	1,963.59
vii) Bonds of ₹1.20 crore each consisting of 12 STRPPs of ₹10 lakh each redeemable at par in 12 (Twelve) equal installments		
<b>LI Issue-8.40% redeemable w.e.f. 14.09.2019</b>	<b>2,352.94</b>	2,614.37
viii) Bonds of ₹30 Lakh each consisting of 3 STRPPs of ₹10 lakh each redeemable at par in 3 (Three) equal installments on 04.09.2019, 04.09.2024 and 04.09.2029		
<b>XLVI Issue-9.30% redeemable w.e.f. 04.09.2019</b>	<b>3,062.76</b>	3,062.74
ix) Bonds of ₹1.20 crore each consisting of 12 STRPPs of ₹10 lakh each redeemable at par in 12 (Twelve) equal installments		
<b>L Issue-8.40% redeemable w.e.f. 27.05.2019</b>	<b>2,352.06</b>	2,613.39
x) Bonds of ₹1.20 crore each consisting of 12 STRPPs of ₹10 lakh each redeemable at par in 12 (Twelve) equal installments		
<b>XLVII Issue-8.93% redeemable w.e.f. 20.10.2018</b>	<b>1,830.10</b>	2,058.85



## (₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
xi) Bonds of ₹30 Lakh each redeemable at par in 3 equal instalments on 15.07.2018, 15.07.2023 and 15.07.2028 <b>XLIV Issue-8.70% redeemable w.e.f. 15.07.2018</b>	<b>2,807.78</b>	2,807.76
xii) Bonds of ₹1.2 crores each consisting of 12 STRPPs of ₹10 lakhs each redeemable at par in 12 (Twelve) equal annual instalments <b>XLV Issue-9.65% redeemable w.e.f. 28.02.2018</b> <b>XLIII Issue-7.93% redeemable w.e.f. 20.05.2017</b>	<b>1,175.99</b> <b>1,948.63</b>	1,343.63 2,227.00
xiii) Bonds of ₹1.5 crores each consisting of 12 STRPPs of ₹ 12.50 Lakhs each redeemable at par in 12 (Twelve) equal annual instalments. <b>XLI Issue-8.85% redeemable w.e.f. 19.10.2016</b>	<b>1,477.73</b>	1,724.01
xiv) Bonds of ₹1.50 crores each, consisting of 15 STRPPs of ₹10.00 Lakhs each redeemable at par in 15 (Fifteen) equal annual instalments <b>XXXVI Issue- 9.35% redeemable w.e.f. 29.08.2016</b>	<b>1,956.08</b>	2,173.42
xv) Bonds of ₹1.5 crores each consisting of 12 STRPPs of ₹12.50 Lakhs each redeemable at par in 12 (Twelve) equal annual instalments. <b>XL Issue-9.30% redeemable w.e.f. 28.06.2016</b> <b>XXXVII Issue- 9.25% redeemable w.e.f 26.12.2015</b> <b>XXXV Issue- 9.64% redeemable w.e.f 31.05.2015</b> <b>XXXIV Issue- 8.84% redeemable w.e.f 21.10.2014</b> <b>XXXIII Issue- 8.64% redeemable w.e.f 08.07.2014</b> <b>XXXII Issue- 8.84% redeemable w.e.f 29.03.2014</b> <b>XXXI Issue- 8.90% redeemable w.e.f 25.02.2014</b> <b>XXX Issue- 8.80% redeemable w.e.f 29.09.2013</b> <b>XXIX Issue- 9.20% redeemable w.e.f 12.03.2013</b> <b>XXVIII Issue- 9.33% redeemable w.e.f 15.12.2012</b> <b>XXVII Issue- 9.47% redeemable w.e.f 31.03.2012</b> <b>XXVI Issue- 9.30% redeemable w.e.f 07.03.2012</b> <b>XXV Issue- 10.10% redeemable w.e.f 12.06.2011</b> <b>XXIV Issue- 9.95% redeemable w.e.f 26.03.2011</b> <b>XXIII Issue- 9.25% redeemable w.e.f 09.02.2011</b> <b>XXII Issue- 8.68% redeemable w.e.f 07.12.2010</b> <b>XXI Issue- 8.73% redeemable w.e.f 11.10.2010</b> <b>XX Issue- 8.93% redeemable w.e.f 07.09.2010</b> <b>XIX Issue- 9.25% redeemable w.e.f 24.07.2010</b>	<b>2,139.80</b> <b>851.46</b> <b>881.31</b> <b>1,208.10</b> <b>1,020.66</b> <b>258.93</b> <b>516.24</b> <b>608.99</b> <b>217.34</b> <b>410.94</b> <b>58.76</b> <b>83.78</b> <b>95.95</b> <b>-</b> <b>-</b> <b>-</b> <b>-</b> <b>-</b> <b>-</b>	2,496.43 1,021.74 1,057.57 1,510.12 1,275.83 345.24 688.31 811.98 326.00 616.40 117.53 167.56 191.89 66.73 25.96 59.07 44.25 131.30 43.87
	<b>53,753.95</b>	<b>62,290.44</b>



## Note 23 Borrowings (Contd.)

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>A2) Unsecured</b>		
<b>A2.1 Redeemable Domestic Bonds</b>		
i) Bonds of ₹10 Lakh each		
<b>LXVIII Issue-6.28% redeemable at par on 11.04.2031</b>	<b>520.54</b>	520.54
<b>LXVI Issue-7.38% Redeemable at par on 12.04.2030</b>	<b>508.18</b>	508.16
ii) Bonds of ₹50 Lakhs each consisting of 05 STRPPs of ₹10.00 Lakhs each redeemable at par in 05 (Five) equal annual instalments.		
<b>LXI Issue-7.74% redeemable w.e.f. 12.12.2028</b>	<b>3,069.79</b>	3,069.77
iii) Bonds of ₹ 10 Lakh each		
<b>LXIX Issue-6.05% Redeemable at par on 25.03.2027</b>	<b>530.49</b>	-
<b>LXVII Issue-6.85% redeemable at par on 15.04.2025</b>	<b>2,984.28</b>	2,984.24
iv) Bonds of ₹10 Lakhs each consisting of 03 STRPPs of ₹ 3.00 Lakhs, ₹ 3.00 Lakhs & ₹ 4.00 Lakhs each redeemable at par in 03 (Three) equal annual instalments.		
<b>LXIV Issue-7.49% redeemable w.e.f. 25.10.2024</b>	<b>2,601.50</b>	2,601.48
v) Bonds of ₹ 30 Lakhs each consisting of 03 STRPPs of ₹10.00 Lakhs each redeemable at par in 03 (Three) equal annual instalments.		
<b>LXIII Issue-7.34% redeemable w.e.f. 15.07.2024</b>	<b>1,893.92</b>	1,893.90
vi) Bonds of ₹10 Lakh each		
<b>LXV Issue-6.35% Redeemable at par on 14.04.2023</b>	<b>202.85</b>	202.82
<b>A2.2 Redeemable Foreign Currency Bonds</b>		
<b>3.875% Foreign Currency Bonds to be redeemed at par on 17.01.2023</b>	<b>3,843.81</b>	3,723.90
	<b>16,155.36</b>	<b>15,504.81</b>
<b>Total (A)</b>	<b>69,909.31</b>	<b>77,795.25</b>
<b>B) Term Loan</b>		
<b>From Banks</b>		
<b>Secured</b>		
Foreign Currency Loans (Guaranted by Government of India (GOI))	<b>24,778.09</b>	25,983.53
Other Foreign Currency Loans	<b>7,024.30</b>	7,256.11
Rupee Loans	<b>9,275.02</b>	10,388.85
	<b>41,077.41</b>	<b>43,469.64</b>
<b>Unsecured</b>		
Foreign Currency Loans (Guaranted by GOI)	<b>3,386.96</b>	3,891.20
Other Foreign Currency Loans	<b>2,832.34</b>	3,222.26
Rupee Loans	<b>14,941.02</b>	15,974.65
	<b>21,160.32</b>	<b>23,088.11</b>
<b>Total (B)</b>	<b>62,237.73</b>	<b>66,557.75</b>
<b>TOTAL (A to B)</b>	<b>132,147.04</b>	<b>144,353.00</b>
Less: Current maturities of Non Current Borrowing (refer note 28)	<b>15,165.87</b>	12,171.41
Less: Interest Accrued but not due on borrowings (refer note 30)	<b>2,781.77</b>	3,101.52
<b>TOTAL</b>	<b>114,199.40</b>	<b>129,080.07</b>

## Note 23 Borrowings (Contd.)

### Further notes:

#### Details of terms of repayment and rate of interest

- Secured Foreign Currency Loans (Guaranteed by Gol) carry floating rate of interest linked to 6M SOFR. These loans are repayable in semi annual installment, as per terms of the respective loan agreement, commencing after moratorium period of 3 to 5 years except for one loan ₹ 376.13 Crore (Previous year ₹ 364.64 Crore) which carry fixed rate of interest of 0.25% p.a.
- Secured other Foreign Currency Loans carry floating rate of interest linked to 6M (LIBOR/SOFR/EURIBOR). These loans are repayable in semi annual installment, as per terms of the respective loan agreements, commencing after moratorium period of 3 to 5 years.
- Secured Rupee loan from banks carry floating rate of interest linked to 3M MCLR. These loans are repayable in semi annual installments, as per terms of the respective loan agreements, commencing after moratorium period of 5 years.
- Unsecured Foreign Currency Loans (Guaranteed by Gol) carry fixed rate of interest ranging from 1.63%p.a. to 2.30%p.a. These loans are repayable in semi annual installments as per terms of the respective loan agreements.
- Unsecured Foreign Currency Loans carry floating rate of interest linked to 6M (STIBOR/EURIBOR). These loans are repayable in semi annual installments as per terms of the respective loan agreements, commencing after moratorium period as per terms of the respective loan agreements.
- Unsecured Foreign Currency Loans carry floating rate of interest linked to 3M TONA. This loan is repayable in five equal annual installment as per the terms of the loan agreement.
- Unsecured Rupee loan from bank carry floating rate of interest linked to 3 months MCLR or Repo rate. These loans are repayable in semi annual installments, as per terms of the respective loan agreements, commencing after moratorium period as per terms of the respective loan agreements.
- There has been no default in repayment of loans or payment of interest thereon as at the end of the year.
- The company has used the borrowings from banks and financial institutions for the specified purpose for which it was taken as at balance sheet date.

#### Details of Securities

- Domestic Bonds are Secured by way of Registered Bond Trust Deed ranking pari passu on immovable property situated at Mouje Ambheti Taluka Kaparada in district Valsad Gujarat and floating charge on the assets of the company.
- Secured Foreign Currency Loans (Guaranteed by Gol) are secured by pari passu interest in the lien created on the assets as security for the debts.
- Secured Other Foreign Currency Loans and Rupee Loans are secured by the way of
  - pari passu charge on the assets of the company except investments, land and building, roads and bridges, water supply, drainage and sewerage and current assets or
  - pari passu charge on the assets of the company except investments and current assets or
  - floating charge on the immovable properties of the company.
 as per the terms of respective loan agreements.

## Note 24 Other Non-current financial liabilities

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
Deposits/Retention money from contractors and others	19.80	69.37
Govt. of India fully serviced bonds *	3,487.50	3,487.50
Dues for Capital Expenditure	15.70	12.48
Others#	-	127.04
<b>Total</b>	<b>3,523.00</b>	<b>3,696.39</b>

### Further Notes:

Disclosure with regard to Micro and Small enterprises as required under "The Micro, Small and Medium Enterprises Development Act, 2006" is given in Note No 49.

\* Govt. of India fully serviced bonds issued @ 8.24% redeemable at par on 14.02.2029. Refer Note No 11 for details.

# Others includes amount payable to Customers upon recovery.



## Note 25 Provisions

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Employee Benefits</b>		
As per last balance sheet	<b>461.93</b>	424.71
Additions/(adjustments) during the year	<b>55.12</b>	37.22
<b>Closing Balance</b>	<b>517.05</b>	<b>461.93</b>

### Further Notes:

Provision is created for the purpose of leave encashment, Settlement Allowance, Long Service Award and other benefits. Refer Note No 63 for detailed disclosure related to Employee Benefit Obligations.

## Note 26 Deferred tax liabilities (Net)

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>A. Deferred Tax Liability</b>		
Difference in book depreciation and tax depreciation	<b>25,172.68</b>	22,623.11
Finance lease assets	<b>72.18</b>	72.47
Others	<b>207.61</b>	23.42
<b>Deferred Tax Liability (A)</b>	<b>25,452.47</b>	<b>22,719.00</b>
<b>B. Deferred Tax Assets</b>		
Income during Construction Period	<b>18.26</b>	17.95
Provisions allowable on payment basis	<b>532.23</b>	514.70
Advance Against Depreciation	<b>299.92</b>	353.20
MAT Credit Entitlement	<b>13,157.43</b>	9,869.07
Others	<b>19.85</b>	22.20
<b>Deferred Tax Assets (B)</b>	<b>14,027.69</b>	<b>10,777.12</b>
<b>Deferred Tax Liability (Net) (A-B)</b>	<b>11,424.78</b>	<b>11,941.88</b>

### Further Notes:

#### Movement in Deferred Tax Liabilities

(₹ in crore)

Particulars	Property Plant and Equipment	Finance Leased Assets	Others	Total
<b>As at 01.04.2020</b>	<b>19,898.33</b>	<b>76.96</b>	<b>43.15</b>	<b>20,018.44</b>
Charged/(credited) to profit or loss	2,724.78	(4.49)	(19.73)	2,700.56
<b>As at 31.03.2021</b>	<b>22,623.11</b>	<b>72.47</b>	<b>23.42</b>	<b>22,719.00</b>
Charged/(credited) to profit or loss	2,549.57	(0.29)	130.29	2,679.57
Charged/(credited) to OCI			53.90	53.90
<b>As at 31.03.2022</b>	<b>25,172.68</b>	<b>72.18</b>	<b>207.61</b>	<b>25,452.47</b>

**Note 26 Deferred tax liabilities (Net) (Contd.)**Movement in Deferred Tax Asset

(₹ in crore)

Particulars	Property Plant & Equipment- Income during construction period	Provisions allowable on payment basis	Advance against depreciation	MAT Credit	Others	Total
<b>As at 01.04.2020</b>	<b>24.88</b>	<b>467.85</b>	<b>409.12</b>	<b>7,710.30</b>	<b>24.44</b>	<b>8,636.59</b>
Charged/(credited) to profit or loss	(6.93)	46.85	(55.92)	2,158.77	(2.24)	2,140.53
<b>As at 31.03.2021</b>	<b>17.95</b>	<b>514.70</b>	<b>353.20</b>	<b>9,869.07</b>	<b>22.20</b>	<b>10,777.12</b>
Charged/(credited) to profit or loss	0.31	17.53	(53.28)	3,288.36	(2.35)	3,250.57
<b>As at 31.03.2022</b>	<b>18.26</b>	<b>532.23</b>	<b>299.92</b>	<b>13,157.43</b>	<b>19.85</b>	<b>14,027.69</b>

Recognised in Statement of Profit and Loss/Other Comprehensive Income(OCI)

(₹ in crore)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Increase/ (Decrease) in Deferred Tax Liabilities	2,679.57	2,700.56
Decrease / (Increase) in Deferred Tax Assets	(3,250.57)	(2,140.53)
<b>Amount charged/(credited) to profit or loss</b>	<b>(571.00)</b>	<b>560.03</b>
Increase/ (Decrease) in Deferred Tax Liabilities	53.90	-
<b>Amount charged/(credited) to OCI</b>	<b>53.90</b>	<b>-</b>

- a) In the opinion of the management, it is probable that future economic benefits will flow to the company in the form of availability of set off against future income tax liability by recognizing MAT credit as follows:

Future taxable profits will be adjusted against (a) tax holiday u/s 80-IA of Income Tax Act, 1961 for the projects commissioned up to 31.03.2017 (b) initial depreciation on the assets to be commissioned in future and (c) regular income tax depreciation u/s 32 of Income Tax Act, 1961 and thereafter tax amount will be set off against MAT credit to the extent of ₹3,288.36 crore (Previous Year ₹2,158.77 crore). Hence, the same has been recognised as Deferred Tax Assets during the year.

- b) MAT credit available to the company in future but not recognised in the books:

(₹ in crore)

For the Financial Year	As at 31.03.2022	Expiry Date	As at 31.03.2021	Expiry Date
2015-16	1,421.20	31.03.2026	1,421.20	31.03.2026
2014-15	1,281.23	31.03.2025	1,281.23	31.03.2025
2013-14	1,085.14	31.03.2024	1,085.14	31.03.2024
2012-13	1,071.31	31.03.2023	1,071.31	31.03.2023
2011-12	-	31.03.2022	239.01	31.03.2022

**Note 27 Other non-current liabilities**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
Advance from customers (Consultancy/Telecom services) *	<b>238.08</b>	215.76
Others	<b>2.81</b>	2.30
<b>Total</b>	<b>240.89</b>	<b>218.06</b>

**Further Notes:**

\* Refer Note 46 for disclosure as per Ind AS 115 'Revenue from Contracts with Customers'.



## Note 28 Borrowings

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Current maturities of long term borrowings</b>		
<b>Secured</b>		
Bonds	6,090.23	8,223.72
Rupee Term Loans	1,454.00	954.00
Foreign Currency Loans	2,585.90	2,722.35
	<b>10,130.13</b>	<b>11,900.07</b>
<b>Un-secured</b>		
Bonds	3,813.41	-
Rupee Term Loans	550.00	-
Foreign Currency Loans	672.33	271.34
	<b>5,035.74</b>	<b>271.34</b>
	<b>15,165.87</b>	<b>12,171.41</b>
<b>Short Term - Unsecured</b>		
From Banks	5,300.00	600.00
Commercial Paper	-	1,200.00
<b>Total</b>	<b>20,465.87</b>	<b>13,971.41</b>

### Further Notes:

- Commercial Papers/short term loan are unsecured in nature, with rate of interest ranging from 3.75% to 3.95% (Previous Year from 3.07% to 5.59%) and repayable within 90 days to 180 days (Previous Year in 44 days to 270 days) from the date of drawl.
- There has been no default in repayment of loans or payment of interest thereon as at the end of the year.

## Note 29 Trade payables

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
For goods and services		
(A) total outstanding dues of micro enterprises and small enterprises	47.19	29.76
(B) total outstanding dues of creditors other than micro enterprises and small enterprises*	218.95	156.54
<b>Total</b>	<b>266.14</b>	<b>186.30</b>

### Further Notes:

Disclosure with regard to Micro and Small enterprises as required under "Division II of Schedule III of The Companies Act, 2013" and "The Micro, Small and Medium Enterprises Development Act, 2006" is given in Note No 49.

\*Trade payables includes ₹ 0.12 Crore (Previous Year Nil) from related parties (Refer Note No 55).

Aging of Trade Payables is as follows:

(₹ in crore)

Particulars	Not Billed	<1Y	1Y-2Y	2Y-3Y	>3Y	Total
<b>As at 31.03.2022</b>						
<b>MSME</b>						
Disputed	-	-	-	-	-	-
Undisputed	12.65	34.54	-	-	-	47.19
<b>Total</b>	<b>12.65</b>	<b>34.54</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>47.19</b>
<b>Others</b>						
Disputed	-	-	-	-	-	-
Undisputed	85.39	126.66	3.29	1.19	2.42	218.95
<b>Total</b>	<b>85.39</b>	<b>126.66</b>	<b>3.29</b>	<b>1.19</b>	<b>2.42</b>	<b>218.95</b>
<b>Total Trade payables</b>	<b>98.04</b>	<b>161.20</b>	<b>3.29</b>	<b>1.19</b>	<b>2.42</b>	<b>266.14</b>



**Note 29 Trade payables (Contd.)**

(₹ in crore)

Particulars	Not Billed	<1Y	1Y-2Y	2Y-3Y	>3Y	Total
<b>As at 31.03.2021</b>						
<b>MSME</b>						
Disputed	-	-	-	-	-	-
Undisputed	2.80	26.96	-	-	-	29.76
<b>Total</b>	<b>2.80</b>	<b>26.96</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29.76</b>
<b>Others</b>						
Disputed	-	-	-	-	-	-
Undisputed	45.61	98.53	5.14	2.53	4.73	156.54
<b>Total</b>	<b>45.61</b>	<b>98.53</b>	<b>5.14</b>	<b>2.53</b>	<b>4.73</b>	<b>156.54</b>
<b>Total Trade payables</b>	<b>48.41</b>	<b>125.49</b>	<b>5.14</b>	<b>2.53</b>	<b>4.73</b>	<b>186.30</b>

**Note 30 Other Current Financial Liabilities**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Interest accrued but not due on borrowings from</b>		
Foreign Banks & Financial Institutions	86.13	94.09
Secured/Unsecured redeemable Bonds	2,695.64	3,007.43
	<b>2,781.77</b>	3,101.52
<b>Interest accrued but not due from Govt. of India fully serviced bonds</b>	<b>36.22</b>	36.22
<b>Others</b>		
Dues for capital expenditure	734.44	1,060.31
Employee related liabilities	51.25	72.90
Unclaimed dividends & FPO*	28.64	20.88
Deposits/Retention money from contractors and others	3,010.03	3,510.37
Related parties**	2.63	-
Dividend Payable	-	2.85
Others #	763.92	2,423.53
	<b>4,590.91</b>	7,090.84
<b>Total</b>	<b>7,408.90</b>	<b>10,228.58</b>

**Further notes:**

Disclosure with regard to Micro and Small enterprises as required under "The Micro, Small and Medium Enterprises Development Act, 2006" is given in Note No 49.

\* No amount is due for payment to Investor Education and Protection Fund.

\*\* Details of amount payable to related parties are provided in Note 55.

# Others include liability for payment against Long Term Access (LTA), Short Term Open Access (STOA), ISTS License recovery, Price variation, etc.

**Note 31 Other current liabilities**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
Advances from customers *	3,022.08	3,531.15
Advances from customers - related parties #	82.20	81.45
Statutory dues	99.13	259.09
<b>Total</b>	<b>3,203.41</b>	<b>3,871.69</b>



## Note 31 Other current liabilities (Contd.)

### Further notes:

\* Refer Note 46 for disclosure as per Ind AS 115 'Revenue from Contracts with Customers'.

# Details of amount payable to related parties are provided in Note 55.

## Note 32 Provisions

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>A) Employee Benefits</b>		
<b>i) Performance related pay /special incentive</b>		
As per last balance sheet	509.83	461.00
Addition during the year	438.74	509.83
Amount paid/adjusted during the year	509.83	461.00
Closing Balance	438.74	509.83
<b>ii) Other Employee Benefits</b>		
<b>(Leave Encashment, Settlement Allowance and Long Service Award etc.)</b>		
As per last balance sheet	67.65	76.77
Additions/(adjustments) during the year	184.21	(9.12)
Closing Balance	251.86	67.65
<b>Total (A)</b>	<b>690.60</b>	<b>577.48</b>
<b>B) Others</b>		
<b>i) Downtime Service Credit-Telecom</b>		
As per last balance sheet	8.86	11.36
Additions during the year	3.42	12.38
Amounts adjusted during the year	9.03	14.88
Closing Balance	3.25	8.86
<b>ii) Provision Others</b>		
As per last balance sheet	249.54	192.82
Additions/(adjustments) during the year	(11.08)	56.72
Closing Balance	238.46	249.54
<b>Total (B)</b>	<b>241.71</b>	<b>258.40</b>
<b>Total (A+B)</b>	<b>932.31</b>	<b>835.88</b>

### Further Notes:

#### A) Employee Benefits

##### i) Performance Related Pay/Special Incentive:

Provision is created for Performance Related Pay to Executives and Non-Executives

##### ii) Other Employee Benefits:

Provision is created for the purpose of meeting out leave encashment, settlement allowance, long service award and POWERGRID Employee Family Rehabilitation Scheme. Refer Note No 63 for detailed disclosure related to Employee Benefit Obligations.

#### B) Others:

##### i) Downtime Service Credit –Telecom:

Provision is created in case when actual downtime is in excess of the permissible service level agreement, in such cases the necessary credit is passed on to the customer on demand.

However, in some cases, the downtime is not claimed by the customers then in such cases necessary provision on account of downtime is made in the books of accounts as per the links availability reports received from National Telecom Control Centre (NTCC) for the period of non-operation of links given to the customers. The calculation of downtime credit is based on the SLA signed with various customers.

**Note 32 Provisions (Contd.)**ii) Provision Others:

It includes provision for entry tax ₹165.24crore (Previous Year ₹156.98crore) as per demand raised by revenue authorities disputed by the company and are under litigation. An amount of ₹8.94crore (Previous Year ₹8.24crore) has been paid under court order and shown as "Balance with custom port trust and other authorities" in note no. 19.

Also includes provision of ₹0.00crore (Previous Year ₹0.46crore) towards demand raised by the commercial taxes department of Telangana in relation to absence of statutory form and other evidence on account of inter-state sale not covered by 'C' form.

**Note 33 Current Tax Liabilities (Net)**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Taxation (Including interest on tax)</b>		
As per last balance sheet	<b>9,061.76</b>	6,453.47
Additions during the year	<b>3,143.03</b>	2,610.49
Amount adjusted during the year	<b>3,961.75</b>	2.20
<b>Total</b>	<b>8,243.04</b>	<b>9,061.76</b>
Net off against Advance tax and TDS	<b>8,243.04</b>	8,636.25
<b>Closing Balance</b>	<b>-</b>	<b>425.51</b>

**Note 34 Deferred Revenue**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
Advance against depreciation	<b>858.29</b>	1,010.75
Grants in aid (Refer Further Notes)		
As per last Balance Sheet	<b>3,926.11</b>	4,147.01
Addition during the year	<b>22.04</b>	107.99
Adjustments during the year	<b>300.26</b>	328.89
Closing balance	<b>3,647.89</b>	3,926.11
Deferred income from foreign currency fluctuation (Net)	<b>5,008.36</b>	4,817.29
<b>TOTAL</b>	<b>9,514.54</b>	<b>9,754.15</b>

**Further Notes:**

- Grant in Aid of ₹0.00crore (Previous Year ₹5.95crore) was received from Power System Development Fund (PSDF) under Ministry of Power (MoP), Govt. of India (Gol) for installation of STATCOM in ER (ERSS-XI) and SR (System Strengthening in SR-XXI). In addition to Grant received, an interest of ₹0.02crore (Previous Year ₹1.43crore) credited to the Grant. An amount of ₹ 8.99 crore is repayable to Ministry of Power (MoP), Govt. of India (Gol) on account of cost savings in the projects. Accordingly, the said amount is shown as payable under Other Current Financial Liabilities.
- Grant in Aid of ₹0.41crore (Previous Year ₹0.75crore) including interest has been recognised, from Power System Development Fund (PSDF) under MoP, Gol for establishment of Unified Real Time Dynamic State Measurement (URTDMS).
- Grant in Aid, of ₹27.59crore (Previous Year ₹99.83crore) including interest has been recognised, from Ministry of New & Renewable Energy (MNRE), Gol for establishment of transmission system associated with Ultra Mega Solar Parks in Andhra Pradesh, Karnataka, Madhya Pradesh, Rajasthan and Gujarat.
- Grant in Aid of ₹0.02crore (Previous Year ₹0.03crore) has been recognised under achievement linked/incentive award scheme for Government Sector by Ministry of New & Renewable Energy (MNRE), Gol for establishing solar roof top plants in various buildings of the company.
- Grant in Aid of ₹ 2.99Crore (Previous Year ₹ 0.00crore) was received from Ministry of New & Renewal Energy (MNRE) for creating awareness activities for Pradhan Mantri Kisan Urja Suraksha evam Utthaan Mahabhiyaan(PM KUSUM) in Andhra Pradesh, Kerala and Rajasthan.



## Note 35 Revenue from operations

(₹ in crore)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Sales of services</b>		
<b>Transmission Business</b>		
Transmission Charges	37,654.68	35,960.86
Add: Revenue recognised out of Advance Against Depreciation	152.46	160.06
	37,807.14	36,120.92
<b>Other Operating Revenue</b>		
Interest on differential Provisional and Final Tariff	480.78	2.48
Income from lease lines	6.23	4.63
Recognised from deferred revenue - Grant in aid	300.26	328.89
	787.27	336.00
	38,594.41	36,456.92
<b>Telecom Business</b>	580.34	707.45
<b>Consultancy Project Management and Supervision</b>	753.34	501.28
<b>Total</b>	<b>39,928.09</b>	<b>37,665.65</b>

### Further notes:

- In exercise of powers u/s 178 of the Electricity Act 2003, Central Electricity Regulatory Commission (CERC) has notified "CERC (Terms and Conditions of Tariff) Regulations, 2019" vide order dated 07.03.2019 for the determination of transmission tariff for the block period 2019-24.
- The company has recognised transmission income during the year as per the following:
  - ₹20,297.33 crore (Previous Year ₹9,407.16 crore) as per final tariff orders issued by CERC for block period 2019-24 and
  - ₹17,509.81 crore (Previous Year ₹26,713.76 crore) provisionally as per CERC Tariff Regulations for the block period 2019-24 and other orders in similar cases, in respect of transmission assets for which final tariff orders are yet to be issued.
- Consequent to the final order issued by CERC, transmission income includes ₹628.80 crore (increase) (Previous Year ₹538.30 crore (increase)) pertaining to earlier years.
- Refer note no. 66 for disclosure on formation of wholly owned subsidiary of the company to undertake Telecommunications and Digital Technology Business of the company.
- Refer note no. 46 for disclosure as per Ind AS 115 "Revenue from Contracts with Customers".

## Note 36 Other income

(₹ in crore)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Interest income from</b>		
Indian Banks	122.01	58.59
loans to Subsidiaries	883.07	1,055.77
Loans to Joint Ventures (JVs)	2.36	11.71
Investment in PG InvIT	68.52	-
Others*	36.96	99.78
	1,112.92	1,225.85
<b>Interest from advances to contractors</b>	13.64	13.68
	1,126.56	1,239.53

**Note 36 Other income**

(₹ in crore)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Dividend income from</b>		
Subsidiaries	<b>436.40</b>	546.63
Joint Ventures	<b>68.38</b>	107.15
Associates	<b>116.75</b>	-
Investment in PG InvIT	<b>33.85</b>	-
Equity Investments designated at fair value through other comprehensive income	<b>9.00</b>	9.00
	<b>664.38</b>	662.78
<b>Others</b>		
Profit on sale of Property, Plant and Equipment	<b>0.02</b>	12.60
Profit on sale of Investment in Mutual Funds	<b>15.95</b>	-
Finance Income from finance lease	<b>73.12</b>	81.18
Surcharge	<b>364.46</b>	714.15
FERV gain	<b>0.03</b>	0.02
Provisions written back	<b>13.13</b>	24.55
Fair Value gain on initial recognition of Financial liability/investment	<b>21.37</b>	19.31
Miscellaneous income **	<b>152.86</b>	129.41
	<b>640.94</b>	981.22
	<b>2,431.88</b>	<b>2,883.53</b>
Less: Transferred to expenditure during construction (Net) - Note 43	<b>24.10</b>	22.07
<b>TOTAL</b>	<b>2,407.78</b>	<b>2,861.46</b>

**Further Notes:**

\* Others include interest on employee loans, unwinding of finance cost on employee loans etc.

\*\* Miscellaneous income include Sale of Scrap, Insurance Claim Recovery, UI Charges, other income etc.

**Note 37 Employee benefits expense**

(₹ in crore)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries, wages, allowances & benefits	<b>2,087.20</b>	2,068.18
Contribution to provident and other funds	<b>269.31</b>	322.95
Staff Welfare expenses (Including Deferred Employee cost)	<b>271.41</b>	203.24
	<b>2,627.92</b>	2,594.37
Less: Transferred to Expenditure during Construction(Net)-Note 43	<b>383.65</b>	483.63
Transferred to CSR expenses- Note 40	<b>9.51</b>	-
<b>Total</b>	<b>2,234.76</b>	<b>2,110.74</b>

**Further Notes:**

a) Refer note no 55 for Remuneration to Key Managerial Personnel (KMPs).

b) Refer note no 63 for details of Employee Benefit Obligations.

c) Employee benefits expense includes ₹ 29.32 crore for FY 2021-22 related to Central Transmission Utility of India Limited (Refer Note No 66 D).



## Note 38 Finance costs

(₹ in crore)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Interest and finance charges on financial liabilities at amortised cost</b>		
Indian Banks & Financial Institutions	1,720.44	1,870.82
Foreign Banks and Financial Institutions	396.36	562.31
Secured/Unsecured redeemable Bonds	5,569.52	6,062.56
Foreign Currency Bonds	158.76	156.82
<b>Unwinding of discount on financial liabilities</b>	52.86	60.17
<b>Interest - Others</b>	1.99	5.26
<b>Interest on Lease Liability</b>	3.84	1.75
	<b>7,903.77</b>	8,719.69
<b>Other Finance charges</b>		
Commitment charges	0.01	1.28
Guarantee Fee	354.83	376.44
Others*	22.94	58.25
	<b>377.78</b>	435.97
<b>Exchange differences regarded as adjustment to Borrowing Cost</b>	212.65	(223.10)
	<b>590.43</b>	212.87
	<b>8,494.20</b>	8,932.56
Less: Transferred to Expenditure during Construction(Net)-Note 43	283.26	431.55
<b>Total</b>	<b>8,210.94</b>	<b>8,501.01</b>

### Further Notes:

\*Others includes agency fees, trustee fees, RTA & Listing Fees, Rating Fees, interest on land compensation, tree & crop compensation etc.

## Note 39 Depreciation and amortization expense

(₹ in crore)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation of Property, Plant and Equipment	12,795.29	11,921.39
Amortization of Intangible assets	122.96	118.72
Depreciation on ROU Assets	21.89	20.06
	<b>12,940.14</b>	12,060.17
Less: Transferred to Expenditure During Construction(Net)-Note 43	12.66	12.56
	<b>12,927.48</b>	<b>12,047.61</b>
Less: Depreciation amortised due to FERV adjustment	376.90	335.93
<b>Charged to Statement of Profit &amp; Loss</b>	<b>12,550.58</b>	<b>11,711.68</b>



**Note 40 Other expenses**

(₹ in crore)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Repair &amp; Maintenance</b>		
Buildings	99.19	90.00
Plant & Machinery		
Sub-Stations	431.43	385.10
Transmission lines	190.03	204.36
Telecom equipments	52.55	45.02
Others	44.99	39.10
	719.00	673.58
System and Market Operation Charges	99.99	55.24
Power charges	291.73	264.42
Less: Recovery from contractors	0.89	2.68
	290.84	261.74
Expenses of Diesel Generating sets	4.91	3.52
Stores consumed	5.22	5.45
Water charges	4.34	4.51
Right of Way charges-Telecom	68.73	62.59
Patrolling Expenses-Telecom	2.27	0.68
Last Mile connectivity-Telecom	7.26	7.44
Training & Recruitment Expenses	20.03	17.78
Less:Fees for training and application	0.94	0.12
	19.09	17.66
Legal expenses	15.51	13.23
Professional charges	31.32	20.95
Consultancy expenses	1.07	0.40
Communication expenses	24.28	20.92
Inland Travelling Expenses	111.44	90.32
Foreign travel	3.46	1.78
	114.90	92.10
Tender expenses	2.23	1.93
Less: Sale of tenders	1.14	1.53
	1.09	0.40
<b>Payments to Statutory Auditors</b>		
Audit Fees	1.57	1.43
Tax Audit Fees	0.44	0.40
In Other Capacity	1.27	1.15
Out of pocket Expenses	0.27	0.13
	3.55	3.11
Advertisement and publicity	8.94	6.97
Printing and stationery	4.73	4.41
Books Periodicals and Journals	1.20	0.84
EDP hire and other charges	11.76	10.51
Entertainment expenses	4.13	3.78



## Note 40 Other expenses

(₹ in crore)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Brokerage & Commission	1.84	0.91
Research & Development expenses	0.34	4.55
Cost Audit and Physical verification Fees	1.28	1.39
Rent #	34.81	39.80
CERC petition & Other charges	85.99	73.55
Miscellaneous expenses	79.90	58.17
Horticulture Expenses	39.08	33.64
Security Expenses	310.38	290.98
Hiring of Vehicle	138.44	117.98
Insurance	134.40	110.44
Rates and taxes	39.92	36.93
License Fees to DOT	54.09	62.47
Bandwidth charges dark fibre lease charges (Telecom)	22.84	23.15
Corporate Social Responsibility (CSR) Expenses *	271.14	240.48
Transit Accomodation Expenses	38.32	32.21
Less : Income from Transit Accomodation	1.25	0.97
	37.07	31.24
Foreign Exchange Rate Variation	6.72	60.68
Provisions for doubtful loans, advances, debts, claims etc.	4.21	7.49
	2,805.77	2,553.88
Less:Transferred to Expenditure during Construction (Net) - Note 43	62.56	70.00
	2,743.21	2,483.88
Loss on Disposal/Write off of Property, Plant & Equipment	28.41	15.09
<b>Total**</b>	<b>2,771.62</b>	<b>2,498.97</b>

### Further Note:

\* Includes an amount of ₹ 9.51 crore (Previous Year NIL) transferred from Note No 37- 'Employee Benefits Expense'

# Refer Note No 50 for Short-term leases expenses.

\*\* includes consumption of imported materials during the year amounting to ₹ 2.45 crore (Previous Year ₹ 2.86 crore).

Other expenses includes ₹ 6.55 crore for FY 2021-22 related to Central Transmission Utility of India Limited (Refer Note No 66 D).

## Note 41 Net Movement in Regulatory Deferral Account Balances-Incomes/(expenses) (net of tax)

(₹ in crore)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Deferred assets for deferred tax liability	(727.94)	568.46
Foreign Currency Fluctuation	93.03	(85.17)
Employee Benefits and Other Expense	1.60	-
	(633.31)	483.29
Tax on net movement in regulatory deferral account balances	(110.65)	84.44
<b>TOTAL</b>	<b>(522.66)</b>	<b>398.85</b>

### Further Note:

Refer to note no 51 for detailed disclosure on Regulatory Deferral Account Balances.

**Note 42 Other Comprehensive Income**

(₹ in crore)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Items that will not be reclassified to Profit or Loss		
Gain/(Loss) on valuation of Investment in Equity	478.85	39.80
Provisions for actuarial valuation	(196.74)	(19.94)
	282.11	19.86
Less: Transferred to Expenditure during Construction(Net)-Note 43	(34.34)	(2.44)
	316.45	22.30
Less: Income Tax relating to items that will not be reclassified to Profit or Loss		
Current Tax	(28.38)	(3.06)
Deferred Tax	53.90	-
	25.52	(3.06)
<b>Items that will not be reclassified to Profit or Loss (net of tax)</b>	<b>290.93</b>	<b>25.36</b>

**Further Note:**

Other Comprehensive Income includes ₹ 0.05 crore for FY 2021-22 related to Central Transmission Utility of India Limited (Refer Note No 66 D).

**Note 43 Expenditure during Construction (Net)**

(₹ in crore)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>A. Employees Remuneration &amp; Benefits</b>		
Salaries wages allowances and benefits	319.75	419.65
Contribution to provident and other funds	43.07	41.13
Welfare expenses	20.83	22.85
<b>Total (A)</b>	<b>383.65</b>	<b>483.63</b>
<b>B. Other Expenses</b>		
Repair and maintenance	1.04	7.39
Power charges	3.15	7.22
Less: Recovery from contractors	0.20	2.22
	2.95	5.00
Expenses on Diesel Generating sets	0.06	0.06
Water charges	0.08	0.04
Legal expenses	1.47	1.61
Professional charges	3.80	1.32
Consultancy expenses	0.19	0.04
Communication expenses	2.58	2.96
Travelling & Conv.exp. (Including Foreign Travel)	19.52	17.81
Tender expenses	1.08	1.84
Less: Sale of tenders	1.06	1.46
	0.02	0.38
Payment to Auditors	-	0.10
Advertisement and Publicity	-	0.07
Printing and stationery	0.16	0.32
EDP hire and other charges	0.06	0.11
Entertainment expenses	0.03	0.31
Brokerage and commission	0.01	0.16



## Note 43 Expenditure during Construction (Net) (Contd.)

(₹ in crore)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Rent	0.76	2.40
Miscellaneous expenses	4.11	1.79
Horticulture Expenses	-	0.17
Security Expenses	12.80	11.13
Hiring of Vehicles	9.53	14.04
Insurance	-	0.01
Rates and taxes	1.95	1.94
Bandwidth charges, dark fibre lease charges(Telecom)	0.38	0.01
Transit Accomodation Expenses	1.08	0.83
Less : Income from Transit Accomodation	0.02	-
	1.06	0.83
<b>Total (B)</b>	<b>62.56</b>	<b>70.00</b>
<b>C. Depreciation/Amortisation</b>	<b>12.66</b>	<b>12.56</b>
<b>Total (C)</b>	<b>12.66</b>	<b>12.56</b>
<b>D. Finance Costs</b>		
a) Interest and finance charges on financial liabilities at amortised cost		
Indian Banks and Financial Institutions	109.55	199.64
Foreign Banks and Financial Institutions	16.82	128.42
Secured/Unsecured Redeemable Bonds	107.78	190.65
Foreign Currency Bonds	0.84	0.80
Others	3.74	8.19
	238.73	527.70
b) Other finance charges		
Commitment charges	-	0.85
Guarantee fee & others	11.12	46.30
	11.12	47.15
c) FERV adjustment to borrowing cost	33.41	(143.30)
<b>Total (D)</b>	<b>283.26</b>	<b>431.55</b>
<b>E. Less: Other Income</b>		
Interest from		
Contractors	12.75	13.05
Others	0.93	1.71
	13.68	14.76
Miscellaneous income	10.42	7.31
<b>Total (E)</b>	<b>24.10</b>	<b>22.07</b>
<b>F. Less: Other Comprehensive Income</b>		
Other Comprehensive Income	(34.34)	(2.44)
<b>Total (F)</b>	<b>(34.34)</b>	<b>(2.44)</b>
<b>Grand Total (A+B+C+D-E-F)</b>	<b>752.37</b>	<b>978.11</b>

- 44.** Cash equivalent of deemed export benefits availed of ₹209.99crore in respect of supplies effected for East South Inter Connector-II Transmission Project (ESI) and Sasaram Transmission Project (STP), were paid to the Customs and Central Excise Authorities in accordance with direction from Ministry of Power (GOI) during 2002-03 due to non-availability of World Bank loan for the entire supplies in respect of ESI project and for the supplies prior to March 2000 in respect of STP project and the same was capitalised in the books of accounts. Thereafter, World Bank had financed both the ESI project and STP project as originally envisaged and they became eligible for deemed export benefits. Consequently, the company has lodged claims with the Customs and Excise Authorities.

In this regard the Cumulative amount received and de-capitalized up to 31.03.2022 is ₹12.12crore (Previous Year ₹12.12crore). The company continued to show the balance of ₹197.87crore (Previous Year ₹197.87crore) in the capital cost of the respective assets / projects pending receipt of the same from Customs and Excise Authorities.

- 45.** a) Some balances of Trade Receivables and recoverable shown under Assets and Trade and Other Payables shown under Liabilities include balances subject to confirmation/ reconciliation and consequential adjustments if any. However, reconciliations are carried out on ongoing basis. The management does not expect any material adjustment in the books of accounts as a result of the reconciliation.
- b) In the opinion of the management, the value of any of the assets other than Property, Plant and Equipment and non-current investments on realization in the ordinary course of business will not be less than the value at which they are stated in the Balance Sheet.

#### **46. Disclosure as per Ind AS 115 - "Revenue from Contracts with Customers"**

- a) For milestone-based contracts (consultancy contracts), unsatisfied performance obligations are as follows:

(₹ in crore)

Particulars	As at 31.03.2022	As at 31.03.2021
Transaction price related to unsatisfied (or partially satisfied) performance obligation	<b>1,845.97</b>	2,477.46
These performance obligations are expected to be satisfied within	<b>3 Years</b>	3 Years

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

(₹ in crore)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Balance at the beginning	<b>2,157.17</b>	1,172.13
Add: Revenue recognised during the period	<b>8,301.35</b>	4,987.15
Less: Invoiced/transferred to trade receivables during the period	<b>4,869.70</b>	4,002.11
Balance at the end	<b>5,588.82</b>	2,157.17

- c) The movement in contract liability during the year is as follows:

(₹ in crore)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Balance at the beginning	<b>1,035.14</b>	1,164.02
Add: Advance billing during the period	<b>865.78</b>	548.83
Less: revenue recognised during the period		
a) From contract liability as at beginning of the period	<b>691.95</b>	588.09
b) From contract liability recognised during the period	<b>186.42</b>	89.45
Add: Translation gain/(Loss)	<b>0.18</b>	(0.17)
Balance at the end	<b>1,022.73</b>	1,035.14

- d) The entity determines transaction price based on expected value method considering its past experiences of refunds or significant reversals in amount of revenue. In estimating significant financing component, management considers the financing element in-built in the transaction price based on imputed rate of return. Reconciliation of Contracted Price vis-a-vis revenue recognized in profit or loss statement is as follows:



#### 46. Disclosure as per Ind AS 115 - "Revenue from Contracts with Customers" (Contd.)

(₹ in crore)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Contracted price	38,670.15	36,790.75
Add/ (Less)- Discounts/ rebates provided to customer	(163.40)	(107.79)
Add/ (Less)- Performance bonus	400.96	413.53
Add/ (Less)- Adjustment for significant financing component	80.65	73.10
Add/ (Less)- Other adjustments	939.73	496.06
Revenue recognised in profit or loss statement	39,928.09	37,665.65

47. (i) FERV Loss of ₹568.13crore (Previous Year FERV Gain of ₹450.57crore) has been adjusted in the respective carrying amount of Property, Plant and Equipment/Capital work in Progress (CWIP)/Lease Receivables.

(ii) FERV Loss of ₹6.69crore (Previous Year FERV Loss of ₹60.66crore) has been recognised in the Statement of Profit and Loss.

48. Borrowing cost capitalised during the year is ₹283.26crore (Previous Year ₹431.55crore) in the respective carrying amount of Property, Plant and Equipment/Capital work in Progress (CWIP) as per Ind AS 23 'Borrowing Costs'.

49. Based on the 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 crore)

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	47.19	29.75	5.43	3.65
	Interest	-	0.01	-	-
2	The amount of Interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-	-	-
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	0.01	-	-
4	The amount of interest accrued and remaining unpaid at the end of each accounting year	-	0.01	-	-
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	-	-	-	-

#### 50. Disclosure as per Ind AS 116 - "Leases"

##### a) As a Lessor - Finance Leases:

The Company has classified and accounted for the arrangements for state sector ULDC assets and bilateral assets as finance leases. Agreements for State Sector ULDC are for a period of 15 years and Bilateral Line Assets with the beneficiary are for the period as specified in CERC Regulations.

Other Non-Current Financial Assets and Other Current Financial Assets include lease receivables representing the present value of future lease rentals receivable on the finance lease transactions entered into by the company with the constituents in respect of State Sector ULDC and Bilateral Line Assets. Disclosure requirements of Ind AS 116 'Leases' notified under the Companies Act, 2013 are given as under:

(i) Details of gross investment in lease, un-earned finance income and present value of minimum lease payments receivables at the end of financial year are given as under:



**50. Disclosure as per Ind AS 116 - "Leases" (Contd.)**

(₹ in crore)

Particulars	As at 31.03.2022	As at 31.03.2021
Gross investment in Lease	1,377.63	1452.27
Un-earned Finance Income	835.91	902.54
Present value of Minimum Lease Payment (MLP)	541.72	549.73

(ii) The value of contractual maturity of such leases is as under:

(₹ in crore)

Particulars	Gross Investment in Lease		Present Value of MLPs	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Not later than one year	131.32	129.19	51.92	48.46
Later than one year and not later than two years	131.32	129.00	53.03	49.27
Later than two years and not later than three years	131.32	129.00	54.29	50.39
Later than three years and not later than four years	131.32	129.00	55.71	51.65
Later than four years and not later than five years	131.32	129.00	57.31	53.07
Later than five years	721.03	807.08	269.46	296.89
<b>Total</b>	<b>1,377.63</b>	<b>1,452.27</b>	<b>541.72</b>	<b>549.73</b>

(iii) There are differences in balance lease receivable as at year end as per accounts and tariff records on account of Undischarged liabilities & Unamortized FERV on loans amounting to ₹101.28crore (Previous Year ₹105.02crore). Undischarged liabilities become part of project cost only on discharge of such liabilities & FERV are allowed to be recovered as part of tariff on actual payment basis.

**b) As a Lessee:**

The company has taken assets on lease such as dark fibre, colocation & repeater shelter spaces and office buildings etc. for various periods which are assessed and accounted as per the requirements of Ind AS 116 - "Leases" and required disclosures as per the said Ind AS are as follows:

**(i) ROU Assets:**

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 has been disclosed in note no. 4 as a separate line item.

**(ii) Lease Liabilities:**

Interest expense on lease liabilities for the year is shown under note no. 38 and total cash outflow for leases for the year has been disclosed in statement of cash flow under financing activities as separate line item and maturity analysis of lease liabilities has been disclosed in note no. 61.

**(iii) Short term leases:**

The company, during the financial year, has incurred ₹32.90crore (Previous Year ₹37.56crore) with respect to short term leases.

The company was committed to short term leases and the total commitment of such leases at the end of financial year was ₹7.09crore (Previous Year ₹5.94crore).

**51. Disclosures relating to Regulatory Deferral Account Balances****i) Nature of rate regulated activities**

The company is mainly engaged in the business of transmission of power. The tariff for transmission of power is determined by the CERC through tariff regulations. The tariff is based on capital cost admitted by CERC and provides for transmission charges recovery of annual fixed cost consisting of Return on equity, Interest on loan capital, Depreciation, interest on working capital and Operation & Maintenance expenses.

**ii) Recognition and measurement**

FERV arising during the construction period for settlement/translation of monetary items (other than non-current loans) denominated in foreign currency to the extent recoverable/payable to the beneficiaries as capital cost as per CERC Tariff Regulations are accounted as Regulatory Deferral Account Balances. In respect of long term foreign currency loan drawn on or after 01.04.2016, exchange difference to the extent recoverable as per CERC Tariff Regulations are recognised as Regulatory Deferral Account Balances. The company expects to recover these amounts through depreciation component of the tariff over the life of the asset or as exchange rate variation on repayment of the loan.



### 51. Disclosures relating to Regulatory Deferral Account Balances (Contd.)

The tariff norms for the block period 2019-2024 notified by the Central Electricity Regulatory Commission (CERC) provide for grossing up of the return on equity based on effective tax rate for the financial year based on the actual tax paid during the year on the transmission income. Accordingly, deferred tax provided during the year ended 31.03.2022 on the transmission income is accounted as 'Deferred Assets against Deferred Tax Liability'. Deferred Assets against Deferred Tax Liability for the year will be reversed in future years (including tax holiday period) when the related deferred tax liability forms a part of current tax.

The cumulative amount of ₹ 135.76 crore (cumulative previous year amount of ₹134.16 crore) on account of pay revision and other expenses which are not capitalised but allowed as capital cost as per CERC Tariff Regulations is recoverable from the beneficiaries is included in Regulatory Deferral Account Balances and will be adjusted in the year in which they become recoverable from beneficiaries as per CERC. Amount of regulatory deferral account balances is on undiscounted basis.

#### iii) Risk associated with future recovery/ reversal of regulatory deferral account balances

(a) regulatory risk on account of changes in regulations.

(b) other risks including currency or other market risks, if any.

Any change in the Tariff regulations beyond the current tariff period ending on 31.03.2024 may have an impact on the recovery of Regulatory Deferral Account Balances.

The Regulatory Deferral Account Balances (assets) recognized in the books to be recovered from the beneficiaries in future periods are as follows:

(₹ in crore)

Particulars	As at 31.03.2022	As at 31.03.2021
A. Opening Balance	10,606.35	10,123.06
B. Addition/(deduction) during the year	(557.90)	553.94
C. Amount collected/refunded during the year	75.41	70.65
D. Regulated Income/(Expense) recognised in the statement of Profit and Loss (B-C)	(633.31)	483.29
E. Closing Balance (A+D)	9,973.04	10,606.35
F. Tax on Regulated Income/(Expense) recognised in the statement of Profit and Loss	(110.65)	84.44

### 52. Disclosure as required by Regulation 34 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

A. Loans and Advances in nature of Loans:

1. To Subsidiary Companies and Joint Ventures

(₹ in crore)

Name of the Company	Outstanding balance		Maximum amount outstanding	
	As at 31.03.2022	As at 31.03.2021	For the year ended 31.03.2022	For the year ended 31.03.2021
<b>Subsidiaries</b>				
Powergrid NM Transmission Limited	905.06	891.36	908.36	1,094.41
Powergrid Vizag Transmission Limited	-	783.99	783.99	813.31
Powergrid Unchahar Transmission Limited	34.59	36.06	36.06	40.32
Powergrid Kala Amb Transmission Limited	-	186.00	186.00	203.26
Powergrid Jabalpur Transmission Limited	-	1,183.00	1,183.00	1,221.56
Powergrid Warora Transmission Limited	-	1,540.00	1,540.00	1,567.50
Powergrid Parli Transmission Limited	-	1,300.50	1,300.50	1,366.50
Powergrid Southern Interconnector Transmission System Limited	2,651.33	2,745.28	2,745.28	2,923.66
Powergrid Medinipur Jeerat Transmission Limited	2,523.54	2,373.02	2,523.54	2,373.02
Powergrid Mithilanchal Transmission Limited	927.38	864.16	927.38	864.16
Powergrid Varanasi Transmission System Limited	739.49	658.05	744.72	658.05
Powergrid Jawaharpur Firozabad Transmission Limited	345.66	325.66	348.15	325.66

**52. Disclosure as required by Regulation 34 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Contd.)**

(₹ in crore)

Name of the Company	Outstanding balance		Maximum amount outstanding	
	As at 31.03.2022	As at 31.03.2021	For the year ended 31.03.2022	For the year ended 31.03.2021
Powergrid Khetri Transmission System Limited	786.71	632.97	786.71	632.97
Powergrid Bhuj Transmission Limited	765.75	331.53	765.75	331.53
Powergrid Bhind Guna Transmission Limited	366.65	241.90	366.65	241.90
Powergrid Ajmer Phagi Transmission Limited	466.79	432.32	473.18	432.32
Powergrid Fatehgarh Transmission Limited	517.06	446.86	520.82	446.86
Powergrid Rampur Sambhal Transmission Limited	439.80	105.38	439.80	105.38
Powergrid Meerut Simbhavali Transmission Limited	614.99	161.99	614.99	161.99
Powergrid Ramgarh Transmission Limited	91.84	5.82	91.84	5.82
Powergrid Himachal Transmission Limited	115.14	-	159.14	-
Powergrid Bikaner Transmission System Limited	424.59	-	424.59	-
Powergrid Sikar Transmission Limited	478.97	-	478.97	-
Powergrid Bhadla Transmission Limited	279.72	-	279.72	-
Powergrid Aligarh Sikar Transmission Limited	571.25	-	571.25	-
<b>Joint Ventures</b>				
National High Power Test Laboratory Private Limited	18.40	18.40	18.40	18.40
Teestavalley Power Transmission Limited	-	29.29	29.29	95.00
<b>Total</b>	<b>14,064.71</b>	<b>15,293.54</b>	<b>19,248.08</b>	<b>15,923.58</b>

2. To firms/companies in which directors are interested: NIL

B. Investment by the loanee (as detailed above) in the shares of Power Grid Corporation of India Ltd: NIL

**53. Corporate Social Responsibility (CSR) Expenses**

As per Section 135 of the Companies Act, 2013 along with Companies (Corporate Social Responsibility Policy) Rules, 2014 read with DPE guidelines no F.No.15 (13)/2013-DPE (GM), the Company is required to spend, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years in accordance with its CSR Policy. The details of CSR expenses for the year are as under:

(₹ in crore)

Sl. No.	PARTICULARS	For the year ended 31.03.2022	For the year ended 31.03.2021
A	Gross Amount required to be spent during the year	257.07	233.79
B	Amount approved by the Board to be spent during the year	257.07	233.79
C	Amount spent on CSR –		
(i)	Construction or acquisition of any asset	117.30	115.72
(ii)	on Purpose other than (i) above	153.84	124.76
D	Total Shortfall/(Excess) amount	(14.07)	(6.69)
E	Break-up of the amount spent on CSR		
1	Education and Skill Development expenses	53.33	37.54
2	Ecology and Environment Expenses	5.28	7.26
3	Health and Sanitation expenses	189.72	171.96
4	Sports, Art and Culture expenses	1.74	1.85
5	Protection of national heritage, art and culture including restoration of building and sites of historical importance	1.36	0.01
6	Other CSR activities	9.74	21.50



### 53. Corporate Social Responsibility (CSR) Expenses (Contd.)

(₹ in crore)

Sl. No.	PARTICULARS	For the year ended 31.03.2022	For the year ended 31.03.2021
7	Salaries, wages and other benefits of Company's own CSR personnel limited to 5% of total amount required to be spent on CSR	9.97	0.36
	<b>Total Amount spent on CSR</b>	<b>271.14</b>	<b>240.48</b>
	Opening CSR Liability/Provision	6.81	8.56
	Add: CSR Expense	271.14	240.48
	Less: Amount paid in Cash	266.63	242.23
	Closing CSR Liability/Provision	11.32	6.81

Excess amount spent and carried forward to next financial year:

(₹ in crore)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Opening Balance	6.69	-
Amount required to be spent during the year	257.07	233.79
Amount spent during the year	271.14	240.48
Closing Balance	20.76	6.69

### 54. Fair Value Measurement

(₹ in crore)

Financial Instruments by category	As at 31.03.2022		As at 31.03.2021	
	FVOCI	Amortised cost	FVOCI	Amortised cost
<b>Financial Assets</b>				
<u>Investments</u>				
<u>Equity Instruments</u>				
PTC India Limited (12000006 shares of ₹ 10 each)	98.69		93.30	
Energy Efficiency Services Limited (Previous year 56118350 shares of ₹ 10 each)	-		45.40	
POWERGRID Infrastructure Investment Trust (136500100 units (Previous year NIL))	1,827.74		-	
Trade Receivables		9,106.82		8,470.20
Loans		14,598.05		15,902.92
Cash & cash Equivalents		2,457.47		4,430.05
Bank Balance		579.59		936.15
<b>Other Financial Assets</b>				
Current		6,125.77		3,031.53
Non-Current		4,078.44		4,220.96
<b>Total Financial assets</b>	<b>1,926.43</b>	<b>36,946.14</b>	<b>138.70</b>	<b>36,991.81</b>
<b>Financial Liabilities</b>				
Borrowings		1,37,447.04		1,46,153.00
Trade Payables		266.14		186.30
<b>Other Financial Liabilities</b>				
Current		4,627.13		7,127.06
Non-Current		3,523.00		3,696.39
<b>Total financial liabilities</b>	<b>-</b>	<b>1,45,863.31</b>	<b>-</b>	<b>1,57,162.75</b>

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

**54. Fair Value Measurement (Contd.)**

Financial instruments that are measured at Fair value:

(₹ in crore)

Particulars	Level 1	Level 2	Level 3	Total
<b>As at 31.03.2022</b>				
<b>Financial Assets</b>				
Investments				
Equity Instruments				
PTC India Limited (12000006 shares of ₹ 10 each)	98.69	-	-	98.69
POWERGRID Infrastructure Investment Trust (136500100 units)	1,827.74	-	-	1,827.74
<b>Total Financial Assets</b>	<b>1,926.43</b>	<b>-</b>	<b>-</b>	<b>1,926.43</b>

(₹ in crore)

Particulars	Level 1	Level 2	Level 3	Total
<b>As at 31.03.2021</b>				
<b>Financial Assets</b>				
Investments				
Equity Instruments				
PTC India Limited (12000006 shares of ₹ 10 each)	93.30	-	-	93.30
Energy Efficiency Services Limited (56118350 shares of ₹ 10 each)	-	45.40	-	45.40
<b>Total Financial Assets</b>	<b>93.30</b>	<b>45.40</b>	<b>-</b>	<b>138.70</b>

Financial instruments that are measured at Amortised Cost:

(₹ in crore)

Particulars	Level	As at 31.03.2022		As at 31.03.2021	
		Carrying Amount	Fair value	Carrying Amount	Fair value
<b>Financial Assets</b>					
<b>Loans</b>					
Loans to Subsidiaries	2	14,093.01	13,984.84	15,453.29	15,421.01
Loans to Joint Venture	2	21.74	18.27	52.88	49.04
Loans to employees	2	483.30	448.43	396.75	379.82
<b>Total Financial Assets</b>		<b>14,598.05</b>	<b>14,451.54</b>	<b>15,902.92</b>	<b>15,849.87</b>
<b>Financial Liabilities</b>					
Borrowings	2	1,37,447.04	1,41,617.91	1,46,153.00	1,52,058.52
Deposits/retention money from contractors and others	2	3,559.22	3,844.04	3,732.61	4,082.65
<b>Total financial liabilities</b>		<b>1,41,006.26</b>	<b>1,45,461.95</b>	<b>1,49,885.61</b>	<b>1,56,141.17</b>

The carrying amounts of trade receivables, trade payables, cash and cash equivalents and other current financial liabilities are considered to be the same as their fair values, due to their short-term nature. The carrying values for finance lease receivables approximates the fair value as these are periodically evaluated based on credit worthiness of customer and allowance for estimated losses is recorded based on this evaluation.

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

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

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

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

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



#### 54. Fair Value Measurement (Contd.)

##### Valuation technique used to determine fair value:

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of Energy Efficiency Services Limited for the previous year has been determined by making qualitative adjustment to trading multiples such as P/E, EV/EBITDA of comparable listed prices. The same has been included in Level 2 fair value hierarchy.
- 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 apart from equity instruments of PTC India Limited and POWERGRID Infrastructure Investment Trust which is included in Level 1 fair value hierarchy.

Fair value of financial instruments has been determined by an independent valuer.

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

##### (a) Subsidiaries

Name of entity	Place of business/ Country of incorporation	Proportion of Ownership Interest	
		As at 31.03.2022	As at 31.03.2021
Powergrid Vemagiri Transmission Limited	India	100%	100%
Powergrid NM Transmission Limited	India	100%	100%
Powergrid Vizag Transmission Limited <sup>1</sup>	India	NA	100%
Powergrid Unchahar Transmission Limited	India	100%	100%
Powergrid Kala Amb Transmission Limited <sup>1</sup>	India	NA	100%
Powergrid Jabalpur Transmission Limited <sup>1</sup>	India	NA	100%
Powergrid Warora Transmission Limited <sup>1</sup>	India	NA	100%
Powergrid Parli Transmission Limited <sup>1</sup>	India	NA	100%
Powergrid Southern Interconnector Transmission System Limited	India	100%	100%
Powergrid Medinipur Jeerat Transmission Limited	India	100%	100%
Powergrid Mithilanchal Transmission Limited (Erstwhile ERSS XXI Transmission Limited)	India	100%	100%
Powergrid Varanasi Transmission System Limited (Erstwhile WR-NR Power Transmission Limited)	India	100%	100%
Powergrid Jawaharpur Firozabad Transmission Limited (Erstwhile Jawaharpur Firozabad Transmission Limited)	India	100%	100%
Powergrid Khetri Transmission System Limited (Erstwhile Khetri Transco Limited)	India	100%	100%
Powergrid Bhuj Transmission Limited (Erstwhile Bhuj-II Transmission Limited)	India	100%	100%
Powergrid Bhind Guna Transmission Limited (Erstwhile Bhind Guna Transmission Limited)	India	100%	100%
Powergrid Ajmer Phagi Transmission Limited (Erstwhile Ajmer Phagi Transco Limited)	India	100%	100%
Powergrid Fatehgarh Transmission Limited (Erstwhile Fatehgarh-II Transco Limited)	India	100%	100%
Powergrid Rampur Sambhal Transmission Limited (Erstwhile Rampur Sambhal Transco Limited)	India	100%	100%
Powergrid Meerut Simbhavali Transmission Limited (Erstwhile Meerut-Simbhavali Transmission Limited)	India	100%	100%
Central Transmission Utility of India Limited	India	100%	100%
Powergrid Ramgarh Transmission Limited (Erstwhile Ramgarh New Transmission Limited)	India	100%	100%
Powergrid Himachal Transmission Limited (Erstwhile Jaypee Powergrid Limited)	India	100%	100%



**55. Disclosure as per Ind AS 24 - "Related Party Disclosures" (Contd.)**

Name of entity	Place of business/ Country of incorporation	Proportion of Ownership Interest	
		As at 31.03.2022	As at 31.03.2021
Powergrid Bikaner Transmission System Limited (Erstwhile Bikaner-II Bhiwadi Transco Limited)	India	100%	100%
Powergrid Sikar Transmission Limited (Erstwhile Sikar New Transmission Limited) <sup>2</sup>	India	100%	NA
Powergrid Bhadla Transmission Limited (Erstwhile Fatehgarh Bhadla Transco Limited) <sup>2</sup>	India	100%	NA
Powergrid Aligarh Sikar Transmission Limited (Erstwhile Sikar II Aligarh Transmission Limited) <sup>3</sup>	India	100%	NA
Powergrid Teleservices Limited <sup>4</sup>	India	100%	NA
Powergrid Energy Services Limited <sup>5</sup>	India	100%	NA
<sup>1</sup> Subsidiary till 12.05.2021 (Associate from 13.05.2021 onwards) and Refer note 19A "Assets classified as held for sale"			
<sup>2</sup> 100% equity acquired from REC Power Distribution Company Limited on 04.06.2021.			
<sup>3</sup> 100% equity acquired from PFC Consulting Limited on 08.06.2021			
<sup>4</sup> Incorporated on 25.11.2021			
<sup>5</sup> Incorporated on 14.03.2022 as a wholly owned subsidiary of the Company to undertake the Energy Management Projects in India and abroad as an investor and/or Project Management Consultant (PMC) to provide services, products, investment & consultancy related to Energy Management.			

**(b) Joint Ventures**

Name of entity	Place of business/ Country of incorporation	Proportion of Ownership Interest	
		As at 31.03.2022	As at 31.03.2021
Powerlinks Transmission Limited	India	49%	49%
Torrent Power Grid Limited	India	26%	26%
Parbati Koldam Transmission Company Limited	India	26%	26%
Teestavalley Power Transmission Limited <sup>1</sup>	India	30.92%	30.92%
North East Transmission Company Limited	India	26%	26%
National High Power Test Laboratory Private Limited	India	20%	20%
Bihar Grid Company Limited	India	50%	50%
Energy Efficiency Services Limited <sup>2</sup>	India	33.33%	NA
Cross Border Power Transmission Company Limited <sup>3</sup>	India	26%	26%
RINL Powergrid TLT Private Limited <sup>4</sup>	India	50%	50%
Power Transmission Company Nepal Limited	Nepal	26%	26%
<sup>1</sup> POWERGRID & Teesta Urja Ltd are the Joint venture partners in Teestavalley Power Transmission Limited & holds 26% & 74 % equity, respectively as per Shareholding agreement. On call of additional equity by Teestavalley Power Transmission limited, POWERGRID contributed their share while the other JV partner has not yet contributed their share of money. Consequently, the holding of POWERGRID increased to 30.92% against 26% provided in shareholding agreement.			
<sup>2</sup> The Company has invested ₹ 407.49 crore during the year in Energy Efficiency Services Limited (EESL), thereby increasing its shareholding from 5.71% to 33.33%. EESL has been considered as Joint Venture w.e.f. 01.09.2021 being the Joint control has been reinstated vide Agreement dated 01.09.2021.			
<sup>3</sup> The Board of Directors of the company have, in its meeting held on 01 May 2022, approved the proposal for purchase of 77,30,225 no. equity shares held by IL&FS Energy Development Company Limited in Cross Border Power Transmission Company Limited (Joint venture of the company).			
<sup>4</sup> POWERGRID's Board of Directors in its meeting held on 01.05.2018 accorded in principle approval to close RINL Powergrid TLT Private Limited (RPTPL) and seek consent of other JV Partner Rashtriya Ispat Nigam Limited (RINL). RINL's Board of Directors in its meeting held on 08.03.2019 has agreed in principle for winding up proceedings of RPTPL & to seek the approval from Ministry of Steel, Government of India, for closure of RPTPL. RINL's Board of Directors in its meeting held on 05.11.2019 has advised to put up the closure proposal again to Ministry of steel for onward submission to NITI Ayog. The Ministry of Steel vide letter dated 29.09.2020 informed RINL that closure of RPTPL is being examined and seeks further clarifications from RINL. Accordingly, relevant information was forwarded by RINL to The Ministry of Steel. The Approval from Government is still awaited.			



## 55. Disclosure as per Ind AS 24 - "Related Party Disclosures" (Contd.)

### (c) Associates

Name of entity	Place of business/ Country of incorporation	Proportion of Ownership Interest	
		As at 31.03.2022	As at 31.03.2021
Powergrid Vizag Transmission Limited <sup>1</sup>	India	0%	NA
Powergrid Kala Amb Transmission Limited <sup>2</sup>	India	26%	NA
Powergrid Jabalpur Transmission Limited <sup>2</sup>	India	26%	NA
Powergrid Warora Transmission Limited <sup>2</sup>	India	26%	NA
Powergrid Parli Transmission Limited <sup>2</sup>	India	26%	NA
<sup>1</sup> Associate with holding of 26% from 13.05.2021 and transferred to PG InvIT on 31.03.2022 (Subsidiary till 12.05.2021) and Refer note 19A "Assets classified as held for sale"			
<sup>2</sup> Associate from 13.05.2021 onwards (Subsidiary till 12.05.2021) and Refer note 19A "Assets classified as held for sale"			

### (d) Key Managerial Personnel

#### Whole Time Directors

Name	Designation
Shri K. Sreekant	Chairman & Managing Director
Smt. Seema Gupta	Director (Operations)
Shri Vinod Kumar Singh	Director (Personnel)
Shri M. Taj Mukarrum	Director (Finance) and CFO
Shri Abhay Choudhary	Director (Projects)

#### Independent Directors

Name	Designation
Shri M.N. Venkatesan	Independent Director
Shri Sunil Kumar Sharma	Independent Director up to 22.07.2021
Smt. A.R. Mahalakshmi	Independent Director up to 25.07.2021
Shri Onkarappa K.N.	Independent Director from 17.11.2021
Shri Chetan Bansilal Kankariya	Independent Director from 17.11.2021
Shri Ram Naresh Tiwari	Independent Director from 18.11.2021

#### Government Nominee Directors and other KMP

Name	Designation
Shri Dilip Nigam	Government Nominee Director
Shri Mritunjay Kumar Narayan	Government Nominee Director [ceased to be director on 06.12.2021]
Shri Ghanshyam Prasad	Government Nominee Director w.e.f. 21.12.2021
Shri Mrinal Shrivastava	Company Secretary w.e.f. 01.07.2020

### (e) List of Other Related Parties

Name of Entity	Place of business/ country of incorporation	Nature of Relationship
Powergrid Employees P.F. Trust	India	Post-employment benefit plan of Powergrid
Powergrid Employees Defined Contribution Superannuation Benefit (Pension) Scheme Trust	India	Post-employment benefit plan of Powergrid
Powergrid Employees Gratuity Fund Trust	India	Post-employment benefit plan of Powergrid
Powergrid Employees Post-Retirement Medical Benefit Trust	India	Post Retirement Benefit plan of Powergrid
Powergrid Infrastructure Investment Trust	India	Sponsor

**55. Disclosure as per Ind AS 24 - "Related Party Disclosures" (Contd.)****(f) Government Related Entities**

The company is controlled by the Government of India (GOI), being a Central Public Sector Enterprise (CPSE) under the Ministry of Power, with GOI holding 51.34% (Previous Year 51.34%) of equity shares capital issued and paid up.

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 crore)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Amounts Receivable</b>		
<b>Loans to Subsidiaries</b>		
Powergrid NM Transmission Limited	905.06	891.36
Powergrid Vizag Transmission Limited	-	783.99
Powergrid Unchahar Transmission Limited	34.59	36.06
Powergrid Kala Amb Transmission Limited	-	186.00
Powergrid Jabalpur Transmission Limited	-	1,183.00
Powergrid Warora Transmission Limited	-	1,540.00
Powergrid Parli Transmission Limited	-	1,300.50
Powergrid Southern Interconnector Transmission System Limited	2,651.33	2,745.28
Powergrid Medinipur Jeerat Transmission Limited	2,523.54	2,373.02
Powergrid Mithilanchal Transmission Limited	927.38	864.16
Powergrid Varanasi Transmission System Limited	739.49	658.05
Powergrid Jawaharpur Firozabad Transmission Limited	345.66	325.66
Powergrid Khetri Transmission System Limited	786.71	632.97
Powergrid Bhuj Transmission Limited	765.75	331.53
Powergrid Bhind Guna Transmission Limited	366.65	241.90
Powergrid Ajmer Phagi Transmission Limited	466.79	432.32
Powergrid Fatehgarh Transmission Limited	517.06	446.86
Powergrid Rampur Sambhal Transmission Limited	439.80	105.38
Powergrid Meerut Simbhavali Transmission Limited	614.99	161.99
Powergrid Ramgarh Transmission Limited	91.84	5.82
Powergrid Himachal Transmission Limited	115.14	-
Powergrid Bikaner Transmission System Limited	424.59	-
Powergrid Sikar Transmission Limited	478.97	-
Powergrid Bhadla Transmission Limited	279.72	-
Powergrid Aligarh Sikar Transmission Limited	571.25	-
<b>Total</b>	<b>14,046.31</b>	<b>15,245.85</b>
<b>Loans to Joint Ventures</b>		
National High Power Test Laboratory Private Limited	18.40	18.40
Teestavalley Power Transmission Limited	-	29.29
<b>Total</b>	<b>18.40</b>	<b>47.69</b>
<b>Interest Accrued on loan to Subsidiaries</b>		



**55. Disclosure as per Ind AS 24 - "Related Party Disclosures" (Contd.)**

(₹ in crore)

Particulars	As at 31.03.2022	As at 31.03.2021
Powergrid NM Transmission Limited	-	53.35
Powergrid Medinipur Jeerat Transmission Limited	0.10	50.67
Powergrid Mithilanchal Transmission Limited	0.02	18.33
Powergrid Varanasi Transmission System Limited	0.11	14.34
Powergrid Jawaharpur Firozabad Transmission Limited	0.04	10.68
Powergrid Khetri Transmission System Limited	4.04	16.13
Powergrid Bhuj Transmission Limited	12.77	8.25
Powergrid Bhind Guna Transmission Limited	7.71	5.48
Powergrid Ajmer Phagi Transmission Limited	-	13.01
Powergrid Fatehgarh Transmission Limited	2.68	12.17
Powergrid Rampur Sambhal Transmission Limited	3.53	1.37
Powergrid Meerut Simbhavali Transmission Limited	6.77	3.64
Powergrid Ramgarh Transmission Limited	0.45	0.02
Powergrid Bikaner Transmission System Limited	2.03	-
Powergrid Sikar Transmission Limited	2.41	-
Powergrid Bhadla Transmission Limited	1.42	-
Powergrid Aligarh Sikar Transmission Limited	2.62	-
<b>Total</b>	<b>46.70</b>	<b>207.44</b>
<b>Interest Accrued on loan to Joint Ventures</b>		
National High Power Test Laboratory Private Limited	3.34	1.58
Teestavalley Power Transmission Limited	-	3.61
<b>Total</b>	<b>3.34</b>	<b>5.19</b>
<b>Loans to Key Managerial Personnel</b>	<b>0.11</b>	<b>0.14</b>
<b>Other receivables</b>		
<b>Subsidiaries</b>		
Powergrid Vemagiri Transmission Limited (fully provided - refer note no. 11)	19.42	19.41
Powergrid NM Transmission Limited	0.12	0.40
Powergrid Unchahar Transmission Limited	2.51	1.39
Powergrid Kala Amb Transmission Limited	-	1.88
Powergrid Parli Transmission Limited	-	0.07
Powergrid Southern Interconnector Transmission System Limited	0.18	0.14
Powergrid Medinipur Jeerat Transmission Limited	1.93	5.24
Powergrid Mithilanchal Transmission Limited	-	1.83
Powergrid Varanasi Transmission System Limited	0.74	-
Powergrid Jawaharpur Firozabad Transmission Limited	8.27	0.80
Powergrid Khetri Transmission System Limited	5.07	3.58
Powergrid Bhuj Transmission Limited	0.94	2.89
Powergrid Bhind Guna Transmission Limited	0.28	1.77
Powergrid Ajmer Phagi Transmission Limited	0.13	0.43
Powergrid Fatehgarh Transmission Limited	2.48	1.61
Powergrid Rampur Sambhal Transmission Limited	3.44	0.80
Powergrid Meerut Simbhavali Transmission Limited	1.98	1.30
Central Transmission Utility of India Limited	-	0.03

**55. Disclosure as per Ind AS 24 - "Related Party Disclosures" (Contd.)**

(₹ in crore)

<b>Particulars</b>	<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
Powergrid Ramgarh Transmission Limited	0.31	1.05
Powergrid Himachal Transmission Limited	0.78	0.49
Powergrid Bikaner Transmission System Limited	3.06	24.55
Powergrid Sikar Transmission Limited	1.35	-
Powergrid Bhadla Transmission Limited	1.11	-
Powergrid Aligarh Sikar Transmission Limited	5.03	-
Powergrid Teleservices Limited	0.48	-
Powergrid Energy Services Limited	0.09	-
<b>Total</b>	<b>59.70</b>	<b>69.66</b>
<b>Joint Ventures</b>		
Powerlinks Transmission Limited	0.13	0.21
Torrent Power Grid Limited	0.17	0.44
Parbati Koldam Transmission Company Limited	0.38	0.38
Teestavalley Power Transmission Limited	6.55	6.12
North East Transmission Company Limited	-	0.25
National High Power Test Laboratory Private Limited	0.01	0.46
Bihar Grid Company Limited	0.01	1.63
Energy Efficiency Services Limited	1.12	-
Cross Border Power Transmission Company Limited	0.02	0.74
<b>Total</b>	<b>8.39</b>	<b>10.23</b>
<b>Associates</b>		
Powergrid Kala Amb Transmission Limited	0.15	-
Powergrid Jabalpur Transmission Limited	0.09	-
Powergrid Warora Transmission Limited	0.28	-
Powergrid Parli Transmission Limited	0.29	-
<b>Total</b>	<b>0.81</b>	<b>-</b>
<b>Other receivables</b>	<b>68.90</b>	<b>79.89</b>
<b>Advances /Amounts Payable</b>		
<b>Subsidiaries</b>		
Powergrid Kala Amb Transmission Limited	-	1.67
Powergrid Khetri Transmission System Limited	0.06	-
Central Transmission Utility of India Limited	0.13	-
<b>Joint Ventures</b>		
Powerlinks Transmission Limited	0.04	0.54
Torrent Power Grid Limited	-	0.20
Teestavalley Power Transmission Limited	55.93	48.03
North East Transmission Company Limited	14.93	19.73
Bihar Grid Company Limited	-	0.01
Energy Efficiency Services Limited	2.56	-
Cross Border Power Transmission Company Limited	11.26	11.27
<b>Associates</b>		
Powergrid Warora Transmission Limited	0.01	-
Powergrid Parli Transmission Limited	0.03	-
<b>Total payables to related parties</b>	<b>84.95</b>	<b>81.45</b>
<b>Other Related Parties</b>		



## 55. Disclosure as per Ind AS 24 - "Related Party Disclosures" (Contd.)

(₹ in crore)

Particulars	As at 31.03.2022	As at 31.03.2021
Outstanding balances with Employees Benefit Trust		
Powergrid Employees P.F. Trust	0.21	0.01
Powergrid Employees Defined Contribution Superannuation Benefit (Pension) Scheme Trust	0.07	-
Powergrid Employees Gratuity Fund Trust	12.70	(0.42)
Powergrid Employees Post-Retirement Medical Benefit Trust	(0.58)	3.44
<b>Total</b>	<b>12.40</b>	<b>3.03</b>

Refer note no. 58 for guarantee given on behalf of related parties.

### (h) Transactions with related parties

The following transactions occurred with related parties:

(₹ in crore)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
<b>Services provided by the Company</b>		
<b>Consultancy Income</b>		
<b>Subsidiaries</b>		
Powergrid NM Transmission Limited	2.90	2.88
Powergrid Vizag Transmission Limited	0.40	3.43
Powergrid Unchahar Transmission Limited	1.32	1.27
Powergrid Kala Amb Transmission Limited	0.50	3.63
Powergrid Jabalpur Transmission Limited	0.32	3.89
Powergrid Warora Transmission Limited	1.25	9.20
Powergrid Parli Transmission Limited	1.25	8.16
Powergrid Southern Interconnector Transmission System Limited	10.79	10.36
Powergrid Medinipur Jeerat Transmission Limited	16.14	13.32
Powergrid Mithilanchal Transmission Limited	14.04	10.67
Powergrid Varanasi Transmission System Limited	2.89	0.60
Powergrid Jawaharpur Firozabad Transmission Limited	6.61	4.24
Powergrid Khetri Transmission System Limited	5.76	10.62
Powergrid Bhuj Transmission Limited	9.54	6.72
Powergrid Bhind Guna Transmission Limited	3.36	4.44
Powergrid Ajmer Phagi Transmission Limited	2.63	6.38
Powergrid Fatehgarh Transmission Limited	3.06	7.58
Powergrid Rampur Sambhal Transmission Limited	7.66	1.80
Powergrid Meerut Simbhavali Transmission Limited	9.76	3.45
Powergrid Ramgarh Transmission Limited	1.55	1.00
Powergrid Himachal Transmission Limited	0.69	0.01
Powergrid Bikaner Transmission System Limited	9.08	3.78
Powergrid Sikar Transmission Limited	13.35	-
Powergrid Bhadla Transmission Limited	7.31	-
Powergrid Aligarh Sikar Transmission Limited	14.38	-
Powergrid Teleservices Limited	-	-
<b>Total</b>	<b>146.54</b>	<b>117.43</b>
<b>Joint Ventures</b>		
Torrent Power Grid Limited	0.69	0.67
Powergrid Himachal Transmission Limited	-	0.66



**55. Disclosure as per Ind AS 24 - "Related Party Disclosures" (Contd.)**

(₹ in crore)

<b>Particulars</b>	<b>For the year ended 31.03.2022</b>	<b>For the year ended 31.03.2021</b>
Teestavalley Power Transmission Limited	0.53	1.12
North East Transmission Company Limited	1.25	2.49
National High Power Test Laboratory Private Limited	-	0.81
Bihar Grid Company Limited	1.03	3.98
Cross Border Power Transmission Company Limited	1.88	1.75
<b>Total</b>	<b>5.38</b>	<b>11.48</b>
<b>Associates</b>		
Powergrid Vizag Transmission Limited	3.15	-
Powergrid Kala Amb Transmission Limited	4.66	-
Powergrid Jabalpur Transmission Limited	2.67	-
Powergrid Warora Transmission Limited	7.89	-
Powergrid Parli Transmission Limited	7.75	-
<b>Total</b>	<b>26.12</b>	<b>-</b>
<b>Consultancy Income</b>	<b>178.04</b>	<b>128.91</b>
<b>Interest Income</b>		
<b>Subsidiaries</b>		
Powergrid NM Transmission Limited	70.60	79.31
Powergrid Vizag Transmission Limited	6.91	58.02
Powergrid Unchahar Transmission Limited	2.90	3.14
Powergrid Kala Amb Transmission Limited	1.60	14.51
Powergrid Jabalpur Transmission Limited	9.85	89.06
Powergrid Warora Transmission Limited	12.73	114.99
Powergrid Parli Transmission Limited	10.91	99.47
Powergrid Southern Interconnector Transmission System Limited	190.97	211.73
Powergrid Medinipur Jeerat Transmission Limited	174.34	162.92
Powergrid Mithilanchal Transmission Limited	62.72	54.58
Powergrid Varanasi Transmission System Limited	48.92	42.96
Powergrid Jawaharpur Firozabad Transmission Limited	23.79	20.22
Powergrid Khetri Transmission System Limited	49.41	28.96
Powergrid Bhuj Transmission Limited	34.93	13.55
Powergrid Bhind Guna Transmission Limited	20.90	9.27
Powergrid Ajmer Phagi Transmission Limited	31.72	22.61
Powergrid Fatehgarh Transmission Limited	33.83	21.40
Powergrid Rampur Sambhal Transmission Limited	14.43	2.84
Powergrid Meerut Simbhavali Transmission Limited	20.45	6.21
Powergrid Ramgarh Transmission Limited	2.57	0.02
Powergrid Himachal Transmission Limited	8.19	-
Powergrid Bikaner Transmission System Limited	11.24	-
Powergrid Sikar Transmission Limited	16.40	-
Powergrid Bhadla Transmission Limited	8.90	-
Powergrid Aligarh Sikar Transmission Limited	13.86	-
<b>Total</b>	<b>883.07</b>	<b>1,055.77</b>
<b>Joint Ventures</b>		
National High Power Test Laboratory Private Limited	1.96	1.89
Teestavalley Power Transmission Limited	0.40	9.82


**55. Disclosure as per Ind AS 24 - "Related Party Disclosures" (Contd.)**

(₹ in crore)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
<b>Total</b>	<b>2.36</b>	<b>11.71</b>
<b>Other Related Parties</b>		
POWERGRID Infrastructure Investment Trust	68.52	-
<b>Total</b>	<b>68.52</b>	<b>-</b>
<b>Interest Income</b>	<b>953.95</b>	<b>1,067.48</b>
<b>Dividend received</b>		
<b>Subsidiaries</b>		
Powergrid Vizag Transmission Limited	-	159.39
Powergrid Unchahar Transmission Limited	13.35	7.78
Powergrid Kala Amb Transmission Limited	-	27.15
Powergrid Jabalpur Transmission Limited	-	85.08
Powergrid Warora Transmission Limited	-	154.17
Powergrid Parli Transmission Limited	-	113.06
Powergrid Southern Interconnector Transmission System Limited	147.47	-
Powergrid Medinipur Jeerat Transmission Limited	156.53	-
Powergrid Mithilanchal Transmission Limited	17.72	-
Powergrid Varanasi Transmission System Limited	11.16	-
Powergrid Jawaharpur Firozabad Transmission Limited	6.17	-
Powergrid Himachal Transmission Limited	84.00	-
<b>Total</b>	<b>436.40</b>	<b>546.63</b>
<b>Joint Ventures</b>		
Powerlinks Transmission Limited	36.69	45.86
Torrent Power Grid Limited	5.15	4.21
Powergrid Himachal Transmission Limited	-	1.95
Parbati Koldam Transmission Company Limited	9.93	35.11
North East Transmission Company Limited	13.90	16.05
Cross Border Power Transmission Company Limited	1.39	2.65
Power Transmission Company Nepal Limited	1.32	1.32
<b>Total</b>	<b>68.38</b>	<b>107.15</b>
<b>Associates</b>		
Powergrid Vizag Transmission Limited	35.34	-
Powergrid Kala Amb Transmission Limited	8.25	-
Powergrid Jabalpur Transmission Limited	18.05	-
Powergrid Warora Transmission Limited	26.89	-
Powergrid Parli Transmission Limited	28.22	-
<b>Total</b>	<b>116.75</b>	<b>-</b>
<b>Other Related Parties</b>		
POWERGRID Infrastructure Investment Trust	33.85	-
<b>Total</b>	<b>33.85</b>	<b>-</b>
<b>Dividend received</b>	<b>655.38</b>	<b>653.78</b>
<b>Other income</b>		
<u>Subsidiaries:</u>		
Powergrid Unchahar Transmission Limited	0.29	0.28
Powergrid Khetri Transmission System Limited	0.37	-

**55. Disclosure as per Ind AS 24 - "Related Party Disclosures" (Contd.)**

(₹ in crore)

<b>Particulars</b>	<b>For the year ended 31.03.2022</b>	<b>For the year ended 31.03.2021</b>
<b>Joint Ventures:</b>		
Bihar Grid Company Limited	0.09	-
Energy Efficiency Services Limited	1.97	-
<b>Other income</b>	<b>2.72</b>	<b>0.28</b>
<b>Investments made during the year</b>		
<b>Subsidiaries</b>		
Powergrid NM Transmission Limited	3.90	206.65
Powergrid Jabalpur Transmission Limited	-	9.76
Powergrid Parli Transmission Limited	-	2.60
Powergrid Medinipur Jeerat Transmission Limited	88.37	260.30
Powergrid Mithilanchal Transmission Limited	19.70	93.50
Powergrid Varanasi Transmission System Limited	17.95	43.00
Powergrid Jawaharpur Firozabad Transmission Limited	12.40	77.15
Powergrid Khetri Transmission System Limited	36.85	161.35
Powergrid Bhuj Transmission Limited	82.29	97.70
Powergrid Bhind Guna Transmission Limited	40.10	50.00
Powergrid Ajmer Phagi Transmission Limited	3.00	111.95
Powergrid Fatehgarh Transmission Limited	27.59	113.40
Powergrid Rampur Sambhal Transmission Limited	87.48	21.47
Powergrid Meerut Simbhavali Transmission Limited	97.70	32.00
Central Transmission Utility of India Limited	-	0.05
Powergrid Ramgarh Transmission Limited	1.05	0.05
Powergrid Himachal Transmission Limited	-	354.50
Powergrid Bikaner Transmission System Limited	22.20	0.01
Powergrid Sikar Transmission Limited	47.35	-
Powergrid Bhadla Transmission Limited	20.31	-
Powergrid Aligarh Sikar Transmission Limited	62.35	-
Powergrid Teleservices Limited	9.00	-
<b>Total</b>	<b>679.59</b>	<b>1,635.44</b>
<b>Joint Ventures</b>		
Bihar Grid Company Limited	32.24	33.00
Energy Efficiency Services Limited	407.49	-
<b>Total</b>	<b>439.73</b>	<b>33.00</b>
<b>Investments made during the year</b>	<b>1,119.32</b>	<b>1,668.44</b>
<b>Loans given during the year</b>		
<b>Subsidiaries</b>		
Powergrid NM Transmission Limited	17.00	6.00
Powergrid Vizag Transmission Limited	-	315.81
Powergrid Kala Amb Transmission Limited	-	7.57
Powergrid Warora Transmission Limited	-	11.60
Powergrid Southern Interconnector Transmission System Limited	3.10	79.87
Powergrid Medinipur Jeerat Transmission Limited	185.52	290.76
Powergrid Mithilanchal Transmission Limited	66.92	216.20
Powergrid Varanasi Transmission System Limited	86.67	121.79



**55. Disclosure as per Ind AS 24 - "Related Party Disclosures" (Contd.)**

(₹ in crore)

<b>Particulars</b>	<b>For the year ended 31.03.2022</b>	<b>For the year ended 31.03.2021</b>
Powergrid Jawaharpur Firozabad Transmission Limited	22.49	114.32
Powergrid Khetri Transmission System Limited	153.74	420.50
Powergrid Bhuj Transmission Limited	434.22	248.51
Powergrid Bhind Guna Transmission Limited	124.75	193.85
Powergrid Ajmer Phagi Transmission Limited	41.37	269.62
Powergrid Fatehgarh Transmission Limited	73.96	300.07
Powergrid Rampur Sambhal Transmission Limited	334.42	90.24
Powergrid Meerut Simbhavali Transmission Limited	453.00	131.01
Powergrid Ramgarh Transmission Limited	86.02	5.82
Powergrid Himachal Transmission Limited	159.14	-
Powergrid Bikaner Transmission System Limited	424.59	-
Powergrid Sikar Transmission Limited	478.97	-
Powergrid Bhadla Transmission Limited	279.72	-
Powergrid Aligarh Sikar Transmission Limited	571.25	-
<b>Total</b>	<b>3,996.85</b>	<b>2,823.54</b>
<b>Joint Ventures</b>		
Teestavalley Power Transmission Limited	-	95.00
<b>Total</b>	<b>-</b>	<b>95.00</b>
<b>Loans given during the year</b>	<b>3,996.85</b>	<b>2,918.54</b>
<b>Loans repayment received during the year</b>		
<b>Subsidiaries</b>		
Powergrid NM Transmission Limited	3.30	203.55
Powergrid Vizag Transmission Limited	-	63.32
Powergrid Unchahar Transmission Limited	1.47	4.25
Powergrid Kala Amb Transmission Limited	-	24.83
Powergrid Jabalpur Transmission Limited	-	38.56
Powergrid Warora Transmission Limited	-	35.60
Powergrid Parli Transmission Limited	-	66.00
Powergrid Southern Interconnector Transmission System Limited	97.05	198.25
Powergrid Medinipur Jeerat Transmission Limited	35.00	-
Powergrid Mithilanchal Transmission Limited	3.70	-
Powergrid Varanasi Transmission System Limited	5.23	-
Powergrid Jawaharpur Firozabad Transmission Limited	2.49	-
Powergrid Ajmer Phagi Transmission Limited	6.90	-
Powergrid Fatehgarh Transmission Limited	3.76	-
Powergrid Himachal Transmission Limited	44.00	-
<b>Total</b>	<b>202.90</b>	<b>634.36</b>
<b>Joint Ventures</b>		
Teestavalley Power Transmission Limited	29.29	142.83
<b>Total</b>	<b>29.29</b>	<b>142.83</b>
<b>Associates</b>		
Powergrid Vizag Transmission Limited	783.99	-
Powergrid Kala Amb Transmission Limited	186.00	-
Powergrid Jabalpur Transmission Limited	1,183.00	-
Powergrid Warora Transmission Limited	1,540.00	-

**55. Disclosure as per Ind AS 24 - "Related Party Disclosures" (Contd.)**

(₹ in crore)

<b>Particulars</b>	<b>For the year ended 31.03.2022</b>	<b>For the year ended 31.03.2021</b>
Powergrid Parli Transmission Limited	1,300.50	-
<b>Total</b>	<b>4,993.49</b>	<b>-</b>
<b>Loans repayment received during the year</b>	<b>5,225.68</b>	<b>777.19</b>
<b>Reimbursement of Expenses</b>		
<u>Subsidiaries:</u>		
Powergrid Vizag Transmission Limited	-	3.92
Powergrid Kala Amb Transmission Limited	-	1.28
Powergrid Jabalpur Transmission Limited	-	4.38
Powergrid Warora Transmission Limited	-	7.61
Powergrid Parli Transmission Limited	-	6.00
Powergrid Southern Interconnector Transmission System Limited	0.10	0.60
Powergrid Medinipur Jeerat Transmission Limited	0.05	0.24
Powergrid Mithilanchal Transmission Limited	0.05	-
Powergrid Jawaharpur Firozabad Transmission Limited	0.68	-
Powergrid Khetri Transmission System Limited	0.09	0.01
Powergrid Bhuj Transmission Limited	0.04	-
Powergrid Bhind Guna Transmission Limited	0.02	-
Powergrid Ajmer Phagi Transmission Limited	-	0.02
Powergrid Fatehgarh Transmission Limited	-	0.03
Powergrid Rampur Sambhal Transmission Limited	0.01	-
Powergrid Meerut Simbhavali Transmission Limited	0.01	-
Central Transmission Utility of India Limited	0.19	0.03
Powergrid Ramgarh Transmission Limited	-	0.37
Powergrid Bikaner Transmission System Limited	0.02	0.52
Powergrid Sikar Transmission Limited	0.11	-
Powergrid Bhadla Transmission Limited	0.03	-
Powergrid Aligarh Sikar Transmission Limited	0.05	-
Powergrid Teleservices Limited	0.48	-
Powergrid Energy Services Limited	0.09	-
<b>Total</b>	<b>2.02</b>	<b>25.01</b>
<u>Joint Ventures</u>		
Energy Efficiency Services Limited	1.24	-
<b>Total</b>	<b>1.24</b>	<b>-</b>
<b>Other Related Parties</b>		
<u>Contribution made during the year</u>		
Powergrid Employees P.F. Trust	117.07	114.14
Powergrid Employees Defined Contribution Superannuation Benefit (Pension) Scheme Trust	100.77	120.46
Powergrid Employees Gratuity Fund Trust	37.86	21.81
Powergrid Employees Post-Retirement Medical Benefit Trust	35.54	12.02
<b>Total</b>	<b>291.24</b>	<b>268.43</b>
<u>Transaction with POWERGRID Infrastructure Investment Trust</u>		
Units Received for transfer of Investments	1,365.00	-
Amount Received on transfer of Investments including Offer For Sale	3,370.95	-



## 55. Disclosure as per Ind AS 24 - "Related Party Disclosures" (Contd.)

(₹ in crore)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
<b>Total</b>	<b>4,735.95</b>	<b>-</b>
<b>Recovery for Deputation of Employees</b>		
<u>Subsidiaries:</u>		
Powergrid Unchahar Transmission Limited	<b>4.98</b>	3.71
Powergrid Himachal Transmission Limited	<b>2.31</b>	-
<u>Joint Ventures:</u>		
Torrent Power Grid Limited	-	0.51
Powergrid Himachal Transmission Limited (wholly owned subsidiary from 26.03.2021).	-	1.11
Energy Efficiency Services Limited	<b>0.89</b>	-
Teestavalley Power Transmission Limited	<b>0.79</b>	0.95
North East Transmission Company Limited	<b>0.25</b>	0.90
Cross Border Power Transmission Company Limited	<b>0.67</b>	0.77
<b>Total</b>	<b>9.89</b>	<b>7.95</b>

### Terms and Conditions

The loans to key management personnel are on the same terms and conditions as applicable to all other employees.

All other transactions were made on normal commercial terms and conditions and at market rates. All outstanding balances are unsecured and are repayable in cash.

Loans to Subsidiaries & JVs are provided with interest rate ranging from 6.52% to 10.00% repayable as per agreed terms & conditions.

### (i) Transactions in the capacity of Central Transmission Utility (CTU) with the related parties

(₹ in crore)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
<b>Transactions for the period the company was acting as CTU:</b>		
<u>Subsidiaries:</u>		
Powergrid NM Transmission Limited	-	126.94
Powergrid Vizag Transmission Limited	-	323.60
Powergrid Unchahar Transmission Limited	-	22.73
Powergrid Kala Amb Transmission Limited	-	12.71
Powergrid Jabalpur Transmission Limited	-	263.29
Powergrid Warora Transmission Limited	-	191.41
Powergrid Parli Transmission Limited	-	346.28
Powergrid Southern Interconnector Transmission System Limited	-	458.42
<u>Joint Ventures:</u>		
Powerlinks Transmission Limited	-	237.70
Torrent Power Grid Limited	-	50.96
Powergrid Himachal Transmission Limited	-	171.94
Parbati Koldam Transmission Company Limited	-	192.00
Teestavalley Power Transmission Limited	-	341.63
North East Transmission Company Limited	-	388.15
<b>Total</b>	<b>-</b>	<b>3,127.76</b>
<b>For the period CTUIL acting as CTU</b>		
Transactions with Central Transmission Utility of India Limited in the capacity of CTU	<b>34,369.61</b>	-



**55. Disclosure as per Ind AS 24 - "Related Party Disclosures" (Contd.)****(j) Remuneration to Key Managerial Personnel**

(₹ in crore)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Short Term Employee Benefits	5.12	4.68
Post-Employment Benefits	0.15	0.67
Long Term Employee Benefits	0.64	0.46
<b>Total</b>	<b>5.91</b>	<b>5.81</b>
Sitting fee	0.44	0.32

In addition to the above remuneration, the whole time directors have been allowed to use the staff car (including for private journeys) on payment of ₹ 2000/- p.m. as contained in the Department of Public Enterprises (DPE) OM No. 2 (23)/11-DPE (WC)-GL-V/13 dated 21/01/2013.

**56. Operating Segments****a) Business Segment**

The Board of Directors is the Company's Chief Operating Decision Maker (CODM) who monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Three reportable segments have been identified on the basis of services provided.

- **Transmission Services-** Company's principal business is transmission of bulk power across different states of India.
- **Telecom Services-** The Company utilizes the spare Optical fibres available in the Optical Ground Wire (OPGW) laid on the transmission network for providing telecom services. It operates as a neutral carrier in the point to point bandwidth leasing business. Refer note no. 66 for disclosure on formation of wholly owned subsidiary of the company to undertake Telecommunications and Digital Technology Business of the company.
- **Consultancy Services-** Provides Consultancy Services in the Transmission, Distribution and Telecom sectors, including Planning Design, Engineering, Load Dispatch, OPGW on intra state Transmission network, Procurement Management, Operation & Maintenance, Financing and Project Management.

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

c) Information about major customer: Revenue from any single customer is not equal to or exceeds 10% of the company's total revenue.

**d) Segment Revenue and Expenses**

Revenue directly attributable to the segments is considered as Segment Revenue. Expenses directly attributable to the segments and common expenses allocated on a reasonable basis are considered as segment expenses.

Revenue from external customer in India is ₹40,511.50crore (Previous Year ₹38,615.03crore) and outside India is ₹47.12crore (Previous Year ₹22.86crore).

**e) Segment Assets and Liabilities**

Segment assets include all operating assets comprising of Property, Plant and Equipment, current assets and loan and advances. Construction, Work-in-progress, construction stores and advances and investments are included in unallocated assets. Segment liabilities include operating liabilities and provisions.


**56. Operating Segments (Contd.)**

Particulars	Transmission Services		Consultancy Services		Telecom Services		Elimination		Total	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
<b>Revenue:</b>										
Revenue from Operations (including allocable other income)	39,187.62	37,418.50	771.22	506.16	599.78	713.23	-	-	40,558.62	38,637.89
Inter Segment Revenue					69.08	69.96	(69.08)	(69.96)	-	-
Net Revenue from Operations	39,187.62	37,418.50	771.22	506.16	668.86	783.19	(69.08)	(69.96)	40,558.62	38,637.89
Segment results	21,797.33	22,283.23	347.48	150.84	223.53	365.72			22,368.34	22,799.79
Exceptional Item									3,759.51	(1,078.64)
Unallocated Interest and Other Income									1,777.26	1,889.22
Unallocated Finance Costs									8,210.94	8,501.01
Profit before Tax (Including movement in Regulatory Deferral Account Balances)									19,694.17	15,109.36
Provision for Taxes									2,600.41	3,173.58
Profit after Tax									17,093.76	11,935.78
<b>Other information:</b>										
Segment Assets	2,12,132.74	2,08,039.47	1,895.00	2,426.68	925.48	981.45			2,14,953.22	2,11,447.60
Unallocated Assets									32,663.56	41,611.64
Asset Classified as Held for Sale									260.86	1,213.04
Total Assets									2,47,877.64	2,54,272.28
Segment Liabilities	12,144.91	13,971.60	2,741.83	3,428.90	648.01	454.89			15,534.75	17,855.39
Unallocated Other Liabilities (including loans)									1,56,191.32	1,66,838.05
Total liabilities									1,71,726.07	1,84,693.44
Depreciation and Amortisation	12,441.30	11,609.32	5.75	5.60	103.53	96.76			12,550.58	11,711.68
Non-cash expenditure other than Depreciation	26.50	15.50	4.02	1.10	2.10	5.98			32.62	22.58
Capital Expenditure	15,466.66	19,000.84	3.73	82.50	199.00	10.13			15,669.39	19,093.47

**57. Capital and other Commitments**

(₹ in crore)

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)	<b>4,300.63</b>	3,867.64
Company's commitment towards further investment/loan in joint venture entities	<b>116.69</b>	148.92
Company's commitment towards further investment/loan in subsidiary companies	<b>4,951.48</b>	4,809.38
Company's commitment towards further investment in other entities	<b>452.05</b>	713.17

**58. Contingent Liabilities and contingent assets****A. Contingent Liabilities**

1. Claims against the Company not acknowledged as debts in respect of:

**(i) Capital Works**

Some of the contractors for supply and installation of equipment and execution of works at our projects have lodged claims on the company seeking enhancement of the contract price, revision of work schedule with price escalation, compensation for the extended period of work, idle charges etc. These claims are being contested by the Company as being not admissible in terms of the provisions of the respective contracts.

The company is pursuing various options under the dispute resolution mechanism available in the contract for settlement of these claims. In such cases, contingent liability of ₹2,780.93crore (Previous Year ₹2,540.73crore) has been estimated.

**(ii) Land compensation cases**

In respect of land acquired for the projects, the land losers have claimed higher compensation before various authorities/courts which are yet to be settled. In such cases, contingent liability of ₹1,688.69crore (Previous Year ₹1,604.98crore) has been estimated.

**(iii) Other claims**

In respect of claims made by various State/Central Government Departments/Authorities towards building permission fees, penalty on diversion of agriculture land to non-agriculture use, Nala tax, water royalty etc. and by others, contingent liability of ₹5.81crore (Previous Year ₹5.22crore) has been estimated.

**(iv) Disputed Income Tax/Sales Tax/Excise/Municipal Tax Matters**

Disputed Income Tax/Sales Tax/Excise/Municipal Tax Matters amounting to ₹502.68crore (Previous Year ₹248.36crore) are being contested before various Appellate Authorities. Many of these matters have been disposed of in favour of the company but are disputed before higher authorities by the concerned departments. Against total claim of ₹201.22crore (Previous Year ₹191.42crore), provision of ₹165.52crore (Previous Year ₹156.98crore) is made and balance of ₹35.70crore (Previous Year ₹34.44crore) towards penalty is shown as contingent liability as it is not a wilful default and in management opinion, same is not expected to be upheld by the court.

**(v) Others**

- a) Contingent liability in respect of bills discounted with banks against trade receivables is amounting to ₹3,720.37crore (Previous Year ₹2,533.96crore). In case of any claim on the company from the banks in this regard, entire amount shall be recoverable from the beneficiaries along with surcharge.
  - b) Other contingent liabilities amounts to ₹663.71crore (Previous Year ₹784.48crore) which includes claim of ₹357.11crore (Previous Year ₹397.01crore) related to Arbitration cases/ROW cases.
  - c) Some of the beneficiaries have filed appeals against the tariff orders of the CERC. The amount of contingent liability in this regard is not ascertainable.
  - d) Under the Transmission Service Agreement (TSA) with Powerlinks Transmission Ltd, the company has an obligation to purchase the JV company (Powerlinks Transmission Ltd) at a buyout price determined in accordance with the TSA. Such an obligation may result in case JV company (Powerlinks Transmission Ltd) serves a termination notice either on "POWERGRID event of default" or on "force majeure event" prescribed under TSA. No contingent liability on this account has been considered as the same is not ascertainable.
2. Details of Bank guarantees given by the company on behalf of SPV companies, which were taken over to carry out the business awarded under tariff based bidding, towards performance of the work awarded are as under:



## 58. Contingent Liabilities and contingent assets (Contd.)

(₹ in crore)

Name of SPV	As at 31.03.2022	As at 31.03.2021
Powergrid Jabalpur Transmission Limited	2.23	6.09
Powergrid Southern Interconnector Transmission System Limited	110.04	110.04
Powergrid Medinipur Jeerat Transmission Limited	55.93	141.89
Powergrid Mithilanchal Transmission Limited	23.61	84.32
Powergrid Varanasi Transmission System Limited	-	30.38
Powergrid Jawaharpur Firozabad Transmission Limited	16.44	41.85
Powergrid Khetri Transmission System Limited	-	66.15
Powergrid Bhuj Transmission Limited	23.55	58.95
Powergrid Bhind Guna Transmission Limited	25.63	65.48
Powergrid Ajmer Phagi Transmission Limited	-	14.85
Powergrid Fatehgarh Transmission Limited	-	17.55
Powergrid Rampur Sambhal Transmission Limited	28.14	70.65
Powergrid Meerut Simbhavali Transmission Limited	33.75	85.05
Powergrid Ramgarh Transmission Limited	14.04	35.46
Powergrid Bikaner Transmission System Limited	34.65	89.10
Powergrid Sikar Transmission Limited	37.13	-
Powergrid Bhadla Transmission Limited	10.50	-
Powergrid Aligarh Sikar Transmission Limited	17.33	-

### B. Contingent Assets

While determining the tariff for some of the Company's Transmission Systems, CERC has disallowed certain capital expenditure incurred by the Company. The Company aggrieved over such issues has filed appeals with the Appellate Tribunal for Electricity (APTEL)/Hon'ble Supreme Court against the tariff orders issued by the CERC. Based on past experience, the Company believes that a favourable outcome is probable. However, it is impracticable to estimate the financial effect of the same as its receipt is dependent on the outcome of the judgement.

## 59. Capital management

### a) Risk Management

The company's objectives when managing capital are to

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

For the purpose of the company's capital management, equity capital includes issued equity capital, securities premium Account 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, regulatory framework and requirements of financial covenants with lenders. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, regulate investments in new 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 policy is to keep the debt-equity ratio wherein the debt is less than 75% of total capital employed (i.e. debt to equity ratio less than 75:25). The company includes within long term debt, interest bearing loans and borrowings and current maturities of long term debt.

The debt –equity ratio of the Company was as follows:

Particulars	As at 31.03.2022	As at 31.03.2021
Total borrowings (₹ in crore)	1,34,665.27	1,43,051.48
Equity (₹ in crore)	76,151.57	69,578.84
Debt - Equity ratio	1.77	2.06

Under the terms of the major borrowing facilities, the company is required to comply with the financial covenants. Breaches in meeting the financial covenants would permit the lenders to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current reporting period.

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

**59. Capital management (Contd.)****b) Dividends**

(₹ in crore)

Particular	For the year ended 31.03.2022	For the year ended 31.03.2021
Equity shares		
Final dividend for the year ended 31.03.2021 of ₹3.00 (31.03.2020 – ₹3.03*) per fully paid up share	2,092.64	2,113.56
Interim dividend for the year ended 31.03.2022 of ₹12.50 (31.03.2021 – ₹6.75*) per fully paid up share	8,719.32	4,708.43

\*after considering bonus shares

Dividend not recognized at the end of the reporting period:

In addition to above dividend, the Board of Directors on 21.05.2022 recommended the payment of a final dividend of ₹2.25 per fully paid up equity share. This proposed dividend is subject to the approval of shareholders in the ensuing Annual general meeting.

**60. Earnings per share**

(Amount in ₹)

(a) Basic and diluted earnings per share attributable to the equity holders of the company	For the year ended 31.03.2022	For the year ended 31.03.2021
Including movement in Regulatory Deferral Account Balances	24.51	17.11
Excluding movement in Regulatory Deferral Account Balances	25.25	16.54
<b>Total basic and diluted earnings per share attributable to the equity holders of the company</b>	<b>24.51</b>	<b>17.11</b>
(₹ in crore)		
(b) Reconciliation of earnings used as numerator in calculating earnings per share	For the year ended 31.03.2022	For the year ended 31.03.2021
Earnings attributable to the equity holders of the company including movement in Regulatory Deferral Account Balances	17,093.76	11,935.78
Earnings attributable to the equity holders of the company excluding movement in Regulatory Deferral Account Balances	17,616.42	11,536.93
<b>Total Earnings attributable to the equity holders of the company</b>	<b>17,093.76</b>	<b>11,935.78</b>
(c) Weighted average number of shares used as the denominator	For the year ended 31.03.2022	For the year ended 31.03.2021
Weighted average number of equity shares used as the denominator in calculating basic earnings per share*	6975452864	6975452864
Adjustments for calculation of diluted earnings per share	-	-
<b>Total weighted average number of equity shares used as the denominator in calculating diluted earnings per share</b>	<b>6975452864</b>	<b>6975452864</b>

\*The Company has issued 1743863216 equity shares of ₹ 10/- each as fully paid bonus shares during the year in the ratio of 1 equity share of ₹ 10/- each for every 3 equity shares held. This has been considered for calculating weighted average number of equity shares for all comparative periods. In line with the above, EPS for the year ended 31.03.2021 has been restated.

**61. 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.



## 61. Financial Risk Management (Contd.)

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

### Risk management framework

The Company has a duly constituted Risk Management Committee headed by Director (Projects) with Director (Operations), Director (Finance) and 2 independent directors as members. For the purpose of evaluating and managing the uncertainties the enterprise faces, Enterprise Risk Management framework has been implemented in the Company. The framework is a structured, consistent and continuous process for identification, assessment, monitoring and management of risks. As per this framework, the significant business processes / risks are monitored and controlled through various Key Performance Indicators (KPIs). The Committee meets at regular intervals and reviews KPIs and provides updates to the Audit Committee/Board.

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 and loans and advances and from its financing activities due to deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

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

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

#### (i) Trade Receivables and Contract Assets

The Company primarily provides transmission facilities to inter-state transmission service customers (DICs) comprising mainly state utilities owned by State Governments and the main revenue is from transmission charges. CERC (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020 ("CERC Sharing Regulations") allow payment against monthly bills towards transmission charges within due date i.e., 45 days from the date of presentation of the bill and levy of surcharge on delayed payment beyond 45 days. However, in order to improve the cash flows of company, a graded rebate is provided for payments made within 45 days. If a DIC fails to pay any bill or part thereof by the Due Date, the Central Transmission Utility (CTU) may encash the Letter of Credit provided by the DIC and utilise the same towards the amount of the bill or part thereof that is overdue plus Late Payment Surcharge, if applicable.

The Company has a robust payment security mechanism in the form of Letter of Credit (LC) backed by the Tri-Partite Agreements (TPA). The TPA was signed among the GOI, Reserve Bank of India and the individual State Governments subsequent to the issuance of the One Time Settlement Scheme of State Electricity Boards dues during 2001-02 by the GOI. The TPA also provides that if there is any default in payment of current dues by any State Utility, the outstanding dues can be deducted from the State's RBI account and paid to the concerned CPSU.

As per provisions of CERC Sharing Regulations, in case tripartite agreement exists, the Letter of Credit shall be for an amount equal to 1.05 (one point zero five) times the average amount of the first bill of a year; Provided that where such tripartite agreement does not exist, the DIC shall open the Letter of Credit for an amount equal to 2.10 (two point one times) the average amount of the first bill of a year.

In addition to the encashment of letter of credit, on non-payment of outstanding dues, the CTU has power to regulate the power supply on the defaulting entity as per CERC (Regulation of Power Supply) Regulation, 2010 or deny Short Term Open Access.

Trade receivables consist of receivables relating to transmission services of ₹9,060.38crore (Previous Year ₹8,248.42crore), receivables relating to consultancy services of ₹167.37crore (Previous Year ₹200.91crore) and receivables relating to telecom business of ₹179.80crore (Previous Year ₹321.27crore).

Contract Assets primarily relates to the Company's right to consideration for work completed 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 ₹746.01crore (Previous Year ₹1,000.18crore). The cash and cash equivalents are held with public sector banks and high rated private sector banks and do not have any significant credit risk.

##### • Deposits with banks and financial institutions

The Company held deposits with banks and financial institutions of ₹2,291.05crore (Previous Year ₹4,366.02crore). Term deposits are placed with public sector banks and have negligible credit risk.



**61. Financial Risk Management (Contd.)**

- Loans**

The Company has given loans to employees, subsidiaries, Joint Venture companies, Government of India and other parties. House building loans and conveyance advance to the employees are secured against the mortgage of the house properties or hypothecation of vehicles for which such loans have been given in line with the policies of the Company. The loans provided to group companies are for projects under Tariff Based Competitive Bidding route and Public private partnership. The risk of default in respect of these loans is considered negligible.

**(iii) Exposure to credit risk**

(₹ in crore)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)</b>		
Non-Current Loans	<b>14,269.78</b>	10,474.09
Other non-current financial assets	<b>4,097.86</b>	4,240.37
Cash and cash equivalents	<b>746.01</b>	1,000.18
Deposits with banks and financial institutions	<b>2,291.05</b>	4,366.02
Current loans	<b>328.27</b>	5,428.83
Other current financial assets	<b>536.95</b>	874.36
<b>Total</b>	<b>22,269.92</b>	<b>26,383.85</b>
<b>Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)</b>		
Trade receivables	<b>9,407.55</b>	8,770.60
Contract Assets	<b>5,588.82</b>	2,157.17

**(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**

In respect of trade receivables and contract assets from Telecom and Consultancy, customer credit risk is managed by regular monitoring of the outstanding receivables and follow-up with the consumer for realization.

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

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

**(v) Aging analysis of trade receivables**

The aging analysis of the trade receivables is as below:

(₹ in crore)

Aging	Unbilled	Not Due	0-30 days past due	31-60 days past due	61-90 days past due	91-120 days past due	More than 120 days past due	Total
<b>Gross carrying amount as on 31.03.2022</b>	<b>4,487.41</b>	<b>1,625.29</b>	<b>542.60</b>	<b>316.67</b>	<b>227.34</b>	<b>192.45</b>	<b>2,015.79</b>	<b>9,407.55</b>
Gross carrying amount as on 31.03.2021	4,848.86	1,742.88	375.46	135.38	133.83	113.70	1,420.49	8,770.60



## 61. Financial Risk Management (Contd.)

### (vi) Reconciliation of impairment loss provisions

The movement in the allowance for impairment in respect of financial assets during the year was as follows:

(₹ in crore)

Particulars	Trade receivables	Investments	Advances	Total
<b>Balance as at 01.04.2020</b>	<b>315.82</b>	<b>4.05</b>	<b>19.40</b>	<b>339.27</b>
Impairment loss recognised/ (reversed)	(15.42)	-	0.01	(15.41)
Amounts written off				-
<b>Balance as at 31.03.2021</b>	<b>300.40</b>	<b>4.05</b>	<b>19.41</b>	<b>323.86</b>
Impairment loss recognised/ (reversed)	0.33	-	0.01	0.34
Amounts written off				-
<b>Balance as at 31.03.2022</b>	<b>300.73</b>	<b>4.05</b>	<b>19.42</b>	<b>324.20</b>

Based on historic default rates, the Company believes that, apart from the above, no impairment allowance is necessary in respect of any other assets as the amounts are insignificant.

### (B) LIQUIDITY RISK

Liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. The Company monitors its risk of a shortage of funds using a liquidity planning tool. The Company has access to a variety of sources of funding such as commercial paper, bank loans, bonds and external commercial borrowings and retains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity position comprising the undrawn borrowing facilities below and cash and cash equivalents on the basis of expected cash flows.

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

#### (i) Financial Arrangement

The Company had access to the following undrawn borrowing facilities at the end of the reporting period.

(₹ in crore)

Particulars	As at 31.03.2022	As at 31.03.2021
Expiring within 1 year (bank overdraft and other facilities)	<b>6,332.01</b>	4,352.76
Expiring beyond one year (bank loans)	<b>4,080.44</b>	6,125.35

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time and have remaining availability period of 1 to 5 years (Previous Year 1 to 5 years).

#### (ii) 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 crore)

Contractual maturities of financial liabilities	Within a year	Between 1-5 years	Beyond 5 years	Total
<b>As at 31.03.2022</b>				
Borrowings (including interest outflows)	27,753.48	76,736.57	66,168.89	1,70,658.94
Trade payables	266.14			266.14
Other financial liabilities				
Lease liabilities	2.75	9.88	29.21	41.84
Others	4,878.28	1,173.60	4,074.89	10,126.77
<b>Total</b>	<b>32,900.65</b>	<b>77,920.05</b>	<b>70,272.99</b>	<b>1,81,093.69</b>
<b>As at 31.03.2021</b>				
Borrowings (including interest outflows)	22,041.83	76,725.17	89,916.93	1,88,683.93
Trade payables	186.30			186.30

**61. Financial Risk Management (Contd.)**

(₹ in crore)

Other financial liabilities				
Lease liabilities	3.93	9.96	69.26	83.15
Others	7,437.86	1,227.23	4,360.31	13,025.40
<b>Total</b>	<b>29,669.92</b>	<b>77,962.36</b>	<b>94,346.50</b>	<b>2,01,978.78</b>

**(C) MARKET RISK**

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

- (i) Currency risk
- (ii) Interest rate risk
- (iii) Other price risk, such as equity price risk and commodity risk.

**(i) Currency risk**

The Company is exposed to currency risk mainly in respect of foreign currency denominated loans and borrowings and procurement of goods and services whose purchase consideration is denominated in foreign currency. Transmission tariff is regulated by the CERC. According to the CERC tariff regulations for the block 2019-24 the Company may hedge foreign exchange exposure in respect of the interest on foreign currency loan and repayment of foreign loan acquired for the transmission system, in part or full in its discretion and recover the cost of hedging of foreign exchange rate variation corresponding to the normative foreign debt, in the relevant year.

If hedging of the foreign exchange exposure is not undertaken, the extra rupee liability towards interest payment and loan repayment corresponding to the normative foreign currency loan in the relevant year is permissible to be recovered as part of transmission tariff provided it is not attributable to the generating Company or the transmission licensee or its suppliers or contractors. During the Current financial year, no hedging for foreign exchange exposure has been undertaken by the Company. In respect of goods and services procured for Capital Investment, the exchange rate variation is part of the project cost, for determination of transmission tariff. The currency risk in respect of goods and services procured for operation activities is not significant.

The Company's exposure to foreign currency risk not hedged by a derivative instrument or otherwise at the end of the reporting period is as follows:

Particulars	Amount in Foreign Currency (in Crore)			Amount (₹ in Crore)	
		As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Borrowings	USD	443.34	474.37	33,840.14	35,131.84
	EURO	60.86	66.13	5,219.35	5,771.83
	SEK	150.35	175.51	1,246.40	1,495.35
	JPY	2,290.89	2,309.06	1,438.68	1,554.00
Interest accrued but not due thereon including Agency Fee, Commitment Fee & other Charges	USD	1.30	1.35	99.23	99.98
	EURO	0.16	0.19	13.72	16.58
	SEK	0.39	0.95	3.23	8.09
	JPY	0.23	5.37	0.14	3.61
Trade Payables/deposits and retention money	USD	4.36	4.95	332.80	366.60
	EURO	3.07	3.27	263.28	285.41
	SEK	11.49	15.79	95.25	134.53
	CHF	0.04	0.04	3.33	3.16
	GBP	1.54	1.75	154.99	178.92
	JPY	76.79	76.75	48.22	51.65
	CAD	-	0.01	-	0.59
Trade receivables and Bank balances	USD	0.07	0.05	5.27	3.65
	NPR	5.87	15.26	3.67	9.54
	EURO	-	0.01	-	0.85
	BDT	-	1.25	-	0.91



## 61. Financial Risk Management (Contd.)

Particulars	Amount in Foreign Currency (in Crore)			Amount (₹ in Crore)	
		As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Amount of contracts remaining to be executed	USD	0.43	1.70	32.82	125.90
	EURO	0.76	1.39	65.18	121.32
	SEK	0.57	1.41	4.73	12.01
	GBP	0.78	0.72	78.50	73.61
	JPY	-	1.72	-	1.16

### Sensitivity Analysis

Since the impact of strengthening or weakening of Indian rupee against USD, Euro, JPY and other currencies on the statement of profit and loss would not be very significant; therefore, sensitivity analysis for currency risk is not disclosed.

#### (ii) Interest rate risk

The Company is exposed to interest rate risk arising mainly from long term borrowings with floating interest rates. The Company is exposed to interest rate risk because the cash flows associated with floating rate borrowings will fluctuate with changes in interest rates. The Company manages the interest rate risks by maintaining a debt portfolio comprising a mix of fixed and floating rate borrowings in domestic and foreign currencies.

At the reporting date, the interest rate profile of the Company's variable interest rate-bearing financial instruments is as follows:

(₹ in crore)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Long Term Debt with floating rate of interest</b>		
-Domestic	24,216.04	26,204.65
-Foreign	34,186.14	36,018.86
<b>Sub Total</b>	<b>58,402.18</b>	<b>62,223.51</b>
<b>Long Term Debt with fixed rate of interest</b>		
-Domestic	63,400.26	71,093.40
-Foreign	7,562.83	7,934.57
<b>Sub Total</b>	<b>70,963.09</b>	<b>79,027.97</b>
<b>Total Long Term Debt</b>	<b>1,29,365.27</b>	<b>1,41,251.48</b>
<b>% of Floating Interest Rate Debt to Total Long Term Debt</b>	<b>45.15%</b>	<b>44.05%</b>

### Fair value sensitivity analysis for interest-rate risk

As per CERC Regulations, interest on loan during construction forms part of project cost for the purpose of tariff and after the date of commercial operation, interest on loans is recoverable through tariff calculated on the normative average loan of the year by applying the weighted average rate of interest of the actual loan portfolio.

Accordingly, the Company's interest rate risk is not considered significant; hence sensitivity analysis for the risk is not disclosed.

#### (iii) Other price risk

The Company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance sheet as fair value through OCI.

Considering the magnitude of equity investments, no significant risk is expected to arise.

## 62. 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 crore)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
<u>Current Tax</u>		
Current tax on profits for the year	3,320.52	2,527.55
Adjustments for current tax of prior periods	(38.46)	1.56

**62. Income Tax expense (Contd.)**

(₹ in crore)

Pertaining to regulatory deferral account balances (A)	(110.65)	84.44
<b>Total current tax expense (B)</b>	<b>3,171.41</b>	<b>2,613.55</b>
Deferred Tax expense		
Origination and reversal of temporary differences & previously unrecognised tax credit recognised as Deferred Tax Asset this year	(571.00)	560.03
<b>Total deferred tax expense /benefit (C)</b>	<b>(571.00)</b>	<b>560.03</b>
<b>Income tax expense (B+C-A)</b>	<b>2,711.06</b>	<b>3,089.14</b>
<b>Pertaining to regulatory deferral account balances</b>	<b>(110.65)</b>	<b>84.44</b>
<b>Total tax expense including tax on movement in regulatory deferral account balances</b>	<b>2,600.41</b>	<b>3,173.58</b>

**(b) Income Tax recognized in Regulatory Deferral Account Balances:**

(₹ in crore)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Deferred assets for Deferred tax liability	(727.94)	568.46
Foreign Currency Fluctuation	93.03	(85.17)
Employee Benefits and Other Expenses	1.60	-
Total Regulatory Deferral Account Balances Before Tax - Income / (Expenses)	(633.31)	483.29
Current Tax on Regulatory Deferral Account Balances	(110.65)	84.44
<b>Net Movement in Regulatory Deferral Account Balances - Income / (Expenses) (net of Tax)</b>	<b>(522.66)</b>	<b>398.85</b>

**(c) Income Tax recognized in other comprehensive income:**

(₹ in crore)

Particulars	For the year ended 31.03.2022			For the year ended 31.03.2021		
	Before Tax	Tax expense/ (benefit)	Net of Tax	Before Tax	Tax expense/ (benefit)	Net of Tax
Net gains/(losses) on fair valuation of equity instruments	478.85	53.90	424.95	39.80	-	39.80
Net actuarial losses on defined benefit plans	(196.74)	(34.38)	(162.36)	(19.94)	(3.49)	(16.45)
Less: Transferred to expenditure during construction (net)	(34.34)	(6.00)	(28.34)	(2.44)	(0.43)	(2.01)
<b>Other Comprehensive Income (Net of Tax)</b>	<b>316.45</b>	<b>25.52</b>	<b>290.93</b>	<b>22.30</b>	<b>(3.06)</b>	<b>25.36</b>

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

(₹ in crore)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Profit before income tax expense including movement in Regulatory Deferral Account Balances	19,694.17	15,109.36
<b>Tax at the Company's domestic tax rate of 34.944 %</b>	<b>6,881.93</b>	<b>5,279.81</b>
Tax effect of:		
Non Deductible tax items	(3,248.71)	(2,563.68)
Tax exempt income	(3,633.21)	(2,116.44)
Previous Years tax liability	(38.46)	1.56
Deferred Tax expense/(income)	(571.00)	560.03
Minimum alternate tax adjustments	3,209.86	2,012.30
<b>Income tax expense</b>	<b>2,600.41</b>	<b>3,173.58</b>



### 63. Employee Benefit Obligations

(₹ in crore)

Particulars	31 March 2022			31 March 2021		
	Current	Non-current	Total	Current	Non-current	Total
Leave Obligations	69.59	462.39	531.98	56.33	411.66	467.99
Post-Retirement Medical Facility (PRMF)	28.08	630.60	658.68	22.58	579.62	602.20
Other Employee benefits /Long Service Award	1.60	20.43	22.03	1.46	20.31	21.77
Gratuity	81.08	482.71	563.79	77.40	514.20	591.60
Other Defined retirement benefits (ODRB)/ Baggage Allowance	2.59	20.50	23.09	2.37	21.10	23.47
<b>Total employee benefit obligations</b>	<b>182.94</b>	<b>1616.63</b>	<b>1799.57</b>	<b>160.14</b>	<b>1546.89</b>	<b>1707.03</b>

#### (i) Long Term Employee Benefits

##### A. Leave Obligations

The Company provides for earned leave benefit (including compensated absences) and half-pay leave to the employees of the company which accrue annually at 30 days and 20 days respectively. Earned leave is encashable while in service. Half pay leaves (HPL) are encashable only on separation beyond the age of 55 years upto the maximum of 300 days (HPL). However, total number of leave that can be encashed on superannuation shall be restricted to 300 days and no commutation of half pay leave shall be permissible. The liability for same is recognized on the basis of actuarial valuation.

##### B. Other employee benefits – POWERGRID Employee family rehabilitation scheme

The company has introduced POWERGRID Employees Family Economic Rehabilitation Scheme on 24.06.2017. The Objective of the scheme is to provide monetary assistance and support to an employee in case of his/her permanent total disablement and to his/her family in case of death while in service. The beneficiary would be entitled to monthly payment equivalent to the employee's 50% of one month pay last drawn provided the beneficiary deposits with the company an amount equal to PF (excluding VPF) balance, Gratuity amount and Group Insurance (EDLI) amount. Such monthly payment would continue till the normal notional date on which the employee concerned would have attained the age of superannuation had the employee continued in the service of the company. The scheme is optional. Provision for POWERGRID Employees Family Economic Rehabilitation Scheme amounting to ₹ 5.96 crore (up to Previous Year ₹ 9.67 crore) for the year has been made during the year based on actuarial valuation.

#### (ii) Post-employment obligations (Defined Employee Benefit/Contribution Schemes)

##### A. Post-Retirement Medical Facility (PRMF)

The Company has Post-Retirement Medical Facility (PRMF), under which retired employees and the spouse are provided medical facilities in the empaneled hospitals. They can also avail treatment as Out-Patient subject to a ceiling fixed by the company. The liability for the same is recognized on the basis of actuarial valuation on annual basis on the Balance Sheet date. The scheme is funded by the company and is managed by a separate trust constituted on 01 May 2018.

##### B. Other employee benefits – Long Service Award

This benefit is applicable to all regular employees of the company (except for Directors and CMD) who have superannuated after completing at least 10 years of service. This scheme is unfunded and liability for the same is recognised on the basis of actuarial valuation on annual basis on the balance sheet date.

##### C. Gratuity

The company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to get gratuity at 15 days salary (15/26 x last drawn basic salary plus, dearness allowance) for each completed year of service on superannuation, resignation, termination, disablement or on death subject to a maximum of ₹ 20 lacs. The scheme is funded by the company and is managed by a separate trust. The liability for the same is recognized on the basis of actuarial valuation on annual basis on the Balance Sheet date. Company has carried out the actuarial valuation of Gratuity benefit considering ceiling of ₹20 Lakhs.

##### D. Other Defined Retirement Benefits (ODRB)/Baggage Allowance

The Company has a scheme for settlement at the time of superannuation at anywhere in India and dependents to superannuated employees. The scheme is unfunded and liability for the same is recognized on the basis of actuarial valuation on annual basis on the Balance Sheet date.

##### E. Provident Fund

Company pays fixed contribution to Provident Fund at predetermined rate to a separate trust, which invests the funds in permitted securities. Contribution to family pension scheme is paid to the appropriate authorities. The contribution to the



**63. Employee Benefit Obligations (Contd.)**

fund and EPS scheme for the year amounting to ₹ 130.74 crore (previous year ₹ 128.30 crore) has been recognized as expense and is charged to Statement of Profit and Loss. The obligation of the company is limited to such fixed contribution and to ensure a minimum rate of interest on contributions to the members as specified by GOI. As per the report of actuary overall interest earning and cumulative surplus is not more than statutory interest payment requirement. Hence, further provision of ₹171.06 Crore has been included in OCI based on actuarial valuation is considered necessary to meet the statutory interest payment during the FY 2021-22. Since the company does not have unconditional right over the PF corpus, the surplus has not been recognized in the Balance Sheet.

(₹ in crore)

Particulars	31 March 2022			31 March 2021		
	Current	Non-current	Total	Current	Non-current	Total
Provident Fund (PF)	694.61	2640.38	3334.99	438.42	2821.90	3260.32

Particulars	PF		
	Present value of obligation	Fair value of plan assets	Net amount
<b>01 April 2021</b>	<b>3260.32</b>	<b>3301.89</b>	<b>(41.57)</b>
Service cost	118.36	-	118.36
Interest expense (income)	251.83	87.97	163.86
<b>Total</b>	<b>370.19</b>	<b>87.97</b>	<b>282.22</b>
<b>Re measurements</b>			
Return on plan assets, excluding amount included in interest expense/(income)			
(Gain)/Loss from change in demographic assumptions	-	-	-
(Gain)/Loss from change in financial assumptions	-	-	-
Experience (Gain)/ Losses	48.77	-	48.77
<b>Total</b>	<b>48.77</b>	<b>-</b>	<b>48.77</b>
Employee contributions	196.46	314.82	(118.36)
Benefits payments	(540.75)	(540.75)	-
<b>31 March 2022</b>	<b>3334.99</b>	<b>3163.93</b>	<b>171.06</b>

(₹ in crore)

Particulars	PF		
	Present value of obligation	Fair value of plan assets	Net amount
<b>01 April 2020</b>	<b>3055.87</b>	<b>3146.09</b>	<b>(90.22)</b>
Service cost	115.35	-	115.35
Interest expense (income)	254.71	207.78	46.93
<b>Total</b>	<b>370.06</b>	<b>207.78</b>	<b>162.28</b>
<b>Re measurements</b>			
Return on plan assets, excluding amount included in interest expense/(income)	-	-	-
(Gain)/Loss from change in demographic assumptions	-	-	-
(Gain)/Loss from change in financial assumptions	-	-	-
Experience (Gain)/ Losses	1.72	-	1.72
<b>Total</b>	<b>1.72</b>	<b>-</b>	<b>1.72</b>
Employee contributions	256.88	372.23	(115.35)
Benefits payments	(424.21)	(424.21)	-
<b>31 March 2021</b>	<b>3260.32</b>	<b>3301.89</b>	<b>(41.57)</b>



### 63. Employee Benefit Obligations (Contd.)

The net liability disclosed above relates to Provident Fund is as follows:

(₹ in crore)

Particulars	PF	
	31 March 2022	31 March 2021
Present value of funded obligations	3334.99	3260.32
Fair value of plan assets	3163.93	3301.89
<b>Deficit/(Surplus) of funded plan</b>	<b>171.06</b>	<b>(41.57)</b>

Sensitivity Analysis of Provident Fund:

(₹ in crore)

Particulars	PF
a) Impact of change in discount rate	
Present value of Obligation at the end of period	3334.99
- Impact due to increase of 0.5%	(0.62)
- Impact due to decrease of 0.5%	0.65

The major categories of plan assets (PF) are as follows

(₹ in crore)

Particulars	31 March 2022				31 March 2021			
	Quoted	Unquoted	Total	In %	Quoted	Unquoted	Total	In %
Equity instruments (ETF)	102.83	-	102.83	3%	60.56	-	60.56	2%
<b>Debt instruments</b>								
Govt/State Bonds	1831.84	-	1831.84	58%	1774.95	-	1774.95	54%
PSU and Private Bonds	1120.02	-	1120.02	36%	1308.56	-	1308.56	40%
Bank Balance	73.80	-	73.80	2%	51.12	-	51.12	1%
Other Receivables	35.44	-	35.44	1%	106.70	-	106.70	3%
<b>Total</b>	<b>3163.93</b>	<b>-</b>	<b>3163.93</b>		<b>3301.89</b>	<b>-</b>	<b>3301.89</b>	

Fair value of company's own transferable financial instruments held as plan assets is ₹54.03crore as on 31 March 2022 (₹ 73.52 crore as on 31 March 2021).

The expected maturity analysis of provident fund is as follows:

(₹ in crore)

Particulars	Less than a year	Between 1-2 year	Between 2-5 years	Over 5 years	Total
<b>31 March 2022</b>	<b>694.61</b>	<b>297.11</b>	<b>616.26</b>	<b>1727.01</b>	<b>3334.99</b>
<b>31 March 2021</b>	438.42	338.33	737.81	1745.76	3260.32

#### F. Pension

The Company has scheme of employees defined Pension Contribution. Company contribution is paid to separate trust. Amount of contribution paid/payable for the year is ₹ 115.31crore (previous year ₹ 62.63crore) has been recognized as expense and is charged to Statement of Profit & Loss.

The summarized position of various employee benefit obligations is as follows:

(₹ in crore)

Particulars	Gratuity			ODRB			Leaves			PRMF		
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount
<b>01 April 2021</b>	<b>591.60</b>	<b>592.66</b>	<b>(1.06)</b>	<b>23.47</b>	<b>-</b>	<b>23.47</b>	<b>467.99</b>	<b>-</b>	<b>467.99</b>	<b>602.20</b>	<b>601.13</b>	<b>1.07</b>
Service cost	24.02	-	24.02	1.40	-	1.40	65.63	-	65.63	19.47	-	19.47
Interest expense (income)	39.93	7.29	32.64	1.58	-	1.58	31.59	-	31.59	40.65	-	40.65

**63. Employee Benefit Obligations (Contd.)**

(₹ in crore)

Particulars	Gratuity			ODRB			Leaves			PRMF		
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount
<b>Total amount recognized in profit or loss</b>	<b>63.95</b>	<b>7.29</b>	<b>56.66</b>	<b>2.98</b>		<b>2.98</b>	<b>97.22</b>		<b>97.22</b>	<b>60.12</b>	-	<b>60.12</b>
<b>Re measurements</b>												
Return on plan assets, excluding amount included in interest expense/ (income)	-	-	-	-	-	-	-	-	-	-	54.37	(54.37)
(Gain)/Loss from change in demographic assumptions	-	-	-	-	-	-	-	-	-	-	-	-
(Gain)/Loss from change in financial assumptions	-	-	-	-	-	-	-	-	-	-	-	-
Experience (Gain)/ Losses	(18.79)	-	(18.79)	(3.35)	-	(3.35)	56.34	-	56.34	30.4	-	30.4
<b>Total amount recognized in other comprehensive income</b>	<b>(18.79)</b>	<b>-</b>	<b>(18.79)</b>	<b>(3.35)</b>		<b>(3.35)</b>	<b>56.34</b>		<b>56.34</b>	<b>30.4</b>	<b>54.37</b>	<b>(23.97)</b>
Employer contributions	-	26.31	(26.31)	-	-	-	-	-	-	-	37.32	(37.32)
Benefits payments	(72.97)	(72.97)	-	(0.01)	-	(0.01)	(89.57)	-	(89.57)	(34.04)	(34.04)	-
<b>31 March 2022</b>	<b>563.79</b>	<b>553.29</b>	<b>10.5</b>	<b>23.09</b>	-	<b>23.09</b>	<b>531.98</b>	-	<b>531.98</b>	<b>658.68</b>	<b>658.78</b>	<b>(0.1)</b>

(₹ in crore)

Particulars	Gratuity			ODRB			Leaves			PRMF		
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount
<b>01 April, 2020</b>	<b>601.91</b>	<b>554.99</b>	<b>46.92</b>	<b>20.96</b>		<b>20.96</b>	<b>424.46</b>	-	<b>424.46</b>	<b>542.87</b>	<b>518.16</b>	<b>24.71</b>
Service cost	24.57		24.57	1.44		1.44	47.35		47.35	18.15		18.15
Interest expense (income)	40.63	39.91	0.72	1.41		1.41	28.65		28.65	36.65		36.65
<b>Total amount recognized in profit or loss</b>	<b>65.20</b>	<b>39.91</b>	<b>25.29</b>	<b>2.85</b>		<b>2.85</b>	<b>76.00</b>		<b>76.00</b>	<b>54.80</b>	<b>0.00</b>	<b>54.80</b>
<b>Re measurements</b>												
Return on plan assets, excluding amount included in interest expense/ (income)	-	-	-	-	-	-	-	-	-	-	73.33	(73.33)
(Gain)/Loss from change in demographic assumptions	-	-	-	-	-	-	-	-	-	-	-	-
(Gain)/Loss from change in financial assumptions	-	-	-	-	-	-	-	-	-	-	-	-
Experience (Gain)/ Losses	(3.46)	-	(3.46)	(0.31)	-	(0.31)	47.97	-	47.97	29.77	-	29.77
<b>Total amount recognized in other comprehensive income</b>	<b>(3.46)</b>	<b>0.00</b>	<b>(3.46)</b>	<b>(0.31)</b>	-	<b>(0.31)</b>	<b>47.97</b>	-	<b>47.97</b>	<b>29.77</b>	<b>73.33</b>	<b>(43.56)</b>
Employer contributions	-	69.81	(69.81)	-	-	-	-	-	-	-	9.64	(9.64)
Benefits payments	(72.05)	(72.05)	0.00	(0.03)	-	(0.03)	(80.44)	-	(80.44)	(25.24)	-	(25.24)
<b>31 March 2021</b>	<b>591.60</b>	<b>592.66</b>	<b>(1.06)</b>	<b>23.47</b>	-	<b>23.47</b>	<b>467.99</b>	-	<b>467.99</b>	<b>602.20</b>	<b>601.13</b>	<b>1.07</b>

The net disclosed above relates to funded and unfunded plans are as follows: -



### 63. Employee Benefit Obligations (Contd.)

(₹ in crore)

Particulars	Gratuity		ODRB		Leaves		PRMF	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Present value of funded obligations	563.79	591.60	-	-	-	-	658.68	602.20
Fair value of plan assets	553.29	592.66	-	-	-	-	658.78	601.13
<b>Deficit/(Surplus) of funded plan</b>	<b>10.50</b>	<b>(1.06)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(0.10)</b>	<b>1.07</b>
<b>Unfunded plans</b>		-	<b>23.09</b>	<b>23.47</b>	<b>531.98</b>	<b>467.99</b>	-	-

The company expects to contribute ₹ 35.67 crore to the gratuity trust during the FY 2022-23.

#### (iii) Significant actuarial assumptions for Post-Employment Benefits:

##### Economic Assumptions

Particulars	Gratuity, ODRB, Pension, PRMF, PF	
	31 March 2022	31 March 2021
Discount rate	7.00%	6.75%
Salary growth rate (except for PF)	6.50%	6.50%

The discount rate is generally based upon the market yields available on Govt. Bonds at the accounting date relevant to currency of benefit payments for a term that matches the liabilities. Salary growth rate is companies' long term best estimate as to salary increases and takes account of inflation, seniority, promotion, business plan, HR Policy and other relevant factors on long term basis.

##### Demographic Assumptions

Particulars	31 March 2022	31 March 2021
i) Retirement Age	60	60
ii) Mortality rates inclusive of provision for disability	100% of IALM (2012-14)	100% of IALM (2012-14)
iii) Ages		
	Withdrawal rate %	Withdrawal %
Upto 30 years	3	3
From 31 to 44 years	2	2
Above 44 years	1	1

##### Mortality rates for specimen ages

Age	Mortality rate	Age	Mortality rate	Age	Mortality rate
15	0.000698	45	0.002579	75	0.038221
20	0.000924	50	0.004436	80	0.061985
25	0.000931	55	0.007513	85	0.100979
30	0.000977	60	0.011162	90	0.163507
35	0.001202	65	0.015932	95	0.259706
40	0.00168	70	0.024058	100	0.397733

#### (iv) Sensitivity Analysis of the defined benefit obligation

(₹ in crore)

Particulars	Gratuity	ODRB	Leave	PRMF
a) Impact of change in discount rate				
Present value of Obligation at the end of period	563.79	23.09	531.98	658.68
- Impact due to increase of 0.5%	(22.61)	(1.01)	(25.62)	(36.21)

**63. Employee Benefit Obligations (Contd.)**

Particulars	Gratuity	ODRB	Leave	PRMF
- Impact due to decrease of 0.5%	24.68	1.13	27.95	38.18
b) Impact of change in salary increase				
Present value of Obligation at the end of period	563.79	23.09	531.98	658.68
- Impact due to increase of 0.5%	7.93	1.12	27.95	38.99
- Impact due to decrease of 0.5%	(8.49)	(1.05)	(25.73)	(36.59)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

The sensitivity analysis above has been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. This analysis may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

**(v) The major categories of plan assets (Gratuity) are as follows:**

(₹ in crore)

Particulars	31 March 2022				31 March 2021			
	Quoted	Unquoted	Total	In %	Quoted	Unquoted	Total	In %
Equity instruments (ETF)	4.98	-	4.98	1%	3.14	-	3.14	1%
<b>Debt instruments</b>								
Govt/State Bonds	326.56	-	326.56	62%	316.42	-	316.42	54%
PSU and Private Bonds	197.95	-	197.95	37%	266.28	-	266.28	45%
<b>Total*</b>	<b>529.49</b>	<b>-</b>	<b>529.49</b>		<b>585.84</b>	<b>-</b>	<b>585.84</b>	

\*Fair valuation as per actuarial valuation is ₹ 553.29 crore (Previous Year ₹ 592.66 crore).

Fair value of company's own transferable financial instruments held as plan assets is ₹43.38 Crore (Previous Year ₹ 56.03 crore).

**(vi) The major categories of plan assets (PRMF) are as follows:**

(₹ in crore)

Particulars	31 March 2022				31 March 2021			
	Quoted	Unquoted	Total	In %	Quoted	Unquoted	Total	In %
Equity instruments (ETF)	-	-	-		-	-	-	-
<b>Debt instruments</b>								
Govt/State Bonds	344.06	-	344.06	54%	296.17	-	296.17	51%
PSU and Private Bonds	298.85	-	298.85	46%	288.93	-	288.93	49%
<b>Total#</b>	<b>642.91</b>	<b>-</b>	<b>642.91</b>		<b>585.10</b>	<b>-</b>	<b>585.10</b>	

#Fair valuation as per actuarial valuation is ₹ 658.78crore (Previous Year ₹ 601.13crore)

**(vii) Description of Risk exposures**

Valuation is based on certain assumptions which are dynamic in nature and vary over time. As such company is exposed to various risks as follows:

- Salary Increases (except for PF) – Actual salary increase will increase the plan's liability. Increase in salary increase rate assumptions in future valuation will also increase the liability.
- Investment risk – If plan is funded then assets liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability
- Discount Rate – Reduction in discount rate in subsequent valuations can increase the plan's liability.
- Mortality & disability – Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.



### 63. Employee Benefit Obligations (Contd.)

E) Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

#### (viii) Defined benefit liability and employee contribution

The weighted average duration of the defined benefit obligations is 39.61 years (Previous Year 39.57years). The expected maturity analysis of undiscounted pension, gratuity, other defined retirement benefit and post-employment medical benefits is as follows:

(₹ in crore)

Particulars	Less than a year	Between 1-2 year	Between 2-5 years	Over 5 years	Total
<b>31 March 2022</b>					
Defined benefit obligation (Gratuity)	81.08	63.44	125.20	294.07	563.79
Post-employment medical benefits	28.08	35.84	140.27	454.49	658.68
ODRB	2.59	2.18	4.58	13.74	23.09
Other employee benefits (LSA)	1.60	1.14	2.50	16.79	22.03
<b>Total</b>	<b>113.35</b>	<b>102.60</b>	<b>272.55</b>	<b>779.09</b>	<b>1267.59</b>
<b>31 March 2021</b>					
Defined benefit obligation (Gratuity)	77.40	73.30	148.99	291.91	591.60
Post-employment medical benefits	22.58	28.78	112.44	438.40	602.20
ODRB	2.37	2.42	5.27	13.41	23.47
Other employee benefits (LSA)	1.46	1.46	3.42	15.43	21.77
<b>Total</b>	<b>103.81</b>	<b>105.96</b>	<b>270.12</b>	<b>759.15</b>	<b>1239.04</b>



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

a) Details of immovable properties where title deeds are not in the name of the company:

**Type of Property:** Property, plant and Equipment

Description of item of property	Gross carrying value as at 31.03.2022	Gross carrying value as at 31.03.2021	Title deeds held in the name of	Whether title deed holder is a promoter, director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
<b>Freehold land</b>	<b>192.49</b>	<b>190.21</b>				
Township-Sector 46, Gurgaon	11.00	11.00	Haryana Shahari Vikas Pradhikaran(HSVP)	No	02-12-1998	Pending the outcome of representation made to HSVP by Company for waiver of penalty, the title deed is pending for transfer in favour of the Company.
Birpara	0.00	0.00	Govt. Of West Bengal	No	01-11-1996	Survey work of Birpara Mouza is under progress by Block Land Reforms Office & mutation will be done after survey work is completed.
Maithon	0.00	0.00	Multiple Private Owner	No	01-04-1992	The Company is in the process of getting the title deed registered from office of District Land and Land Reforms Officer (DLLRO). There is procedural delay in transfer of title deed.
Maithon	0.02	0.02	CLW-Indian Railway	No	01-04-1992	Matter is being followed up with CLW (Chittaranjan Locomotive works) for execution of registration deed. There is procedural delay in transfer of title deed.
Maithon	0.32	0.31	Multiple Private Owner	No	28-03-2018	NOC from Tribal Board is yet to be received pending which title deed is not transferred in name of the Company.
Alipurduar- Mathabhanga Earth Electrocode	0.67	0.67	Multiple Private Owner	No	31-12-2012	Transfer of title deed is pending on account of procedural delays.
Rajarhat	23.23	23.23	Multiple Private Owner	No	30-11-2014	
Aizawl	0.03	0.03	Govt. of Mizoram	No	1991	
Misa	0.31	0.31	Govt. of Assam	No	1994	Legal fees has been paid to the Govt. of Assam and transfer of title deeds in the name of Powergrid is under process with the concerned department of Govt. of Assam.
Faizabad, NR-1, RHQ (Township)	6.42	6.42	Haryana Shahari Vikas Pradhikaran	No	01-04-1999	Pending disposal of appeal at High Court Chandigarh against enhancement and extension fees, demanded by HSVP, the title deed is pending to be transferred in favour of the Company.
Meerut SS	0.18	0.18	UP Govt	No	01-04-2003	Land acquired for Meerut Sub station includes Gram Samaj Land. Concerned authority is being approached for completion of Legal formalities.
Hisar S/S	0.57	0.57	NHPC	No	30-09-1991	The company is dealing with multiple authorities for transfer of land situated at multiple locations. The transfer of title deed is pending on account of procedural delays.



64. Additional Regulatory Information as per Schedule III to the Companies Act, 2013 (Contd.)

Description of item of property	Gross carrying value as at 31.03.2022	Gross carrying value as at 31.03.2021	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Line Office Banikhet, Tehsil & Distt. Chamba (HP)	0.00	0.00	HP Govt	No	28-02-1994	Subject land is Govt./Forest Land in record of HP Govt. As per GOI guidelines, Forest Land diverted to Non Forestry purpose under FCA 1980 will be having legal status as "Forest" even after diversion.
Hiriyur	0.34	0.34	Karnataka Industrial Aread Development Board (KIADB)	No	01-02-2004	Pending title rectifications for few parcel of land, to be carried out by KIADB, title deed is yet to be registered in the name of POWERGRID.
Yelahanka	30.72	30.72	Karnataka Power Transmission Corporation Limited (KPTCL)	No	23-03-2011	Transfer of title deed is pending on account of procedural delays with office of M/s KPTCL.
Somanhalli	0.34	0.34	Karnataka Power Transmission Corporation Limited (KPTCL)	No	FY 1992-93 onwards	
Kolar Siddalagatta	0.91	0.91	Karnataka Industrial Aread Development Board (KIADB)	No	01-04-2002	Transfer of title deed is pending on account of procedural delays with office of KIADB.
Turnkur	42.29	42.29	Karnataka Industrial Aread Development Board (KIADB)	No	25-09-2013	
Kudugi	8.83	8.83	Karnataka Industrial Aread Development Board (KIADB) and Others	No	28-02-2014	
Bidadi	20.00	20.00	Karnataka Industrial Aread Development Board (KIADB)	No	23-03-2011	
Pavagada (Kyathaganacherlu Village)	0.64	0.31	Private Parties are Chowdappa S/o Akkanna, Mrs. Sanjeevamma D/o Venkatappa, M. Chaplainship S/o Venkatappa and Others	No	30-06-2017	Registration and mutation is pending on account of establishing the legal ownership of the land and consideration for the said land is also yet to be paid.
Pugalur HVDC	0.31	0.31	Bhoothan Trust Board	No	01-04-2017	The land has been allotted by Bhoothan Trust Board to the company. Due to delay in incumbency of meetings of Bhoothan Trust Board and other formalities, registration in the name of the company is pending.

## 64. Additional Regulatory Information as per Schedule III to the Companies Act, 2013 (Contd.)

Description of item of property	Gross carrying value as at 31.03.2022	Gross carrying value as at 31.03.2021	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Kovilpatti	45.36	43.42	Shri Ramesh and Shri R Rajan	No	19-10-2011	Pursuant to the directions of the Hon'ble High court of Chennai, Sole Arbitrator has been appointed and an award has been passed. Aggrieved by the award, both the parties has approached Hon'ble High Court for compensation award. Hon'ble. High court Chennai is yet to decide the case. Therefore, title deed is yet to be transferred in the name of the Company.
<b>ROU Asset- Land</b>	<b>274.76</b>	<b>264.61</b>				
Pandiabili	8.82	8.82	Govt. of Odisha	No	12-01-2018	The Company is in the process of getting the lease deed registered from Govt. of Odisha. There is procedural delay in creation of lease deed.
SAIL-Durgapur	21.65	21.65	SAIL-Durgapur	No	01-05-2017	The original Lease agreement with SAIL was expired and the same is under process for renewal.
Maithon	0.02	0.02	Govt. Of West Bengal	No	04-05-2019 & 24-04-2021	Renewal of lease request has been submitted to DLLRO-Asansol. Reply on the same is awaited.
Alipurduar- Mathabhanga Earth Electrocode	0.30	0.30	Govt. Of West Bengal	No	17-03-2017	Lease agreement of 4.85 Hectares of Lease land is approved by the State Cabinet on 23.11.21. Signing of lease agreement is under process. For Balance land of 1.16 Hectares process is on for approval at State Cabinet.
Jamshedpur	0.13	0.13	Forest Dept.	No	FY 1992-93 onwards	JIADA is trying to get clearance for land transfer from Forest Dept. for onward transfer to POWERGRID.
Ajmer Township	0.96	0.96	Ajmer Distt Authority	No	01-04-1999	Execution of lease deed is pending on account of disposal of the petition before Division Commissioner Ajmer for demand of interest on revised land cost.
400/220 KV S/S Dwarka	63.13	63.13	GNCTD	No	01-04-2018	Execution of lease deed is pending on account of procedural delays.
400/220 KV S/S Tuglakabad	35.52	35.52	GNCTD	No	01-04-2018	
400/220 kV GIS Pooling Station Chamba Village Mohal Rajera Tehsil & Distt. Chamba (HP)	12.36	12.36	HP Govt	No	19-10-2011	As per GOI guidelines, Forest Land diverted to Non Forestry purpose under FCA 1980 will be having legal status as "Forest" even after diversion.
SLTS_Kargil Substation (UT of Ladakh)	0	0	PDD Kargil	No	23-03-2021	Govt of India (MOP) has declared Srinagar Leh Transmission System (SLTS) project as Interstate Transmission System Projects (ISTS) and the same has been transferred to Powergrid. Pending signing of the MOU, the lease deed is not executed in the name of the Company.
SLTS_Drass Substation (UT of Ladakh)	0	0	PDD Kargil	No	23-03-2021	
SLTS_Leh Substation (UT of Ladakh)	0	0	PDD Leh	No	23-03-2021	
SLTS_Khalsti Substation (UT of Ladakh)	0	0	PDD Leh	No	23-03-2021	



64. Additional Regulatory Information as per Schedule III to the Companies Act, 2013 (Contd.)

Description of item of property	Gross carrying value as at 31.03.2022	Gross carrying value as at 31.03.2021	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Wagoora_400/220 kV Sub-Station Wagoora, Village Wagoora Tehsil & Distt. Budgam, Kashmir	1.33	1.33	Govt of J&K	No	FY 1993-94 onwards	Land in UT of J&K is acquired by State Government under state land acquisition act. As per law the state government remains the owner of the land acquired and company is only given possession for specific use.
New wanpoh_400/220 kV Sub-Station New Wanpoh, Village Damjan, Tehsil Dooru, Distt. Anantnag, Kashmir	25.45	25.45	Govt of J&K	No	30-11-2010	
Kishenpur Township_800/400/220 kV Sub-Station Kishenpur, Village Kharta Tehsil Jindhra & Distt. Jammu (TOWNSHIP LAND)	0.06	0.06	Govt of J&K	No	31-03-1995, 31-03-1996	
Kishenpur_800/400/220 kV Sub-Station Kishenpur, Village Kharta Tehsil Jindhra & Distt. Jammu	0.34	0.34	Govt of J&K	No	31-03-1993, 31-12-1994	
Narwal_Line Office Narwal	-	-	Govt of J&K	No	FY 1993-94 onwards	
Samba_Samba S/S Land	11.60	11.60	Govt of J&K	No	19-04-2012	
TL Land in UR of Jammu and Kashmir	93.09	82.94	Govt of J&K	No	FY 1993-94 onwards	
<b>Building</b>	<b>2.96</b>	<b>2.96</b>				
Buildings (Flats in Mumbai)	2.96	2.96	MHADA	No	02-01-2017	Transfer of title deed is pending on account of procedural delays.

**64. Additional Regulatory Information as per Schedule III to the Companies Act, 2013 (Contd.)**

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

(₹ in crore)

Particulars	<1 Year	1-2 Years	2-3 Years	>3 Years	Total
<b>As at 31.03.2022</b>					
Projects in progress	3,265.50	1,429.12	1,073.09	1,579.01	7,346.72
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>3,265.50</b>	<b>1,429.12</b>	<b>1,073.09</b>	<b>1,579.01</b>	<b>7,346.72</b>
<b>As at 31.03.2021</b>					
Projects in progress	8,234.34	5,692.09	1,525.13	2,447.37	17,898.93
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>8,234.34</b>	<b>5,692.09</b>	<b>1,525.13</b>	<b>2,447.37</b>	<b>17,898.93</b>

c) For capital-work-in progress (CWIP), whose completion is overdue or has exceeded its cost compared to its original plan, CWIP completion schedule is as follows:

(₹ in crore)

Particulars	Project	<1 Year	1-2 Years	2-3 Years	>3 Years	Total
Projects in progress	North East - Northern / Western Interconnector - I project	1,007.06	-	-	-	1,007.06
Projects in progress	Transmission System associated with Tehri Pump Storage Plant (PSP)	180.93	-	-	-	180.93
Projects in progress	Western Region System Strengthening Scheme - V	450.52	-	-	-	450.52
Projects in progress	Transmission System Associated with Mundra Ultra Mega Power Project	-	108.96	-	-	108.96
Projects in progress	Eastern Region Strengthening Scheme - V (ERSS-V)	26.61	-	-	-	26.61
Projects in progress	Establishment of Fibre Optic Communication System in Western Region under Master Communication Plan	0.74	-	-	-	0.74
Projects in progress	Phase-I Unified Real Time Dynamic State Measurement (URTDMS)	2.71	-	-	-	2.71
Projects in progress	Northern Region System Strengthening Scheme - XXXV (NRSS-XXXV)	93.93	-	-	-	93.93
Projects in progress	Fibre optic communication system in Eastern Region under expansion of Wideband Communication network in Eastern Region	6.05	-	-	-	6.05
Projects in progress	Fibre optic communication system for Central Sector Sub-Stations & generating stations in Southern Region	0.80	-	-	-	0.80
Projects in progress	Eastern Region Strengthening Scheme - XII (ERSS-XII)	22.31	-	-	-	22.31
Projects in progress	POWERGRID works associated with North Eastern Region Strengthening Scheme - II, Part-B (NERSS-II-B)	83.27	-	-	-	83.27
Projects in progress	North Eastern Region Strengthening Scheme - III (NERSS-III)	53.05	-	-	-	53.05
Projects in progress	Creation of 400/220kV Substations in NCT of Delhi during 12th Plan Period (Part-A)	260.91	-	-	-	260.91



**64. Additional Regulatory Information as per Schedule III to the Companies Act, 2013 (Contd.)**

(₹ in crore)

Particulars	Project	<1 Year	1-2 Years	2-3 Years	>3 Years	Total
Projects in progress	Establishment of Fibre Optic Communication System in Northern Region under Fibre Optic Expansion Project (Additional Requirement)	72.56	-	-	-	72.56
Projects in progress	Transmission System for Ultra Mega Solar Park (750 MW) in Rewa District, Madhya Pradesh	12.53	-	-	-	12.53
Projects in progress	Transmission System for Ultra Mega Solar Park in Anantpur District, Andhra Pradesh - Part B (Phase-II)	50.93	-	-	-	50.93
Projects in progress	Establishment of 220/66kV, 2X160MVA GIS at UT Chandigarh along with 220kV D/C line from Chandigarh GIS to 400/220kV Panchkula (PG) substation	302.64	-	-	-	302.64
Projects in progress	Eastern Region Strengthening Scheme-XVII (Part-B) [ERSS-XVII (Part-B)]	43.82	-	-	-	43.82
Projects in progress	System Strengthening Scheme in Northern Region-XXXVII (NRSS-XXXVII)	344.64	-	-	-	344.64
Projects in progress	ICTs & Bays associated with Northern Region System Strengthening Scheme - XXXVIII (NRSS-XXXVIII)	262.59	-	-	-	262.59
Projects in progress	Line bays associated with Northern Region System Strengthening Scheme -XXXVI	23.03	-	-	-	23.03
Projects in progress	Establishment of Fibre Optic Communication System under Wide Band Communication Expansion Plan in North-Eastern Region	34.86	-	-	-	34.86
Projects in progress	Establishment of Fibre Optic Communication System in Western Region under Master Communication Plan (Additional Requirement)	9.85	-	-	-	9.85
Projects in progress	POWERGRID works associated with Transmission System Strengthening in Indian System for transfer of power from new HEPs in Bhutan	54.50	-	-	-	54.50
Projects in progress	Establishment of Communication System under Expansion/Up-gradation of SCADA/EMS system at SLDCs of Eastern Region (BSPTCL and DVC)	15.86	-	-	-	15.86
Projects in progress	HVDC Bipole link between Western region (Raigarh, Chhattisgarh) and Southern region (Pugalur, Tamil Nadu) - North Trichur (Kerala) - Scheme#2: AC System Strengthening at Pugalur end	-	17.79	-	-	17.79
Projects in progress	POWERGRID works associated with North Eastern Region Strengthening Scheme - VI	18.43	-	-	-	18.43
Projects in progress	POWERGRID works associated with North Eastern Region Strengthening Scheme - V	66.36	-	-	-	66.36



**64. Additional Regulatory Information as per Schedule III to the Companies Act, 2013 (Contd.)**

(₹ in crore)

Particulars	Project	<1 Year	1-2 Years	2-3 Years	>3 Years	Total
Projects in progress	Sub-Station works associated with Additional Inter-Regional AC link for import into Southern Region i.e. Warora – Warangal and Chilakaluripeta - Hyderabad - Kurnool 765kV link	159.27	-	-	-	159.27
Projects in progress	Provision of 400kV line bays at Bhiwani (PG)	18.17	-	-	-	18.17
Projects in progress	Transmission System for evacuation of power from 2X500 MW Neyveli Lignite Corp. Ltd. TS-1 (Replacement) (NNTPS) in Neyveli, Tamil Nadu	39.07	-	-	-	39.07
Projects in progress	POWERGRID works associated with Transmission System Strengthening in WR associated with Khargone TPS	99.32	-	-	-	99.32
Projects in progress	POWERGRID works associated with immediate evacuation for North Karanpura (3X660 MW) generation project of NTPC	40.63	-	-	-	40.63
Projects in progress	Eastern Region Strengthening Scheme-XVIII (ERSS-XVIII)	10.45	-	-	-	10.45
Projects in progress	Transmission System for Ultra Mega Solar Power Park (700 MW) at Banaskantha (Radhanesda), Gujarat	153.01	-	-	-	153.01
Projects in progress	Communication System under Eastern Region Fibre Optic Expansion Project (Additional Requirement)	34.51	-	-	-	34.51
Projects in progress	POWERGRID Works associated with Additional 400kV feed to Goa	21.78	-	-	-	21.78
Projects in progress	Additional System for Power Evacuation from Generation Projects pooled at Raigarh (Tamnar) Pool	78.41	-	-	-	78.41
Projects in progress	Establishment of Fibre Optic Communication Scheme (Additional) under Central Sector for North Eastern Region	15.78	-	-	-	15.78
Projects in progress	Establishment of Reliable Communication Scheme under Central Sector for Eastern Region	9.32	-	-	-	9.32
Projects in progress	Reliable Communication Scheme under Central Sector for Southern Region	101.59	-	-	-	101.59
Projects in progress	Reliable Communication Scheme under Central Sector for Western Region	53.28	-	-	-	53.28
Projects in progress	Baharampur (POWERGRID) – Bheramara (Bangladesh) 2nd 400kV D/c Transmission Line (Indian Portion)	170.35	-	-	-	170.35
Projects in progress	Supplementary Transmission System for Ultra Mega Solar Power Park (700 MW) at Banaskantha (Radhanesda), Gujarat	164.81	-	-	-	164.81
Projects in progress	Scheme to control fault level at Wardha substation	46.01	-	-	-	46.01



**64. Additional Regulatory Information as per Schedule III to the Companies Act, 2013 (Contd.)**

(₹ in crore)

Particulars	Project	<1 Year	1-2 Years	2-3 Years	>3 Years	Total
Projects in progress	Implementation of 500 MVAR Thyristor Controlled Reactor at Kurukshetra 400 kV bus	92.80	-	-	-	92.80
Projects in progress	Reliable Communication Scheme under Central Sector for Northern Region	66.72	-	-	-	66.72
Projects in progress	Northern Region System Strengthening - XL (NRSS-XL)	79.72	-	-	-	79.72
Projects in progress	Northern Region System Strengthening - XLI (NRSS-XLI)	17.89	-	-	-	17.89
Projects in progress	System Strengthening - XXV in Southern Region	36.15	-	-	-	36.15
Projects in progress	Extension works at POWERGRID substations for Interconnection of RE projects	5.46	-	-	-	5.46
Projects in progress	Transmission System for Solar Energy Zones in Rajasthan	203.28	-	-	-	203.28
Projects in progress	Northern Region System Strengthening - XLII (NRSS-XLII)	8.31	-	-	-	8.31
Projects in progress	Scheme to control fault level in Northern Region (Phase-II)	65.65	-	-	-	65.65
Projects in progress	Eastern Region Strengthening Scheme-XXII	22.04	-	-	-	22.04
Projects in progress	Transmission System for providing connectivity to RE projects at Bikaner (PG), Fatehgarh-II & Bhadla-II	248.06	-	-	-	248.06
Projects in progress	Transmission System for controlling high short circuit current level at 400 kV Thiruvalem S/s	74.74	-	-	-	74.74
Projects in progress	Construction of 2 nos. of 400kV Hybrid/GIS Line bays at Varanasi (PG) substation	34.21	-	-	-	34.21
Projects in progress	2 Nos. of 220 kV line bays at Saharanpur (PG)	2.63	-	-	-	2.63
Projects in progress	Transmission system strengthening scheme for evacuation of power from solar energy zones in Rajasthan (8.1 GW) under Phase II- Part-A1	10.98	-	-	-	10.98
Projects in progress	North Eastern Region Strengthening Scheme - X (NERSS-X)	16.10	-	-	-	16.10
Projects in progress	Eastern Region Strengthening Scheme-XXIII	182.99	-	-	-	182.99
Projects in progress	Transmission System for North Eastern Region Strengthening Scheme - XIV (NERSS-XIV)	31.56	-	-	-	31.56
Projects in progress	North Eastern Region Strengthening Scheme - XI (NERSS-XI)	8.23	-	-	-	8.23
Projects in progress	Eastern Region System Strengthening Scheme-XXIV (ERSS-XXIV)	1.89	-	-	-	1.89
Projects in progress	Transmission System for Solar Power Parks at Bhadla, Rajasthan	92.95	-	-	-	92.95

**64. Additional Regulatory Information as per Schedule III to the Companies Act, 2013 (Contd.)**

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

(₹ in crore)

Particulars	<1 Year	1-2 Years	2-3 Years	>3 Years	Total
<b>As at 31.03.2022</b>					
Projects in progress	25.29	-	-	6.24	<b>31.53</b>
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>25.29</b>	<b>-</b>	<b>-</b>	<b>6.24</b>	<b>31.53</b>
<b>As at 31.03.2021</b>					
Projects in progress	2.18	-	66.44	6.24	<b>74.86</b>
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>2.18</b>	<b>-</b>	<b>66.44</b>	<b>6.24</b>	<b>74.86</b>

e) For Intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan, Intangible assets under development completion schedule is as follows:

(₹ in crore)

Particulars	Project	<1 Year	1-2 Years	2-3 Years	>3 Years	Total
Projects in progress	Western Region System Strengthening Scheme - V	6.24	-	-	-	6.24
Projects in progress	North East - Northern / Western Interconnector - I project	24.66	-	-	-	24.66
Projects in progress	Eastern Region Strengthening Scheme-XXIII	0.63	-	-	-	0.63

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 was sanctioned a working capital limit of ₹ 5,700 crore (Previous Year ₹ 5,700 crore) secured against current assets by consortium of banks. The quarterly returns of current assets have been filed by the company during the financial year and are in agreement with books of accounts.

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

i) Relationship with Struck off Companies:

(₹ in crore)

Name of struck off Company	Nature of transactions with struck off Company	Balance outstanding as at 31.03.2022	Balance outstanding as at 31.03.2021	Relationship with the Struck off company
Ace Consultants Pvt Ltd	Payables	<b>0.00</b>	0.00	Not a Related Party
Beautex Advertising Media Private Limited	Payables	<b>0.03</b>	0.03	Not a Related Party
Vitalink Wealth Advisory Services Private Limited	Shares held by struck off company	<b>0.00</b>	0.00	Not a Related Party
Zenith Insurance Services Pvt Ltd	Shares held by struck off company	<b>0.00</b>	0.00	Not a Related Party
J V A Enterprises Private Ltd.	Shares held by struck off company	<b>0.00</b>	0.00	Not a Related Party
Isairis Trading Private Limited	Shares held by struck off company	<b>0.00</b>	0.00	Not a Related Party
Kothari Intergroup Ltd.	Shares held by struck off company	<b>0.00</b>	0.00	Not a Related Party
Vaishak Shares Limited	Shares held by struck off company	<b>0.00</b>	0.00	Not a Related Party



**64. Additional Regulatory Information as per Schedule III to the Companies Act, 2013 (Contd.)**

(₹ in crore)

Name of struck off Company	Nature of transactions with struck off Company	Balance outstanding as at 31.03.2022	Balance outstanding as at 31.03.2021	Relationship with the Struck off company
Shubhra Communications Private Limited	Receivables	0.04	0.04	Not a Related Party
Roofers Media Private Limited	Receivables	0.02	0.02	Not a Related Party
Expeditive Infotech Private Limited	Receivables	0.11	0.06	Not a Related Party
Glan Solution India Private Limited	Receivables	0.03	0.03	Not a Related Party
Arctos Telecom Private Limited(OPC)	Receivables	0.08	0.08	Not a Related Party
Yash Techno Media Private Limited	Receivables	0.06	0.06	Not a Related Party
Viscom Media Private Limited	Receivables	0.02	0.02	Not a Related Party
Business Standard Ltd	Payables	0.01	0.01	Not a Related Party
Imperial Foundation Pvt Ltd	Payables	0.21	0.21	Not a related party
Hindusthan Vidyut Products Limited	Payables	0.01	0.01	Not a related party
SIDDHARAM	Payables	0.04	0.09	Not a related party
Yumiko Global Infra Tech Pvt Ltd	Payables	0.10	0.16	Not a related party
Mittsoo Solutions Pvt Ltd	Payables	0.00	0.00	Not a related party
TGN Networks Private Limited	Payables	0.00	0.00	Not a related party
Jai Ambey Trading Private Limited	Payables	0.01	0.01	Not a related party
Visaag Technologies Private Limited	Payables	0.00	0.00	Not a related party
Braintech Infra Private Limited	Payables	0.01	0.01	Not a related party
Techsoul Energy Private Limited	Payables	0.00	0.00	Not a related party
Baur Instruments (India) Private Limited	Payables	0.00	0.00	Not a related party
Synergy Telecommunications Private Limited	Payables	0.16	0.16	Not a related party
Sigma Security Services Private Limited	Payables	0.01	0.01	Not a related party
Quality Reserch Services Private Limited	Payables	0.00	0.00	Not a related party

- j) The Company has registered charges or satisfaction of charges during the financial year with Registrar within statutory period.
- 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	0.62	0.84	-26%	Due to increase in current maturities of Longterm borrowings and Short-term borrowing
(b) Debt-Equity Ratio	Total Debt	Shareholder's Equity	1.77	2.06	-14%	

**64. Additional Regulatory Information as per Schedule III to the Companies Act, 2013 (Contd.)**

Ratio	Numerator	Denominator	Current Year	Previous Year	Variance	Reason for variance >25%
(c) Debt Service Coverage Ratio	Profit for the period + Depreciation and amortization expense + Finance costs + FERV + Loss on Sale of Fixed Assets	Finance costs + Lease Payments + Principal Repayments	<b>1.61</b>	1.66	-3%	
(d) Return on Equity Ratio	Profit for the period	Average Shareholder's Equity	<b>23%</b>	18%	28%	Due to profit on sale of share in subsidiaries/associate to PG InvIT
(e) Inventory turnover ratio	Revenue from Operations	Average Inventory	<b>29.14</b>	26.91	8%	
(f) Trade Receivables turnover ratio	Revenue from Operations	Average Trade Receivables (before deducting provision)	<b>4.39</b>	4.19	5%	
(g) Trade payables turnover ratio	Gross Other Expense (-) FERV, Provisions, Loss on disposal of PPE	Average Trade payables	<b>12.35</b>	12.07	2%	
(h) Net capital turnover ratio*	Revenue from Operations	Current Assets - Current Liabilities	-	-	-	
(i) Net profit ratio	Profit for the period	Revenue from Operations	<b>43%</b>	32%	34%	Due to profit on sale of share in subsidiaries/associate to PG InvIT
(j) Return on Capital employed	Earnings before interest and taxes	Tangible Net Worth + Total Debt + Deferred Tax Liability	<b>11%</b>	11%	0%	
(k) Return on investment	Income from Investments & Capital Appreciation	Time weighted Investments	<b>18%</b>	17%	6%	

\* Ratio cannot be calculated as denominator is negative.

- 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.

**65. Disclosure of material impact of COVID-19 pandemic on listed entities under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

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 CERC Tariff Regulations which provide for recovery of the annual transmission charges based on system availability.

Due to the continuing 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. The Company has issued guidelines and protocols to be followed by its various units for the operation and maintenance of its transmission network during the pandemic. The Company has also implemented digital solutions such as e-office, ERP systems, Virtual Private Network, Video Conferencing etc. to facilitate Work from Home of its employees. Due to the various steps taken by the Company, 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. However, during the previous year, a consolidated one-time rebate of ₹ 1,078.64 crore given to DISCOMs and Power Departments of States / Union Territories for passing on to end consumers on account of COVID-19 pandemic against the billing of April 2020 and May 2020. Due to said consolidated one-time rebate, there was a reduction in the profit for the previous year and the same has been disclosed under "Exceptional items" in the Statement of Profit and loss.

The Company has made an assessment of 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 investments 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.

## 66. Other Notes

### A. Exceptional Items:

- a) In lieu of consideration of shareholding transferred to PG InvIT, 41,06,50,900 Units at the price of ₹100 each were allotted by PGInvIT to the company and ₹330.78 crore towards transfer of 26% share of PVTL. Further, the company received an amount of ₹304.15 crore on relinquishment of right on additional revenue in PPTL, PWTL and PJTL. The company retained 13,65,00,100 units being 15% of total units of PGInvIT outstanding on post issue basis pursuant to InvIT Regulations and remaining 27,41,50,800 units were sold by way of 'Offer for Sale (OFS)'. The company received an amount of ₹2736.02 crore (net of STT) against the OFS. The Profit on above transactions (net of related expenses) amounting to ₹ 3759.51 crore has been disclosed under "Exceptional items".
- b) In previous year, a consolidated one-time rebate of ₹ 1078.64 crore has been disclosed under "Exceptional items" in the Statement of Profit and loss. (refer note no.65)

### B. Incorporation of wholly owned subsidiary of POWERGRID to undertake Telecommunications and Digital Technology Business of the company

A company "Powergrid Teleservices Limited" was incorporated on 25.11.2021 as a wholly owned subsidiary of the company with an objective to undertake Telecommunications and Digital Technology business. The Company is evaluating the methodology/ Transaction Scheme for transfer of said business including but not limited to identification of assets and liabilities. The approval from CERC regarding above transfer are yet to be received.

The Company will continue to operate the Telecommunication and Digital Technology business until the above significant activities are completed. As the said business is not available for immediate sale in its present condition, hence the same is not classified as "disposal group held for sale"

### C. Acquisitions under process

The Company was the successful bidder in TBCB Projects under the SPVs namely Khetri-Narela Transmission Limited (KNLT) and Mohanlalganj Transmission Limited (MTL). Further, the company has acquired KNLT from concerned Bid Process Coordinator on 11.05.2022 & Letter of Intent (LoI) in respect of MTL has been obtained from concerned Bid Process Coordinator on 12.05.2022.

### D. Transfer of function of Central Transmission Utility (CTU) from the company

Ministry of Power vide Gazette notification dated 09.03.2021 notified that, with effect from 01.04.2021, "Central Transmission Utility of India Limited (CTUIL), a wholly owned subsidiary of the company incorporated on 28.12.2020" to undertake and discharge all functions of CTU pursuant to the provisions of the Electricity Act, 2003 or any regulations or directions of the central commission or authority or any other directions or functions prescribed by the Central Government in that regard. In pursuant to referred notification, the functions of CTU are transferred to CTUIL w.e.f. 01.04.2021.

Central Electricity Regulatory Commission (CERC) vide order dated 25.02.2022 stated that expenses related to employees and other related expenses of CTUIL shall continue to be taken care of by the company for the period till 31.3.2024 or until further orders, whichever is earlier as the same was allowed through various tariff orders. Hence, the expenses related to functions of CTU are being borne by the company. For impact on employee cost, other expenses and other comprehensive income refer note no. 37, 40 and 42 respectively.



**E. 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.

- F.** The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

**67.** a) Figures have been rounded off to nearest rupees in crore up to two decimals.

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

**For and on behalf of the Board of Directors****Mrinal Shrivastava**

Company Secretary

**Mohammed Taj Mukarrum**

Director (Finance)

**K. Sreekant**

Chairman &amp; Managing Director

**As per our report of even date****For T R CHADHA & CO LLP**

Chartered Accountants

FRN : 006711N/N500028

**For UMAMAHESWARA RAO & CO**

Chartered Accountants

FRN : 004453S

**For B M CHATRATH & CO LLP**

Chartered Accountants

FRN : 301011E/E300025

**For PSD & ASSOCIATES**

Chartered Accountants

FRN : 004501C

**CA Neena Goel**

Partner

M. No. 057986

**CA R R Dakshinamurthy**

Partner

M. No. 211639

**CA Sanjay Sarkar**

Partner

M. No. 064305

**CA Prakash Sharma**

Partner

M. No. 072332

Date: 21 May 2022

Place: Gurugram



## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF POWER GRID CORPORATION OF INDIA LIMITED

#### Report on the Audit of the Standalone Financial Statements

##### Opinion

We have audited the accompanying Standalone Financial Statements of Power Grid Corporation of India Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, the profit & total comprehensive income, changes in equity and its cash flows for the year ended on that date.

##### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) 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 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 (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

##### Emphasis of Matter

We draw attention to the following matter in the notes to the Standalone financial statements:

- In respect of provisional recognition of revenue from transmission assets for which final tariff orders are yet to be issued by the CERC [Refer Note No. 35(b)(ii)]

Our opinion is not modified in respect of the above matter.

##### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year ended 31 March 2022. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
1.	<p><b><u>Recognition of Revenue from Transmission Income</u></b></p> <p>Transmission Income is accounted for, based on tariff orders notified by the CERC. In case of transmission projects where final tariff orders are yet to be notified, transmission income is accounted for on provisional basis as per Tariff Regulations and Orders of the CERC in earlier cases. Difference, if any, is accounted for on issuance of final Tariff Orders by the CERC. As at each reporting date, transmission income also includes an accrual for services rendered to the customers but not yet billed i.e., Unbilled Revenue.</p> <p>This is considered as Key Audit Matter due to the nature and extent of estimates made as per CERC Tariff Regulations and contracts with customers for recognition of revenue.</p> <p>(Refer Note No. 35(b)(ii) Standalone Financial Statement)</p>	<p>Our audit approach involved:</p> <p>Obtaining an understanding of the CERC Tariff Regulations, Orders, Circulars, Guidelines and the Company's internal circulars and procedures in respect of recognition and measurement of revenue from transmission of power.</p> <ul style="list-style-type: none"> <li>Evaluated and tested the effectiveness of the design of Internal controls relating to recognition and measurement of revenue from Transmission.</li> <li>Verified the transmission revenue based on the CERC Tariff Regulation, Orders, Circulars, Guidelines and the company's internal circulars.</li> <li>Verified on test basis, the income recognised on provisional basis as per the regulatory guidelines and orders of the CERC in recent cases where tariff orders were issued, for the assets whose final orders are yet to be notified by CERC, based on the date of commercial operation (DOCO) letters issued by Regional technical heads, and capital cost, as certified by the Management.</li> </ul> <p>Based on the above procedure performed, the recognition and measurement of revenue from transmission of power is considered to be adequate and reasonable.</p>
2.	<p><b><u>Deferred Tax Assets relating to MAT credit entitlement</u></b></p> <p>The Company has considered MAT credit in anticipation of set off against the tax payable in future years and created Deferred Tax Asset for the same during the year. Corresponding to the said MAT Credit Entitlement, a Deferred Regulatory liability payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations has been recognized.</p> <p>We identified this as a key audit matter because of the importance of this matter to the intended users of the financial statements and its materiality and requirement of judgement in assessing future taxable profits for recognition of MAT credit entitlement.</p> <p>(Refer Note No.26 of Standalone financial statements.)</p>	<p>Our audit approach involved:</p> <ul style="list-style-type: none"> <li>Reviewing the current status of availability of MAT credits.</li> <li>Assessing the related forecasts of future taxable profits, evaluated the reasonableness and consistency of the considerations/assumptions underlying the preparation of these forecasts.</li> </ul> <p>Based on the above procedures performed, the recognition and measurement of Deferred tax asset relating to MAT credit entitlement and corresponding Regulatory Deferral Liability towards customers, is considered adequate and reasonable.</p>
3.	<p><b><u>Assessment of Contingent liabilities in respect of certain litigations including land compensation, direct and indirect taxes, various claims filed by other parties not acknowledged as debt.</u></b></p> <p>There is a high level of judgement required in estimating the contingent liabilities. The company's assessment of contingent liabilities is supported by the facts of the matter, Company's judgement thereon, past experience and advices from legal and independent tax consultants wherever necessary.</p> <p>We identified the above area as Key Audit Matters in view of associated uncertainty relating to the outcome of these matters.</p> <p>(Refer Note No. 58 of Standalone financial statements)</p>	<p>We have obtained an understanding of the Company's procedure in respect of estimation and disclosure of contingent liabilities and adopted the following audit procedure:</p> <ul style="list-style-type: none"> <li>Reviewing the current status and material developments of legal matters.</li> <li>Examining recent orders from competent authorities and/or communication received from various authorities, judicial forums and follow-up action thereon.</li> <li>Review and analysis of evaluation of the contentions of the company through discussions, collection of details of the subject matter under consideration, the likely outcome and consequent potential outflows on those issues.</li> </ul> <p>Based on the above procedures performed, the estimation and disclosures of contingent liabilities is considered to be adequate and reasonable.</p>



### Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our Auditor's Report thereon. The other information as identified above is expected to be made available to us after the date of this Auditor's Report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read those documents including annexures, if any thereon, if we conclude that there is a material misstatement therein, we shall communicate the matter to those charged with the governance.

### Management's Responsibility for the Standalone 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 financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 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 financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls 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 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 Company'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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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;
  - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the IndAS specified under Section 133 of the Act, read with the relevant rules issued thereunder;
  - (e) In view of exemption given vide notification no. G.S.R. 463(E) dated June 5, 2015, issued by the Ministry of Corporate Affairs, provisions of Section 164(2) of the Act regarding disqualification of Directors, are not applicable to the Company;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting with reference to standalone financial statements of the company and the operating effectiveness of such controls, refer to our separate report in **Annexure '1'**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Standalone financial statements.
  - (g) Pursuant to Notification No. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of Section 197 of the Companies Act, 2013, are not applicable to the Company, being a Government Company; and
  - (h) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i) The Company has disclosed the impact of pending litigations on its financial position in its Standalone financial statements – Refer Note 58 to the Standalone financial statements.



- ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) 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 or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("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;
  - (c) Based on the audit procedures that have been 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) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement
  - v) (a) The final dividend proposed for the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
  - (b) Interim dividend (including special dividend) declared and paid by the Company during the year is in accordance with Section 123 of the Act.
  - (c) As stated in note 59(b) to the financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.
2. In terms of section 143(5) of the Companies Act, 2013, we give in **Annexure '2'**, our report on the directions issued by the Comptroller and Auditor General of India.
  3. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in **Annexure '3'** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

**For T R CHADHA & CO LLP**

Chartered Accountants  
FRN : 006711N/N500028

**Neena Goel**

Partner

M. No. 057986

UDIN: 22057986AJJKS7958

Place: Gurugram

**For UMAMAHESWARA RAO  
& CO**

Chartered Accountants  
FRN : 004453S

**R R Dakshinamurthy**

Partner

M. No. 211639

UDIN: 22211639AJLJO9329

Place: Gurugram

**For B M CHATRATH & CO LLP**

Chartered Accountants  
FRN : 301011E/E300025

**Sanjay Sarkar**

Partner

M. No. 064305

UDIN: 22064305AJJLF8943

Place: Gurugram

**For PSD & ASSOCIATES**

Chartered Accountants  
FRN : 004501C

**Prakash Sharma**

Partner

M. No. 072332

UDIN: 22072332AJJHV7775

Place: Gurugram

Date: 21 May 2022



## Annexure '1' to the Auditors' Report

As referred to in our Independent Auditors' Report of even date to the members of the **Power Grid Corporation of India Limited**, on the standalone Ind AS financial statements for the year ended 31 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 with reference to Ind AS financial statements of the company as at 31 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 Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls with reference to Ind AS financial statements that were operating effectively for ensuring the orderly and efficient conduct of business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to Ind AS financial statements 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 Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. 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 with reference to Ind AS financial statements 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 with reference to Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting with reference to Ind AS financial statements included obtaining an understanding of internal financial controls over financial reporting with reference to Ind AS financial statements, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal controls 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 with reference to Ind AS financial statements.

#### Meaning of Internal Financial Controls Over Financial Reporting With Reference to Ind AS Financial Statements

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

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

**Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to Ind AS Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to Ind AS financial statements, 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 with reference to Ind AS financial statements to future periods are subject to the risk that the internal financial controls over financial reporting with reference to Ind AS financial statements 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 Ind AS financial statements and such internal financial controls over financial reporting with reference to Ind AS financial statements were operating effectively as at 31 March 2022, based on the internal financial controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For T R CHADHA & CO LLP**  
Chartered Accountants  
FRN : 006711N/N500028

**Neena Goel**  
Partner  
M. No. 057986  
UDIN: 22057986AJJKS7958  
Place: Gurugram

**For UMAMAHESWARA RAO  
& CO**  
Chartered Accountants  
FRN : 004453S

**R R Dakshinamurthy**  
Partner  
M. No. 211639  
UDIN: 22211639AJLJO9329  
Place: Gurugram

**For B M CHATRATH & CO LLP**  
Chartered Accountants  
FRN : 301011E/E300025

**Sanjay Sarkar**  
Partner  
M. No. 064305  
UDIN: 22064305AJJILF8943  
Place: Gurugram

**For PSD & ASSOCIATES**  
Chartered Accountants  
FRN : 004501C

**Prakash Sharma**  
Partner  
M. No. 072332  
UDIN: 22072332AJJHV7775  
Place: Gurugram

Date: 21 May 2022

## Annexure '2' to the Auditors Report

As referred to in our Independent Auditors' Report of even date to the members of the **Power Grid Corporation of India Limited**, on the standalone Ind AS financial statements for the year ended 31 March 2022

S. No.	Directions	Auditors' Comments	Impact on financial statement
1.	Whether the Company has a system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The company is having ERP system (SAP) in place for processing all accounting transactions. Based on our verification, no accounting transaction is being recorded/ processed other than through the ERP system in place.	NIL
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/ interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (Incase, lender is a Government company, then this direction is also applicable for Statutory Auditor of lender company).	Based on our verification and explanations and information given to us, there were no cases of restructuring of an existing loan or cases of waiver/ write off of debts/loan/interest etc. made by a lender to the company due to the company's inability to repay the loan.	NIL
3.	Whether funds (grants/subsidy etc.) received/ receivable for specific schemes from Central/ State or its agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	Based on our verification and explanations and information given to us, funds received/receivable for specific scheme from Central/State agencies were properly accounted for and utilized as per its terms and conditions. No deviations were noticed by us.	NIL

**For T R CHADHA & CO LLP**

Chartered Accountants  
FRN : 006711N/N500028

**Neena Goel**

Partner  
M. No. 057986  
UDIN: 22057986AJJKS7958  
Place: Gurugram

**For UMAMAHESWARA RAO & CO**

Chartered Accountants  
FRN : 004453S

**R R Dakshinamurthy**

Partner  
M. No. 211639  
UDIN: 22211639AJLJO9329  
Place: Gurugram

**For B M CHATRATH & CO LLP**

Chartered Accountants  
FRN : 301011E/E300025

**Sanjay Sarkar**

Partner  
M. No. 064305  
UDIN: 22064305AJJILF8943  
Place: Gurugram

**For PSD & ASSOCIATES**

Chartered Accountants  
FRN : 004501C

**Prakash Sharma**

Partner  
M. No. 072332  
UDIN: 22072332AJJHV7775  
Place: Gurugram

Date: 21 May 2022



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

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

- (i) a) (A) The Company has generally maintained records, showing full particulars including quantitative details and situation of Property, Plant & Equipment including details of right-of-use assets covered under Ind AS 116, 'Leases'.  
(B) The Company has generally maintained proper records, showing full particulars of intangible assets.
- b) The Property, Plant & Equipment have been physically verified by the management during the year. In our opinion, frequency of verification is reasonable having regard to the size of the Company and nature of its business. No material discrepancies were noticed on such verification.
- c) With respect to immovable properties disclosed in the financial statements included in property, plant and equipment, according to the information and explanations given to us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the company as at the balance sheet date, except for the following:

Description of the property	Gross Carrying Amount (₹ in Crore)	Held in the name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in name of company
<b>Leasehold Land</b>					
Pandiabili	8.82	Govt. of Odisha	No	12.01.2018	The Company is in the process of getting the lease deed registered from Govt. of Odisha. There is procedural delay in creation of lease deed.
Durgapur	21.65	SAIL-Durgapur	No	01.05.2017	The original Lease agreement with SAIL had expired and the same is under process for renewal.
Maithon	0.02	Govt. Of West Bengal	No	04.05.2019 & 24.04.2021	Renewal of lease request has been submitted to DLLRO-Asansol. Reply on the same is awaited.
Wagoora_400/220 kV Sub-Station	1.33	Govt of J&K	No	FY 1993-94 onwards	Land in UT of J&K is acquired by State Government under State Land Acquisition act. As per law, the state government remains the owner of the land acquired and company is only given possession for specific use.
New Wanpoh_400/220 kV Sub-Station	25.45	Govt of J&K	No	30.11.2010	Land in UT of J&K is acquired by State Government under State Land Acquisition act. As per law, the state government remains the owner of the land acquired and company is only given possession for specific use.
Kishenpur Township_800/400/220 kV Sub-Station Kishenpur	0.06	Govt of J&K	No	31.03.1995 & 31.03.1996	Land in UT of J&K is acquired by State Government under State Land Acquisition act. As per law, the state government remains the owner of the land acquired and company is only given possession for specific use.
Kishenpur_800/400/220 kV Sub-Station Kishenpur	0.34	Govt of J&K	No	31.03.1993 & 31.12.1994	Land in UT of J&K is acquired by State Government under State Land Acquisition act. As per law, the state government remains the owner of the land acquired and company is only given possession for specific use.

Description of the property	Gross Carrying Amount (₹ in Crore)	Held in the name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in name of company
Narwal_ Line Office Narwal	0.003	Govt of J&K	No	FY 1993-94 onwards	Land in UT of J&K is acquired by State Government under State Land Acquisition act. As per law, the state government remains the owner of the land acquired and company is only given possession for specific use.
Samba S/S Land	11.6	Govt of J&K	No	19.04.2012	Land in UT of J&K is acquired by State Government under State Land Acquisition act. As per law, the state government remains the owner of the land acquired and company is only given possession for specific use.
Transformer Land in UT of Jammu and Kashmir	93.09	Govt of J&K	No	FY 1993-94 onwards	Land in UT of J&K is acquired by State Government under State Land Acquisition act. As per law, the state government remains the owner of the land acquired and company is only given possession for specific use.
Alipurduar-Mathabhanga Earth Electrocode	0.30	Govt. Of West Bengal	No	17.03.2017	Lease agreement of 4.85 Hectares of Lease land is approved by the State Cabinet on 23.11.21. Signing of lease agreement is under process. For balance land of 1.16 hectares, process is on for approval at State Cabinet.
Jamshedpur	0.13	Forest Dept.	No	FY 1992-93 onwards	JIADA is trying to get clearance for land transfer from Forest Dept. for onward transfer to POWERGRID.
Ajmer Township	0.96	Ajmer Distt Authority	No	01-04-1999	Execution of lease deed is pending on account of disposal of the petition before Division Commissioner Ajmer for demand of interest on revised land cost.
400/220 KV S/S Dwarka	63.13	GNCTD	No	01-04-2018	Execution of lease deed is pending on account of procedural delays.
400/220 KV S/S Tuglakabad	35.52	GNCTD	No	01-04-2018	Execution of lease deed is pending on account of procedural delays.
400/220 kV GIS Pooling Station Chamba	12.36	HP Govt.	No	19.10.2011	As per GOI guidelines, Forest Land diverted to Non-Forestry purpose under FCA 1980 will be having legal status as "Forest" even after diversion.



Description of the property	Gross Carrying Amount (₹ in Crore)	Held in the name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in name of company
SLTS_Kargil Substation (UT of Ladakh)	0.00	JKPDD	No	23.03.2021	Govt of India (MOP) has declared Srinagar Leh Transmission System (SLTS) project as Interstate Transmission System Projects (ISTS) and the same has been transferred to Powergrid. Pending signing of the MOU, the lease deed is not executed in the name of the Company.
SLTS_Leh Substation (UT of Ladakh)	0.00	JKPDD	No	23.03.2021	
SLTS_Drass Substation (UT of Ladakh)	0.00	JKPDD	No	23.03.2021	
SLTS_Khalsti Substation (UT of Ladakh)	0.00	JKPDD	No	23.03.2021	
Freehold Land					
Birpara	0.004	Govt. Of West Bengal	No	01.11.1996	Survey work of Birpara Mouza is under progress by Block Land Reforms Office & mutation will be done after survey work is completed.
Maithon	0.002	Multiple Private Owner	No	01.04.1992	The Company is in the process of getting the title deed registered from office of District Land and Land Reforms Officer (DLLRO). There is procedural delay in transfer of title deed.
Maithon	0.02	CLW-Indian Railway	No	01.04.1992	Matter is being followed up with CLW (Chittaranjan Locomotive works) for execution of registration deed. There is procedural delay in transfer of title deed.
Maithon	0.32	Multiple Private Owners	No	28.03.2018	NOC from Tribal Board is yet to be received pending which title deed is not transferred in the name of the Company.
Alipurduar-Mathabhanga Earth Electrocode	0.67	Multiple Private Owners	No	31.12.2012	Transfer of title deed is pending on account of procedural delays.
Rajarhat	23.23	Multiple Private Owners	No	30.11.2014	Transfer of title deed is pending on account of procedural delays.
Aizawl	0.03	Govt.of Mizoram	No	1991	Transfer of title deed is pending on account of procedural delays.
Misa	0.31	Govt.of Assam	No	1994	Legal fees has been paid to the Govt. of Assam and transfer of title deeds in the name of Powergrid is under process with the concerned department of Govt. of Assam.



Description of the property	Gross Carrying Amount (₹ in Crore)	Held in the name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in name of company
Faridabad, NR-1, RHQ (Township)	6.42	HSVP, HARYANA	No	01-04-1999	Pending disposal of appeal against enhancement and extension fees, demanded by HSVP, the title deed is pending to be transferred in favour of the Company.
Meerut SS	0.18	UP Govt	No	01/04/2003	Land acquired for Meerut Sub station includes Gram Samaj Land. Concerned authority is being approached for completion of Legal formalities.
Hisar S/S	0.57	NHPC	No	30-09-1991	The company is dealing with multiple authorities for transfer of land situated at multiple locations. The transfer of title deed is pending on account of procedural delays.
Hiriyur 400/220 KV substation	0.34	Karnataka Industrial Area Development Board (KIADB)	No	01-02-2004	Pending title rectifications for few parcels of land, to be carried out by KIADB, title deed is yet to be registered in the name of POWERGRID.
Bidadi 400/220 KV GIS	20.00	Karnataka Industrial Area Development Board (KIADB)	No	23-03-2011	Transfer of title deed is pending on account of procedural delays with office of KIADB.
Yelahanka 400/220 KV substation	30.72	Karnataka Power Transmission Corporation Limited (KPTCL)	No	23-03-2011	Transfer of title deed is pending on account of procedural delays with office of M/s KPTCL
Kolar Siddalagatta HVDC SS	0.91	Karnataka Industrial Area Development Board (KIADB)	No	01-04-2002	Transfer of title deed is pending on account of procedural delays with office of KIADB.
Somanhalli 400/220 KV SS	0.34	Karnataka Power Transmission Corporation Limited (KPTCL)	No	FY 1992-93 onwards	Transfer of title deed is pending on account of procedural delays with office of M/s KPTCL
Tumkur 765/400/220 KV SS	42.29	Karnataka Industrial Area Development Board (KIADB)	No	25-09-2013	Transfer of title deed is pending on account of procedural delays with office of KIADB.
Kudugi 765/400 KV GIS	8.83	Karnataka Industrial Area Development Board (KIADB) and Others	No	28-02-2014	Transfer of title deed is pending on account of procedural delays with office of KIADB.



Description of the property	Gross Carrying Amount (₹ in Crore)	Held in the name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in name of company
Pavagada 400/220 KV SS	0.64	Private Parties are Chowdappa S/o Akkanna, Mrs. Sanjeevamma D/o Venkatappa, M. Chaplainship S/o Venkatappa and Others	No	30-06-2017	Registration and mutation is pending on account of establishing the legal ownership of the land and consideration for the said land is also yet to be paid.
Pugalur HVDC SS	0.31	Bhoodan Trust Board	No	01-04-2017	The land has been allotted by Bhoodan Trust Board to the company. Due to delay in incumbency of meetings of Bhoodan Trust Board and other formalities, registration in the name of the company is pending.
Kovilpatti 400/220 KV GIS	45.36	Shri Ramesh and Shri R Rajan	No	19-10-2011	Pursuant to the directions of the Hon'ble High court of Chennai, Sole Arbitrator has been appointed and an award has been passed. Aggrieved by the award, both the parties have approached Hon'ble High Court for compensation award. Hon'ble. High court Chennai is yet to decide the case. Therefore, title deed is yet to be transferred in the name of the Company.
Line Office Banikhet, Tehsil & Distt. Chamba (HP)	0.003	HP Govt.	No	28.02.1994	Subject land is Govt./Forest Land in the record of HP Govt. As per GOI guidelines, Forest Land diverted to Non-Forestry purpose under FCA 1980 will be having legal status as "Forest" even after diversion.
Township-Sector 46, Gurgaon	11.00	Haryana Shahari Vikas Pradhikaran (HSVP)	No	02-12-1998	Pending the outcome of representation made to HSVP by the Company for waiver of penalty, the title deed is pending for transfer in favour of the Company.
<b>Buildings</b>					
Flats in Mumbai	2.96	MHADA	No	02-01-2017	Transfer of title deed is pending on account of procedural delays.

- d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) and intangible assets during the year. Accordingly, the provisions of clause 3(i)(d) of the Order are not applicable.
- e) According to the information and explanations given to us, no proceedings have been initiated or are pending against the company for holding any Benami property under the "Benami Transactions (Prohibition) Act, 1988 and Rules made thereunder.
- (ii) (a) The inventories have been physically verified by the management during the year. In our opinion, frequency of verification,

coverage & procedure adopted by the company for verification is reasonable having regard to the size of the Company and nature of its business. No material discrepancies of 10% or more in the aggregate for each class of inventory between physical inventory and book records were noticed on physical verification.

- (b) The Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns/statements filed by the company with such banks are in agreement with the books of account of the Company.
- (iii) (a) According to the information and explanations given to us, the Company has made investments, provided bank guarantee and granted unsecured loans during the year to Subsidiaries, Joint Ventures and Associates.

(A) the aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances in the nature of loan or guarantees or security to subsidiaries, joint ventures and associates are as follows:

(₹ in crore)

Sl. No.	Particulars	Guarantees		Secured Loan		Unsecured Loan	
		Aggregate amount granted/ provided during the year	Balance outstanding as at 31.03.2022	Aggregate amount granted/ provided during the year	Balance outstanding as at 31.03.2022	Aggregate amount granted/ provided during the year	Balance outstanding as at 31.03.2022
1	Subsidiaries	64.96	430.74	-	-	3996.85	14046.31
2	Joint Ventures	-	-	-	-	-	18.40
3	Associates	-	2.23	-	-	-	-
4	Others	-	-	-	-	-	-

The Company has not provided any advances in the nature of loan or security to any Subsidiaries, Joint Ventures and Associates during the year.

(B) In our opinion and according to information and explanations given to us, the Company has not given loans or advances or guarantees or security to parties other than subsidiaries, joint ventures and associates during the period under Audit.

- (b) In our opinion and according to information and explanations given to us, the investments made, guarantees provided and the terms and conditions of the grant of all loans and guarantees provided are not prejudicial to the company's interest.
- (c) In our opinion and according to information and explanations given to us, in respect of loans the schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts are regular.
- (d) In our opinion and according to information and explanations given to us, no amount is overdue in respect of Loans.
- (e) In our opinion and according to information and explanations given to us, no loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (f) In our opinion and according to information and explanations given to us, the company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) In our opinion and according to information and explanation given to us, the company has complied with the provisions of section 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- (v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposit from the public & no amounts has been deemed to be deposits in accordance with the provisions of the sections 73 to 76 or any other relevant provisions of the Act, and the rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the company.
- (vi) We have broadly reviewed the cost records maintained by the company specified by the Central Government under sub section (1) of section 148 of the Companies Act, 2013, in respect of Transmission & Telecom Operations of the Company and we are of the opinion that prima facie the prescribed records have been made and maintained. However, we have not made detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed



statutory dues with appropriate authorities including Provident Fund, Income Tax, Goods and Services Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and other statutory dues applicable to the Company and that there are no undisputed statutory dues outstanding as at 31 March 2022 for a period of more than six months from the date they became payable. As informed, provisions of the Employees State Insurance Act are not applicable to the Company.

b) According to information and explanations given to us, there are no statutory dues referred to in sub-clause (a) have not been deposited on account of dispute. However, the following disputed demands of Income Tax, Sales Tax, Service Tax, Value Added Tax, Goods & Service tax and other Statutory dues have not been deposited as at March 31, 2022:

Name of the Statute	Nature of dues	Amount* (₹ in Crore)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	4.22	From the F.Y. 2007-08 to F.Y. 2016-17 & F.Y. 2018-19 to F.Y. 2021-22	Jurisdictional Assessing Officers of TANs
Income Tax Act, 1961	Income Tax	22.20	For the F.Y. 2018-19	CIT (A) Income Tax
Finance Act, 1994	Service Tax	1.88	FY 2016-17 & FY 2017-18	Assistant Commissioner
Finance Act 1994	Service Tax	0.05	FY 2017-18	Assistant Commissioner
Goods and Services tax Act 2017	Goods and Services tax (GST)	0.23	FY 2017-18	Assistant Commissioner
Chhattisgarh Entry Tax Act, 1976	Entry Tax	168.87	From the F.Y. 2011-12 to F.Y. 2014-15 & F.Y. 2016-17	Chhattisgarh High Court
Finance Act, 1994	Service Tax	0.28	For the F.Y. 2003-04	Patna High Court
Central Sales Tax and Sales Tax/VAT Acts of various states	Sales Tax/VAT	6.47	From F.Y. 1996-97 to F.Y. 2013-14	Sales Tax Authority and Appellate Tribunal, J&K
Punjab Tax on Entry of Goods into Local areas Act, 2000	Entry Tax	9.64	From F.Y. 2011-12 to F.Y. 2013-14	Hon'ble High Court Punjab, Haryana & Chandigarh
Central Sales Tax and Sales Tax/VAT Acts of various states	Sales Tax/VAT	62.83	From F.Y. 2014-15 to F.Y. 2017-18	Sales Tax Authority Appeal
Building & Other Construction Worker's Welfare (BOCW) Cess Act, 1996	Building & Other Construction Worker Cess	3.71	For F.Y. 2007-08	Hon'ble High Court Himachal Pradesh, Shimla
Delhi Municipal Corporation Act. 1957	Property Tax	201.87	From F.Y. 2004-05- to F.Y. 2013-14	Hon'ble High Court Delhi
MP Land Revenue Code, 1959	Diversion Tax	14.70	From F.Y. 1989-90 to F.Y. 2017-18	High Court of M.P. Jabalpur
Delhi Municipal Corporation Act. 1957	Property tax	90.66	From F.Y. 2007-08 to F.Y. 2017-18	Delhi High Court (LPA)
	<b>Total</b>	<b>587.61</b>		

\* Demand amount including interest, net of amount paid under protest.

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

(ix) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared willful defaulter by any bank or financial institution or other lender.

(c) In our opinion and according to the information and explanations given to us, the term loans were applied for the

purposes for which the loans were obtained.

- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, we report that the Company has taken funds from the following entities on account of or to meet the obligations of its subsidiaries, associates or joint ventures as per details below:

Nature of fund taken	Name of lender	Amount Disbursed/ Guarantee issued or renewed during the year (₹ in Crore)	Amount Repaid/ Guarantee reduced or discharged or renewed during the year (₹ in Crore)	Amount Outstanding as on 31st March 2022 (₹ in Crore)	Name of the subsidiary, joint venture, associate	Relation	Nature of Transaction for which Funds utilized
Bonds	Bond Holders	-	724.17	-	Powergrid Jabalpur Transmission Ltd	Associate*	Capex
Term Loans	Bank	-	458.83	-	Powergrid Jabalpur Transmission Ltd	Associate*	Capex
Bonds	Bond Holders	-	1,151.71	-	Powergrid Warora Transmission Limited	Associate*	Capex
Term Loans	Bank	-	388.29	-	Powergrid Warora Transmission Limited	Associate*	Capex
Bonds	Bond Holders	-	993.91	-	Powergrid Parli Transmission Limited	Associate*	Capex
Term Loans	Bank	-	306.59	-	Powergrid Parli Transmission Limited	Associate*	Capex
Bonds	Bond Holders	-	766.16	-	Powergrid Vizag Transmission Limited	Associate*	Capex
Term Loans	Bank	-	17.83	-	Powergrid Vizag Transmission Limited	Associate*	Capex
Bonds	Bond Holders	-	165.61	-	Powergrid Kala Amb Transmission Limited	Associate*	Capex
Term Loans	Bank	-	20.39	-	Powergrid Kala Amb Transmission Limited	Associate*	Capex



Nature of fund taken	Name of lender	Amount Disbursed/ Guarantee issued or renewed during the year (₹ in Crore)	Amount Repaid/ Guarantee reduced or discharged or renewed during the year (₹ in Crore)	Amount Outstanding as on 31st March 2022 (₹ in Crore)	Name of the subsidiary, joint venture, associate	Relation	Nature of Transaction for which Funds utilized
Bonds	Bond Holders	-	-	891.36	Powergrid NM Transmission Limited	Subsidiary	Capex
Bonds	Bond Holders	-	1.43	33.68	Powergrid Unchahar Transmission Limited	Subsidiary	Capex
Term Loans	Bank	-	0.04	0.92	Powergrid Unchahar Transmission Limited	Subsidiary	Capex
Bonds	Bond Holders	-	51.64	1,450.64	Powergrid Southern Interconnector Transmission System Limited	Subsidiary	Capex
Term Loans	Bank	0.41	42.73	1,200.68	Powergrid Southern Interconnector Transmission System Limited	Subsidiary	Capex
Bonds	Bond Holders	9.11	19.44	1,342.65	Powergrid Medinipur Jeerat Transmission System Limited	Subsidiary	Capex
Term Loans	Bank	-	15.26	1,004.78	Powergrid Medinipur Jeerat Transmission System Limited	Subsidiary	Capex
Bonds	Bond Holders	5.48	1.89	474.68	Powergrid Mithilanchal Transmission Limited	Subsidiary	Capex
Term Loans	Bank	1.01	1.58	392.50	Powergrid Mithilanchal Transmission Limited	Subsidiary	Capex
Bonds	Bond Holders	3.81	2.92	400.96	Powergrid Varanasi Transmission System Limited	Subsidiary	Capex
Term Loans	Bank	10.30	1.88	266.40	Powergrid Varanasi Transmission System Limited	Subsidiary	Capex



Nature of fund taken	Name of lender	Amount Disbursed/ Guarantee issued or renewed during the year (₹ in Crore)	Amount Repaid/ Guarantee reduced or discharged or renewed during the year (₹ in Crore)	Amount Outstanding as on 31st March 2022 (₹ in Crore)	Name of the subsidiary, joint venture, associate	Relation	Nature of Transaction for which Funds utilized
Bonds	Bond Holders	-	2.11	286.81	Powergrid Jawaharpur Firozabad Transmission Limited	Subsidiary	Capex
Term Loans	Bank	-	0.27	36.46	Powergrid Jawaharpur Firozabad Transmission Limited	Subsidiary	Capex
Bonds	Bond Holders	0.70	-	466.97	Powergrid Khetri Transmission Limited	Subsidiary	Capex
Term Loans	Bank	2.30	-	169.00	Powergrid Khetri Transmission Limited	Subsidiary	Capex
Bonds	Bond Holders	14.20	-	249.92	Powergrid Bhuj Transmission Limited	Subsidiary	Capex
Term Loans	Bank	11.00	-	106.80	Powergrid Bhuj Transmission Limited	Subsidiary	Capex
Bonds	Bond Holders	4.20	-	165.30	Powergrid Bhind Guna Transmission Limited	Subsidiary	Capex
Term Loans	Bank	5.50	-	86.30	Powergrid Bhind Guna Transmission Limited	Subsidiary	Capex
Bonds	Bond Holders	-	5.83	393.27	Powergrid Ajmer Phagi Transmission Limited	Subsidiary	Capex
Term Loans	Bank	0.52	0.49	33.26	Powergrid Ajmer Phagi Transmission Limited	Subsidiary	Capex
Bonds	Bond Holders	0.25	2.70	367.05	Powergrid Fatehagarh-II Transmission Limited	Subsidiary	Capex
Term Loans	Bank	2.25	0.56	79.04	Powergrid Fatehagarh-II Transmission Limited	Subsidiary	Capex



Nature of fund taken	Name of lender	Amount Disbursed/ Guarantee issued or renewed during the year (₹ in Crore)	Amount Repaid/ Guarantee reduced or discharged or renewed during the year (₹ in Crore)	Amount Outstanding as on 31st March 2022 (₹ in Crore)	Name of the subsidiary, joint venture, associate	Relation	Nature of Transaction for which Funds utilized
Bonds	Bond Holders	12.05	-	49.02	Powergrid Rampur Sambhal Transmission Limited	Subsidiary	Capex
Term Loans	Bank	15.35	-	83.77	Powergrid Rampur Sambhal Transmission Limited	Subsidiary	Capex
Bonds	Bond Holders	59.77	-	168.19	Powergrid Meerut Simbhavali Transmission Limited	Subsidiary	Capex
Term Loans	Bank	55.55	-	109.12	Powergrid Meerut Simbhavali Transmission Limited	Subsidiary	Capex
Bonds	Bond Holders	5.20	-	5.20	Powergrid Sikar Transmission Limited	Subsidiary	Capex
Bonds	Bond Holders	3.95	-	3.95	Powergrid Ramgarh Transmission Limited	Subsidiary	Capex
Term Loans	Bank	-	-	5.82	Powergrid Ramgarh Transmission Limited	Subsidiary	Capex
Bonds	Bond Holders	53.71	-	53.71	Powergrid Aligarh Sikar Transmission Limited	Subsidiary	Capex
Term Loans	Bank	8.25	-	8.25	Powergrid Aligarh Sikar Transmission Limited	Subsidiary	Capex
Bonds	Bond Holders	23.90	-	23.90	Powergrid Bikaner Transmission System Limited	Subsidiary	Capex
Guarantee	Bank	-	14.85	-	Powergrid Ajmer Phagi Transmission Limited	Subsidiary	Performance Bank Guarantee

Nature of fund taken	Name of lender	Amount Disbursed/ Guarantee issued or renewed during the year (₹ in Crore)	Amount Repaid/ Guarantee reduced or discharged or renewed during the year (₹ in Crore)	Amount Outstanding as on 31st March 2022 (₹ in Crore)	Name of the subsidiary, joint venture, associate	Relation	Nature of Transaction for which Funds utilized
Guarantee	Bank	-	30.38	-	Powergrid Varanasi Transmission System Limited	Subsidiary	Performance Bank Guarantee
Guarantee	Bank	26.10	92.25	-	Powergrid Khetri Transmission Limited	Subsidiary	Performance Bank Guarantee
Guarantee	Bank	6.83	24.38	-	Powergrid Fatehgarh Transmission Limited	Subsidiary	Performance Bank Guarantee
Guarantee	Bank	18.26	22.12	2.23	Powergrid Jabalpur Transmission Limited	Associate*	Performance Bank Guarantee
Guarantee	Bank	66.88	127.59	23.61	Powergrid Mithilanchal Transmission Limited	Subsidiary	Performance Bank Guarantee
Guarantee	Bank	49.32	74.73	16.44	Powergrid Jawaharpur Firozabad Transmission Limited	Subsidiary	Performance Bank Guarantee
Guarantee	Bank	111.86	197.82	55.93	Powergrid Medinipur Jeerat Transmission Limited	Subsidiary	Performance Bank Guarantee
Guarantee	Bank	47.10	82.50	23.55	Powergrid Bhuj Transmission Limited	Subsidiary	Performance Bank Guarantee
Guarantee	Bank	67.50	118.80	33.75	Powergrid Meerut Simbhavali Transmission Limited	Subsidiary	Performance Bank Guarantee
Guarantee	Bank	56.28	98.79	28.14	Powergrid Rampur Sambhal Transmission Limited	Subsidiary	Performance Bank Guarantee



Nature of fund taken	Name of lender	Amount Disbursed/ Guarantee issued or renewed during the year (₹ in Crore)	Amount Repaid/ Guarantee reduced or discharged or renewed during the year (₹ in Crore)	Amount Outstanding as on 31st March 2022 (₹ in Crore)	Name of the subsidiary, joint venture, associate	Relation	Nature of Transaction for which Funds utilized
Guarantee	Bank	440.16	440.16	110.04	Powergrid Southern Interconnector Transmission System Limited	Subsidiary	Performance Bank Guarantee
Guarantee	Bank	-	21.42	14.04	Powergrid Ramgarh Transmission Limited	Subsidiary	Performance Bank Guarantee
Guarantee	Bank	-	39.85	25.63	Powergrid Bhind Guna Transmission Limited	Subsidiary	Performance Bank Guarantee
Guarantee	Bank	-	54.45	34.65	Powergrid Bikaner Transmission System Limited	Subsidiary	Performance Bank Guarantee
Guarantee	Bank	10.50	-	10.50	Powergrid Bhadla Transmission Limited	Subsidiary	Performance Bank Guarantee
Guarantee	Bank	37.13	-	37.13	Powergrid Sikar Transmission Limited	Subsidiary	Performance Bank Guarantee
Guarantee	Bank	17.33	-	17.33	Powergrid Aligarh Sikar Transmission Limited	Subsidiary	Performance Bank Guarantee

\* Subsidiary till 12.05.2021

- (f) the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- (x) (a) The company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) (a) According to the information and explanations given to us and as represented by the Management and based on our examination of the books and records of the Company, no case of material fraud by the Company or on the Company has been noticed or reported during the year.
- (b) As no fraud has been noticed during the year as mentioned at xi(a) above, report under sub-Section (12) of Section 143 of the Companies Act in the Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules 2014 is not applicable.
- (c) we have taken into consideration the Whistle blower complaints received by the Company during the year and provided to us, when performing the audit.

- (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) In our opinion 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 financial statements as required by the applicable Indian Accounting Standards.
- (xiv) (a) According to the information and explanations given to us and based on our examination of the records of the company, the company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the reports of the Internal Auditors for the year under audit, issued to the Company during the year and till date in determining the nature, timing and extent of our audit procedures.
- (xv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the company.
- (xvi) (a) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, provisions of clause (xvi)(a) of the Order are not applicable to the Company.
- (b) According to the information and explanations provided to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities therefore the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, provisions of clause 3(xvi)(b) of the Order are not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, provisions of clause 3(xvi)(c) of the Order are not applicable.
- (d) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016). Accordingly, provisions of clause 3(xvi)(d) of the Order are not applicable.
- (xvii) Based on our examination of the records of the company, the company has not incurred any cash losses in the current Financial Year and in the immediately preceding Financial Year. Accordingly, provisions of clause 3(xvii) of the order are not applicable
- (xviii) There has not been any resignation of the statutory auditors during the year. Accordingly, provisions of clause 3 (xviii) of the order are not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not 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. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- xx) According to the information and explanations given to us and based on our examination of the records, the Company has spent the amount required as per section 135(5) of the Companies Act during the financial year. Accordingly, paragraph 3(xx)(a) & 3(xx)(b) are not applicable to the company.

**For T R CHADHA & CO LLP**Chartered Accountants  
FRN : 006711N/N500028**Neena Goel**

Partner

M. No. 057986

UDIN: 22057986AJJKS7958

Place: Gurugram

**For UMAMAHESWARA RAO  
& CO**Chartered Accountants  
FRN : 004453S**R R Dakshinamurthy**

Partner

M. No. 211639

UDIN: 22211639AJJLJO9329

Place: Gurugram

**For B M CHATRATH & CO LLP**Chartered Accountants  
FRN : 301011E/E300025**Sanjay Sarkar**

Partner

M. No. 064305

UDIN: 22064305AJJILF8943

Place: Gurugram

**For PSD & ASSOCIATES**Chartered Accountants  
FRN : 004501C**Prakash Sharma**

Partner

M. No. 072332

UDIN: 22072332AJJHVV7775

Place: Gurugram

Date: 21 May 2022



## Consolidated Balance Sheet as at 31 March 2022

(₹ in crore)

Particulars	Note No	As at 31 March 2022	As at 31 March 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	4	190,048.35	182,108.99
Capital work-in-progress	5	12,799.90	24,679.80
Investment Property	6	-	0.03
Intangible assets	7	1,724.49	1,616.95
Intangible assets under development	8	53.70	157.99
Investments in Joint Ventures accounted for using the equity method	9A	1,861.21	1,346.85
Financial Assets			
Investments	9	1,926.43	138.70
Loans	10	406.45	322.58
Other non-current financial assets	11	4,591.16	4,560.74
Other non-current assets	12	4,977.66	4,795.60
		<b>218,389.35</b>	<b>219,728.23</b>
Assets Classified as Held for Sale	19A	245.00	-
		<b>218,634.35</b>	<b>219,728.23</b>
<b>Current assets</b>			
Inventories	13	1,357.17	1,366.94
Financial Assets			
Trade receivables	14	9,475.07	8,629.42
Cash and cash equivalents	15	2,577.11	4,487.23
Bank balances other than Cash and cash equivalents	16	2,471.07	871.48
Loans	17	98.59	127.05
Other current financial assets	18	6,156.69	3,025.43
Other current assets	19	224.28	177.51
		<b>22,359.98</b>	<b>18,685.06</b>
Assets Classified as Held for Sale	19A	15.86	6,701.05
		<b>22,375.84</b>	<b>25,386.11</b>
<b>Regulatory Deferral Account Balances</b>	20	9,933.24	10,575.13
<b>Total Assets</b>		<b>250,943.43</b>	<b>255,689.47</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	21	6,975.45	5,231.59
Other Equity	22	69,271.68	64,704.48
		<b>76,247.13</b>	<b>69,936.07</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial Liabilities			
Borrowings	23	114,199.40	129,174.79
Lease Liabilities		27.58	18.20
Other non-current financial liabilities	24	3,523.00	3,733.98



**Consolidated Balance Sheet as at 31 March 2022 (Contd.)**

(₹ in crore)

Particulars	Note No	As at 31 March 2022	As at 31 March 2021
Provisions	25	517.14	462.02
Deferred tax liabilities(Net)	26	11,356.98	11,836.62
Other non-current liabilities	27	242.89	220.06
		<b>129,866.99</b>	<b>145,445.67</b>
<b>Current liabilities</b>			
Financial Liabilities			
Borrowings	28	20,465.87	14,035.54
Lease liabilities		2.78	3.97
Trade payables			
(A) total outstanding dues of micro enterprises and small enterprises	29	47.19	29.76
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	29	219.91	157.72
Other current financial liabilities	30	10,174.00	10,807.28
Other current liabilities	31	3,228.45	3,884.70
Provisions	32	1,167.12	845.12
Current Tax Liabilities (Net)	33	9.45	425.51
		<b>35,314.77</b>	<b>30,189.60</b>
Liabilities directly associated with Assets Classified as Held for Sale	19A	-	363.98
		<b>35,314.77</b>	<b>30,553.58</b>
<b>Deferred Revenue</b>	34	<b>9,514.54</b>	9,754.15
<b>Total Equity and Liabilities</b>		<b>250,943.43</b>	<b>255,689.47</b>

The accompanying notes (1 to 70) form an integral part of financial statements

**For and on behalf of the Board of Directors**
**Mrinal Shrivastava**  
 Company Secretary

**Mohammed Taj Mukarrum**  
 Director (Finance)

**K. Sreekant**  
 Chairman & Managing Director
**As per our report of even date****For T R CHADHA & CO LLP**
 Chartered Accountants  
 FRN : 006711N/N500028
**For UMAMAHESWARA RAO & CO**
 Chartered Accountants  
 FRN : 004453S
**For B M CHATRATH & CO LLP**
 Chartered Accountants  
 FRN : 301011E/E300025
**For PSD & ASSOCIATES**
 Chartered Accountants  
 FRN : 004501C
**CA Neena Goel**
 Partner  
 M. No. 057986
**CA R R Dakshinamurthy**
 Partner  
 M. No. 211639
**CA Sanjay Sarkar**
 Partner  
 M. No. 064305
**CA Prakash Sharma**
 Partner  
 M. No. 072332

Date: 21 May 2022

Place: Gurugram



## Consolidated Statement of Profit and Loss for the year ended 31 March 2022

(₹ in crore)

Particulars	Note No.	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue From Operations	35	41,616.34	39,639.79
Other Income	36	1,081.56	1,183.74
<b>Total Income</b>		<b>42,697.90</b>	<b>40,823.53</b>
<b>EXPENSES</b>			
Employee benefits expense	37	2,243.89	2,114.76
Finance costs	38	8,036.22	8,134.69
Depreciation and amortization expense	39	12,871.66	12,039.19
Other expenses	40	2,805.55	2,531.92
<b>Total expenses</b>		<b>25,957.32</b>	<b>24,820.56</b>
Profit before share of net profits of investments in Joint Ventures accounted for using Equity Method, Exceptional items, tax and Regulatory Deferral Account Balances		16,740.58	16,002.97
Share of net profits of investments in Joint Ventures accounted for using Equity Method		78.47	214.70
<b>Profit before Exceptional items, tax and Regulatory Deferral Account Balances</b>		<b>16,819.05</b>	<b>16,217.67</b>
Exceptional items		(3,320.33)	1,078.64
<b>Profit Before Tax and Regulatory Deferral Account Balances</b>		<b>20,139.38</b>	<b>15,139.03</b>
Tax expense:			
Current tax - Current Year		3,352.29	2,565.27
- Earlier Years		(38.46)	(56.68)
Deferred tax	26	(528.26)	955.66
		2,785.57	3,464.25
<b>Profit for the period before Regulatory Deferral Account Balances</b>		<b>17,353.81</b>	<b>11,674.78</b>
Net movement in Regulatory Deferral Account Balances- Income/(Expenses) (net of tax)	41	(529.74)	361.68
<b>Profit for the period</b>		<b>16,824.07</b>	<b>12,036.46</b>

**Consolidated Statement of Profit and Loss for the year ended 31 March 2022 (Contd.)**

(₹ in crore)

Particulars	Note No.	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss (net of tax)	42	<b>290.90</b>	25.36
Share of other comprehensive income of Joint Ventures accounted for using Equity Method		<b>0.24</b>	0.13
<b>Total Comprehensive Income for the period</b>		<b>17,115.21</b>	<b>12,061.95</b>
Earnings per equity share including movement in Regulatory Deferral Account Balances (Par value ₹ 10/- each):			
Basic & Diluted (₹)	63	<b>24.12</b>	17.26
Earnings per equity share excluding movement in Regulatory Deferral Account Balances (Par value ₹ 10/- each):			
Basic & Diluted (₹)	63	<b>24.88</b>	16.74

The accompanying notes (1 to 70) form an integral part of financial statements

**For and on behalf of the Board of Directors**
**Mrinal Shrivastava**  
 Company Secretary

**Mohammed Taj Mukarrum**  
 Director (Finance)

**K. Sreekant**  
 Chairman & Managing Director
**As per our report of even date**
**For T R CHADHA & CO LLP**  
 Chartered Accountants  
 FRN : 006711N/N500028

**For UMAMAHESWARA RAO & CO**  
 Chartered Accountants  
 FRN : 004453S

**For B M CHATRATH & CO LLP**  
 Chartered Accountants  
 FRN : 301011E/E300025

**For PSD & ASSOCIATES**  
 Chartered Accountants  
 FRN : 004501C

**CA Neena Goel**  
 Partner  
 M. No. 057986

**CA R R Dakshinamurthy**  
 Partner  
 M. No. 211639

**CA Sanjay Sarkar**  
 Partner  
 M. No. 064305

**CA Prakash Sharma**  
 Partner  
 M. No. 072332

 Date: 21 May 2022  
 Place: Gurugram

## Consolidated Statement of Changes in Equity for the year ended 31 March 2022

### A. Equity Share Capital

(₹ in crore)

<b>As at 01 April 2021</b>	<b>5,231.59</b>
Changes during the year (refer note 21)	1,743.86
<b>As at 31 March 2022</b>	<b>6,975.45</b>
<b>As at 01 April 2020</b>	<b>5,231.59</b>
Changes during the year	-
<b>As at 31 March 2021</b>	<b>5,231.59</b>

### B. Other Equity

(₹ in crore)

Particulars	Reserves and Surplus						Other Comprehensive Income (OCI)	Total
	Capital Reserve	Securities Premium	Bond Redemption Reserve	Self Insurance Reserve	General Reserve	Retained Earnings		
<b>As at 01 April 2021</b>	<b>0.76</b>	<b>9,578.29</b>	<b>7,387.97</b>	<b>734.07</b>	<b>43,269.22</b>	<b>3,667.03</b>	<b>67.14</b>	<b>64,704.48</b>
Profit for the year						16,824.07		16,824.07
Other Comprehensive Income						(187.71)	478.85	291.14
<b>Total Comprehensive Income</b>						<b>16,636.36</b>	<b>478.85</b>	<b>17,115.21</b>
<b>Adjustments during the year</b>								
On account of reinstatement of Energy Efficiency Services Limited as joint venture	9.12							9.12
Transfer to General Reserve					7,000.00	(7,000.00)		-
Transfer from Bond Redemption Reserve			(1,855.17)			1,855.17		-
Transfer to Self Insurance Reserve				301.83		(301.83)		-
Transfer from Self Insurance Reserve				(161.04)	161.04	-		-
Utilised for issue of bonus equity shares		(1,743.86)						(1,743.86)
Final Dividend F.Y. 2020-21						(2,092.64)		(2,092.64)
Interim Dividend F.Y. 2021-22						(8,719.32)		(8,719.32)
Other Changes					-	(1.31)		(1.31)
<b>As at 31 March 2022</b>	<b>9.88</b>	<b>7,834.43</b>	<b>5,532.80</b>	<b>874.86</b>	<b>50,430.26</b>	<b>4,043.46</b>	<b>545.99</b>	<b>69,271.68</b>



**Consolidated Statement of Changes in Equity for the year ended 31 March 2022 (Contd.)**

(₹ in crore)

Particulars	Reserves and Surplus					Other Comprehensive Income (OCI)		Total
	Capital Reserve	Securities Premium	Bond Redemption Reserve	Self Insurance Reserve	General Reserve	Retained Earnings	Equity instruments through OCI	
<b>As at 01 April 2020</b>	-	9,578.29	8,696.91	832.09	36,905.49	3,423.64	27.34	<b>59,463.76</b>
Profit for the year						12,036.46		12,036.46
Other Comprehensive Income						(14.31)	39.80	25.49
<b>Total Comprehensive Income</b>						<b>12,022.15</b>	<b>39.80</b>	<b>12,061.95</b>
<b>Adjustments during the year</b>								
On account of business combination	0.76							0.76
Transfer to General Reserve					6,000.00	(6,000.00)		-
Transfer from Bond Redemption Reserve			(1,308.94)			1,308.94		-
Transfer to Self Insurance Reserve				289.31		(289.31)		-
Transfer from Self Insurance Reserve				(387.33)	363.73	23.60		-
Final Dividend F.Y. 2019-20						(2,113.56)		(2,113.56)
Interim Dividend F.Y. 2020-21						(4,708.43)		(4,708.43)
<b>As at 31 March 2021</b>	<b>0.76</b>	<b>9,578.29</b>	<b>7,387.97</b>	<b>734.07</b>	<b>43,269.22</b>	<b>3,667.03</b>	<b>67.14</b>	<b>64,704.48</b>

The accompanying notes (1 to 70) form an integral part of financial statements  
Refer to Note No 22 for nature and movement of Reserve and Surplus.

**For and on behalf of the Board of Directors**

<b>Mrinal Shrivastava</b> Company Secretary	<b>Mohammed Taj Mukarrum</b> Director (Finance)	<b>K. Sreekant</b> Chairman & Managing Director
--	--	--

**As per our report of even date**

<b>For T R CHADHA &amp; CO LLP</b> Chartered Accountants FRN : 006711N/N500028	<b>For UMAMAHESWARA RAO &amp; CO</b> Chartered Accountants FRN : 0044535	<b>For B M CHATRATH &amp; CO LLP</b> Chartered Accountants FRN : 301011E/E300025	<b>For PSD &amp; ASSOCIATES</b> Chartered Accountants FRN : 004501C
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<b>CA Neena Goel</b> Partner M. No. 057986	<b>CA R R Dakshinamurthy</b> Partner M. No. 211639	<b>CA Sanjay Sarkar</b> Partner M. No. 064305	<b>CA Prakash Sharma</b> Partner M. No. 072332
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Date: 21 May 2022  
Place: Gurugram



## Consolidated Statement of Cash Flows for the year ended 31 March 2022

(₹ in crore)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit Before Tax and Regulatory Deferral Account Balances	20,139.38	15,139.03
Add: Net movement in Regulatory Deferral Account Balances (net of tax)	(529.74)	361.68
Add: Tax on Net movement in Regulatory Deferral Account Balances	(112.15)	74.60
<b>Net Profit Before Tax (including Net movement in regulatory deferral account balances)</b>	<b>19,497.49</b>	<b>15,575.31</b>
<b>Adjustment for :</b>		
Depreciation & amortization expenses	12,871.66	12,039.19
Transfer from Grants in Aid	(300.26)	(328.89)
Deferred revenue - Advance against Depreciation	(152.46)	(160.05)
Provisions	4.20	7.78
Changes in fair value of financial assets through profit or loss	(16.44)	(7.68)
Share of net profits of joint ventures accounted for using equity method	(78.47)	(214.70)
Profit on sale of investment in subsidiaries	(3,554.88)	-
Net Loss on Disposal / Write off of Property, Plant & Equipment	28.41	2.49
Deferred Foreign Currency Fluctuation Asset	(42.69)	1,022.09
Deferred Income from Foreign Currency Fluctuation	191.07	(780.92)
Regulatory Deferral Account Debit Balances	641.89	(436.28)
Finance Costs	8,036.22	8,134.69
Provisions Written Back	(13.13)	(24.82)
FERV loss / (gain)	(0.03)	(0.02)
Profit on sale of investments in Mutual Funds	(15.95)	-
Interest income on Deposits, Bonds , loans to JVs, PG InvIT etc	(243.09)	(71.47)
Surcharge income	(375.30)	(744.06)
Income from finance lease	(124.82)	(84.75)
Dividend income	(159.60)	(9.00)
	<b>16,696.33</b>	<b>18,343.60</b>
<b>Operating profit before Changes in Assets and Liabilities</b>	<b>36,193.82</b>	<b>33,918.91</b>
<b>Adjustment for Changes in Assets and Liabilities:</b>		
(Increase)/Decrease in Inventories	13.51	36.46
(Increase)/Decrease in Trade Receivables	(836.80)	(3,424.46)
(Increase)/Decrease in Other Financial Assets	(4,695.75)	2,173.07
(Increase)/Decrease in Other Non-current Assets	61.79	71.84
(Increase)/Decrease in Other Current Assets	(68.72)	40.09
Increase/(Decrease) in Liabilities & Provisions	(824.95)	(1,226.73)
	<b>(6,350.92)</b>	<b>(2,329.73)</b>
<b>Cash generated from operations</b>	<b>29,842.90</b>	<b>31,589.18</b>
Direct taxes paid	(3,719.38)	(2,186.50)
<b>Net Cash from Operating Activities</b>	<b>26,123.52</b>	<b>29,402.68</b>



**Consolidated Statement of Cash Flows for the year ended 31 March 2022 (Contd.)**

(₹ in crore)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Property, Plant & Equipment and Capital Work in Progress (Including Advances for Capital Expenditure)	(7,966.22)	(9,616.55)
Receipt of Grant	131.42	8.13
Investment in Mutual Funds	(1,470.00)	-
Sale of Mutual Funds	1,485.95	-
Consideration received on transfer of subsidiaries/associates (net)	3,130.64	-
Acquisition of subsidiary, net of cash acquired	-	(308.39)
Investments in joint venture companies & others	(442.54)	(33.00)
Loans & Advances to Joint Venture/Associate Companies (including repayments)	5,022.78	47.83
Financial lease receipts	143.53	78.59
Interest received on Deposits, Bonds & loans to JVs, PG InvIT etc	238.06	74.98
Surcharge received	251.19	568.78
Dividend received from joint venture companies	68.38	107.15
Dividend received from other investments	159.60	9.00
<b>Net Cash flow from/(used in) Investing Activities</b>	<b>752.79</b>	<b>(9,063.48)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Borrowings		
Non Current	2,584.70	7,840.37
Current	7,400.00	11,750.00
Repayment of Borrowings		
Non Current	(15,410.82)	(11,219.40)
Current	(3,900.00)	(12,950.00)
Repayment of Lease Liabilities (Including interest)	(8.18)	(6.32)
Finance Costs paid	(8,820.68)	(9,113.71)
Dividend paid	(10,811.96)	(6,821.99)
<b>Net Cash used in Financing Activities</b>	<b>(28,966.94)</b>	<b>(20,521.05)</b>
D. Net change in Cash and Cash equivalents (A+B+C)	(2,090.63)	(181.85)
E. Cash and Cash equivalents (Opening balance) (including classified as held for sale)	4,667.74	4,849.59
Less: Cash and Cash equivalents classified as held for sale	-	(180.51)
<b>F. Cash and Cash equivalents (Closing balance) (Refer Note No 15)*</b>	<b>2,577.11</b>	<b>4,487.23</b>

The accompanying notes (1 to 70) form an integral part of financial statements

\* Includes ₹1341.75 crore (Previous Year ₹3122.48 crore) held in designated accounts which is not available for use by the Group.

**Notes:**

- Cash and cash equivalents consist of cheques, drafts, stamps in hands, balances with banks and deposits with original maturity of upto three months.
- Previous year figures have been re-grouped / re-arranged wherever necessary.
- Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities.



## Consolidated Statement of Cash Flows for the year ended 31 March 2022 (Contd.)

(₹ in crore)

Particulars	Non-current borrowings	Current borrowings
<b>Opening Balance as at 1st April, 2021</b>	<b>144,511.85</b>	<b>1,800.00</b>
Net Cash Flows during the year	(20,998.44)	3,500.00
Non-cash changes due to :		
- Interest on borrowings	7,846.84	
- Variation in exchange rates	781.06	
- Fair value adjustments	5.73	
<b>Closing Balance as at 31st March, 2022</b>	<b>132,147.04</b>	<b>5,300.00</b>

(₹ in crore)

Particulars	Non-current borrowings	Current borrowings
<b>Opening Balance as at 1st April, 2020</b>	148,544.13	3,000.00
Net Cash Flows during the year	(12,075.71)	(1,200.00)
Non-cash changes due to :		
- Interest on borrowings	8,657.71	
- Variation in exchange rates	(655.21)	
- Fair value adjustments	40.93	
<b>Closing Balance as at 31st March, 2021</b>	<b>144,511.85</b>	<b>1,800.00</b>

### For and on behalf of the Board of Directors

**Mrinal Shrivastava**  
Company Secretary

**Mohammed Taj Mukarrum**  
Director (Finance)

**K. Sreekant**  
Chairman & Managing Director

### As per our report of even date

#### For T R CHADHA & CO LLP

Chartered Accountants  
FRN : 006711N/N500028

#### For UMAMAHESWARA RAO & CO

Chartered Accountants  
FRN : 004453S

#### For B M CHATRATH & CO LLP

Chartered Accountants  
FRN : 301011E/E300025

#### For PSD & ASSOCIATES

Chartered Accountants  
FRN : 004501C

#### CA Neena Goel

Partner  
M. No. 057986

#### CA R R Dakshinamurthy

Partner  
M. No. 211639

#### CA Sanjay Sarkar

Partner  
M. No. 064305

#### CA Prakash Sharma

Partner  
M. No. 072332

Date: 21 May 2022

Place: Gurugram

## Notes to Consolidated Financial Statements

### 1. Group Information

Power Grid Corporation of India Limited ('the Company') is a public company domiciled and incorporated in India under the provisions of The Companies Act and its shares are listed on the National Stock Exchange (NSE) and BSE Limited (BSE) in India. The Registered Office of the Company is situated at B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi, India and its Corporate Office is located at Saudamini, Plot No.2, Sector-29, Gurgaon, Haryana.

The Company is notified as the deemed transmission licensee under The Electricity Act, 2003. It is principally engaged in implementation, operation and maintenance of Inter-State Transmission System (ISTS), Telecom and consultancy services.

The consolidated financial statements of the group for the year ended 31 March 2022 were approved for issue by the Board of Directors on 21 May 2022.

### 2. Significant Accounting Policies

A summary of the significant accounting policies applied in the preparation of the consolidated financial statements are as given below. These accounting policies have been applied consistently to all periods presented in the consolidated financial statements. The Consolidated financial statements of the group are consisting of the Company and its subsidiaries and the Group's interest in joint ventures.

#### 2.1 Basis of Preparation

##### i) Compliance with Ind AS

The consolidated 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 consolidated financial statements have been prepared on accrual basis and under the historical cost convention except following which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value (refer Note no. 2.14 for accounting policy regarding financial instruments),
- Defined benefit plans – plan assets measured at fair value.

##### iii) Functional and presentation currency

The consolidated 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 crore and two decimals thereof, except as stated otherwise.

##### iv) Use of estimates

The preparation of consolidated 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 affects 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 Group 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 Group recognizes twelve months period as its operating cycle.

## 2.2 Principle of Consolidation and Equity Accounting

### Subsidiaries

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combination by the group.

The Group combines the financial statement of the subsidiaries line by line adding together like items of assets, liabilities, equity, income, and expenses. Inter Group transactions, balances and unrealized gains on transactions between companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The consolidated financial statements have been prepared in accordance with Indian Accounting Standard (Ind AS) 110 – 'Consolidated Financial Statements' and Indian Accounting Standard (Ind AS) 28 – 'Investments in Associates and Joint Ventures.

### Joint Arrangements

Under Ind AS 111 Joint Arrangements, investment in joint arrangements is classified as either joint operation or joint ventures. The classification depends on the contractual right and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has only joint ventures.

### Joint Ventures

Interest in joint ventures is accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

### Equity Method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognize the Group's share of the post – acquisition profits or losses of the investee company in Statement of Profit and Loss, and the Group's share of other comprehensive income of the investee Company in other comprehensive income. Dividends received from joint ventures are recognised as reduction in the carrying amount of the investment.

When the Group's share of losses in an investment accounted under Equity method equals or exceeds its interest in the entity, including any other unsecured long term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the Joint Venture Entities.

Unrealized gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of asset transferred. Accounting policies of equity accounted investees have been changed where necessary.

The financial statements of the subsidiary companies and joint venture companies in the consolidation are drawn up to the same reporting date as of the Group.

### Changes in ownership interests

When the group ceases to consolidate or to account for an investment under equity method due to loss of control or joint control, the retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in

Statement of Profit and Loss. The fair value becomes the initial carrying amount for the purpose of subsequent accounting of the retained interest as an associate or a financial asset.

#### **Difference in Accounting Policies and Impact thereon:**

For certain items the Group and joint venture entities have followed different accounting policies. However, the impact of same is not material.

### **2.3 Property, Plant and Equipment**

The Group had opted to consider the carrying value of Property, Plant and Equipment as per previous GAAP on the date of transition to Ind AS (1st April 2015) to be the deemed cost as per Ind AS 101 'First-time Adoption of Indian Accounting Standards'.

#### **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 component 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, deposit works/cost- plus contracts 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.

Assets and systems common to more than one transmission system are capitalized on the basis of technical estimates/ assessments.

Transmission system assets are considered as ready for intended use from the date of commercial operation declared in terms of CERC Tariff Regulations and capitalized accordingly. However in case of subsidiaries, transmission system assets are considered as ready for intended use after meeting the conditions 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 levelling, 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.

The acquisition or construction of some items of property, plant and equipment although not directly increasing the future economic benefits of any particular existing item of property, plant and equipment, may be necessary for the company to obtain future economic benefits from its other assets. Such items are recognized as property, plant and equipment.

#### **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 Group and cost of the item can be measured reliably

The cost of replacing part of an item of Property, Plant & Equipment is recognized in the carrying amount of the item if it is probable that future economic benefits embodied within the part will flow to the Group 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 & 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 their 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.



## 2.4 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 Corporate office, Regional Offices 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.

Deposit works/cost-plus contracts are accounted for on the basis of statement received from the contractors or technical assessment of work completed.

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

## 2.5 Intangible Assets and Intangible Assets under development

The Group had opted to consider the carrying value of Intangible Assets as per previous GAAP on the date of transition to Ind AS (1st April 2015) to be the deemed cost as per Ind AS 101 'First-time Adoption of Indian Accounting Standards'.

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 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.

Expenditure on research is recognised as an expense when it is incurred.

Expenditure on development activities 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.

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.

## 2.6 Investment property

The Group had opted to consider the carrying value of Investment Property as per previous GAAP on the date of transition to Ind AS (1st April 2015) to be the deemed cost as per Ind AS 101 'First-time Adoption of Indian Accounting Standards'.

Investment property comprises portions of land and/or buildings that are held for long term rental yields and/or for capital appreciation.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are carried at cost less accumulated depreciation and accumulated impairment loss, if any.

Transfers to or from investment property is made when there is a change in use - i.e. an asset meets or ceases to meet the definition of investment property and there is evidence of the change in use.

Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised as profit or loss in the period of derecognition.

## 2.7 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 following the rates and methodology notified by the CERC for the purpose of recovery of tariff and on property, plant and equipment of telecom, consultancy business and subsidiaries acquired through Tariff Based Competitive Bidding (TBCB) process is provided on straight line method as per useful life specified in Schedule II of the Companies Act, 2013 except for property, plant and equipment specified in the following paragraphs.



ULDC assets commissioned prior to 1st April 2014 are depreciated on Straight Line Method @ 6.67% per annum. Such assets commissioned on or after 1st April 2014 are depreciated on straight line method following the rates and methodology notified by the CERC for the purpose of recovery of tariff.

In the case of property, plant and equipment of National Thermal Power Corporation Limited (NTPC), National Hydro-Electric Power Corporation Limited (NHPC), North-Eastern Electric Power Corporation Limited (NEEPCO), Neyveli Lignite Corporation Limited (NLC) transferred w.e.f. April 1, 1992, Jammu and Kashmir Lines w.e.f. April 1, 1993, and Tehri Hydro Development Corporation Limited (THDC) w.e.f. August 1, 1993, depreciation is charged based on gross block as indicated in transferor's books with necessary adjustments so that the life of the assets as laid down in the CERC notification for tariff is maintained.

Depreciation on buildings held as investment property is provided on straight line method as specified in Schedule II of The Companies Act, 2013.

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, following the rates and methodology notified by the CERC.

Depreciation on following items of property, plant and equipment (PPE) is provided based on estimated useful life as per technical assessment.

Particulars	Useful life
a. Computers & Peripherals	3 Years
b. Servers & Network Components	5 years
c. PPE of Subsidiaries acquired through TBCB process:	
Buildings	35 years
Transmission line	35 years
Substation Equipment	35 years

Residual value of above assets is considered as Nil.

Mobile phones are charged off in the year of purchase.

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 at the rates and methodology as specified by the CERC Tariff Regulations, except for telecom and consultancy business assets where residual life is determined on the basis of useful life of property, plant and equipment as specified in Schedule II of the Companies Act, 2013.

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 other than items of property, plant and equipment related to transmission business 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 in accordance with the applicable methodology. 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 other than related to subsidiaries acquired through TBCB process are amortized over thirty five years from the date of capitalization of related transmission assets following the rates and methodology notified by Central Electricity Regulatory Commission (CERC) Tariff Regulations.

Afforestation charges related to subsidiaries acquired through TBCB process are amortized over thirty -five years from the date of capitalization of related transmission assets following straight line method with Nil Residual Value.

Telecom Licenses are amortised on straight line basis over their respective useful lives.



Expenditure on development of 1200kv Transmission System shall be amortised over a period of 10 years.

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 an intangible asset are 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"

## 2.8 Borrowing Costs

All the borrowed funds (except short term funds for working capital) are earmarked to specific projects. The borrowing costs (including bond issue expenses, interest, discount on bonds, front end fee, guarantee fee, management fee etc.) are allocated to the projects in proportion to the funds so earmarked.

Exchange differences arising from foreign currency borrowing to the extent regarded as an adjustment to interest costs are treated as borrowing cost.

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalised (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.

## 2.9 Impairment of non-financial assets

The carrying amounts of the Group'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.

## 2.10 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.

## 2.11 Inventories

Inventories are valued at lower of the cost, determined on weighted average basis and 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.

## 2.12 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 Group 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 Group 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 Group 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 Group 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 2.9 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 2.8 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.

State sector Unified Load Dispatch Centre (ULDC)/ Fibre Optic Communication Assets (FOC)/Bilateral line assets leased to the beneficiaries are considered as Finance Lease. Net investment in such leased assets are recorded as receivable at the lower of the fair value of the leased property and the present value of the minimum lease payments along with accretion in subsequent years is accounted for as Lease Receivables under current and non-current other financial assets. Wherever grant-in-aid is received for construction of State Sector ULDC, lease receivable is accounted for net of such grant.

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 as per the tariff notified by CERC.

FERV on foreign currency loans relating to leased assets is adjusted to the amount of lease receivables and is amortised over the remaining tenure of lease. FERV recovery (as per CERC norms) from the constituents is recognised net of such amortised amount.

##### 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.

## 2.13 Employee benefits

### 2.13.1 Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into separate entities (Funds) and will have no legal or constructive obligation to pay further contributions, if the Fund does not hold sufficient assets to pay all employee's benefits related to employee service in the current and prior periods. Obligations for contributions to defined contribution plans are recognized as an employee benefits expense in the statement of profit and loss in the period during which services are rendered by employees.



The Group has a defined contribution pension scheme which is administered through a separate trust. The obligation of the Group is to contribute to the trust to the extent of amount not exceeding 30% of basic pay and dearness allowance less employer's contribution towards provident fund, gratuity, post retirement medical facility (PRMF) or any other retirement benefits. The contributions to the fund for the year are recognized as an expense and charged to the statement of profit and loss.

### 2.13.2 Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's liability towards gratuity, post-retirement medical facility, baggage allowance for settlement at home town after retirement, long service award on retirement and provident fund scheme to the extent of interest liability on provident fund contribution are in the nature of defined benefit plans.

The gratuity is funded by the Group and is managed by separate trust. The Group has Post-Retirement Medical Facility (PRMF), under which retired employee and the spouse are provided medical facilities in the Group empanelled hospitals. They can also avail treatment as out-patient subject to a ceiling fixed by the Group.

The Group pays fixed contribution to Provident Fund at predetermined rates to a separate trust, which invests the funds in permitted securities. The contributions to the fund for the year are recognized as expense and are charged to the statement of profit and loss. The obligation of the Group is limited to such fixed contributions and to ensure a minimum rate of interest on contributions to the members as specified by the Government of India (GoI).

The Group has schemes for payment of baggage allowance towards expenses for settlement at hometown for the superannuated employees & their dependents and for providing a Long Service Award to all regular employees of the Group on superannuation.

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognized asset is limited to the total of any unrecognized past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. An economic benefit is available to the Group if it is realizable during the life of the plan, or on settlement of the plan liabilities. Any actuarial gains or losses are recognized in OCI in the period in which they arise and subsequently not reclassified to profit or loss.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized in the statement of profit and loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognized immediately in the statement of profit and loss.

### 2.13.3 Other long-term employee benefits

Benefits under the Group's leave encashment and Employee Family Economic Rehabilitation Scheme constitute other long term employee benefits.

The Group's net obligation in respect of leave encashment is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Group's obligations. The calculation is performed using the projected unit credit method. Any actuarial gains or losses are recognized in the statement of profit and loss in the period in which they arise.

As per the Group's Employee Family Economic Rehabilitation scheme, which is optional, in the event of death or permanent total disability of an employee, the dependent(s) or the employee, as the case may be, is paid a fixed amount based on the last salary drawn by the employee till the notional date of super annuation of the employee upon depositing the final provident fund and gratuity amount which will be interest free.

### 2.13.4 Short-term benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under performance related pay if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

## 2.14 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

#### Classification

The Group 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.

**Debt instruments at Fair value through profit or loss (FVPL):** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. Interest income and net gain or loss on a debt instrument that is subsequently measured at FVPL are recognised in statement of profit and loss and presented within other income in the period in which it arises.

#### Equity investments

All equity investments in scope of Ind AS 109 'Financial Instruments' are measured at fair value. The Group may, on initial recognition, make an irrevocable election to present subsequent changes in the fair value in other comprehensive income (FVOCI) on an instrument-by-instrument basis.

For equity instruments classified as at FVOCI, all fair value changes on the instrument, excluding dividends are recognized in the OCI. There is no recycling of the amounts from OCI to Profit or Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

#### De-recognition of financial assets

A financial asset is derecognized only when

- i) The right to receive cash flows from the assets have expired, or
- ii)
  - a) The group 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 group has transferred substantially all the risks and rewards of the asset (or) the group 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 group 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 Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month Expected Credit Loss (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 Group 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 unfavourable to the Group.

The Group's financial liabilities include loans & 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 derecognised.

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.

**2.15 Foreign Currency Translation****(a) Functional and presentation currency**

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). The financial statements are presented in Indian Rupees (Rupees or ₹), which is the Group'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.

Foreign exchange gains and losses (other than related to foreign currency loans outstanding) are presented in the statement of profit and loss on a net basis within other gains/(losses).



The Group has availed the exemption available in Ind AS 101, to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary liabilities outstanding as on March 31, 2016.

#### **Foreign currency loans outstanding as on March 31, 2016:**

Foreign Exchange Rate Variation (FERV) arising on settlement / translation of such foreign currency loans relating to property, plant and equipment/ capital work-in-progress is adjusted to the carrying cost of related assets and is recoverable/payable from the beneficiaries on actual payment basis as per Central Electricity Regulatory Commission (CERC) norms w.e.f. 1st April, 2004 or Date of Commercial Operation (DOCO) whichever is later. The above FERV to the extent recoverable or payable as per the CERC norms is accounted for as follows:

- i) FERV recoverable/payable adjusted to carrying cost of property, plant and equipment is accounted for as 'Deferred foreign currency fluctuation asset/liability a/c' with a corresponding credit/debit to 'Deferred income/expenditure from foreign currency fluctuation a/c'.
- ii) 'Deferred income/expenditure from foreign currency fluctuation a/c' is amortized in the proportion in which depreciation is charged on such FERV.
- iii) The amount recoverable/payable as per CERC norms on year to year basis is adjusted to the 'Deferred foreign currency fluctuation asset/liability a/c' with corresponding debit / credit to the trade receivables.

FERV earlier charged to Statement of Profit and Loss & included in the capital cost for the purpose of tariff is adjusted against 'Deferred foreign currency fluctuation asset/liability a/c'.

FERV arising out of settlement/translation of long term monetary items (other than foreign currency loans) relating to Property Plant & Equipment /CWIP is adjusted in the carrying cost of related assets.

FERV arising during the construction period from settlement/translation of monetary items (other than non current loans) denominated in foreign currency to the extent recoverable/payable to the beneficiaries as capital cost as per CERC tariff Regulation are accounted as Regulatory Deferral Account Balances. Transmission charges recognised on such amount is adjusted against above account. Other exchange differences are recognized as income or expenses in the period in which they arise.

#### **Foreign currency loans drawn on or after April 1, 2016:**

Exchange differences arising from foreign currency borrowing to the extent regarded as an adjustment to interest costs are treated as borrowing cost. Other exchange differences are recognized in the Statement of Profit and Loss.

Exchange difference to the extent recoverable as per CERC tariff regulations are recognized as Regulatory Deferral Account Balances through Statement of Profit and Loss.

#### **(c) Foreign Group Companies**

The results and financial position of foreign operations (none of which has the currency of a hyper inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- i) Assets and liabilities are translated at closing rate at the date of that balance sheet.
- ii) Income and expenses are translated at average exchange rates (unless this is not the reasonable approximation of the cumulative effect of the rates prevailing on the transaction date in which case income and expenses are translated at the date of transactions) and
- iii) All the exchange differences are recognised in other comprehensive income.

### **2.16 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 countries where the group operate and generate 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 Group'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 liabilities are not recognised for temporary differences between the carrying amount and tax bases of investment in subsidiaries where the group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in foreseeable future.

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.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

## 2.17 Regulatory Deferral Account Balances

Certain expenses and income, allowed under CERC regulations to be reimbursed by/passed on to beneficiaries in future, are to be accounted in the Statement of Profit and Loss as per the provisions of Ind AS 114 'Regulatory Deferral Accounts' and Guidance Note on "Accounting for Rate Regulated Activities" issued by the Institute of Chartered Accountants of India (ICAI). Such expenses and income, to the extent recoverable /payable as part of tariff under CERC Regulations are treated as Regulatory Deferral Assets/Liabilities.

The Group presents separate line items in the Balance Sheet for:

- (a) the total of all Regulatory Deferral Account Debit Balances; and
- (b) the total of all Regulatory Deferral Account Credit Balances.

A separate line item is presented in the profit or loss section of the Statement of Profit and Loss for the net movement in all Regulatory Deferral Account Balances for the reporting period.

Regulatory deferral accounts balances are adjusted in the year in which the same become recoverable from or payable to the beneficiaries.

## 2.18 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 Group recognizes revenue when it transfers control over a product or service to a customer.

### Significant Financing Component

Where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year, the Group assesses the effects of significant financing component in the contract. As a consequence, the Group makes adjustment in the transaction prices for the effects of time value of money.

### 2.18.1 Revenue from Operations

#### Transmission

Transmission Income is accounted for based on tariff orders notified by the CERC. In case of transmission projects where final tariff orders are yet to be notified, transmission income is accounted for on provisional basis as per tariff regulations and orders of the CERC in similar cases. Difference, if any, is accounted on issuance of final tariff orders by the CERC. Transmission Income in respect of additional capital expenditure incurred after the date of commercial operation is accounted for based on expenditure incurred on year to year basis as per CERC tariff regulations. As at each reporting date, transmission income includes an accrual for services rendered to the customers but not yet billed. However in case of subsidiaries transmission Income is accounted for based on orders issued by CERC u/s 63 of Electricity Act 2003 for adoption of transmission charges.

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 (RPCs) and in accordance with the CERC tariff regulations. Where certification by RPCs is not available, incentive/disincentive is accounted for on provisional basis as per estimate of availability by the Group and differences, if any is accounted upon certification by RPCs.

Advance against depreciation (AAD), forming part of tariff pertaining upto the block period 2004-09, to facilitate repayment of loans, was reduced from transmission income and considered as deferred income to be included in transmission income in subsequent years. The outstanding deferred income in respect of AAD is recognized as transmission income, after twelve years from the end of the financial year in which the asset was commissioned, to the extent depreciation recovered in the tariff during the year is lower than depreciation charged in the accounts.

### **Telecom Services**

Income from Telecom Services, net of downtime credit, is recognised on the basis of terms of agreements/purchase orders from the customers. Upfront fee received in advance under long term contracts providing Indefeasible Right to Use (IRU), is recognised as revenue on the basis of estimation of revenue over the period of contract.

### **Consultancy Services**

In respect of 'Cost-plus-consultancy contracts', involving execution on behalf of the client, revenue is recognized in proportion to the stage of completion of the work performed at the reporting date, which is determined based on input method.

Income from other consultancy contracts are accounted for on technical assessment of progress of services rendered.

## **2.18.2 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.

Application Fees towards Long Term Open Access (LTOA) as per CERC Guidelines is accounted for on receipt.

Scrap other than steel scrap & conductor scrap are accounted for as and when sold.

Dividend income is recognized when right to receive payment is established.

Insurance claims for loss of profit are accounted for in the year of acceptance. Other 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.

## **2.19 Government Grants**

Grants-in-aid from Central Government or other authorities towards capital expenditure for projects, betterment of transmission systems and specific depreciable assets initially are treated as deferred income when there is a reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant. Deferred Income is recognized in the Statement of Profit and Loss over the useful life of related asset in proportion to which depreciation on these assets is provided. In case of non-monetary government grants, both asset and grant are recorded at nominal value.

Grants that compensate the Group for expenses incurred are recognized over the period in which the related costs are incurred and deducted from the related expenses.

## **2.20 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.

## **2.21 Provisions and Contingencies**

### **a) Provisions**

Provisions are recognised when the Group 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 Group 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.

## 2.22 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'.

## 2.23 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.

## 2.24 Operating Segments

The Board of Directors is the Group's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108 'Operating Segments'. CODM monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

The operating segments have been identified on the basis of the nature of products / services.

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

## 2.25 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.

Additionally, basic and diluted earnings per share are computed using the earnings amounts excluding the movements in Regulatory Deferral Account Balances.

## 2.26 Statement of Cash Flows

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

## 2.27 Non-current assets (or disposal groups) held for sale and Discontinued Operation

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets (or disposal groups) and its sale is highly probable.

Assets and liabilities classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell and presented separately in the Balance Sheet. An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

A discontinued operation is a component of the Group that comprises the operations and cash flows of which can be clearly distinguished from the rest of the Group which either has been disposed of, or classified as held for sale, and

- represents a separate major line of business or geographic area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss.

## 2.28 Business Combination

Business combinations are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the Group. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognized at fair values on their acquisition date. Goodwill is initially measured at cost, being the excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed. Where the fair value of net identifiable assets acquired and liabilities assumed exceed the consideration transferred, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognized as capital reserve. Acquisition related costs are expensed as incurred.

## 3. Critical Estimates and Judgments

The preparation of consolidated 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 group'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:**

### Revenue Recognition:

Transmission income is accounted for based on tariff orders notified by the CERC. In case of transmission projects where final tariff orders are yet to be notified, transmission income is accounted for as per tariff regulations and other orders of the CERC in similar cases. Differences, if any, are accounted on issuance of final tariff orders by the CERC. Transmission income in respect of additional capital expenditure incurred after the date of commercial operation is accounted for based on expenditure incurred on year to year basis as per CERC tariff regulations.

### Regulatory Deferral Balances:

Recognition of Regulatory Deferral Balances involves significant judgments including about future tariff regulations since these are based on estimation of the amounts expected to be recoverable/payable through tariff in future.

**Estimation of defined benefit obligation:**

Estimation of defined benefit obligation involves certain significant actuarial assumptions which are listed in Note 66.

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 Group and that are believed to be reasonable under the circumstances.

**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 Group reviews at the end of each reporting date the useful life of plant and equipment, other than the assets of transmission business which are governed by CERC Regulations, 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.

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

In assessing the recoverability of trade receivables, contract assets and investments, the group has considered internal and external information up to the date of approval of these financial statements including credit reports and economic forecasts. In view of the nature of the Group's business, the regulated tariff mechanism applicable to the major part of the group's revenue and based on the current indicators of future economic conditions, the group expects to recover the carrying amount of these assets.

**Assets held for sale:**

Significant judgment is required to apply the accounting of non-current assets held for sale under Ind AS 105 – "Non current assets held for sale and discontinued operations". In assessing the applicability, management has exercised judgment to evaluate the availability of the asset for immediate sale, management's commitment for the sale and probability of sale within one year to conclude if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

**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.



**Note 4: Property, Plant and Equipment**

(₹ in crore)

Particulars	Cost				Accumulated depreciation				Net Book Value	
	As at 01 April 2021	Additions during the year	Disposal	Adjustment during the year	As at 31 March 2022	As at 01 April 2021	Additions during the year	Disposal	Adjustment during the year	As at 31 March 2022
<b>Land</b>										
Freehold	2,385.58	26.44	-	4.79	2,407.23	-	-	-	-	2,407.23
<b>Buildings</b>										
a) Sub-Stations & Office	2,288.40	588.44	-	(31.49)	2,908.33	287.26	97.29	0.09	(4.10)	2,519.77
b) Township	687.43	90.68	0.04	1.09	776.98	143.48	29.32	0.03	(0.27)	603.94
Temporary Erection	1.38	-	-	-	1.38	1.36	0.02	-	-	-
Roads & Bridges	263.87	63.83	-	0.67	327.03	44.84	12.46	-	-	269.73
Water Supply Drainage & Sewerage	120.56	56.68	-	(0.01)	177.25	26.43	6.18	0.01	-	144.65
<b>Plant &amp; Equipment</b>										
a) Transmission	144,956.58	9,833.25	51.61	(356.58)	155,094.80	35,739.77	7,735.30	37.12	6.83	111,663.68
b) Sub-station	83,410.97	9,254.95	22.61	(169.86)	92,813.17	19,397.62	4,869.10	11.05	4.95	68,562.45
c) Unified Load Despatch & Communication	1,482.37	242.74	-	(2.51)	1,727.62	369.51	100.13	0.01	(0.12)	1,257.87
d) Telecom	1,305.38	204.15	-	0.91	1,508.62	595.89	113.80	-	0.57	799.50
Furniture Fixtures	160.16	30.62	1.06	(1.61)	191.33	48.96	12.79	0.20	(0.42)	129.36
Vehicles	3.40	1.78	0.15	-	5.03	1.28	0.29	0.13	-	3.59
Office equipment	246.60	46.94	1.99	0.26	291.29	71.18	18.15	0.78	(0.04)	202.70
Electronic Data Processing & Word Processing Machines	243.59	17.96	35.66	0.07	225.82	138.52	51.72	32.58	0.05	157.61
Construction and Workshop equipment	599.87	18.21	1.46	0.26	616.36	104.33	33.32	0.30	0.18	479.19
Electrical Installation	154.57	10.81	0.01	(0.76)	166.13	39.54	8.81	-	(0.04)	117.74
Laboratory Equipments	87.85	3.73	0.01	0.04	91.53	22.44	4.60	-	-	64.49
Workshop & Testing Equipments	325.97	27.33	0.22	1.24	351.84	57.28	18.37	0.07	(0.13)	276.13
Miscellaneous Assets/ Equipments	0.46	0.23	-	0.46	0.23	0.08	0.03	0.01	0.07	0.20
<b>Right-of-use (ROU) Assets</b>										
a) ROU Assets- Land	539.88	25.18	-	(0.80)	565.86	72.14	18.95	-	-	474.77
b) ROU Asset- Buildings	13.55	1.00	1.15	0.25	13.15	5.99	3.73	1.03	0.24	4.70
c) ROU Asset- Plant & Machinery- Telecom	0.27	0.01	0.06	-	0.22	0.06	0.03	0.06	-	0.19
<b>Total</b>	<b>239,278.69</b>	<b>20,544.96</b>	<b>116.03</b>	<b>(553.58)</b>	<b>260,261.20</b>	<b>57,167.96</b>	<b>13,134.39</b>	<b>83.47</b>	<b>7.77</b>	<b>190,050.09</b>
Less: Provision for assets discarded	1.74	-	-	-	1.74	-	-	-	-	1.74
<b>Grand Total</b>	<b>239,276.95</b>	<b>20,544.96</b>	<b>116.03</b>	<b>(553.58)</b>	<b>260,259.46</b>	<b>57,167.96</b>	<b>13,134.39</b>	<b>83.47</b>	<b>7.77</b>	<b>182,108.99</b>

# **Note 4 Property, Plant and Equipment (Contd.)**

(₹ in crore)

Particulars	Cost					Accumulated depreciation					Net Book Value		
	As at 01 April 2020	Additions during the year	Disposal	Adjustment during the year	Classified as held for sale	As at 31 March 2021	As at 01 April 2020	Additions during the year	Disposal	Adjustment during the year	Classified as held for sale	As at 31 March 2021	As at 31 March 2020
Land													
Freehold	2,369.01	29.98	-	(6.71)	20.12	2,385.58	-	-	-	-	-	2,385.58	2,369.01
Buildings													
a) Sub-Stations & Office	1,686.08	618.40	-	(2.79)	18.87	2,288.40	218.99	70.41	-	(0.02)	2.16	287.26	1,467.09
b) Township	635.39	52.04	-	-	-	687.43	114.35	29.08	-	(0.05)	-	143.48	521.04
Temporary Erection	1.19	0.22	-	0.03	-	1.38	1.14	0.25	-	0.03	-	1.36	0.05
Roads & Bridges	182.97	80.90	-	-	-	263.87	36.66	8.18	-	-	-	44.84	146.31
Water Supply Drainage & Sewerage	101.88	19.58	-	0.02	0.88	120.56	21.56	4.74	-	(0.21)	0.08	26.43	80.32
Plant & Equipment													
a) Transmission	139,845.27	11,438.91	34.00	404.84	5,888.76	144,956.58	29,134.86	7,434.28	7.16	0.36	821.85	35,739.77	110,710.41
b) Sub-station	76,202.08	8,339.56	78.02	37.75	1,014.90	83,410.97	15,204.03	4,392.14	69.11	(6.16)	135.60	19,397.62	60,998.05
c) Unified Load Dispatch & Communication	1,142.64	245.11	-	(97.63)	3.01	1,482.37	275.97	78.50	-	(15.47)	0.43	369.51	866.67
d) Telecom	1,291.41	125.26	-	111.29	-	1,305.38	507.37	104.67	-	16.15	-	595.89	784.04
Furniture Fixtures	142.01	19.13	0.31	(0.16)	0.83	160.16	38.46	10.41	0.08	(0.38)	0.21	48.96	103.55
Vehicles	2.78	1.06	0.46	(0.02)	-	3.40	1.19	0.16	0.09	(0.02)	-	1.28	1.59
Office equipment	228.35	19.27	0.47	0.37	0.18	246.60	55.57	15.44	0.21	(0.45)	0.07	71.18	172.78
Electronic Data Processing & Word Processing Machines	165.29	85.35	6.83	0.15	0.07	243.59	100.27	43.09	4.34	0.44	0.06	138.52	65.02
Construction and Workshop equipment	344.15	256.29	0.52	0.04	0.01	599.87	78.78	25.48	0.03	(0.10)	-	104.33	265.37
Electrical Installation	145.16	10.00	-	0.32	0.27	154.57	31.65	6.35	-	(1.61)	0.07	39.54	113.51
Laboratory Equipments	80.91	1.96	0.33	(5.31)	-	87.85	16.93	4.20	0.25	(1.56)	-	22.44	63.98
Workshop & Testing Equipments	292.45	34.17	-	(0.40)	1.05	325.97	40.14	16.74	-	(0.44)	0.04	57.28	252.31
Miscellaneous Assets/ Equipments	0.44	0.03	-	-	0.01	0.46	0.06	0.02	-	-	-	0.08	0.38
Right-of-use (ROU) Assets													
a) ROU Assets- Land	521.10	47.55	-	28.77	-	539.88	56.80	15.33	-	(0.01)	-	72.14	464.30
b) ROU Asset- Buildings	9.51	7.33	3.03	0.26	-	13.55	3.76	5.46	2.97	0.26	-	5.99	5.75
c) ROU Asset- Plant & Machinery- Telecom	0.06	0.21	-	-	-	0.27	0.03	0.03	-	-	-	0.06	0.03
Total	225,390.13	21,432.31	123.97	470.82	6,948.96	239,278.69	45,938.57	12,264.96	84.24	(9.24)	960.57	57,167.96	179,451.56
Less: Provision for assets discarded	1.74	-	-	-	-	1.74	-	-	-	-	-	1.74	1.74
Grand Total	225,388.39	21,432.31	123.97	470.82	6,948.96	239,276.95	45,938.57	12,264.96	84.24	(9.24)	960.57	57,167.96	179,449.82

## Note 4: Property, Plant and Equipment (Contd.)

### Further Notes:

- a) The Group owns 7661 hectare (Previous Year 7714 hectare) of land amounting to ₹2,973.09 crore (Previous Year ₹2,945.58 crore) which has been classified into freehold land 6416 hectare (Previous Year 6476 hectare) amounting to ₹2,407.23 crore (Previous Year ₹2,405.70 crore) and Right of Use - Land 1245 hectare (Previous Year 1238 hectare) amounting to ₹565.86 crore (Previous Year ₹539.88 crore) based on available documentation. Out of above Freehold land of previous year, land of 72.53 hectare amounting to ₹20.12 crore is classified as Asset held for Sale.
- b) Freehold land acquired by the group includes 32.27 hectare (Previous Year 115.68 hectare) amounting to ₹9.13 crore (Previous Year ₹113.85 crore) in respect of land acquired by the group for which only mutation in revenue records is pending.
- c) The transmission system situated in the state of Jammu and Kashmir have been taken over by the group w.e.f. 01 April 1993 from National Hydroelectric Power Corporation of India Limited (NHPC) upon mutually agreed terms pending completion of legal formalities.
- d) Right of Use - Land includes area of 79.32 hectare (Previous Year 67.50 hectare) amounting to ₹50.11 crore (Previous Year ₹48.87 crore) in respect of land acquired for office complex and substation on perpetual lease basis and hence not amortised.
- e) 5.63 hectare (Previous Year 5.63 hectare) having value of ₹0.04 crore (Previous Year ₹0.04 crore) has been transferred to National High Power Test Laboratory Pvt. Ltd. on right to use without granting ownership.
- f) Refer note no. 51 for disclosure on Right of Use Assets as per Ind AS 116 – “Leases”.
- g) Refer note no. 23 for information on property, plant and equipment pledged as security by the group.
- h) Refer note no.19A for disclosure on Assets classified as held for sale.



## Note 5: Capital work in progress

(₹ in crore)

Particulars	As at 01 April 2021	Additions during the year	Adjustments	Capitalised during the year	As at 31 March 2022
<b>Land</b>					
Development of land	7.13	-	7.13	-	-
<b>Buildings</b>					
a) Sub-Stations & Office	75.00	480.54	(2.10)	483.83	<b>73.81</b>
b) Township	166.24	38.47	36.62	90.18	<b>77.91</b>
Roads & Bridges	28.86	0.48	12.35	4.69	<b>12.30</b>
Water Supply Drainage and Sewerage	4.12	0.74	1.02	2.86	<b>0.98</b>
<b>Plant &amp; Equipments (including associated civil works)</b>					
a) Transmission	8,365.62	3,561.68	-	8,400.96	<b>3,526.34</b>
b) Sub-Station	8,241.22	3,973.33	(1.06)	8,469.55	<b>3,746.06</b>
c) Unified Load Despatch & Communication	254.86	200.17	20.33	183.32	<b>251.38</b>
d) Telecom	130.07	166.73	60.26	175.20	<b>61.34</b>
Furniture & Fixtures	-	0.54	-	0.54	-
Other office equipments	0.20	2.99	-	2.17	<b>1.02</b>
Electrical Installations	2.64	0.62	0.12	0.52	<b>2.62</b>
Construction Stores (Net of Provision)	4,288.03	2,665.61	3,500.99	-	<b>3,452.65</b>
<b>Expenditure pending allocation</b>					
i) Survey, investigation, consultancy & supervision Charges	2.63	1.11	0.23	0.08	<b>3.43</b>
ii) Difference in Exchange on foreign currency loans	36.46	34.50	-	58.96	<b>12.00</b>
iii) Expenditure during construction period(net) (Note 43)	3,078.98	1,056.97	40.13	2,515.50	<b>1,580.32</b>
	<b>24,682.06</b>	<b>12,184.48</b>	<b>3,676.02</b>	<b>20,388.36</b>	<b>12,802.16</b>
Less: Provision for unserviceable Assets	2.26	-	-	-	<b>2.26</b>
<b>Grand Total</b>	<b>24,679.80</b>	<b>12,184.48</b>	<b>3,676.02</b>	<b>20,388.36</b>	<b>12,799.90</b>

**Note: 5 Capital work in progress (Contd.)**

(₹ in crore)

Particulars	As at 01 April 2020	Additions during the year	Adjustments	Capitalised during the year	Classified as held for sale	As at 31 March 2021
<b>Land</b>						
Development of land	0.18	42.13	-	35.18	-	<b>7.13</b>
<b>Buildings</b>						
a) Sub-Stations & Office	95.67	41.03	(534.73)	596.43	-	<b>75.00</b>
b) Township	142.13	61.98	-	34.99	2.88	<b>166.24</b>
Roads & Bridges	25.34	6.87	(73.99)	77.34	-	<b>28.86</b>
Water Supply Drainage and Sewerage	5.17	1.95	1.55	1.45	-	<b>4.12</b>
<b>Plant &amp; Equipments (including associated civil works)</b>						
a) Transmission	11,242.50	5,708.46	-	8,585.34	-	<b>8,365.62</b>
b) Sub-Station	12,341.32	3,787.88	630.57	7,253.69	3.72	<b>8,241.22</b>
c) Unified Load Despatch & Communication	370.65	170.56	47.10	239.25	-	<b>254.86</b>
d) Telecom	99.67	91.99	-	61.59	-	<b>130.07</b>
Other office equipments	1.99	0.50	0.05	2.24	-	<b>0.20</b>
Electrical Installations	2.61	2.78	2.02	0.73	-	<b>2.64</b>
Construction Stores (Net of Provision)	6,728.26	4,320.95	6,761.18	-	-	<b>4,288.03</b>
<b>Expenditure pending allocation</b>						
i) Survey, investigation, consultancy & supervision Charges	6.16	1.72	0.17	5.08	-	<b>2.63</b>
ii) Difference in Exchange on foreign currency loans	79.03	(12.68)	1.60	28.29	-	<b>36.46</b>
iii) Expenditure during construction period(net) (Note 43)	3,765.99	1,448.55	(47.46)	2,183.02	-	<b>3,078.98</b>
	<b>34,906.67</b>	<b>15,674.67</b>	<b>6,788.06</b>	<b>19,104.62</b>	<b>6.60</b>	<b>24,682.06</b>
Less: Provision for unserviceable Assets	2.26	-	-	-	-	<b>2.26</b>
<b>Grand Total</b>	<b>34,904.41</b>	<b>15,674.67</b>	<b>6,788.06</b>	<b>19,104.62</b>	<b>6.60</b>	<b>24,679.80</b>



## Note 5: Capital work in progress (Contd.)

### (Details of Construction stores) (At Cost)

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Construction Stores</b>		
Towers	745.55	642.71
Conductors	890.94	1,128.88
Other Line Materials	264.89	275.24
Sub-Station Equipments	1,162.14	1,559.59
High Voltage Direct Current (HVDC) Equipments	151.28	328.86
Unified Load Despatch & Communication(ULDC) Materials	144.88	232.95
Telecom Materials	60.12	76.53
Others	32.85	43.27
<b>Total</b>	<b>3,452.65</b>	<b>4,288.03</b>
<b>Construction Stores include:</b>		
<b>i) Material in transit</b>		
Towers	-	27.95
Conductors	-	19.32
Other Line Materials	-	2.39
Sub-Station Equipments	20.49	158.40
High Voltage Direct Current (HVDC) Equipments	-	34.78
Unified Load Despatch & Communication(ULDC) Materials	0.44	0.86
Telecom Materials	-	0.25
Others	-	0.70
<b>Total</b>	<b>20.93</b>	<b>244.65</b>
<b>ii) Material with Contractors</b>		
Towers	745.55	614.76
Conductors	890.94	1,109.56
Other Line Materials	264.89	272.85
Sub-Station Equipments	1,141.65	1,401.19
High Voltage Direct Current (HVDC) Equipments	151.28	294.08
Unified Load Despatch & Communication (ULDC) Materials	144.44	232.09
Telecom Materials	60.12	76.28
Others	32.85	42.57
<b>Total</b>	<b>3,431.72</b>	<b>4,043.38</b>
<b>Grand total</b>	<b>3,452.65</b>	<b>4,288.03</b>

#### Further Notes:

1. Materials with Contractors amounting to ₹1.30 crore (Previous Year ₹175.71 crore) in respect of commissioned lines is pending for reconciliation. However reconciliation are carried out on ongoing basis.
2. Refer Note No 67 (a) for ageing of Capital Work in Progress (CWIP) & Refer Note No 67 (b) CWIP completion schedule for the projects whose completion is overdue or has exceeded its cost compared to original plan.
3. One of the Group entity has transferred an amount of ₹201.37 crore (Previous Year ₹253.00 crore) from Capital work in progress to Lease Receivables as per Ind AS 116 - "Leases"



**Note 6: Investment Property**

Particulars	Cost				Accumulated Amortisation				Net Book Value	
	As at 01 April 2021	Additions during the year	Disposal	Adjustment during the year	As at 31 March 2022	As at 01 April 2021	Additions during the year	Disposal	Adjustment during the year	As at 31 March 2022
Land (Freehold)	0.02	-	-	0.02	-	-	-	-	-	-
Buildings	0.01	-	-	0.01	-	-	-	-	-	-
<b>Total</b>	<b>0.03</b>	<b>-</b>	<b>-</b>	<b>0.03</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.03</b>

Particulars	Cost				Accumulated Amortisation				Net Book Value	
	As at 01 April 2020	Additions during the year	Disposal	Adjustment during the year	As at 31 March 2021	As at 01 April 2020	Additions during the year	Disposal	Adjustment during the year	As at 31 March 2021
Land (Freehold)	0.02	-	-	-	0.02	-	-	-	-	0.02
Buildings	0.01	-	-	-	0.01	-	-	-	-	0.01
<b>Total</b>	<b>0.03</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.03</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.03</b>



## Note 6: Investment Property (Contd.)

### Further Notes:

The property is now being used for administrative/business purposes of the company and not held for rentals or capital appreciation. As there is a change in use of property as per Ind AS 40 "Investment property", the property is reclassified as Owner-occupied property by transferring from Investment Property to Property, Plant and Equipment.

Disclosures for Investment Property with respect to previous financial year are as under:

(i) Amount recognised in profit or loss for investment property

(₹ in crore)

Particulars	For the year ended 31.03.2021
Rental income	Nil
Direct operating expenses from property that generated rental income	Nil
Direct operating expenses from property that did not generate rental income	Nil
Profit from investment property before depreciation	Nil
Depreciation	Nil
Profit from investment property	Nil

(ii) There is no contractual obligation for future repairs and maintenance which not recognised as a liability as at 31.03.2021.

(iii) There are no Leasing arrangements as at 31.03.2021.

(iv) Fair value

(₹ in crore)

Particulars	As at 31.03.2021
Investment property	3.52

### Estimation of fair value

The fair value of investment property has been determined by independent valuer. The main inputs used are the rental growth rates, expected vacancy rates, terminal yields and discount rates based on comparable transactions and industry data. All resulting fair value estimates for investment property are included in level 2.

**Note 7: Intangible assets**

(₹ in crore)

Particulars	Cost				Accumulated Amortisation				Net Book Value	
	As at 01 April 2021	Additions during the year	Disposal	Adjustment during the year	As at 31 March 2022	As at 01 April 2021	Additions during the year	Disposal	Adjustment during the year	As at 31 March 2022
Electronic Data Processing Software	68.01	6.37	-	(5.09)	79.47	57.43	6.38	-	(5.09)	68.90
Right of Way-Afforestation Expenses	2,078.60	224.48	-	(9.60)	2,312.68	511.62	113.48	0.39	(6.05)	630.76
Telecom Licenses	2.80	-	-	-	2.80	0.55	0.14	-	-	0.69
Development of 1200 KV TS*	71.86	-	-	-	71.86	34.72	7.25	-	-	41.97
<b>Total</b>	<b>2,221.27</b>	<b>230.85</b>	<b>-</b>	<b>(14.69)</b>	<b>2,466.81</b>	<b>604.32</b>	<b>127.25</b>	<b>0.39</b>	<b>(11.14)</b>	<b>742.32</b>

\*Internally generated intangible asset

(₹ in crore)

Particulars	Cost				Accumulated Amortisation				Net Book Value	
	As at 01 April 2020	Additions during the year	Disposal	Adjustment during the year	Classified as held for sale	As at 31 March 2021	As at 01 April 2020	Additions during the year	Disposal	Adjustment during the year
Electronic Data Processing Software	57.88	10.17	0.03	-	0.01	68.01	51.53	5.94	0.03	-
Right of Way-Afforestation Expenses	2,022.25	180.93	-	0.70	123.88	2,078.60	413.08	110.31	-	(1.29)
Telecom Licenses	2.80	-	-	-	-	2.80	0.41	0.14	-	-
Development of 1200 KV TS*	71.86	-	-	-	-	71.86	27.49	7.23	-	-
<b>Total</b>	<b>2,154.79</b>	<b>191.10</b>	<b>0.03</b>	<b>0.70</b>	<b>123.89</b>	<b>2,221.27</b>	<b>492.51</b>	<b>123.62</b>	<b>0.03</b>	<b>(1.29)</b>

\*Internally generated intangible asset



## Note 8: Intangible assets under development

(₹ in crore)

Particulars	As at 01 April 2021	Additions	Adjustments	Capitalised during the year	As at 31 March 2022
Right of Way-Afforestation expenses	157.99	45.59	0.10	149.78	53.70
<b>Total</b>	<b>157.99</b>	<b>45.59</b>	<b>0.10</b>	<b>149.78</b>	<b>53.70</b>

(₹ in crore)

Particulars	As at 01 April 2020	Additions	Adjustments	Capitalised during the year	As at 31 March 2021
Right of Way-Afforestation expenses	273.00	57.61	-	172.62	157.99
<b>Total</b>	<b>273.00</b>	<b>57.61</b>	<b>-</b>	<b>172.62</b>	<b>157.99</b>

### Further Notes:

Refer Note No 67 (c) for ageing of Intangible assets under development & Refer Note No 67 (d) Intangible assets under development completion schedule for the projects whose completion is overdue or has exceeded its cost compared to original plan.

## Note 9A: Investments in Joint Ventures accounted for using the equity method

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Investments in Equity Instruments (fully paid up)</b>		
<b>Unquoted</b>		
<b>Joint Venture Companies</b>		
Torrent Power Grid Limited		
23400000 (Previous Year 23400000) Equity Shares of ₹10/- each.	34.32	34.67
Parbati Koldam Transmission Company Limited		
70937620 (Previous Year 70937620) Equity Shares of ₹10/- each.	80.18	86.60
Teestavalley Power Transmission Limited		
120120000 (Previous Year 120120000) Equity Shares of ₹10/- each.	144.99	140.02
Powerlinks Transmission Limited		
229320000 (Previous Year 229320000) Equity Shares of ₹10/- each.	477.91	469.63
North East Transmission Company Limited		
106964000 (Previous Year 106964000) Equity Shares of ₹10/- each.	128.81	124.62
National High Power Test Laboratory Private Limited		
30400000 (Previous Year 30400000) Equity Shares of ₹10/- each.	14.24	18.22
Cross Border Power Transmission Company Limited		
12612473 (Previous Year 12612473) Equity Shares of ₹10/- each.	32.99	29.97
Energy Efficiency Services Limited		
463610000 (Previous Year 56118350) Equity Shares of ₹10/- each (Refer further note 3 below)	423.03	-
Bihar Grid Company Limited		
322535036 (Previous Year 290296935) Equity Shares of ₹10/- each.	512.09	431.29

**Note 9A: Investments in Joint Ventures accounted for using the equity method (Contd.)** (₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
Power Transmission Company Nepal Limited		
1170000 (Previous Year 1170000) Equity Shares of Nepali ₹100/- each.	<b>12.65</b>	11.83
RINL POWERGRID TLT Private Limited		
4000000 (Previous Year 4000000) Equity Shares of ₹10/- each. (Refer further note 2 below)	-	-
<b>Total</b>	<b>1,861.21</b>	<b>1,346.85</b>

**Further notes:**

- Investments have been valued as per accounting policy no. 2.2 & 2.14.
- 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.
- The Company has invested ₹407.49 crore during the year in Energy Efficiency Services Limited (EESL), thereby increasing its shareholding from 5.71% to 33.33%. EESL has been considered as Joint Venture w.e.f. 01.09.2021 as the Joint control has been reinstated vide Agreement dated 01.09.2021.

**Note 9: Investments**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Investments in Equity Instruments (fully paid up)</b>		
<b>Investments at Fair Value through Other Comprehensive Income (OCI)</b>		
<b>Quoted</b>		
PTC India Limited		
12000006 (Previous Year 12000006) Equity Shares of ₹10/- each	<b>98.69</b>	93.30
Investment in Units of POWERGRID Infrastructure Investment Trust		
136500100 (Previous Year Nil) units	<b>1,827.74</b>	-
<b>Unquoted</b>		
Energy Efficiency Services Limited		
NIL (Previous Year 56118350) Equity Shares of ₹10/- each	-	45.40
<b>Others</b>		
1 (Previous Year 1) share of ₹10/- each in Bharat Broadband Network Limited (₹ 10/-)	<b>0.00</b>	0.00
<b>Total</b>	<b>1,926.43</b>	<b>138.70</b>



## Note 9: Investments (Contd.)

### Further notes:

(₹ in crore)

	As at 31 March 2022	As at 31 March 2021
1) a) Aggregate amount of Quoted Investments		
At Cost	1,377.00	12.00
Market Value	1,926.43	93.30
b) Aggregate amount of Unquoted Investments	-	45.40
2) Investments have been valued as per accounting policy no. 2.2 & 2.14.		

## Note 10: Loans (considered good unless otherwise stated)

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Loans to Related Parties *</b>		
Loans to JVs-Unsecured	17.48	12.40
Loan to Directors & Key Managerial Personnel (KMP)		
Secured #	-	0.02
Unsecured	0.03	0.04
	17.51	12.46
<b>Loans to Employees (including interest accrued)</b>		
Secured #	352.86	278.39
Unsecured	36.08	31.73
	388.94	310.12
<b>Total</b>	<b>406.45</b>	<b>322.58</b>

### Further notes:

\* Details of loans to related parties is provided in Note 58.

# House building loans and conveyance advance to Directors, KMP and Employees are secured against the mortgage of the house properties or hypothecation of vehicles for which such loans have been given in line with the policies of the Company.

## Note 11: Other Non-current Financial Assets

(Unsecured considered good unless otherwise stated)

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
Lease receivables	1,028.76	853.54
Bank deposits with more than 12 months maturity #	74.83	92.66
Recoverable for GOI fully serviced bonds ##	3,487.50	3,487.50
Others###	0.07	127.04
<b>Total</b>	<b>4,591.16</b>	<b>4,560.74</b>

### Further notes:

# Bank deposits amounting to ₹66.02 crore are against designated accounts for consultancy work.

## In the FY 2018-19, the Company issued 'GoI fully serviced bonds' for an amount of ₹3487.50 crore for raising of Extra Budgetary Resources (EBR) for GoI scheme of Power System Development Fund (PSDF) in terms of letter No: 7/1/2018-OM dated 21st January, 2019 of Ministry of Power, Govt. of India (GoI) for meeting accrued liabilities for creation of Capital Assets. The repayment of principal and the interest payment on such bonds shall be met by GoI. An amount of ₹3487.50 crore from bond issue has been recognised as Grant in aid in Previous Years.

### Others include amount recoverable from customers



**Note 12: Other non-current Assets**

(Unsecured considered good unless otherwise stated)

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Advances for Capital Expenditure</b>		
Unsecured		
a. Against bank guarantees	317.19	293.35
b. Others	127.71	84.87
Unsecured considered doubtful	1.19	1.19
	446.09	379.41
Less: Provision for bad & doubtful Advances	1.19	1.19
	444.90	378.22
<b>Advances other than for Capital Expenditure</b>		
Security Deposits	25.53	22.91
Deferred Employee Cost	36.62	49.09
Deferred Foreign currency Fluctuation Asset	4,268.56	4,225.87
Advances recoverable in kind or for value to be received		
Employees	0.01	0.09
Balance with Customs Port Trust and other authorities	16.65	10.78
Advance tax and Tax deducted at source #	148.57	15.46
Others*		
Considered Good	36.82	93.18
Considered doubtful	0.37	0.37
	37.19	93.55
Less: Provision for doubtful Advances	0.37	0.37
	36.82	93.18
	202.05	119.51
<b>Total</b>	<b>4,977.66</b>	<b>4,795.60</b>

**Further notes:**

\*Others include amount recoverable from Customers &amp; State Governments, insurance claims etc.

# Net of Current Tax Liabilities - Note 33.

**Note 13: Inventories**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>(For mode of valuation refer Note 2.11)</b>		
Components, Spares & other spare parts	1,325.54	1,350.30
Loose tools	26.94	23.70
Consumable stores	11.56	11.44
	1,364.04	1,385.44
Less Provision for Shortages/damages etc.	6.87	18.50
<b>Total</b>	<b>1,357.17</b>	<b>1,366.94</b>



## Note 14: Trade receivables

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Trade receivables - Unsecured</b>		
Considered good	9,467.59	8,620.01
Credit Impaired	300.77	300.44
	9,768.36	8,920.45
Receivable from related parties - Unsecured		
Considered good	7.48	9.41
	9,775.84	8,929.86
Less: Loss Allowance	300.77	300.44
<b>Total</b>	<b>9,475.07</b>	<b>8,629.42</b>

### Further notes:

- Refer note no. 47 for disclosure as per Ind AS 115 'Revenue from Contracts with Customers' and note no. 58 for details of trade receivables from related parties.
- Trade Receivables includes Unbilled Receivables relating to transmission segment amounting to ₹4,662.11 crore (Previous Year ₹4,918.31 crore) out of which transmission charges for the month of March including arrear bills for previous quarters, of the financial year amounting to ₹3,156.56 crore (Previous Year ₹2,623.33 crore) billed to beneficiaries in the month of April of subsequent financial year.
- Based on arrangements between the Company, banks and beneficiaries, the bills of the beneficiaries have been discounted. Accordingly, trade receivables have been disclosed net off bills discounted amounting to ₹4180.23 crore (Previous Year ₹2871.49 crore). Refer note no. 61 for details.
- Aging of Trade Receivables is as follows:

(₹ in crore)

Particulars		Unbilled	Not Due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31.03.2022									
Considered – Good	Disputed	-	118.99	564.30	108.41	119.26	66.55	78.60	1,056.11
	Undisputed	4,712.71	1,506.30	1,109.33	634.40	409.70	25.74	20.78	8,418.96
Significant increase in Credit Risk	Disputed	-	-	-	-	-	-	-	-
	Undisputed	-	-	-	-	-	-	-	-
Credit Impaired	Disputed	-	-	-	-	-	0.58	277.76	278.34
	Undisputed	-	-	0.56	0.56	0.88	1.60	18.83	22.43
Total		4,712.71	1,625.29	1,674.19	743.37	529.84	94.47	395.97	9,775.84
As at 31.03.2021									
Considered – Good	Disputed	-	28.57	43.06	148.50	21.16	60.28	38.58	340.15
	Undisputed	4,953.89	1,732.80	877.93	378.99	209.25	49.30	87.11	8,289.27
Significant increase in Credit Risk	Disputed	-	-	-	-	-	-	-	-
	Undisputed	-	-	-	-	-	-	-	-
Credit Impaired	Disputed	-	-	-	-	0.49	20.34	258.94	279.77
	Undisputed	-	-	0.01	0.17	1.07	0.50	18.92	20.67
Total		4,953.89	1,761.37	921.00	527.66	231.97	130.42	403.55	8,929.86

- Disputed Trade receivables amounting to ₹799.33 crore (Previous Year ₹55.16 crore) are related to disputed proportion of ISTS charges attributed to concerned Designated ISTS Customer (DICs) from ISTS pool as per CERC Sharing Regulations. On settlement of dispute, these receivables shall either be received from concerned DICs or shall be re-apportioned to other DICs as per Sharing Regulations.

**Note 15: Cash and Cash Equivalents**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Balance with banks-</b>		
-In Current accounts	<b>644.47</b>	985.58
-In designated Current accounts (For Consultancy clients and others)	<b>151.41</b>	71.64
In term deposits (with maturity less than 3 months)(including interest accrued)*	<b>1,781.21</b>	3,429.87
Drafts/Cheques in hand/Remittances in transit	-	0.09
Cash in hand	-	0.03
Others (Stamps and Imprest)	<b>0.02</b>	0.02
<b>Total</b>	<b>2,577.11</b>	<b>4,487.23</b>

**Further notes:**

\*Term deposit includes ₹1190.34 crore (Previous Year ₹ 3050.84 crore) for Consultancy clients and others.

**Note 16: Bank Balances other than Cash & cash equivalents**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
Earmarked balance with banks*	<b>28.64</b>	152.91
In Term Deposits having maturity over 3 months but upto 12 months (For Consultancy clients and others) (including interest accrued)	<b>2,442.43</b>	718.57
<b>Total</b>	<b>2,471.07</b>	<b>871.48</b>

**Further notes:**

\*Earmarked balance with Bank includes unpaid dividend, dividend payable, TDS on Dividend etc.

**Note 17: Loans**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Loans to Related Parties (including interest accrued)*</b>		
Loans to Joint Venture - Unsecured	<b>4.26</b>	40.48
Loan to Directors & Key Managerial Personnel (KMP)		
Secured #	-	0.01
Unsecured Considered good	<b>0.08</b>	0.07
	<b>4.34</b>	40.56
<b>Loans to Employees (including interest accrued)</b>		
Secured #	<b>53.22</b>	46.08
Unsecured Considered good	<b>41.03</b>	40.41
	<b>94.25</b>	86.49
<b>Total</b>	<b>98.59</b>	<b>127.05</b>

**Further notes:**

\* Details of loans to related parties is provided in Note No. 58.

# House building loans and conveyance advance to Directors, KMP and Employees are secured against the mortgage of the house properties or hypothecation of vehicles for which such loans have been given in line with the policies of the Company.



### Note 18: Other Current Financial Assets

(Unsecured considered good unless otherwise stated)

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
Lease Receivables	81.64	55.59
Contract Assets #	5,607.74	2,180.59
Less: Provision for Contract Assets	18.92	18.92
	5,588.82	2,161.67
Recoverable for GOI fully Service Bonds (including interest accrued)	36.22	36.22
Advances to/Recoverable from Related Parties ##	1.57	0.82
Others ###		
Considered Good	448.44	771.13
<b>Total</b>	<b>6,156.69</b>	<b>3,025.43</b>

#### Further notes:

# Contract Assets includes ₹0.15 Crore (Previous Year Nil) from related parties (refer Note 58). Refer Note 47 for disclosure as per Ind AS 115 'Revenue from Contracts with Customers'.

## Details of advances to related parties are provided in Note 58.

### Others include:-

(a) an amount of ₹59.88 crore (Previous Year ₹59.88 crore) recoverable from M/s Delhi Transco Limited towards transfer of 2.427 hectare (Previous Year 2.427 hectare) land at Tughlaqabad and Dwarka Sub-station pending completion of legal formalities for transfer of title.

(b) amount recoverable from Customers, Advance rent for Residential and Office accommodation, Other advance etc.

### Note 19: Other Current Assets

(Unsecured considered good unless otherwise stated)

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Advances other than for Capital Expenditure</b>		
<b>Advances recoverable in kind or for value to be received</b>		
Contractors & Suppliers	6.10	9.75
Employees	8.25	5.98
Balance with Customs Port Trust and other authorities	34.24	39.27
Claims recoverable	15.24	0.54
	63.83	55.54
<b>Others*</b>		
Considered Good	160.45	121.97
Considered Doubtful	0.55	0.55
	161.00	122.52
<b>Less: Provision for Doubtful Advances</b>	0.55	0.55
	160.45	121.97
<b>Total</b>	<b>224.28</b>	<b>177.51</b>

#### Further notes:

\*Others include advance given for CSR activities and input tax credit - GST etc.

**Note 19A: Assets Classified as Held for Sale and related Liabilities**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Non-current assets</b>		
Property, Plant and Equipment	-	5,988.39
Capital work-in-progress	-	6.60
Intangible assets	-	110.82
Other non-current assets	-	63.98
	-	6,169.79
<b>Current assets</b>		
Inventories	-	30.99
Trade receivables	-	304.48
Cash and cash equivalents	-	180.51
Other current financial assets	-	0.02
Other current assets	-	15.26
	-	531.26
<b>Assets Classified as Held for Sale</b>	-	<b>6,701.05</b>

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Non-current liabilities</b>		
Deferred tax liabilities (Net)	-	327.25
	-	327.25
<b>Current liabilities</b>		
Financial Liabilities		
Trade payables -MSE	-	-
- Other Than MSE	-	0.36
Other current financial liability	-	36.23
Other current liabilities	-	0.06
Provisions	-	0.08
Current Tax Liabilities (Net)	-	-
	-	36.73
<b>Liabilities directly associated with Assets Classified as held for Sale</b>	-	<b>363.98</b>



## Note 19A: Assets Classified as Held for Sale and related Liabilities (Contd.)

(₹ in crore)

Particulars	As at 31 March 2022	
	Current	Non-Current
<b>Investments in Equity Instruments (fully paid up)</b>		
<b>Associates Companies</b>		
Powergrid Kala Amb Transmission Limited 15860000 Equity Shares of ₹10 each	15.86	-
Powergrid Jabalpur Transmission Limited 58996600 Equity Shares of ₹10 each	-	59.00
Powergrid Warora Transmission Limited 102258000 Equity Shares of ₹10 each	-	102.26
Powergrid Parli Transmission Limited 83746000 Equity Shares of ₹10 each	-	83.74
<b>Total</b>	<b>15.86</b>	<b>245.00</b>

### Further notes:

"The Group has monetised five (05) of its Subsidiaries, namely Powergrid Vizag Transmission Limited (PVTL), Powergrid Kala Amb Transmission Limited (PKATL), Powergrid Jabalpur Transmission Limited (PJTL), Powergrid Warora Transmission Limited (PWTL) and Powergrid Parli Transmission Limited (PPTL) through POWERGRID Infrastructure Investment Trust ('PGInvIT/ Trust'). PGInvIT has been registered by SEBI under SEBI (Infrastructure Investment Trusts) Regulations, 2014 ('InvIT Regulations') as an Infrastructure Investment Trust vide registration no. IN/InvIT/20-21/0016 dated 07 January 2021. The company is the Sponsor of PGInvIT and acts as the Project Manager to PGInvIT. IDBI Trusteeship Services Limited is the Trustee and Powergrid Unchahar Transmission Limited (PUTL), a wholly owned subsidiary of the company, has been appointed as Investment Manager to PGInvIT. The Offer Document for initial public offer was filed by PGInvIT with the SEBI and Stock Exchanges on 22 April 2021 and units got listed on stock exchanges on 14 May 2021. The 74% shares in the above five SPVs have been transferred to PGInvIT in May, 2021 and balance 26% shares of PVTL has been transferred in March 2022. The balance 26% of remaining SPVs i.e., PKATL, PJTL, PWTL and PPTL will be transferred in line with Transmission Service Agreement (TSA) & the same has been classified as "Assets Classified as Held for Sale" as on 31.03.2022.

In lieu of consideration of shareholding so transferred, 41,06,50,900 Units at the price of ₹100 each were allotted by PGInvIT to the company and ₹330.78 crore towards transfer of 26% share of PVTL. Further, the company received an amount of ₹304.15 crore on relinquishment of right on additional revenue in PPTL, PWTL and PJTL. The company retained 13,65,00,100 units being 15% of total units of PGInvIT outstanding on post issue basis pursuant to InvIT Regulations and remaining 27,41,50,800 units were sold by way of 'Offer for Sale (OFS)'. The company received an amount of ₹2736.02 crore (net of STT) against the OFS. The Profit on above transactions (net of related expenses) amounting to ₹3554.88 crore has been disclosed under "Exceptional items".

## Note 20: Regulatory Deferral Account Balances

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Assets</b>		
Deferred assets for deferred tax liability	8,614.91	9,351.43
Foreign Currency Fluctuation	1,182.57	1,089.54
Employee Benefits and Other Expense	135.76	134.16
<b>Total</b>	<b>9,933.24</b>	<b>10,575.13</b>

### Further notes:

Refer to note no 53 for detailed disclosure on Regulatory Deferral Account Balances.



**Note 21: Equity Share capital**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Equity Share Capital</b>		
<b>Authorised</b>		
10,00,00,00,000 (Previous Year 10,00,00,00,000) equity shares of ₹10/- each at par	<b>10,000.00</b>	10,000.00
<b>Issued, subscribed and paid up</b>		
6,97,54,52,864 (Previous Year 5,23,15,89,648) equity shares of ₹10/-each at par fully paid up	<b>6,975.45</b>	5,231.59

**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 31 March 2022		For the year ended 31 March 2021	
	No. of Shares	Amount (₹ in crore)	No. of Shares	Amount (₹ in crore)
Shares outstanding at the beginning of the year	<b>5231589648</b>	<b>5,231.59</b>	5231589648	5,231.59
Additions during the year*	<b>1743863216</b>	<b>1,743.86</b>	-	-
Deduction during the year	-	-	-	-
Shares outstanding at the end of the year	<b>6975452864</b>	<b>6,975.45</b>	<b>5231589648</b>	<b>5,231.59</b>

\* During the year, the Company has issued 174,38,63,216 equity shares of ₹10/- each as fully paid bonus shares in the ratio of one equity share of ₹10/- each for every three equity shares held on record date of 30 July 2021 by utilising Securities Premium.

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 to voting rights proportionate to their shareholding at meetings of the Shareholders.

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

Particulars	As at 31 March 2022		As at 31 March 2021		% Change
	No. of Shares	% of holding	No. of Shares	% of holding	
Government of India (Promoter)	<b>3581163210</b>	<b>51.34</b>	2685872408	51.34	-
Life Insurance Corporation of India	<b>415775810</b>	<b>5.96</b>	310294907	5.93	0.03

**Note 22: Other Equity**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Reserves and Surplus</b>		
Capital Reserve	<b>9.88</b>	0.76
Securities Premium	<b>7,834.43</b>	9,578.29
Bonds Redemption Reserve	<b>5,532.80</b>	7,387.97
Self Insurance Reserve	<b>874.86</b>	734.07
General Reserve	<b>50,430.26</b>	43,269.22
Retained Earnings	<b>4,043.46</b>	3,667.03
<b>Other Reserves</b>		
Other Comprehensive Income Reserve	<b>545.99</b>	67.14
<b>Total</b>	<b>69,271.68</b>	<b>64,704.48</b>



## Note 22: Other Equity (Contd.)

### 22.1 Capital Reserve

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	0.76	-
Addition during the year	9.12	0.76
Deduction during the year	-	-
<b>Balance at the end of the year</b>	<b>9.88</b>	<b>0.76</b>

Addition during the year is on account of reinstatement of joint venture (previous year is on account of business combination)

### 22.2 Securities Premium

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	9,578.29	9,578.29
Addition during the year	-	-
Deduction during the year	1,743.86	-
<b>Balance at the end of the year</b>	<b>7,834.43</b>	<b>9,578.29</b>

The premium on issue of shares is recorded in Securities premium and the same has been utilised to issue fully paid bonus shares during the year in accordance with provisions of the Companies Act, 2013.

### 22.3 Bonds Redemption Reserve

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	7,387.97	8,696.91
Addition during the year	-	-
Deduction during the year	1,855.17	1,308.94
<b>Balance at the end of the year</b>	<b>5,532.80</b>	<b>7,387.97</b>

Bonds Redemption Reserve is created for the purpose of redemption of debentures in term of the Companies Act, 2013. As per the Companies (Share Capital and Debentures) rule 2014, listed companies are not required to create Bonds Redemption Reserve w.e.f. 16.08.2019.

### 22.4 Self Insurance Reserve

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	734.07	832.09
Addition during the year	301.83	289.31
Deduction during the year	161.04	387.33
<b>Balance at the end of the year</b>	<b>874.86</b>	<b>734.07</b>

Self-Insurance Reserve is created @ 0.12% p.a. (0.12% p.a. in previous year) on the Original Gross Block of Property, Plant & Equipments (except ROU Assets) and value of inventory not covered under insurance as at the end of the year to meet future losses which may arise from un-insured risks and for procurement of towers and other transmission line materials including strengthening of towers and equipments of AC sub-station to take care of future contingencies.

**Note 22: Other Equity (Contd.)****22.5 General Reserve**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	43,269.22	36,905.49
Addition during the year	7,161.04	6,363.73
Deduction during the year	-	-
<b>Balance at the end of the year</b>	<b>50,430.26</b>	<b>43,269.22</b>

General Reserve is retained earnings of the company which are kept aside out of company's profits. It is a free reserve which can be utilized to meet any unknown future contingencies and to pay dividends to shareholders.

**22.6 Retained Earnings**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	3,667.03	3,423.64
Add: Additions		
Net Profit for the period	16,824.07	12,036.46
Items of other comprehensive income recognised directly in surplus balance		
- Remeasurements of post employment benefit obligations	(187.71)	(14.31)
Transfer from Bond Redemption Reserve	1,855.17	1,308.94
Transfer from Self Insurance	-	23.60
Other Adjustments	(1.31)	-
Less: Appropriations		
General Reserve	7,000.00	6,000.00
Self Insurance Reserve	301.83	289.31
Interim dividend paid	8,719.32	4,708.43
Final Dividend (refer note 62(b))	2,092.64	2,113.56
<b>Balance at the end of the year</b>	<b>4,043.46</b>	<b>3,667.03</b>

**22.7 Other Comprehensive Income Reserve**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	67.14	27.34
Addition during the year	478.85	39.80
<b>Balance at the end of the year</b>	<b>545.99</b>	<b>67.14</b>

Other Comprehensive Income Reserve is created from increase/decrease in valuation of Non Current Investments classified as fair valued through Other Comprehensive Income (FVOCI).

**Note 23: Borrowings**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>A) BONDS</b>		
<b>A1) Secured (Taxable, Redeemable, Non-Cumulative, Non-Convertible)</b>		
<b>A1.1 i) Bonds of ₹10 lakh each</b>		
<b>LV Issue-7.55% Redeemable at par on 21.09.2031</b>	<b>1,289.06</b>	1,289.04
<b>LX Issue-7.20% Redeemable at par on 09.08.2027</b>	<b>3,201.69</b>	3,201.67



## Note 23: Borrowings (Contd.)

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>LIX Issue-7.30% Redeemable at par on 19.06.2027</b>	<b>3,245.45</b>	3,245.43
<b>XXXIX Issue-9.40% redeemable at par on 29.03.2027</b>	<b>1,801.34</b>	1,801.33
<b>LVIII Issue-7.89% redeemable at par on 09.03.2027</b>	<b>2,070.09</b>	2,070.07
<b>XXXVIII Issue-9.25% redeemable at par on 09.03.2027</b>	<b>859.93</b>	859.92
<b>LVI Issue-7.36% redeemable at par on 18.10.2026</b>	<b>1,100.30</b>	1,100.06
<b>LXII Issue-8.36% Redeemable at par in 05 (five) equal installments w.e.f. 07.01.2025</b>	<b>2,038.31</b>	2,038.28
<b>XLII Issue-8.80% redeemable at par on 13.03.2023</b>	<b>1,999.08</b>	1,999.05
<b>LVII Issue-7.20% redeemable at par on 21.12.2021</b>	<b>-</b>	2,162.20
ii) Bonds of ₹30 lakh each consisting of 3 STRPPs of ₹10 lakh each redeemable at par in 3 (Three) equal installments on 15.07.2021, 15.07.2026 and 15.07.2031		
<b>LIV Issue-7.97% Redeemable w.e.f. 15.07.2021</b>	<b>2,113.41</b>	3,170.17
iii) Bonds of ₹30 lakh each consisting of 3 STRPPs of ₹10 lakh each redeemable at par in 3 (Three) equal installments on 23.12.2020, 23.12.2025 and 23.12.2030		
<b>LII Issue-8.32% redeemable w.e.f. 23.12.2020</b>	<b>952.91</b>	952.89
iv) Bonds of ₹1.20 crore each consisting of 12 STRPPs of ₹10 lakh each redeemable at par in 12 (Twelve) equal installments		
<b>LIII Issue-8.13% Redeemable w.e.f. 25.04.2020</b>	<b>3,582.07</b>	3,939.45
v) Bonds of ₹30 lakh each consisting of 3 STRPPs of ₹10 lakh each redeemable at par in 3 (Three) equal installments on 09.03.2020, 09.03.2025 and 09.03.2030		
<b>XLIX Issue-8.15% redeemable w.e.f. 09.03.2020</b>	<b>874.36</b>	874.34
vi) Bonds of ₹40 lakh each consisting of 4 STRPPs of ₹10 lakh each redeemable at par in 4 (Four) equal installments on 23.01.2020, 23.01.2022, 23.01.2025 and 23.01.2030		
<b>XLVIII Issue-8.20% redeemable w.e.f. 23.01.2020</b>	<b>1,309.62</b>	1,963.59
vii) Bonds of ₹1.20 crore each consisting of 12 STRPPs of ₹10 lakh each redeemable at par in 12 (Twelve) equal installments		
<b>LI Issue-8.40% redeemable w.e.f. 14.09.2019</b>	<b>2,352.94</b>	2,614.37
viii) Bonds of ₹30 lakh each consisting of 3 STRPPs of ₹10 lakh each redeemable at par in 3 (Three) equal installments on 04.09.2019, 04.09.2024 and 04.09.2029		
<b>XLVI Issue-9.30% redeemable w.e.f. 04.09.2019</b>	<b>3,062.76</b>	3,062.74
ix) Bonds of ₹1.20 crore each consisting of 12 STRPPs of ₹10 lakh each redeemable at par in 12 (Twelve) equal installments		
<b>L Issue-8.40% redeemable w.e.f. 27.05.2019</b>	<b>2,352.06</b>	2,613.39
x) Bonds of ₹1.20 crore each consisting of 12 STRPPs of ₹10 lakh each redeemable at par in 12 (Twelve) equal installments		
<b>XLVII Issue-8.93% redeemable w.e.f. 20.10.2018</b>	<b>1,830.10</b>	2,058.85
xi) Bonds of ₹30 lakh each redeemable at par in 3 equal installments on 15.07.2018, 15.07.2023 and 15.07.2028		
<b>XLIV Issue-8.70% redeemable w.e.f. 15.07.2018</b>	<b>2,807.78</b>	2,807.76
xii) Bonds of ₹1.2 crore each consisting of 12 STRPPs of ₹10 lakh each redeemable at par in 12 (Twelve) equal annual installments		
<b>XLV Issue-9.65% redeemable w.e.f. 28.02.2018</b>	<b>1,175.99</b>	1,343.63
<b>XLIII Issue-7.93% redeemable w.e.f. 20.05.2017</b>	<b>1,948.63</b>	2,227.00

**Note 23: Borrowings (Contd.)**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
xiii) Bonds of ₹1.5 crore each consisting of 12 STRPPs of ₹ 12.50 lakh each redeemable at par in 12 (Twelve) equal annual installments. <b>XLI Issue-8.85% redeemable w.e.f. 19.10.2016</b>	<b>1,477.73</b>	1,724.01
xiv) Bonds of ₹1.50 crore each, consisting of 15 STRPPs of ₹10.00 lakh each redeemable at par in 15 (Fifteen) equal annual installments <b>XXXVI Issue- 9.35% redeemable w.e.f. 29.08.2016</b>	<b>1,956.08</b>	2,173.42
xv) Bonds of ₹1.5 crore each consisting of 12 STRPPs of ₹12.50 lakh each redeemable at par in 12 (Twelve) equal annual installments. <b>XL Issue-9.30% redeemable w.e.f. 28.06.2016</b>	<b>2,139.80</b>	2,496.43
<b>XXXVII Issue- 9.25% redeemable w.e.f 26.12.2015</b>	<b>851.46</b>	1,021.74
<b>XXXV Issue- 9.64% redeemable w.e.f 31.05.2015</b>	<b>881.31</b>	1,057.57
<b>XXXIV Issue- 8.84% redeemable w.e.f 21.10.2014</b>	<b>1,208.10</b>	1,510.12
<b>XXXIII Issue- 8.64% redeemable w.e.f 08.07.2014</b>	<b>1,020.66</b>	1,275.83
<b>XXXII Issue- 8.84% redeemable w.e.f 29.03.2014</b>	<b>258.93</b>	345.24
<b>XXXI Issue- 8.90% redeemable w.e.f 25.02.2014</b>	<b>516.24</b>	688.31
<b>XXX Issue- 8.80% redeemable w.e.f 29.09.2013</b>	<b>608.99</b>	811.98
<b>XXIX Issue- 9.20% redeemable w.e.f 12.03.2013</b>	<b>217.34</b>	326.00
<b>XXVIII Issue- 9.33% redeemable w.e.f 15.12.2012</b>	<b>410.94</b>	616.40
<b>XXVII Issue- 9.47% redeemable w.e.f 31.03.2012</b>	<b>58.76</b>	117.53
<b>XXVI Issue- 9.30% redeemable w.e.f 07.03.2012</b>	<b>83.78</b>	167.56
<b>XXV Issue- 10.10% redeemable w.e.f 12.06.2011</b>	<b>95.95</b>	191.89
<b>XXIV Issue- 9.95% redeemable w.e.f 26.03.2011</b>	-	66.73
<b>XXIII Issue- 9.25% redeemable w.e.f 09.02.2011</b>	-	25.96
<b>XXII Issue- 8.68% redeemable w.e.f 07.12.2010</b>	-	59.07
<b>XXI Issue- 8.73% redeemable w.e.f 11.10.2010</b>	-	44.25
<b>XX Issue- 8.93% redeemable w.e.f 07.09.2010</b>	-	131.30
<b>XIX Issue- 9.25% redeemable w.e.f 24.07.2010</b>	-	43.87
	<b>53,753.95</b>	<b>62,290.44</b>
<b>A2) Unsecured</b>		
<b>A2.1 Redeemable Domestic Bonds</b>		
i) Bonds of ₹10 Lakh each <b>LXVIII Issue-6.28% redeemable at par on 11.04.2031</b>	<b>520.54</b>	520.54
<b>LXVI Issue-7.38% Redeemable at par on 12.04.2030</b>	<b>508.18</b>	508.16
ii) Bonds of ₹50 Lakhs each consisting of 05 STRPPs of ₹10.00 Lakhs each redeemable at par in 05 (Five) equal annual instalments. <b>LXI Issue-7.74% redeemable w.e.f. 12.12.2028</b>	<b>3,069.79</b>	3,069.77
iii) Bonds of ₹10 Lakh each <b>LXIX Issue-6.05% Redeemable at par on 25.03.2027</b>	<b>530.49</b>	-
<b>LXVII Issue-6.85% redeemable at par on 15.04.2025</b>	<b>2,984.28</b>	2,984.24
iv) Bonds of ₹10 Lakhs each consisting of 03 STRPPs of ₹3.00 Lakhs, ₹3.00 Lakhs & ₹4.00 Lakhs each redeemable at par in 03 (Three) equal annual instalments. <b>LXIV Issue-7.49% redeemable w.e.f. 25.10.2024</b>	<b>2,601.50</b>	2,601.48



## Note 23: Borrowings (Contd.)

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
v) Bonds of ₹30 Lakhs each consisting of 03 STRPPs of ₹10.00 Lakhs each redeemable at par in 03 (Three) equal annual instalments. <b>LXIII Issue-7.34% redeemable w.e.f. 15.07.2024</b>	<b>1,893.92</b>	1,893.90
vi) Bonds of ₹10 Lakh each <b>LXV Issue-6.35% Redeemable at par on 14.04.2023</b>	<b>202.85</b>	202.82
<b>A2.2 Redeemable Foreign Currency Bonds</b>		
<b>3.875% Foreign Currency Bonds to be redeemed at par on 17.01.2023</b>	<b>3,843.81</b>	3,723.90
	<b>16,155.36</b>	<b>15,504.81</b>
<b>Total (A)</b>	<b>69,909.31</b>	<b>77,795.25</b>
<b>B) Term Loan</b>		
<b>From Banks</b>		
<b>Secured</b>		
Foreign Currency Loans (Guaranted by Government of India (GOI))	<b>24,778.09</b>	25,983.53
Other Foreign Currency Loans	<b>7,024.30</b>	7,256.11
Rupee Loans	<b>9,275.02</b>	10,388.85
	<b>41,077.41</b>	<b>43,628.49</b>
<b>Unsecured</b>		
Foreign Currency Loans (Guaranted by Government of India (GOI))	<b>3,386.96</b>	3,891.20
Other Foreign Currency Loans	<b>2,832.34</b>	3,222.26
Rupee Loans	<b>14,941.02</b>	15,974.65
	<b>21,160.32</b>	<b>23,088.11</b>
<b>Total (B)</b>	<b>62,237.73</b>	<b>66,716.60</b>
<b>Total (A to B)</b>	<b>132,147.04</b>	<b>144,511.85</b>
Less: Current maturities of Non Current Borrowing (refer note 28)	<b>15,165.87</b>	12,235.54
Less: Interest Accrued but not due on borrowings (refer note 30)	<b>2,781.77</b>	3,101.52
<b>Total (A to B)</b>	<b>114,199.40</b>	<b>129,174.79</b>

### Further notes:

#### Details of terms of repayment and rate of interest

- Secured Foreign Currency Loans (Guaranteed by GoI) carry floating rate of interest linked to 6M SOFR. These loans are repayable in semi annual installment, as per terms of the respective loan agreement, commencing after moratorium period of 3 to 5 years except for one loan ₹376.13 Crore (Previous year ₹364.64 Crore) which carry fixed rate of interest of 0.25% p.a.
- Secured other Foreign Currency Loans carry floating rate of interest linked to 6M (LIBOR/SOFR/EURIBOR). These loans are repayable in semi annual installment, as per terms of the respective loan agreements, commencing after moratorium period of 3 to 5 years.
- Secured Rupee loan from banks carry floating rate of interest linked to 3M MCLR. These loans are repayable in semi annual installments, as per terms of the respective loan agreements, commencing after moratorium period of 5 years.
- Unsecured Foreign Currency Loans (Guaranteed by GoI) carry fixed rate of interest ranging from 1.63% p.a. to 2.30% p.a. These loans are repayable in semi annual installments as per terms of the respective loan agreements.
- Unsecured Foreign Currency Loans carry floating rate of interest linked to 6M (STIBOR/EURIBOR). These loans are repayable in semi annual installments as per terms of the respective loan agreements, commencing after moratorium period as per terms of the respective loan agreements.



**Note 23: Borrowings (Contd.)**

- 6 Unsecured Foreign Currency Loans carry floating rate of interest linked to 3M TONA. This loan is repayable in five equal annual installment as per the terms of the loan agreement.
- 7 Unsecured Rupee loan from bank carry floating rate of interest linked to 3 months MCLR or Repo rate. These loans are repayable in semi annual installments, as per terms of the respective loan agreements, commencing after moratorium period as per terms of the respective loan agreements.
- 8 There has been no default in repayment of loans or payment of interest thereon as at the end of the year.
- 9 The company has used the borrowings from banks and financial institutions for the specified purpose for which it was taken as at balance sheet date.

**Details of Securities**

- 1 Domestic Bonds are Secured by way of Registered Bond Trust Deed ranking pari passu on immovable property situated at Mouje Ambheti Taluka Kaparada in district Valsad Gujarat and floating charge on the assets of the company.
- 2 Secured Foreign Currency Loans (Guaranteed by Govt) are secured by pari passu interest in the lien created on the assets as security for the debts.
- 3 Secured Other Foreign Currency Loans and Rupee Loans are secured by the way of
  - (i) pari passu charge on the assets of the company except investments, land and building, roads and bridges, water supply, drainage and sewerage and current assets or
  - (ii) pari passu charge on the assets of the company except investments and current assets or
  - (iii) floating charge on the immovable properties of the company.
 as per the terms of respective loan agreements.

**Note 24: Other Non-current financial liabilities**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
Deposits/Retention money from contractors and others	19.80	106.96
Govt. of India fully serviced bonds *	3,487.50	3,487.50
Dues for Capital Expenditure	15.70	12.48
Others #	-	127.04
<b>Total</b>	<b>3,523.00</b>	<b>3,733.98</b>

**Further notes:**

Disclosure with regard to Micro and Small enterprises as required under "The Micro, Small and Medium Enterprises Development Act, 2006" is given in Note No 50.

\* Govt of India fully serviced bonds issued @ 8.24% redeemable at par on 14.02.2029. Refer Note 11 for details.

# Others includes amount payable to Customers upon recovery.

**Note 25: Provisions**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Employee Benefits</b>		
As per last balance sheet	462.02	424.71
Additions/(adjustments) during the year	55.12	37.31
<b>Closing Balance</b>	<b>517.14</b>	<b>462.02</b>

**Further notes:**

Provision is created for the purpose of leave encashment, Settlement Allowance, Long Service Award and other benefits. Refer Note 66 for detailed disclosure related to Employee Benefit Obligations.



## Note 26: Deferred tax liabilities (Net)

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>A. Deferred Tax Liability</b>		
Difference in book depreciation and tax depreciation	26,144.82	23,007.06
Finance lease assets	91.48	72.47
Others	207.61	23.42
<b>Deferred Tax Liability (A)</b>	<b>26,443.91</b>	<b>23,102.95</b>
<b>B. Deferred Tax Assets</b>		
Income during Construction Period	18.26	17.95
Provisions allowable on payment basis	591.26	514.70
Advance Against Depreciation	299.92	353.20
Unused Tax Losses	765.84	301.94
MAT Credit Entitlement	13,268.89	9,969.02
Others	142.76	109.52
<b>Deferred Tax Assets (B)</b>	<b>15,086.93</b>	<b>11,266.33</b>
<b>Deferred Tax Liability (Net) (A-B)</b>	<b>11,356.98</b>	<b>11,836.62</b>

### Further notes:

#### Movement in Deferred Tax Liabilities

(₹ in crore)

Particulars	Property Plant and Equipment	Finance Leased Assets	Others	Total
<b>As at 01.04.2020</b>	<b>20,961.12</b>	<b>76.96</b>	<b>43.15</b>	<b>21,081.23</b>
Charged/(credited) to profit or loss	2,596.43	(4.49)	(19.73)	2,572.21
Other Adjustments	(550.49)			(550.49)
<b>As at 31.03.2021</b>	<b>23,007.06</b>	<b>72.47</b>	<b>23.42</b>	<b>23,102.95</b>
Charged/(credited) to profit or loss	3,149.40	19.01	130.29	3,298.70
Charged/(credited) to OCI			53.90	53.90
Other Adjustments	(11.64)			(11.64)
<b>As at 31.03.2022</b>	<b>26,144.82</b>	<b>91.48</b>	<b>207.61</b>	<b>26,443.91</b>

#### Movement in Deferred Tax Asset

(₹ in crore)

Particulars	Property Plant & Equipment-Income during construction period	Provisions allowable on payment basis	Advance against depreciation	MAT Credit	Others	Total
<b>As at 01.04.2020</b>	<b>24.88</b>	<b>467.85</b>	<b>409.12</b>	<b>7,906.46</b>	<b>1,044.14</b>	<b>9,852.45</b>
Charged/(credited) to profit or loss	(6.93)	46.85	(55.92)	2,066.46	(433.91)	1,616.55
Other Adjustments				(3.90)	(198.77)	(202.67)
<b>As at 31.03.2021</b>	<b>17.95</b>	<b>514.70</b>	<b>353.20</b>	<b>9,969.02</b>	<b>411.46</b>	<b>11,266.33</b>
Charged/(credited) to profit or loss	0.31	76.56	(53.28)	3,303.81	499.56	3,826.96
Other Adjustments				(3.94)	(2.42)	(6.36)
<b>As at 31.03.2022</b>	<b>18.26</b>	<b>591.26</b>	<b>299.92</b>	<b>13,268.89</b>	<b>908.60</b>	<b>15,086.93</b>

**Note 26: Deferred tax liabilities (Net) (Contd.)**

Recognised in Statement of Profit and Loss /Other Comprehensive Income (OCI)

(₹ in crore)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Increase/ (Decrease) in Deferred Tax Liabilities	<b>3,298.70</b>	2,572.21
Decrease / (Increase) in Deferred Tax Assets	<b>(3,826.96)</b>	(1,616.55)
<b>Amount charged/(credited) to profit or loss</b>	<b>(528.26)</b>	<b>955.66</b>
Increase/ (Decrease) in Deferred Tax Liabilities	<b>53.90</b>	-
<b>Amount charged/(credited) to OCI</b>	<b>53.90</b>	-

- a) In the opinion of the management, it is probable that future economic benefits will flow to the group in the form of availability of set off against future income tax liability by recognizing MAT credit as follows:

Future taxable profits will be adjusted against (a) tax holiday u/s 80-IA of Income Tax Act, 1961 for the projects commissioned up to 31.03.2017 (b) initial depreciation on the assets to be commissioned in future and (c) regular income tax depreciation u/s 32 of Income Tax Act, 1961 and thereafter tax amount will be set off against MAT credit to the extent of ₹3,303.81 crore (Previous Year ₹2,066.46 crore). Hence, the same has been recognised as Deferred Tax Assets during the year.

- b) MAT credit available to the group in future but not recognised in the books:

(₹ in crore)

For the Financial Year	As at 31.03.2022	Expiry Date	As at 31.03.2021	Expiry Date
2015-16	<b>1,421.20</b>	<b>31.03.2026</b>	1,421.20	31.03.2026
2014-15	<b>1,281.23</b>	<b>31.03.2025</b>	1,281.23	31.03.2025
2013-14	<b>1,085.14</b>	<b>31.03.2024</b>	1,085.14	31.03.2024
2012-13	<b>1,071.31</b>	<b>31.03.2023</b>	1,071.31	31.03.2023
2011-12	-	<b>31.03.2022</b>	239.01	31.03.2022

**Note 27: Other non-current liabilities**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
Advance from customers (Consultancy/Telecom services) \$	<b>238.08</b>	215.76
Others	<b>4.81</b>	4.30
<b>Total</b>	<b>242.89</b>	<b>220.06</b>

**Further notes:**

\$ Refer Note 47 for disclosure as per Ind AS 115 'Revenue from Contracts with Customers'.

**Note 28: Borrowings**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Current maturities of long term borrowings</b>		
<b>Secured</b>		
Bonds	<b>6,090.23</b>	8,223.72
Rupee Term Loans	<b>1,454.00</b>	1,018.13
Foreign Currency Loans	<b>2,585.90</b>	2,722.35
	<b>10,130.13</b>	11,964.20
<b>Un-secured</b>		
Bonds	<b>3,813.41</b>	-
Rupee Term Loans	<b>550.00</b>	-
Foreign Currency Loans	<b>672.33</b>	271.34
	<b>5,035.74</b>	271.34
	<b>15,165.87</b>	12,235.54



## Note 28: Borrowings (Contd.)

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Short Term - Unsecured</b>		
From Banks	5,300.00	600.00
Commercial Paper	-	1,200.00
<b>Total</b>	<b>20,465.87</b>	<b>14,035.54</b>

### Further notes:

- Commercial Papers/short term loan are unsecured in nature, with rate of interest ranging from 3.75% to 3.95% (Previous Year from 3.07% to 5.59%) and repayable within 90 days to 180 days (Previous Year in 44 days to 270 days) from the date of drawl.
- There has been no default in repayment of loans or payment of interest thereon as at the end of the year.

## Note 29: Trade payables

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
For goods and services		
(A) total outstanding dues of micro enterprises and small enterprises	47.19	29.76
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	219.91	157.72
<b>Total</b>	<b>267.10</b>	<b>187.48</b>

### Further notes:

Disclosure with regard to Micro and Small enterprises as required under "Division II of Schedule III of The Companies Act, 2013" and "The Micro, Small and Medium Enterprises Development Act, 2006" is given in Note No 50.

Aging of Trade Payables is as follows:

(₹ in crore)

Particulars	Not Billed	<1Y	1Y-2Y	2Y-3Y	>3Y	Total
<b>As at 31.03.2022</b>						
<b>MSME</b>						
Disputed	-	-	-	-	-	-
Undisputed	12.65	34.54	-	-	-	47.19
<b>Total</b>	<b>12.65</b>	<b>34.54</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>47.19</b>
<b>Others</b>						
Disputed	-	-	-	-	-	-
Undisputed	85.79	127.20	3.31	1.19	2.42	219.91
<b>Total</b>	<b>85.79</b>	<b>127.20</b>	<b>3.31</b>	<b>1.19</b>	<b>2.42</b>	<b>219.91</b>
<b>Total Trade payables</b>	<b>98.44</b>	<b>161.74</b>	<b>3.31</b>	<b>1.19</b>	<b>2.42</b>	<b>267.10</b>
<b>As at 31.03.2021</b>						
<b>MSME</b>						
Disputed	-	-	-	-	-	-
Undisputed	2.80	26.95	0.01	-	-	29.76
<b>Total</b>	<b>2.80</b>	<b>26.95</b>	<b>0.01</b>	<b>-</b>	<b>-</b>	<b>29.76</b>
<b>Others</b>						
Disputed	-	-	-	-	-	-
Undisputed	45.82	99.38	5.18	2.61	4.73	157.72
<b>Total</b>	<b>45.82</b>	<b>99.38</b>	<b>5.18</b>	<b>2.61</b>	<b>4.73</b>	<b>157.72</b>
<b>Total Trade payables</b>	<b>48.62</b>	<b>126.33</b>	<b>5.19</b>	<b>2.61</b>	<b>4.73</b>	<b>187.48</b>

**Note 30: Other Current Financial Liabilities**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Interest accrued but not due on borrowings from</b>		
Foreign Banks & Financial Institutions	86.13	94.09
Secured/Unsecured redeemable Bonds	2,695.64	3,007.43
	<b>2,781.77</b>	<b>3,101.52</b>
<b>Interest accrued but not due from Govt. of India fully serviced bonds</b>	<b>36.22</b>	<b>36.22</b>
<b>Others</b>		
Dues for capital expenditure	980.79	1,235.08
Employee related liabilities	51.29	73.06
Unclaimed dividends & FPO*	28.64	20.88
Deposits/Retention money from contractors and others	3,627.07	3,889.69
Related parties**	2.56	-
Dividend Payable	-	2.85
Others #	2,665.66	2,447.98
	<b>7,356.01</b>	<b>7,669.54</b>
<b>Total</b>	<b>10,174.00</b>	<b>10,807.28</b>

**Further notes:**

Disclosure with regard to Micro and Small enterprises as required under "The Micro, Small and Medium Enterprises Development Act, 2006" is given in Note No 50.

\* No amount is due for payment to Investor Education and Protection Fund.

\*\*Details of amount payable to related parties are provided in Note 58.

# Others include liability for payment against Long Term Access (LTA), Short Term Open Access (STOA), ISTS License recovery, Price variation etc.

**Note 31: Other current liabilities**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
Advances from customers *	3,022.10	3,531.15
Advances from customers - related parties #	82.20	79.78
Statutory dues	124.15	273.77
<b>Total</b>	<b>3,228.45</b>	<b>3,884.70</b>

**Further notes:**

\* Refer Note 47 for disclosure as per Ind AS 115 'Revenue from Contracts with Customers'.

#Details of amount payable to related party are provided in Note 58

**Note 32: Provisions**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>A) Employee Benefits</b>		
<b>i) Performance related pay /special incentive</b>		
As per last balance sheet	509.83	461.00
Addition during the year	438.74	509.83
Amount paid/adjusted during the year	509.83	461.00
Closing Balance	<b>438.74</b>	<b>509.83</b>



## Note 32: Provisions (Contd.)

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>ii) Other Employee Benefits</b>		
<b>(Leave Encashment, Settlement Allowance and Long Service Award etc.)</b>		
As per last balance sheet	67.66	76.77
Additions/(adjustments) during the year	184.20	(9.11)
Closing Balance	251.86	67.66
<b>Total (A)</b>	<b>690.60</b>	<b>577.49</b>
<b>B) Others</b>		
<b>i) Downtime Service Credit-Telecom</b>		
As per last balance sheet	8.86	11.36
Additions during the year	3.42	12.38
Amounts adjusted during the year	9.03	14.88
Closing Balance	3.25	8.86
<b>ii) Provision Others</b>		
As per last balance sheet	258.77	192.91
Add: on account of business combination	-	9.19
Additions/(adjustments) during the year	214.50	56.75
Less: Classified as Held for sale	-	0.08
Closing Balance	473.27	258.77
<b>Total (B)</b>	<b>476.52</b>	<b>267.63</b>
<b>Total (A+B)</b>	<b>1,167.12</b>	<b>845.12</b>

### Further notes:

#### A) Employee Benefits

##### i) Performance Related Pay/Special Incentive:

Provision is created for Performance Related Pay to Executives and Non-Executives

##### ii) Other Employee Benefits:

Provision is created for the purpose of meeting out leave encashment, settlement allowance, long service award and POWERGRID Employee Family Rehabilitation Scheme. Refer Note 66 for detailed disclosure related to Employee Benefit Obligations.

#### B) Others:

##### i) Downtime Service Credit –Telecom:

Provision is created in case when actual downtime is in excess of the permissible service level agreement, in such cases the necessary credit is passed on to the customer on demand.

However, in some cases, the downtime is not claimed by the customers then in such cases necessary provision on account of downtime is made in the books of accounts as per the links availability reports received from National Telecom Control Centre (NTCC) for the period of non-operation of links given to the customers. The calculation of downtime credit is based on the SLA signed with various customers.

##### ii) Provision Others:

It includes provision for entry tax ₹165.24 crore (Previous Year ₹156.98 crore) as per demand raised by revenue authorities disputed by the company and are under litigation. An amount of ₹8.94 crore (Previous Year ₹8.24 crore) has been paid under court order and shown as "Balance with custom port trust and other authorities" in note no. 19.

Also includes provision of ₹0.00 crore (Previous Year ₹0.46 crore) towards demand raised by the commercial taxes department of Telangana in relation to absence of statutory form and other evidence on account of inter-state sale not covered by 'C' form.



**Note 33: Current Tax Liabilities (Net)**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Taxation (Including interest on tax)</b>		
As per last balance sheet	<b>9,169.89</b>	6,624.18
Additions during the year	<b>3,173.29</b>	2,580.13
Amount adjusted during the year	<b>4,085.56</b>	34.42
<b>Total</b>	<b>8,257.62</b>	9,169.89
Net off against Advance tax and TDS	<b>8,248.17</b>	8,744.38
<b>Closing Balance</b>	<b>9.45</b>	<b>425.51</b>

**Note 34: Deferred Revenue**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
Advance against depreciation	<b>858.29</b>	1,010.75
Grants in aid (Refer Further notes)		
As per last Balance Sheet	<b>3,926.11</b>	4,147.01
Addition during the year	<b>22.04</b>	107.99
Adjustments during the year	<b>300.26</b>	328.89
Closing balance	<b>3,647.89</b>	3,926.11
Deferred income from foreign currency fluctuation (Net)	<b>5,008.36</b>	4,817.29
<b>Total</b>	<b>9,514.54</b>	<b>9,754.15</b>

**Further notes:**

- Grant in Aid of ₹0.00 crore (Previous Year ₹5.95 crore) was received from Power System Development Fund (PSDF) under Ministry of Power (MoP), Govt. of India (GoI) for installation of STATCOM in ER (ERSS-XI) and SR (System Strengthening in SR-XXI). In addition to Grant received, an interest of ₹0.02 crore (Previous Year ₹1.43 crore) credited to the Grant. An amount of ₹8.99 crore is repayable to Ministry of Power (MoP), Govt. of India (GoI) on account of cost savings in the projects. Accordingly, the said amount is shown as payable under Other Current Financial Liabilities.
- Grant in Aid of ₹0.41 crore (Previous Year ₹0.75 crore) including interest has been recognised, from Power System Development Fund (PSDF) under MoP, GoI for establishment of Unified Real Time Dynamic State Measurement (URTDSM).
- Grant in Aid, of ₹27.59 crore (Previous Year ₹99.83 crore) including interest has been recognised, from Ministry of New & Renewable Energy (MNRE), GoI for establishment of transmission system associated with Ultra Mega Solar Parks in Andhra Pradesh, Karnataka, Madhya Pradesh, Rajasthan and Gujarat.
- Grant in Aid of ₹0.02 crore (Previous Year ₹0.03 crore) has been recognised under achievement linked/incentive award scheme for Government Sector by Ministry of New & Renewable Energy (MNRE), GoI for establishing solar roof top plants in various buildings of the company.
- Grant in Aid of ₹2.99 crore (Previous Year ₹0.00 crore) was received from Ministry of New & Renewal Energy (MNRE) for creating awareness activities for Pradhan Mantri Kisan Urja Suraksha evam Utthaan Mahabhiyaan (PM KUSUM) in Andhra Pradesh, Kerala and Rajasthan.



## Note 35: Revenue from operations

(₹ in crore)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Sales of services</b>		
<b>Transmission Business</b>		
Transmission Charges	<b>39,381.87</b>	37,999.65
Add: Revenue recognised out of Advance Against Depreciation	<b>152.46</b>	160.06
	<b>39,534.33</b>	38,159.71
<b>Other Operating Revenue</b>		
Interest on differential Provisional and Final Tariff	<b>480.78</b>	2.48
Income from lease lines	<b>50.61</b>	7.59
Recognised from deferred revenue - Grant in aid	<b>300.26</b>	328.89
	<b>831.65</b>	338.96
	<b>40,365.98</b>	38,498.67
<b>Telecom Business</b>	<b>580.15</b>	707.45
<b>Consultancy Project Management and Supervision</b>	<b>670.21</b>	433.67
<b>Total</b>	<b>41,616.34</b>	<b>39,639.79</b>

### Further notes:

- In exercise of powers u/s 178 of the Electricity Act 2003, Central Electricity Regulatory Commission (CERC) has notified "CERC (Terms and Conditions of Tariff) Regulations, 2019" vide order dated 07.03.2019 for the determination of transmission tariff for the block period 2019-24.
- The company has recognised transmission income during the year as per the following:
  - ₹20,297.33 crore (Previous Year ₹9,407.16 crore) as per final tariff orders issued by CERC for block period 2019-24 and
  - ₹17,509.81 crore (Previous Year ₹26,713.76 crore) provisionally as per CERC Tariff Regulations for the block period 2019-24 and other orders in similar cases, in respect of transmission assets for which final tariff orders were yet to be issued.
- Consequent to the final order issued by CERC, transmission income includes ₹628.80 crore (increase) (Previous Year ₹538.30 crore (increase)) pertaining to earlier years.
- Refer note no. 69 for disclosure on formation of wholly owned subsidiary of the company to undertake Telecommunications and Digital Technology Business of the company.
- Refer note no. 47 for disclosure as per Ind AS 115 "Revenue from Contracts with Customer".

**Note 36: Other income**

(₹ in crore)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Interest income from</b>		
Indian Banks	172.21	59.76
Loans to Joint Ventures (JVs)	2.36	11.71
Investment in PG InvIT	68.52	-
Others*	36.99	99.90
	<b>280.08</b>	171.37
<b>Interest from advances to contractors</b>	<b>28.06</b>	16.83
	<b>308.14</b>	188.20
<b>Dividend income from</b>		
Associates	116.75	-
Investment in PG InvIT	33.85	-
Equity Investments designated at fair value through other comprehensive income	9.00	9.00
	<b>159.60</b>	9.00
<b>Others</b>		
Profit on sale of Property, Plant and Equipment	0.02	12.60
Profit on sale of Investment in Mutual Funds	15.95	-
Finance Income from finance lease	73.12	81.18
Surcharge	375.30	744.06
FERV gain	0.03	0.02
Provisions written back	13.13	24.82
Fair Value gain on initial recognition of Financial liability/investment	21.37	21.64
Miscellaneous income **	153.41	130.11
	<b>652.33</b>	1,014.43
	<b>1,120.07</b>	<b>1,211.63</b>
Less: Transferred to expenditure during construction (Net)-Note 43	38.51	27.89
<b>Total</b>	<b>1,081.56</b>	<b>1,183.74</b>

**Further notes:**

\* Others include interest on employee loans &amp; unwinding of finance cost on employee loans.

\*\* Miscellaneous income include Sale of Scrap, Insurance Claim Recovery, UI Charges etc.

**Note 37: Employee benefits expense**

(₹ in crore)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries, wages, allowances & benefits	2,095.32	2,071.81
Contribution to provident and other funds	269.92	323.28
Staff Welfare expenses (Including Deferred Employee cost)	271.81	203.35
	<b>2,637.05</b>	2,598.44
Less: Transferred to Expenditure during Construction (Net)-Note 43	383.65	483.68
Transferred to CSR expenses- Note 40	9.51	-
<b>Total</b>	<b>2,243.89</b>	<b>2,114.76</b>

**Further notes:**

a) Refer note no. 58 for Remuneration to Key Managerial Personnel (KMPs).

b) Refer note no. 66 for details of Employee Benefit Obligations.



## Note 38: Finance costs

(₹ in crore)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Interest and finance charges on financial liabilities at amortised cost</b>		
Indian Banks & Financial Institutions	1,722.20	1,871.08
Foreign Banks and Financial Institutions	396.36	562.31
Secured/Unsecured redeemable Bonds	5,569.52	6,067.50
Foreign Currency Bonds	158.76	156.82
<b>Unwinding of discount on financial liabilities</b>	<b>54.78</b>	62.86
<b>Interest - Others</b>	<b>4.83</b>	5.44
<b>Interest on Lease Liability</b>	<b>3.88</b>	1.79
	<b>7,910.33</b>	8,727.80
<b>Other Finance charges</b>		
Commitment charges	0.03	1.28
Guarantee Fee	354.83	376.44
Others*	23.09	58.32
	<b>377.95</b>	436.04
<b>Exchange differences regarded as adjustment to Borrowing Cost</b>	<b>212.65</b>	(223.10)
	<b>590.60</b>	212.94
<b>Total</b>	<b>8,500.93</b>	8,940.74
Less: Transferred to Expenditure during Construction (Net)-Note 43	464.71	806.05
<b>Total</b>	<b>8,036.22</b>	<b>8,134.69</b>

### Further notes:

\*Others includes agency fees, trustee fees, front-end fees, interest on land compensation, tree & crop compensation etc.

## Note 39: Depreciation and amortization expense

(₹ in crore)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation of Property, Plant and Equipment	13,111.68	12,244.14
Amortization of Intangible assets	127.25	123.62
Depreciation on ROU Assets	22.71	20.82
	<b>13,261.64</b>	12,388.58
Less: Transferred to Expenditure During Construction (Net)-Note 43	13.08	13.46
	<b>13,248.56</b>	<b>12,375.12</b>
Less: Depreciation amortised due to FERV adjustment	376.90	335.93
<b>Charged to Statement of Profit &amp; Loss</b>	<b>12,871.66</b>	<b>12,039.19</b>

**Note 40: Other expenses**

(₹ in crore)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Repair &amp; Maintenance</b>		
Buildings	109.64	90.00
Plant & Machinery		
Sub-Stations	456.32	390.58
Transmission lines	167.07	204.44
Telecom equipments	52.55	45.02
Others	45.03	39.12
	720.97	679.16
System and Market Operation Charges	103.14	57.31
Power charges	294.37	266.82
Less: Recovery from contractors	0.89	2.68
	293.48	264.14
Expenses of Diesel Generating sets	4.91	3.52
Stores consumed	5.26	5.45
Water charges	4.34	4.56
Right of Way charges-Telecom	68.73	62.59
Patrolling Expenses-Telecom	2.27	0.68
Last Mile connectivity-Telecom	7.26	7.44
Training & Recruitment Expenses	20.03	17.78
Less: Fees for training and application	0.94	0.12
	19.09	17.66
Legal expenses	18.68	22.38
Professional charges	70.27	25.12
Consultancy expenses	76.78	81.02
Communication expenses	24.30	20.93
Inland Travelling Expenses	111.64	90.38
Foreign travel	3.46	1.78
	115.10	92.16
Tender expenses	2.23	1.93
Less: Sale of tenders	1.14	1.53
	1.09	0.40
<b>Payments to Statutory Auditors</b>		
Audit Fees	1.82	1.63
Tax Audit Fees	0.45	0.41
In Other Capacity	1.29	1.16
Out of pocket Expenses	0.28	0.13
	3.84	3.33
Advertisement and publicity	9.11	7.38
Printing and stationery	4.74	4.41
Books Periodicals and Journals	1.20	0.84
EDP hire and other charges	11.76	10.51
Entertainment expenses	4.13	3.78



#### Note 40: Other expenses (Contd.)

(₹ in crore)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Brokerage & Commission	1.85	0.91
Research & Development expenses	0.34	4.55
Cost Audit and Physical verification Fees	1.30	1.39
Rent #	35.07	39.85
CERC petition & Other charges	89.57	76.75
Miscellaneous expenses	88.62	60.97
Horticulture Expenses	39.08	33.64
Security Expenses	313.91	292.98
Hiring of Vehicle	138.81	117.98
Insurance	138.23	118.92
Rates and taxes	51.10	42.44
License Fees to DOT	54.11	62.47
Bandwidth charges dark fibre lease charges (Telecom)	22.84	23.15
Corporate Social Responsibility (CSR) Expenses*	273.91	247.22
Transit Accommodation Expenses	38.32	32.21
Less: Income from Transit Accommodation	1.25	0.97
	37.07	31.24
Foreign Exchange Rate Variation	6.72	60.63
<b>Provisions for</b>		
Doubtful loans, advances, debts, claims etc.	4.20	7.78
	<b>2,976.82</b>	<b>2,687.64</b>
Less: Transferred to Expenditure during Construction (Net)-Note 43	199.70	170.81
	<b>2,777.12</b>	2,516.83
Loss on Disposal/Write off of Property, Plant & Equipment	28.43	15.09
<b>Total **</b>	<b>2,805.55</b>	<b>2,531.92</b>

#### Further notes:

\* Includes an amount of ₹9.51 crore (Previous Year NIL) transferred from Note No 37- 'Employee Benefits Expense'

# Refer Note 51 for Short term lease expenses.

\*\* Includes Consumption of imported materials during the year amounting to ₹2.45 crore (Previous Year ₹2.86 crore).

#### Note 41 Net Movement in Regulatory Deferral Account Balances-Incomes/(expenses) (net of tax)

(₹ in crore)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Deferred assets for deferred tax liability	(736.52)	521.45
Foreign Currency Fluctuation	93.03	(85.17)
Employee Benefits and Other Expense	1.60	-
	(641.89)	436.28
Tax on net movement in regulatory deferral account balances	(112.15)	74.60
<b>Total</b>	<b>(529.74)</b>	<b>361.68</b>

#### Further notes:

Refer to note no. 53 for detailed disclosure on Regulatory Deferral Account Balances.



**Note 42: Other Comprehensive Income**

(₹ in crore)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Items that will not be reclassified to Profit or Loss		
Gain/(Loss) on valuation of Investment in Equity	478.85	39.80
Provisions for actuarial valuation	(196.78)	(19.94)
	282.07	19.86
Less: Transferred to Expenditure during Construction (Net)-Note 43	(34.34)	(2.44)
	316.41	22.30
Less: Income Tax relating to items that will not be reclassified to Profit or Loss		
Current Tax	(28.39)	(3.06)
Deferred Tax	53.90	-
	25.51	(3.06)
<b>Items that will not be reclassified to Profit or Loss (net of tax)</b>	<b>290.90</b>	<b>25.36</b>

**Note 43: Expenditure during Construction (Net)**

(₹ in crore)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>A. Employees Remuneration &amp; Benefits</b>		
Salaries wages allowances and benefits	319.75	419.70
Contribution to provident and other funds	43.07	41.13
Welfare expenses	20.83	22.85
<b>Total (A)</b>	<b>383.65</b>	<b>483.68</b>
<b>B. Other Expenses</b>		
Repair and maintenance	1.11	7.39
Power charges	4.08	7.39
Less: Recovery from contractors	0.20	2.22
	3.88	5.17
Expenses on Diesel Generating sets	0.06	0.06
Water charges	0.08	0.09
Legal expenses	3.62	9.71
Professional charges	42.61	5.33
Consultancy expenses	75.90	80.27
Communication expenses	2.58	2.96
Travelling & Conv. exp. (Including Foreign Travel)	19.52	17.81
Tender expenses	1.08	1.84
Less: Sale of tenders	1.06	1.46
	0.02	0.38
Payment to Auditors	-	0.19
Advertisement and Publicity	0.07	0.29
Printing and stationery	0.16	0.32


**Note 43: Expenditure during Construction (Net) (Contd.)**

(₹ in crore)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
EDP hire and other charges	0.06	0.11
Entertainment expenses	0.03	0.31
Brokerage and commission	0.01	0.16
Rent	0.76	2.40
Miscellaneous expenses	12.68	4.86
Horticulture Expenses	-	0.17
Security Expenses	12.80	11.13
Hiring of Vehicles	9.67	14.04
Insurance	-	0.01
Rates and taxes	12.64	6.81
Bandwidth charges, dark fibre lease charges (Telecom)	0.38	0.01
Transit Accomodation Expenses	1.08	0.83
Less : Income from Transit Accomodation	0.02	-
	1.06	0.83
<b>Total (B)</b>	<b>199.70</b>	<b>170.81</b>
<b>C. Depreciation/Amortisation</b>	<b>13.08</b>	<b>13.46</b>
<b>Total (C)</b>	<b>13.08</b>	<b>13.46</b>
<b>D. Finance Costs</b>		
a) Interest and finance charges on financial liabilities at amortised cost		
Indian Banks and Financial Institutions	21.86	199.64
Foreign Banks and Financial Institutions	16.82	128.42
Secured/Unsecured Redeemable Bonds	107.78	190.65
Foreign Currency Bonds	0.84	0.80
Others	272.75	382.68
	420.05	902.19
b) Other finance charges		
Commitment charges	-	0.85
Guarantee fee	11.12	45.40
Others	0.13	0.91
	11.25	47.16
c) FERV adjustment to borrowing cost	33.41	(143.30)
<b>Total (D)</b>	<b>464.71</b>	<b>806.05</b>
<b>E. Less: Other Income</b>		
Interest from		
Contractors	27.16	16.20
Others	0.93	1.71
	28.09	17.91
Miscellaneous income	10.42	9.98
<b>Total (E)</b>	<b>38.51</b>	<b>27.89</b>

**Note 43: Expenditure during Construction (Net) (Contd.)**

(₹ in crore)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>F. Less: Other Comprehensive Income</b>		
Other Comprehensive Income	(34.34)	(2.44)
<b>Total (F)</b>	<b>(34.34)</b>	<b>(2.44)</b>
<b>Grand Total (A+B+C+D-E-F)</b>	<b>1,056.97</b>	<b>1,448.55</b>

**44. Interest in Other Entities****1. Subsidiaries:**

The Group's subsidiaries at 31.03.2022 are set out below. Unless otherwise stated, they have share capital consists solely of equity share that are held directly by the Group, and the proportion of ownership interest held equals the voting rights held by the Group:

Name of entity	Place of business/ country of incorporation	Proportion (%) of Shareholding		Principle activities
		As at 31.03.2022	As at 31.03.2021	
Powergrid Vemagiri Transmission Limited*	India	100%	100%	Transmission
Powergrid NM Transmission Limited	India	100%	100%	Transmission
Powergrid Vizag Transmission Limited <sup>1</sup>	India	NA	100%	Transmission
Powergrid Unchahar Transmission Limited	India	100%	100%	Transmission
Powergrid Kala Amb Transmission Limited <sup>1</sup>	India	NA	100%	Transmission
Powergrid Jabalpur Transmission Limited <sup>1</sup>	India	NA	100%	Transmission
Powergrid Warora Transmission Limited <sup>1</sup>	India	NA	100%	Transmission
Powergrid Parli Transmission Limited <sup>1</sup>	India	NA	100%	Transmission
Powergrid Southern Interconnector Transmission System Limited	India	100%	100%	Transmission
Powergrid Medinipur Jeerat Transmission Limited	India	100%	100%	Transmission
Powergrid Mithilanchal Transmission Limited (Erstwhile ERSS XXI Transmission Limited)	India	100%	100%	Transmission
Powergrid Varanasi Transmission System Limited (Erstwhile WR-NR Power Transmission Limited)	India	100%	100%	Transmission
Powergrid Jawaharpur Firozabad Transmission Limited (Erstwhile Jawaharpur Firozabad Transmission Limited)	India	100%	100%	Transmission
Powergrid Khetri Transmission System Limited (Erstwhile Khetri Transco Limited)	India	100%	100%	Transmission
Powergrid Bhuj Transmission Limited (Erstwhile Bhuj-II Transmission Limited)	India	100%	100%	Transmission
Powergrid Bhind Guna Transmission Limited (Erstwhile Bhind Guna Transmission Limited)	India	100%	100%	Transmission
Powergrid Ajmer Phagi Transmission Limited (Erstwhile Ajmer Phagi Transco Limited)	India	100%	100%	Transmission
Powergrid Fatehgarh Transmission Limited (Erstwhile Fatehgarh-II Transco Limited)	India	100%	100%	Transmission
Powergrid Rampur Sambhal Transmission Limited (Erstwhile Rampur Sambhal Transco Limited)	India	100%	100%	Transmission
Powergrid Meerut Simbhavali Transmission Limited (Erstwhile Meerut-Simbhavali Transmission Limited)	India	100%	100%	Transmission
Central Transmission Utility of India Limited	India	100%	100%	Transmission



#### 44. Interest in Other Entities (Contd.)

Name of entity	Place of business/ country of incorporation	Proportion (%) of Shareholding		Principle activities
		As at 31.03.2022	As at 31.03.2021	
Powergrid Ramgarh Transmission Limited (Erstwhile Ramgarh New Transmission Limited)	India	100%	100%	Transmission
Powergrid Himachal Transmission Limited (Erstwhile Jaypee Powergrid Limited)	India	100%	100%	Transmission
Powergrid Bikaner Transmission System Limited (Erstwhile Bikaner-II Bhiwadi Transco Limited)	India	100%	100%	Transmission
Powergrid Sikar Transmission Limited (Erstwhile Sikar New Transmission Limited) <sup>2</sup>	India	100%	NA	Transmission
Powergrid Bhadla Transmission Limited (Erstwhile Fatehgarh Bhadla Transco Limited) <sup>2</sup>	India	100%	NA	Transmission
Powergrid Aligarh Sikar Transmission Limited (Erstwhile Sikar II Aligarh Transmission Limited) <sup>3</sup>	India	100%	NA	Transmission
Powergrid Teleservices Limited <sup>4</sup>	India	100%	NA	Telecom
Powergrid Energy Services Limited <sup>5</sup>	India	100%	NA	Energy management

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

<sup>1</sup> Subsidiary till 12.05.2021 (Associate from 13.05.2021 onwards) and Refer note 19A "Assets classified as held for sale"

<sup>2</sup> 100% equity acquired from REC Power Distribution Company Limited on 04.06.2021.

<sup>3</sup> 100% equity acquired from PFC Consulting Limited on 08.06.2021.

<sup>4</sup> Incorporated on 25.11.2021

<sup>5</sup> Incorporated on 14.03.2022 as a wholly owned subsidiary of the Company to undertake the Energy Management Projects in India and abroad as an investor and/or Project Management Consultant (PMC) to provide services, products, investment & consultancy related to Energy Management.

- All Subsidiary companies are unlisted entities.
- Financial statements used for consolidation are audited except Powergrid Bikaner Transmission System Limited, Powergrid Aligarh Sikar Transmission Limited and Powergrid Energy Services Limited.
- The group has made further Investment of ₹3.90 crore (Previous Year ₹206.65 crore) in Powergrid NM Transmission Limited which is wholly owned subsidiary company of the group.
- The group has not made any further Investment (Previous Year ₹9.76 crore) in Powergrid Jabalpur Transmission Limited which was wholly owned subsidiary company of the group.
- The group has not made any further Investment (Previous Year ₹2.60 crore) in Powergrid Parli Transmission Limited which was wholly owned subsidiary company of the group.
- The group has made further Investment of ₹88.37 crore (Previous Year ₹260.30 crore) in Powergrid Medinipur Jeerat Transmission Limited which is wholly owned subsidiary company of the group.
- The group has made further Investment of ₹19.70 crore (Previous Year ₹93.50 crore) in Powergrid Mithilanchal Transmission Limited which is wholly owned subsidiary company of the group.
- The group has made further Investment of ₹17.95 crore (Previous Year ₹43.00 crore) in Powergrid Varanasi Transmission System Limited which is wholly owned subsidiary company of the group.
- The group has made further Investment of ₹12.40 crore (Previous Year ₹77.15 crore) in Powergrid Jawaharpur Firozabad Transmission Limited which is wholly owned subsidiary company of the group.
- The group has made further Investment of ₹36.85 crore (Previous Year ₹161.35 crore) in Powergrid Khetri Transmission System Limited which is wholly owned subsidiary company of the group.
- The group has made further Investment of ₹82.29 crore (Previous Year ₹97.70 crore) in Powergrid Bhuj Transmission Limited which is wholly owned subsidiary company of the group.

#### 44. Interest in Other Entities (Contd.)

- l) The group has made further Investment of ₹40.10 crore (Previous Year ₹50.00 crore) in Powergrid Bhind Guna Transmission Limited which is wholly owned subsidiary company of the group.
- m) The group has made further Investment of ₹3.00 crore (Previous Year ₹111.95 crore) in Powergrid Ajmer Phagi Transmission Limited which is wholly owned subsidiary company of the group.
- n) The group has made further Investment of ₹27.59 crore (Previous Year ₹113.40 crore) in Powergrid Fatehgarh Transmission Limited which is wholly owned subsidiary company of the group.
- o) The group has made further Investment of ₹87.48 crore (Previous Year ₹21.47 crore) in Powergrid Rampur Sambhal Transmission Limited which is wholly owned subsidiary company of the group.
- p) The group has made further Investment of ₹97.70 crore (Previous Year ₹32.00 crore) in Powergrid Meerut Simbhavali Transmission Limited which is wholly owned subsidiary company of the group.
- q) The group has made further Investment of ₹0.00 crore (Previous Year ₹0.05 crore) in Central Transmission Utility of India Limited which is wholly owned subsidiary company of the group.
- r) The group has made further Investment of ₹1.05 crore (Previous Year ₹0.05 crore) in Powergrid Ramgarh Transmission Limited which is wholly owned subsidiary company of the group.
- s) The group has made further Investment of ₹0.00 crore (Previous Year ₹354.50 crore) in Powergrid Himachal Transmission Limited which is wholly owned subsidiary company of the group.
- t) The group has made further Investment of ₹22.20 crore (Previous Year ₹0.01 crore) in Powergrid Bikaner Transmission System Limited which is wholly owned subsidiary company of the group.
- u) During the year group has made investment of ₹47.35 crore in Powergrid Sikar Transmission Limited (Erstwhile Sikar New Transmission Limited) which is wholly owned subsidiary company of the group. The Company was taken over from REC Power Distribution Company Limited vide share purchase agreement dated 04.06.2021 to carry over the business awarded under tariff based competitive bidding, after transfer Powergrid Sikar Transmission Limited became wholly owned subsidiary of the Group.
- v) During the year group has made investment of ₹20.31 crore in Powergrid Bhadla Transmission Limited (Erstwhile Fatehgarh Bhadla Transco Limited) which is wholly owned subsidiary company of the group. The Company was taken over from REC Power Distribution Company Limited vide share purchase agreement dated 04.06.2021 to carry over the business awarded under tariff based competitive bidding, after transfer Powergrid Bhadla Transmission Limited became wholly owned subsidiary of the Group.
- w) During the year group has made investment of ₹62.35 crore in Powergrid Aligarh Sikar Transmission Limited (Erstwhile Sikar II Aligarh Transmission Limited) which is wholly owned subsidiary company of the group. The Company was taken over from PFC Consulting Limited vide share purchase agreement dated 08.06.2021 to carry over the business awarded under tariff based competitive bidding, after transfer Powergrid Aligarh Sikar Transmission Limited became wholly owned subsidiary of the Group.
- x) During the year group has made investment of ₹9.00 crore in Powergrid Teleservices Limited which is wholly owned subsidiary company of the group. The Company was incorporated to take over the Telecom Operations of the Group.
- y) During the year group has subscribed to Memorandum of Association and invested ₹0.05 crore on 29.04.2022 in Powergrid Energy Services Limited which is wholly owned subsidiary company of the group.

#### 2. Joint Ventures:

Set out below are joint ventures of the Group as at 31.03.2022, which in the opinion of the management, are material to the Group. The entities listed below have share capital consisting solely of equity shares, which are held directly by ownership interest in the same as the proportion of voting rights held:

Name of the Entity	Place of business	Proportion (%) of Shareholding		Carrying amount (₹ in crore)		Nature of activity
		As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021	
Powerlinks Transmission Limited	India	49%	49%	477.91	469.63	Transmission system associated with Tala HEP in Bhutan – under successful operation since Aug' 06
Torrent Power Grid Limited	India	26%	26%	34.32	34.67	Transmission System associated with 1100 MW Sugan generating project at Surat - progressively commissioned in Mar'11
Parbati Koldam Transmission Company Limited	India	26%	26%	80.18	86.60	Transmission Lines associated with Parbati-II (800 MW) and Koldam (800 MW) HEPs. - Progressively commissioned in Nov'15



#### 44. Interest in Other Entities (Contd.)

Name of the Entity	Place of business	Proportion (%) of Shareholding		Carrying amount (₹ in crore)		Nature of activity
		As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021	
Teestavalley Power Transmission Limited <sup>1</sup>	India	30.92%	30.92%	144.99	140.02	Transmission System associated with 1200 MW Teesta – III HEP in Sikkim
North East Transmission Company Limited	India	26%	26%	128.81	124.62	Transmission system associated with 726.6 MW Gas Based Combined Cycle Power Project at Pallatana in Tripura. - Progressively commissioned in Feb'15
National High Power Test Laboratory Private Limited	India	20%	20%	14.24	18.22	To create high power short circuit test facility
Bihar Grid Company Limited	India	50%	50%	512.09	431.29	Establishment of Intra-State Transmission system in the State of Bihar
Energy Efficiency Services Limited <sup>2</sup>	India	33.33%	NA	423.03	NA	Engaged in implementation of energy efficiency projects.
Cross Border Power Transmission Company Limited	India	26%	26%	32.99	29.97	Establishment of Indian Portion of Indo-Nepal Cross Border Transmission Line from Muzaffarpur to Sursand
RINL Powergrid TLT Private Limited <sup>3</sup>	India	50%	50%	-	-	Establishment of manufacturing of Transmission Line Tower parts plant
Power Transmission Company Nepal Limited	Nepal	26%	26%	12.65	11.83	Establishment of Nepal Portion of Indo-Nepal Cross Border Transmission Line from Dhalkebar to Bhattamod

<sup>1</sup> POWERGRID & Teesta Urja Ltd are the Joint venture partners in Teestavalley Power Transmission Limited & holds 26% & 74 % equity, respectively as per Shareholding agreement. On call of additional equity by Teestavalley Power Transmission limited, POWERGRID contributed their share while the other JV partner has not yet contributed their share of money. Consequently, the holding of POWERGRID increased to 30.92% against 26% provided in shareholding agreement.

<sup>2</sup> The Company has invested ₹407.49 crore during the year in Energy Efficiency Services Limited (EESL), thereby increasing its shareholding from 5.71% to 33.33%. EESL has been considered as Joint Venture w.e.f. 01.09.2021 being the Joint control has been reinstated vide Agreement dated 01.09.2021.

<sup>3</sup> POWERGRID's Board of Directors in its meeting held on 01.05.2018 accorded in principle approval to close RINL Powergrid TLT Private Limited (RPTPL) and seek consent of other JV Partner Rashtriya Ispat Nigam Limited (RINL). RINL's Board of Directors in its meeting held on 08.03.2019 has agreed in principle for winding up proceedings of RPTPL & to seek the approval from Ministry of Steel, Government of India, for closure of RPTPL. RINL's Board of Directors in its meeting held on 05.11.2019 has advised to put up the closure proposal again to Ministry of steel for onward submission to NITI Ayog. The Ministry of Steel vide letter dated 29.09.2020 informed RINL that closure of RPTPL is being examined and seeks further clarifications from RINL. Accordingly, relevant information was forwarded by RINL to The Ministry of Steel. The Approval from Government is still awaited.

- All joint venture companies are unlisted entities.
- Financial statements used for consolidation are unaudited except for Powerlinks Transmission Limited, Torrent Power Grid Limited and North East Transmission Company Limited.
- The group has made further Investment of ₹32.24 crore (Previous Year ₹33.00 crore) in Bihar Grid Company Limited, a joint venture company in which 50% share is held by the Group and balance 50% share is held by Bihar State Power Holding Company.
- The group has made further Investment of ₹407.49 crore (Previous Year ₹0.00 crore) in Energy Efficiency Services Limited, a joint venture company in which 33.33% share is held by the Group and balance 66.67% share is held by NTPC Limited, Power Finance Corporation Limited & REC Limited.

#### Commitments and contingent liabilities in respect of joint venture:

(₹ in crore)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Share of Group</b>		
Commitment	7.98	170.87
Contingent Liabilities	50.58	53.54
<b>Total commitments and contingent liabilities</b>	<b>58.56</b>	<b>224.41</b>

#### Summarised financial information for joint ventures:

Table below provide summarised financial information for these joint ventures that are material to the Group. The information disclosed reflects the amounts presented in the financial statements of the relevant joint venture.



**44. Interest in Other Entities (Contd.)****Summarised Balance Sheet**

(₹ in crore)

Particulars	Powerlinks Transmission Limited		Torrent Power Grid Limited		Parbati Koldam Transmission Company Limited		Teestavalley Power Transmission Limited	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
<b>Current Assets</b>								
Cash & Cash Equivalent	3.80	8.23	0.52	3.51	25.72	39.50	9.05	38.42
Other Assets	156.93	155.71	26.78	34.58	181.32	134.63	58.08	83.74
<b>Total Current Assets</b>	<b>160.73</b>	<b>163.94</b>	<b>27.30</b>	<b>38.09</b>	<b>207.04</b>	<b>174.13</b>	<b>67.13</b>	<b>122.16</b>
<b>Total Non-Current Assets</b>	<b>847.80</b>	<b>875.08</b>	<b>123.83</b>	<b>140.09</b>	<b>594.17</b>	<b>643.67</b>	<b>1,381.35</b>	<b>1,459.61</b>
<b>Current Liabilities</b>								
Financial Liabilities	11.46	53.89	13.01	31.80	204.19	134.56	114.22	167.46
Other Liabilities	12.79	16.33	3.59	2.03	0.18	0.25	43.90	39.31
<b>Total Current Liabilities</b>	<b>24.25</b>	<b>70.22</b>	<b>16.60</b>	<b>33.83</b>	<b>204.37</b>	<b>134.81</b>	<b>158.12</b>	<b>206.77</b>
<b>Non-Current Liabilities</b>								
Financial Liabilities	7.14	8.72	-	5.20	288.46	349.93	788.97	895.77
Other Liabilities	1.82	1.65	2.54	5.82	-	-	32.46	26.40
<b>Total Non-Current Liabilities</b>	<b>8.96</b>	<b>10.37</b>	<b>2.54</b>	<b>11.02</b>	<b>288.46</b>	<b>349.93</b>	<b>821.43</b>	<b>922.17</b>
<b>Net Assets</b>	<b>975.32</b>	<b>958.43</b>	<b>131.99</b>	<b>133.33</b>	<b>308.38</b>	<b>333.06</b>	<b>468.93</b>	<b>452.83</b>

(₹ in crore)

Particulars	North East Transmission Company Limited		National High Power Test Laboratory Private Limited		Bihar Grid Company Limited		Energy Efficiency Services Limited	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
<b>Current Assets</b>								
Cash & Cash Equivalent	43.83	59.57	2.58	4.09	129.89	110.06	724.05	-
Other Assets	164.54	211.47	3.16	5.53	681.36	571.56	4,713.42	-
<b>Total Current Assets</b>	<b>208.37</b>	<b>271.04</b>	<b>5.74</b>	<b>9.62</b>	<b>811.25</b>	<b>681.62</b>	<b>5,437.47</b>	<b>-</b>
<b>Total Non-Current Assets</b>	<b>1,407.57</b>	<b>1,465.02</b>	<b>328.61</b>	<b>332.97</b>	<b>2,770.37</b>	<b>2,555.73</b>	<b>4,694.25</b>	<b>-</b>
<b>Current Liabilities</b>								
Financial Liabilities	226.11	111.22	71.61	64.68	178.85	156.13	4,047.24	-
Other Liabilities	6.09	136.97	3.68	0.01	140.45	51.38	206.40	-
<b>Total Current Liabilities</b>	<b>232.20</b>	<b>248.19</b>	<b>75.29</b>	<b>64.69</b>	<b>319.30</b>	<b>207.51</b>	<b>4,253.64</b>	<b>-</b>
<b>Non-Current Liabilities</b>								



#### 44. Interest in Other Entities (Contd.)

##### Summarised Balance Sheet (Contd.)

(₹ in crore)

Particulars	North East Transmission Company Limited		National High Power Test Laboratory Private Limited		Bihar Grid Company Limited		Energy Efficiency Services Limited	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Financial Liabilities	791.25	945.01	187.05	186.54	2,063.97	2,036.08	4,595.02	-
Other Liabilities	97.08	63.55	0.80	0.28	174.18	131.18	13.83	-
<b>Total Non-Current Liabilities</b>	<b>888.33</b>	<b>1,008.56</b>	<b>187.85</b>	<b>186.82</b>	<b>2,238.15</b>	<b>2,167.26</b>	<b>4,608.85</b>	<b>-</b>
<b>Net Assets</b>	<b>495.41</b>	<b>479.31</b>	<b>71.21</b>	<b>91.08</b>	<b>1,024.17</b>	<b>862.58</b>	<b>1,269.23</b>	<b>-</b>

(₹ in crore)

Particulars	Cross Border Power Transmission Company Limited		RINL Powergrid TLT Private Limited		Power Transmission Company Nepal Limited	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
<b>Current Assets</b>						
Cash & Cash Equivalent	26.17	18.24	0.11	0.19	0.52	0.41
Other Assets	39.85	36.52	-	-	48.63	45.27
<b>Total Current Assets</b>	<b>66.02</b>	<b>54.76</b>	<b>0.11</b>	<b>0.19</b>	<b>49.15</b>	<b>45.68</b>
<b>Total Non-Current Assets</b>	<b>191.81</b>	<b>203.31</b>	<b>-</b>	<b>-</b>	<b>69.71</b>	<b>74.70</b>
<b>Current Liabilities</b>						
Financial Liabilities	15.29	15.56	1.48	1.49	3.90	4.31
Other Liabilities	2.50	1.38	0.01	0.08	3.34	2.56
<b>Total Current Liabilities</b>	<b>17.79</b>	<b>16.94</b>	<b>1.49</b>	<b>1.57</b>	<b>7.24</b>	<b>6.87</b>
<b>Non-Current Liabilities</b>						
Financial Liabilities	108.76	121.56	-	-	62.97	68.02
Other Liabilities	4.38	4.32	-	-	-	-
<b>Total Non-Current Liabilities</b>	<b>113.14</b>	<b>125.88</b>	<b>-</b>	<b>-</b>	<b>62.97</b>	<b>68.02</b>
<b>Net Assets</b>	<b>126.90</b>	<b>115.25</b>	<b>(1.38)</b>	<b>(1.38)</b>	<b>48.65</b>	<b>45.49</b>

##### Reconciliation to carrying amounts:

(₹ in crore)

Particulars	Powerlinks Transmission Limited		Torrent Power Grid Limited		Parbati Koldam Transmission Company Limited		Teestavalley Power Transmission Limited	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Opening net assets	958.43	949.90	133.33	130.23	333.06	405.35	452.83	416.14
Investment by JV Partners	-	-	-	-	-	-	-	-
Profit for the year	91.39	102.01	18.46	19.31	13.51	60.97	16.14	46.05
Other Comprehensive income	0.38	0.12	-	(0.01)	0.01	0.36	0.02	(0.07)
Dividend Paid	74.88	93.60	19.80	16.20	38.20	135.04	-	-
Other Adjustments	-	-	-	-	-	1.42	(0.06)	(9.29)
<b>Closing net assets</b>	<b>975.32</b>	<b>958.43</b>	<b>131.99</b>	<b>133.33</b>	<b>308.38</b>	<b>333.06</b>	<b>468.93</b>	<b>452.83</b>

**44. Interest in Other Entities (Contd.)****Reconciliation to carrying amounts (Contd.)**

(₹ in crore)

Particulars	Powerlinks Transmission Limited		Torrent Power Grid Limited		Parbati Koldam Transmission Company Limited		Teestavalley Power Transmission Limited	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Group's share in %	49%	49%	26%	26%	26%	26%	30.92%	30.92%
Group's share in INR	477.91	469.63	34.32	34.67	80.18	86.60	144.99	140.02
<b>Carrying Amount</b>	<b>477.91</b>	<b>469.63</b>	<b>34.32</b>	<b>34.67</b>	<b>80.18</b>	<b>86.60</b>	<b>144.99</b>	<b>140.02</b>

(₹ in crore)

Particulars	North East Transmission Company Limited		National High Power Test Laboratory Private Limited		Bihar Grid Company Limited		Energy Efficiency Services Limited	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Opening net assets	479.31	465.78	91.08	109.82	862.58	607.17	1,010.85	-
Investment by JV Partners	-	-	-	-	64.48	66.00	407.49	-
Profit for the year	69.57	75.24	(20.02)	(19.22)	143.96	201.67	(149.23)	-
Other Comprehensive income	0.01	0.01	-	(0.01)	-	-	0.12	-
Dividend Paid	53.48	61.72	-	-	-	-	-	-
Other Adjustments	-	-	0.15	0.49	(46.85)	(12.26)	-	-
<b>Closing net assets</b>	<b>495.41</b>	<b>479.31</b>	<b>71.21</b>	<b>91.08</b>	<b>1,024.17</b>	<b>862.58</b>	<b>1,269.23</b>	-
Group's share in %	26%	26%	20%	20%	50%	50%	33.33%	NA
Group's share in INR	128.81	124.62	14.24	18.22	512.09	431.29	423.03	-
<b>Carrying Amount</b>	<b>128.81</b>	<b>124.62</b>	<b>14.24</b>	<b>18.22</b>	<b>512.09</b>	<b>431.29</b>	<b>423.03</b>	-

(₹ in crore)

Particulars	Cross Border Power Transmission Company Limited		RINL Powergrid TLT Private Limited		Power Transmission Company Nepal Limited	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Opening net assets	115.25	109.89	(1.38)	(0.37)	45.49	42.80
Investment by JV Partners	-	-	-	-	-	-
Profit for the year	17.26	14.74	(0.01)	(1.01)	8.29	7.76
Other Comprehensive income	-	-	-	-	-	-
Dividend Paid	5.33	10.19	-	-	5.06	5.06
Other Adjustments	(0.28)	0.81	0.01	-	(0.07)	(0.01)
<b>Closing net assets</b>	<b>126.90</b>	<b>115.25</b>	<b>(1.38)</b>	<b>(1.38)</b>	<b>48.65</b>	<b>45.49</b>
Group's share in %	26%	26%	50%	50%	26%	26%
Group's share in INR	32.99	29.97	-	-	12.65	11.83
<b>Carrying Amount</b>	<b>32.99</b>	<b>29.97</b>	<b>-</b>	<b>-</b>	<b>12.65</b>	<b>11.83</b>



#### 44. Interest in Other Entities (Contd.)

##### Summarised Statement of Profit and Loss

(₹ in crore)

Particulars	Powerlinks Transmission Limited		Torrent Power Grid Limited		Parbati Koldam Transmission Company Limited		Teestavalley Power Transmission Limited	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Revenue From Operations	138.70	117.01	38.91	42.12	107.12	167.37	238.67	299.42
Other Income	5.46	10.31	1.94	2.12	7.19	8.75	2.44	0.84
<b>Total Income</b>	<b>144.16</b>	<b>127.32</b>	<b>40.85</b>	<b>44.24</b>	<b>114.31</b>	<b>176.12</b>	<b>241.11</b>	<b>300.26</b>
Employee benefits expense	9.46	7.84	1.88	2.16	3.16	3.27	7.93	7.09
Finance costs	0.82	0.77	1.05	2.85	38.37	44.10	126.93	133.81
Depreciation and amortization expense	0.68	0.71	16.45	16.45	49.43	49.32	88.48	87.34
Other expenses	6.93	6.68	2.91	3.39	7.19	5.88	10.59	10.06
<b>Total Expenses</b>	<b>17.89</b>	<b>16.00</b>	<b>22.29</b>	<b>24.85</b>	<b>98.15</b>	<b>102.57</b>	<b>233.93</b>	<b>238.30</b>
Tax Expenses	34.88	9.31	0.10	0.08	2.65	12.58	(8.96)	15.91
Profit for the year	91.39	102.01	18.46	19.31	13.51	60.97	16.14	46.05
Other Comprehensive income	0.38	0.12	-	(0.01)	0.01	0.36	0.02	(0.07)
<b>Total Comprehensive income</b>	<b>91.77</b>	<b>102.13</b>	<b>18.46</b>	<b>19.30</b>	<b>13.52</b>	<b>61.33</b>	<b>16.16</b>	<b>45.98</b>
Dividend Received	36.69	45.86	5.15	4.21	9.93	35.11	-	-

(₹ in crore)

Particulars	North East Transmission Company Limited		National High Power Test Laboratory Private Limited		Bihar Grid Company Limited		Energy Efficiency Services Limited	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Revenue From Operations	309.24	306.63	14.65	15.39	452.62	460.20	938.76	-
Other Income	11.52	17.33	0.38	0.16	65.92	41.88	23.76	-
<b>Total Income</b>	<b>320.76</b>	<b>323.96</b>	<b>15.03</b>	<b>15.55</b>	<b>518.54</b>	<b>502.08</b>	<b>962.52</b>	-
Purchase of Stock in Trade	-	-	-	-	-	-	129.52	-
Employee benefits expense	6.99	5.76	1.96	1.86	14.95	12.49	35.96	-
Finance costs	59.92	131.82	19.18	18.91	175.85	164.87	237.10	-
Depreciation and amortization expense	117.38	117.37	8.51	8.32	105.38	95.60	408.91	-
Other expenses	12.77	12.29	5.40	5.68	29.03	28.55	355.40	-
<b>Total Expenses</b>	<b>197.06</b>	<b>267.24</b>	<b>35.05</b>	<b>34.77</b>	<b>325.21</b>	<b>301.51</b>	<b>1,166.89</b>	-
Tax Expenses	54.13	(18.52)	-	-	49.37	(1.10)	(55.14)	-
Profit for the year	69.57	75.24	(20.02)	(19.22)	143.96	201.67	(149.23)	-
Other Comprehensive income	0.01	0.01	-	(0.01)	-	-	0.12	-
<b>Total Comprehensive income</b>	<b>69.58</b>	<b>75.25</b>	<b>(20.02)</b>	<b>(19.23)</b>	<b>143.96</b>	<b>201.67</b>	<b>(149.11)</b>	-
Dividend Received	13.90	16.05	-	-	-	-	-	-

**44. Interest in Other Entities (Contd.)****Summarised Statement of Profit and Loss (Contd.)**

(₹ in crore)

Particulars	Cross Border Power Transmission Company Limited		RINL Powergrid TLT Private Limited		Power Transmission Company Nepal Limited	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Revenue From Operations	7.23	5.89	-	-	16.46	16.31
Other Income	27.25	27.55	-	-	3.70	3.48
<b>Total Income</b>	<b>34.48</b>	<b>33.44</b>	-	-	<b>20.16</b>	<b>19.79</b>
Employee benefits expense	1.34	1.35	-	-	0.74	0.83
Finance costs	12.37	13.61	-	-	3.64	4.02
Depreciation and amortization expense	0.02	0.03	-	-	5.20	5.20
Other expenses	3.49	3.71	0.01	1.01	1.68	1.25
<b>Total Expenses</b>	<b>17.22</b>	<b>18.70</b>	<b>0.01</b>	<b>1.01</b>	<b>11.26</b>	<b>11.30</b>
Tax Expenses	-	-	-	-	0.61	0.73
Profit for the year	17.26	14.74	(0.01)	(1.01)	8.29	7.76
Other Comprehensive income	-	-	-	-	-	-
<b>Total Comprehensive income</b>	<b>17.26</b>	<b>14.74</b>	<b>(0.01)</b>	<b>(1.01)</b>	<b>8.29</b>	<b>7.76</b>
Dividend Received	1.39	2.65	-	-	1.32	1.32

45. Cash equivalent of deemed export benefits availed of ₹209.99 crore in respect of supplies effected for East South Inter Connector-II Transmission Project (ESI) and Sasaram Transmission Project (STP), were paid to the Customs and Central Excise Authorities in accordance with direction from Ministry of Power (GOI) during 2002-03 due to non-availability of World Bank loan for the entire supplies in respect of ESI project and for the supplies prior to March 2000 in respect of STP project and the same was capitalised in the books of accounts. Thereafter, World Bank had financed both the ESI project and STP project as originally envisaged and they became eligible for deemed export benefits. Consequently, the group has lodged claims with the Customs and Excise Authorities.

In this regard the Cumulative amount received and de-capitalized upto 31.03.2022 is ₹12.12 crore (Previous Year ₹12.12 crore). The group continued to show the balance of ₹197.87 crore (Previous Year ₹197.87 crore) in the capital cost of the respective assets / projects pending receipt of the same from Customs and Excise Authorities.

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

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

**47. Disclosure as per Ind AS 115 - "Revenue from Contracts with Customers"**

- a) For milestone based contracts (consultancy contracts), unsatisfied performance obligations are as follows:

(₹ in crore)

Particulars	As at 31.03.2022	As at 31.03.2021
Transaction price related to unsatisfied (or partially satisfied) performance obligation	1,845.97	2,477.46
These performance obligations are expected to be satisfied within	3 Years	3 Years



#### 47. Disclosure as per Ind AS 115 - "Revenue from Contracts with Customers" (Contd.)

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

(₹ in crore)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Balance at the beginning	2,180.59	1,172.13
Add: Revenue recognised during the period	8,301.35	5,010.57
Less: Invoiced/transferred to trade receivables during the period	4,874.20	4,002.11
<b>Balance at the end</b>	<b>5,607.74</b>	<b>2,180.59</b>

c) The movement in contract liability during the year is as follows:

(₹ in crore)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Balance at the beginning	1,035.14	1,164.02
Add: Advance billing during the period	865.78	548.83
Less: revenue recognised during the period		
a) From contract liability as at beginning of the period	691.95	588.09
b) From contract liability recognised during the period	186.42	89.45
Add: Translation gain/(Loss)	0.18	(0.17)
<b>Balance at the end</b>	<b>1,022.73</b>	<b>1,035.14</b>

d) The entity determines transaction price based on expected value method considering its past experiences of refunds or significant reversals in amount of revenue. In estimating significant financing component, management considers the financing element inbuilt in the transaction price based on imputed rate of return. Reconciliation of Contracted Price vis-a-vis revenue recognized in profit or loss statement is as follows:

(₹ in crore)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Contracted price	40,275.16	38,703.41
Add/ (Less)- Discounts/ rebates provided to customer	(171.55)	(116.64)
Add/ (Less)- Performance bonus	447.97	480.90
Add/ (Less)- Adjustment for significant financing component	80.65	73.10
Add/ (Less)- Other adjustments	984.11	499.02
<b>Revenue recognised in profit or loss statement</b>	<b>41,616.34</b>	<b>39,639.79</b>

48. (i) FERV Loss of ₹568.13 crore (Previous Year FERV Gain of ₹450.57 crore) has been adjusted in the respective carrying amount of Property, Plant and Equipment/Capital work in Progress (CWIP)/Lease Receivables.

(ii) FERV Loss of ₹6.69 crore (Previous Year FERV Loss of ₹60.61 crore) has been recognised in the Statement of Profit and Loss.

49. Borrowing cost capitalised during the year is ₹464.71 crore (Previous Year ₹806.05 crore) in the respective carrying amount of Property, Plant and Equipment/Capital work in Progress (CWIP) as per Ind AS 23 'Borrowing Costs'.



50. Based on the information available with the group, 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 crore)

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	47.19	29.75	5.98	3.65
	Interest	-	0.01	-	-
2	The amount of Interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-	-	-
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	0.01	-	-
4	The amount of interest accrued and remaining unpaid at the end of each accounting year	-	0.01	-	-
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	-	-	-	-

## 51. Disclosure as per Ind AS 116 - "Leases"

### a) As a Lessor - Finance Leases:

The group has classified and accounted for the arrangements for state sector ULDC assets and bilateral assets as finance leases. Agreements for State Sector ULDC are for a period of 15 years and Bilateral Line Assets with the beneficiary are for the period as specified in CERC Regulations.

Other Non-Current Financial Assets and Other Current Financial Assets include lease receivables representing the present value of future lease rentals receivable on the finance lease transactions entered into by the group with the constituents in respect of State Sector ULDC and Bilateral Line Assets. Disclosure requirements of Ind AS 116 'Leases' notified under the Companies Act, 2013 are given as under:

- (i) Details of gross investment in lease, un-earned finance income and present value of minimum lease payments receivables at the end of financial year are given as under:

(₹ in crore)

Particulars	As at 31.03.2022	As at 31.03.2021
Gross investment in Lease	2,779.60	2127.52
Un-earned Finance Income	1788.84	1323.41
Present value of Minimum Lease Payment (MLP)	990.76	804.11



## 51. Disclosure as per Ind AS 116 - "Leases" (Contd.)

(ii) The value of contractual maturity of such leases is as under:

(₹ in crore)

Particulars	Gross Investment in Lease		Present Value of MLPs	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Not later than one year	182.67	160.99	63.14	55.72
Later than one year and not later than two years	190.58	160.60	65.22	57.04
Later than two years and not later than three years	190.35	160.41	67.55	58.71
Later than three years and not later than four years	190.11	160.20	70.14	60.57
Later than four years and not later than five years	189.87	159.99	73.02	62.63
Later than five years	1,836.02	1,325.33	651.69	509.44
<b>Total</b>	<b>2,779.60</b>	<b>2,127.52</b>	<b>990.76</b>	<b>804.11</b>

(iii) There are differences in balance lease receivable as at year end as per accounts and tariff records on account of Undischarged liabilities & Unamortized FERV on loans amounting to ₹119.64 crore (Previous Year ₹105.02 crore). Undischarged liabilities become part of project cost only on discharge of such liabilities & FERV are allowed to be recovered as part of tariff on actual payment basis.

### b) As a Lessee:

The group has taken assets on lease such as dark fibre, colocation & repeater shelter spaces and office buildings etc. for various periods which are assessed and accounted as per the requirements of Ind AS 116 - "Leases" and required disclosures as per the said Ind AS are as follows:

#### (i) ROU Assets:

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 has been disclosed in note no. 4 as a separate line item.

#### (ii) Lease Liabilities:

Interest expense on lease liabilities for the year is shown under note no. 38 and total cash outflow for leases for the year has been disclosed in statement of cash flow under financing activities as separate line item and maturity analysis of lease liabilities has been disclosed in note no. 64.

#### (iii) Short term leases:

The group, during the financial year, has incurred ₹32.90 crore (Previous Year ₹37.56 crore) with respect to short term leases.

The group was committed to short term leases and the total commitment of such leases at the end of financial year was ₹7.09 crore (Previous Year ₹5.94 crore).

## 52. Disclosure as per Ind AS 103 - "Business Combinations"

The Group was having joint control and holding 26% of share capital of Jaypee Powergrid Limited (JPL) (a joint venture between the Group and Jaiprakash Power Ventures Limited). During the previous year, the Group acquired remaining interest (74%) from other joint venturer through share purchase agreement dated 25 March 2021 and terminated joint venture agreement. As JPL is in a regulated tariff mechanism having predictable returns similar to the company and with economies of scale of its operations, the Group will benefit in terms of cost optimisation and shared resources.

### i) Consideration transferred:

Out of total Purchase consideration of ₹354.50 crore for acquisition of JPL, ₹351.65 crore has been paid in cash and cash equivalents in FY 2020-21 & remaining ₹2.85 crore is paid during FY 2021-22.

### ii) Identifiable assets acquired and liabilities assumed:

The following table summarises the recognised amounts of assets and liabilities assumed as at the date of acquisition:

(₹ in crore)

Particulars	Amount
Property, Plant and Equipment	529.51
Other Non-current assets	0.02
Deferred Tax Assets	20.57
Current assets	101.48

**52. Disclosure as per Ind AS 103 - "Business Combinations" (Contd.)**

(₹ in crore)

Particulars	Amount
Regulatory deferral account balances	15.79
Non-current liabilities	(110.89)
Current liabilities	(76.40)
<b>Total net identifiable assets acquired</b>	<b>480.08</b>

**iii) Capital Reserve:**

(₹ in crore)

Particulars	Amount
Fair Value of Net identifiable Assets	480.08
Less: Fair Value of previously held equity interest	124.82
Less: Consideration for acquisition of 74% stake	354.50
<b>Capital Reserve</b>	<b>0.76</b>

**iv) Revenue and profit contribution**

Acquisition of JPL has contributed revenue of ₹2.43 crore and ₹1.19 crore to profit before tax, from 25 March 2021 to 31 March 2021. If the acquisition had occurred on 1 April 2020, consolidated pro-forma revenue and profit before tax of the Group for the year ended 31 March 2021 would have been ₹39,785.11 crore and ₹15,188.40 crore respectively.

**v) Purchase consideration – cash outflow:**

(₹ in crore)

Particulars	Amount
<u>Outflow of cash to acquire subsidiary (net of cash acquired)</u>	
Total Consideration	354.50
Less: Consideration yet to be paid	2.85
Less: Cash and Cash Equivalents acquired	43.26
<b>Net outflow of cash - investing activities</b>	<b>308.39</b>

**vi) Contingent liabilities acquired on acquisition:**

JPL has contingent liability amounting to ₹1.50 crore in respect of Land /Crop/Tree Compensation cases on the date of acquisition.

**vii) Gain/(loss) on remeasurement of previously held equity interest:**

The Group previously held 26% interest in JPL which was classified as investment in joint venture till the date of acquisition of 74% stake. There is no gain/(loss) recognised on existing equity interest in JPL by the Group as the acquisition date fair value is equal to the carrying value of the previously held equity interest.

**53. Disclosures relating to Regulatory Deferral Account Balances****i) Nature of rate regulated activities**

The group is mainly engaged in the business of transmission of power. The tariff for transmission of power is determined by the CERC through tariff regulations. The tariff is based on capital cost admitted by CERC and provides for transmission charges recovery of annual fixed cost consisting of Return on equity, Interest on loan capital, Depreciation, interest on working capital and Operation & Maintenance expenses.

**ii) Recognition and measurement**

FERV arising during the construction period for settlement/translation of monetary items (other than non-current loans) denominated in foreign currency to the extent recoverable/payable to the beneficiaries as capital cost as per CERC Tariff Regulations are accounted as Regulatory Deferral Account Balances. In respect of long-term foreign currency loan drawn on or after 01.04.2016, exchange difference to the extent recoverable as per CERC Tariff Regulations are recognised as Regulatory Deferral Account Balances. The group expects to recover these amounts through depreciation component of the tariff over the life of the asset or as exchange rate variation on repayment of the loan.



### 53. Disclosures relating to Regulatory Deferral Account Balances (Contd.)

The tariff norms for the block period 2019-2024 notified by the Central Electricity Regulatory Commission (CERC) provide for grossing up of the return on equity based on effective tax rate for the financial year based on the actual tax paid during the year on the transmission income. Accordingly, deferred tax provided during the year ended 31.03.2022 on the transmission income is accounted as 'Deferred Assets against Deferred Tax Liability'. Deferred Assets against Deferred Tax Liability for the year will be reversed in future years (including tax holiday period) when the related deferred tax liability forms a part of current tax.

The cumulative amount of ₹135.76 crore (cumulative previous year amount of ₹134.16 crore) on account of pay revision and other expenses which are not capitalised but allowed as capital cost as per CERC Tariff Regulations is recoverable from the beneficiaries is included in Regulatory Deferral Account Balances and will be adjusted in the year in which they become recoverable from beneficiaries as per CERC. Amount of regulatory deferral account balances is on undiscounted basis.

#### iii) Risk associated with future recovery/ reversal of regulatory deferral account balances

- regulatory risk on account of changes in regulations.
- other risks including currency or other market risks, if any.

Any change in the Tariff regulations beyond the current tariff period ending on 31.03.2024 may have an impact on the recovery of Regulatory Deferral Account Balances.

The Regulatory Deferral Account Balances (assets) recognized in the books to be recovered from the beneficiaries in future periods are as follows:

(₹ in crore)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>A. Opening Balance</b>	<b>10,575.13</b>	<b>10,123.06</b>
B. Addition/(deduction) during the year	(566.48)	506.93
C. Amount collected/refunded during the year	75.41	70.65
D. a) Regulated Income/(Expense) recognised in the statement of Profit and Loss (B-C)	(641.89)	436.28
b) Addition on business combination	-	15.79
<b>E. Closing Balance (A+D)</b>	<b>9,933.24</b>	<b>10,575.13</b>
F. Tax on Regulated Income/(Expense) recognised in the statement of Profit and Loss	(112.15)	74.60

### 54. Disclosure as required by Regulation 34 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

- Loans and Advances in nature of Loans:
  - To Joint Ventures

(₹ in crore)

Name of the Company	Outstanding balance		Maximum amount outstanding	
	As at 31.03.2022	As at 31.03.2021	For the year ended 31.03.2022	For the year ended 31.03.2021
<u>Joint Ventures</u>				
National High Power Test Laboratory Private Limited	18.40	18.40	18.40	18.40
Teestavalley Power Transmission Limited	-	29.29	29.29	95.00
<b>Total</b>	<b>18.40</b>	<b>47.69</b>	<b>47.69</b>	<b>113.40</b>

- To firms/companies in which directors are interested: NIL
- Investment by the loanee (as detailed above) in the shares of Power Grid Corporation of India Ltd: NIL

### 55. Corporate Social Responsibility (CSR) Expenses

As per Section 135 of the Companies Act, 2013 along with Companies (Corporate Social Responsibility Policy) Rules, 2014 read with DPE guidelines no F.No.15 (13)/2013-DPE (GM), the group is required to spend, in every financial year, at least two per cent of the average net profits of the group made during the three immediately preceding financial years in accordance with its CSR Policy. Accordingly, the Group has spent ₹273.91 crore (Previous Year ₹247.22 crore) on CSR activities.

**56. Additional Information as required under Schedule III of the Companies Act, 2013**

(₹ in crore)

Particulars	Net Assets i.e. assets minus total liabilities				Share in profit or loss				Share in Other Comprehensive Income				Share in Total Comprehensive Income			
	As at 31.03.2022		As at 31.03.2021		For the year ended 31.03.2022		For the year ended 31.03.2021		For the year ended 31.03.2022		For the year ended 31.03.2021		For the year ended 31.03.2022		For the year ended 31.03.2021	
	As % of consol. net assets	Amount	As % of consol. net assets	Amount	As % of consol. profit or loss	Amount	As % of consol. Profit or loss	Amount	As % of consol. OCI	Amount	As % of consol. OCI	Amount	As % of consol. Total Comp. Income	Amount	As % of consol. Total Comp. Income	Amount
<b>Parent</b>																
Power Grid Corporation of India Limited	92.65%	70,640.37	91.41%	63,926.96	96.99%	16,318.33	93.36%	11,237.33	99.93%	290.93	99.49%	25.36	97.04%	16,609.26	93.37%	11,262.69
<b>Subsidiaries</b>																
Indian																
Powergrid Vemagiri Transmission Limited	-0.03%	(19.42)	-0.03%	(19.41)	0.00%	(0.01)	0.00%	-	0.00%	-	0.00%	-	0.00%	(0.01)	0.00%	-
Powergrid NM Transmission Limited	0.35%	264.27	0.36%	252.87	0.04%	7.50	-0.31%	(37.05)	0.00%	-	0.00%	-	0.04%	7.50	-0.31%	(37.05)
Powergrid Vizag Transmission Limited	NA	NA	0.46%	322.76	0.13%	21.12	0.91%	109.20	0.00%	-	0.00%	-	0.12%	21.12	0.91%	109.20
Powergrid Unchahar Transmission Limited	0.03%	25.03	0.03%	21.61	0.10%	16.77	0.04%	4.94	0.00%	-	0.00%	-	0.10%	16.77	0.04%	4.94
Powergrid Kala Amb Transmission Limited	NA	NA	0.12%	83.73	0.02%	3.48	0.24%	29.48	0.00%	-	0.00%	-	0.02%	3.48	0.24%	29.48
Powergrid Jabalpur Transmission Limited	NA	NA	0.37%	256.29	0.08%	13.03	0.75%	89.70	0.00%	-	0.00%	-	0.08%	13.03	0.74%	89.70
Powergrid Warora Transmission Limited	NA	NA	0.66%	465.06	0.11%	18.85	1.17%	140.28	0.00%	-	0.00%	-	0.11%	18.85	1.16%	140.28
Powergrid Parli Transmission Limited	NA	NA	0.55%	384.56	0.11%	17.89	1.13%	136.54	0.00%	-	0.00%	-	0.10%	17.89	1.13%	136.54
Powergrid Southern Interconnector Transmission System Limited	0.84%	639.80	1.18%	824.78	-0.22%	(37.51)	0.90%	108.68	0.00%	-	0.00%	-	-0.22%	(37.51)	0.90%	108.68
Powergrid Medinipur Jeerat Transmission Limited	0.91%	692.24	0.81%	568.78	1.14%	191.62	0.16%	19.15	0.00%	-	0.00%	-	1.12%	191.62	0.16%	19.15
Powergrid Mithilanchal Transmission Limited	0.33%	254.51	0.31%	214.44	0.23%	38.09	0.01%	0.95	0.00%	-	0.00%	-	0.22%	38.09	0.01%	0.95
Powergrid Varanasi Transmission System Limited	0.26%	195.01	0.24%	168.06	0.12%	20.16	0.00%	0.02	0.00%	-	0.00%	-	0.12%	20.16	0.00%	0.02
Powergrid Jawaharpur Firozabad Transmission Limited	0.13%	101.60	0.11%	78.25	0.10%	17.12	0.01%	1.05	0.00%	-	0.00%	-	0.10%	17.12	0.01%	1.05



## 56. Additional Information as required under Schedule III of the Companies Act, 2013 (Condt.)

Particulars	Net Assets i.e. assets minus total liabilities			Share in profit or loss				Share in Other Comprehensive Income				Share in Total Comprehensive Income			
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2021	For the year ended 31.03.2022	As % of consol. profit or loss	Amount	For the year ended 31.03.2021	As % of consol. OCI	Amount	For the year ended 31.03.2021	As % of consol. OCI	Amount	For the year ended 31.03.2022	As % of consol. Total Comp. Income	Amount
	As % of consol. net assets	As % of consol. net assets	Amount	As % of consol. profit or loss	Amount	As % of consol. profit or loss	Amount	As % of consol. OCI	Amount	As % of consol. OCI	Amount	As % of consol. Total Comp. Income	Amount	As % of consol. Total Comp. Income	Amount
Powergrid Khatri Transmission System Limited	0.27%	0.23%	203.83	0.04%	5.96	0.00%	(0.05)	0.00%	-	0.00%	-	0.03%	5.96	0.00%	(0.05)
Powergrid Bhuj Transmission Limited	0.24%	0.14%	179.97	0.00%	(0.03)	0.00%	-	0.00%	-	0.00%	-	0.00%	(0.03)	0.00%	-
Powergrid Bhind Guna Transmission Limited	0.12%	0.07%	89.44	0.00%	(0.07)	0.00%	-	0.00%	-	0.00%	-	0.00%	(0.07)	0.00%	-
Powergrid Ajmer Phagi Transmission Limited	0.15%	0.16%	115.57	0.01%	0.91	0.00%	(0.02)	0.00%	-	0.00%	-	0.01%	0.91	0.00%	(0.02)
Powergrid Fatehgarh Transmission Limited	0.19%	0.16%	143.26	0.01%	2.26	0.00%	-	0.00%	-	0.00%	-	0.01%	2.26	0.00%	-
Powergrid Rampur Sambhal Transmission Limited	0.14%	0.03%	108.06	0.00%	(0.06)	0.00%	-	0.00%	-	0.00%	-	0.00%	(0.06)	0.00%	-
Powergrid Meerut Simbhavali Transmission Limited	0.17%	0.05%	129.69	0.00%	(0.02)	0.00%	-	0.00%	-	0.00%	-	0.00%	(0.02)	0.00%	-
Central Transmission Utility of India Limited	0.05%	0.00%	40.05	0.24%	40.03	0.00%	(0.03)	0.00%	-	0.00%	-	0.23%	40.03	0.00%	(0.03)
Powergrid Ramgarh Transmission Limited	0.00%	0.00%	0.58	0.00%	(0.01)	0.00%	(0.51)	0.00%	-	0.00%	-	0.00%	(0.01)	0.00%	(0.51)
Powergrid Himachal Transmission Limited	0.55%	0.65%	422.30	0.30%	51.28	-0.21%	(25.03)	-0.01%	(0.03)	0.00%	-	0.30%	51.25	-0.21%	(25.03)
Powergrid Bikaner Transmission System Limited	0.03%	0.00%	22.19	0.00%	(0.02)	0.00%	-	0.00%	-	0.00%	-	0.00%	(0.02)	0.00%	-
Powergrid Sikar Transmission Limited	0.06%	NA	46.88	0.00%	0.12	NA	NA	0.00%	-	NA	NA	0.00%	0.12	NA	NA
Powergrid Bhadla Transmission Limited	0.03%	NA	19.74	0.00%	0.15	NA	NA	0.00%	-	NA	NA	0.00%	0.15	NA	NA
Powergrid Aligarh Sikar Transmission Limited	0.08%	NA	62.34	0.00%	(0.01)	NA	NA	0.00%	-	NA	NA	0.00%	(0.01)	NA	NA
Powergrid Teleservices Limited	0.01%	NA	8.68	0.00%	(0.32)	NA	NA	0.00%	-	NA	NA	0.00%	(0.32)	NA	NA
Powergrid Energy Services Limited	0.00%	NA	(0.07)	0.00%	(0.07)	NA	NA	0.00%	-	NA	NA	0.00%	(0.07)	NA	NA



**56. Additional Information as required under Schedule III of the Companies Act, 2013 Contd.**

Particulars	Net Assets i.e. assets minus total liabilities				Share in profit or loss				Share in Other Comprehensive Income				Share in Total Comprehensive Income			
	As at 31.03.2022		As at 31.03.2021		For the year ended 31.03.2022		For the year ended 31.03.2021		For the year ended 31.03.2022		For the year ended 31.03.2021		For the year ended 31.03.2022		For the year ended 31.03.2021	
	As % of consol. net assets	Amount	As % of consol. net assets	Amount	As % of consol. profit or loss	Amount	As % of consol. profit or loss	Amount	As % of consol. OCI	Amount	As % of consol. OCI	Amount	As % of consol. Total Comp. Income	Amount	As % of consol. Total Comp. Income	Amount
<b>Joint Ventures</b>																
Indian																
Powerlinks Transmission Limited	0.63%	477.91	0.67%	469.63	0.27%	44.78	0.41%	49.98	0.07%	0.19	0.24%	0.06	0.26%	44.97	0.42%	50.04
Torrent Power Grid Limited	0.05%	34.32	0.05%	34.67	0.03%	4.80	0.04%	5.02	0.00%	-	0.00%	-	0.03%	4.80	0.04%	5.02
Powergrid Himachal Transmission Limited	NA	NA	NA	NA	NA	NA	0.12%	14.31	NA	NA	0.00%	-	NA	NA	0.12%	14.31
Parbati Koldam Transmission Company Limited	0.11%	80.18	0.12%	86.60	0.02%	3.51	0.13%	15.86	0.00%	-	0.35%	0.09	0.02%	3.51	0.13%	15.95
Teesta valley Power Transmission Limited	0.19%	144.99	0.20%	140.02	0.03%	4.96	0.12%	14.24	0.00%	0.01	-0.08%	(0.02)	0.03%	4.97	0.12%	14.22
North East Transmission Company Limited	0.17%	128.81	0.18%	124.62	0.11%	18.09	0.16%	19.57	0.00%	-	0.00%	-	0.11%	18.09	0.16%	19.57
National High Power Test Laboratory Private Limited	0.02%	14.24	0.03%	18.22	-0.03%	(3.98)	-0.03%	(3.84)	0.00%	-	0.00%	-	-0.02%	(3.98)	-0.03%	(3.84)
Bihar Grid Company Limited	0.67%	512.09	0.62%	431.29	0.29%	48.56	0.84%	100.83	0.00%	-	0.00%	-	0.28%	48.56	0.84%	100.83
Energy Efficiency Services Limited	0.55%	423.03	0.00%	-	-0.31%	(49.74)	0.00%	-	0.01%	0.04	0.00%	-	-0.28%	(49.70)	0.00%	-
Cross Border Power Transmission Company Limited	0.04%	32.99	0.04%	29.97	0.03%	4.41	0.03%	3.84	0.00%	-	0.00%	-	0.03%	4.41	0.03%	3.84
RINL Powergrid TLT Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Foreign																
Power Transmission Company Nepal Limited	0.01%	12.65	0.02%	11.83	0.01%	2.14	0.02%	2.02	0.00%	-	0.00%	-	0.01%	2.14	0.02%	2.02
<b>Total</b>	<b>100.00%</b>	<b>76,247.13</b>	<b>100.00%</b>	<b>69,936.07</b>	<b>100.00%</b>	<b>16,824.07</b>	<b>100.00%</b>	<b>12,036.46</b>	<b>100.00%</b>	<b>291.14</b>	<b>100.00%</b>	<b>25.49</b>	<b>100.00%</b>	<b>17,115.21</b>	<b>100.00%</b>	<b>12,061.95</b>



## 57. Fair Value Measurement

(₹ in crore)

Financial Instruments by category	As at 31.03.2022		As at 31.03.2021	
	FVOCI	Amortised cost	FVOCI	Amortised cost
<b>Financial Assets</b>				
Investments				
Equity Instruments				
-PTC India Limited				
(12000006 shares of ₹10 each)	98.69		93.30	
Energy Efficiency Services Limited (Previous year 56118350 shares of ₹10 each)	-		45.40	
POWERGRID Infrastructure Investment Trust (136500100 units (Previous year NIL))	1,827.74		-	
Trade Receivables		9,475.07		8,629.42
Loans		505.04		449.63
Cash & cash Equivalents		2,577.11		4,487.23
Bank Balance		2,545.90		964.14
Other Financial Assets				
Current		6,156.69		3,025.43
Non-Current		4,516.33		4,468.08
<b>Total Financial assets</b>	<b>1,926.43</b>	<b>25,776.14</b>	<b>138.70</b>	<b>22,023.93</b>
<b>Financial Liabilities</b>				
Borrowings		1,37,447.04		1,46,311.85
Trade Payables		267.10		187.48
Other Financial Liabilities				
Current		7,392.23		7,705.76
Non-Current		3,523.00		3,733.98
<b>Total financial liabilities</b>	<b>-</b>	<b>1,48,629.37</b>	<b>-</b>	<b>1,57,939.07</b>

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are measured at fair value and financial instruments that are measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group 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 Fair value:

(₹ in crore)

Particulars	Level 1	Level 2	Level 3	Total
<b>As at 31.03.2022</b>				
<b>Financial Assets</b>				
Investments				
Equity Instruments				
-PTC India Limited				
(12000006 shares of ₹10 each)	98.69	-	-	98.69
POWERGRID Infrastructure Investment Trust (136500100 units)	1,827.74	-	-	1,827.74
<b>Total Financial Assets</b>	<b>1,926.43</b>	<b>-</b>	<b>-</b>	<b>1,926.43</b>

(₹ in crore)

Particulars	Level 1	Level 2	Level 3	Total
<b>As at 31.03.2021</b>				
<b>Financial Assets</b>				
Investments				
Equity Instruments				
-PTC India Limited				
(12000006 shares of ₹10 each)	93.30	-	-	93.30
Energy Efficiency Services Limited (56118350 shares of ₹10 each)	-	45.40	-	45.40
<b>Total Financial Assets</b>	<b>93.30</b>	<b>45.40</b>	<b>-</b>	<b>138.70</b>

## 57. Fair Value Measurement (Contd.)

Financial instruments that are measured at Amortised Cost:

(₹ in crore)

Particulars	Level	As at 31.03.2022		As at 31.03.2021	
		Carrying Amount	Fair value	Carrying Amount	Fair value
<b>Financial Assets</b>					
<b>Loans</b>					
Loans to Joint Venture	2	21.74	18.27	52.88	49.04
Loans to employees	2	483.30	448.43	396.75	379.82
<b>Total Financial Assets</b>		<b>505.04</b>	<b>466.70</b>	449.63	428.86
<b>Financial Liabilities</b>					
Borrowings	2	1,37,447.04	1,41,617.91	1,46,311.85	1,52,217.37
Deposits/retention money from contractors and others	2	3,559.22	3,844.04	3,643.16	3,993.20
<b>Total financial liabilities</b>		<b>1,41,006.26</b>	<b>1,45,461.95</b>	<b>1,49,955.01</b>	<b>1,56,210.57</b>

The carrying amounts of trade receivables, trade payables, cash and cash equivalents and other current financial liabilities are considered to be the same as their fair values, due to their short-term nature. The carrying values for finance lease receivables approximates the fair value as these are periodically evaluated based on credit worthiness of customer and allowance for estimated losses is recorded based on this evaluation.

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

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

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

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

There are no transfers between levels 1 and 2 during the year. The group'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 include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of Energy Efficiency Services Limited for the previous year has been determined by making qualitative adjustment to trading multiples such as P/E, EV/EBITDA of comparable listed prices. The same has been included in Level 2 fair value hierarchy.
- 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 apart from equity instruments of PTC India Limited and units of POWERGRID Infrastructure Investment Trust which is included in Level 1 fair value hierarchy.

Fair value of financial instruments has been determined by an independent valuer.



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

### (a) Joint Ventures

Name of entity	Place of business/ country of incorporation	Proportion of Ownership Interest	
		As at 31.03.2022	As at 31.03.2021
Powerlinks Transmission Limited	India	49%	49%
Torrent Power Grid Limited	India	26%	26%
Parbati Koldam Transmission Company Limited	India	26%	26%
Teestavalley Power Transmission Limited <sup>1</sup>	India	30.92%	30.92%
North East Transmission Company Limited	India	26%	26%
National High Power Test Laboratory Private Limited	India	20%	20%
Bihar Grid Company Limited	India	50%	50%
Energy Efficiency Services Limited <sup>2</sup>	India	33.33%	NA
Cross Border Power Transmission Company Limited <sup>3</sup>	India	26%	26%
RINL Powergrid TLT Private Limited <sup>4</sup>	India	50%	50%
Power Transmission Company Nepal Limited	Nepal	26%	26%

<sup>1</sup> POWERGRID & Teesta Urja Ltd are the Joint venture partners in Teestavalley Power Transmission Limited & holds 26% & 74 % equity, respectively as per Shareholding agreement. On call of additional equity by Teestavalley Power Transmission limited, POWERGRID contributed their share while the other JV partner has not yet contributed their share of money. Consequently, the holding of POWERGRID increased to 30.92% against 26% provided in shareholding agreement.

<sup>2</sup> The Company has invested ₹407.49 crore during the year in Energy Efficiency Services Limited (EESL), thereby increasing its shareholding from 5.71% to 33.33%. EESL has been considered as Joint Venture w.e.f. 01.09.2021 being the Joint control has been reinstated vide Agreement dated 01.09.2021.

<sup>3</sup> The Board of Directors of the company have, in its meeting held on 01 May 2022, approved the proposal for purchase of 77,30,225 no. equity shares held by IL&FS Energy Development Company Limited in Cross Border Power Transmission Company Limited (Joint venture of the company).

<sup>4</sup> POWERGRID's Board of Directors in its meeting held on 01.05.2018 accorded in principle approval to close RINL Powergrid TLT Private Limited (RPTPL) and seek consent of other JV Partner Rashtriya Ispat Nigam Limited (RINL). RINL's Board of Directors in its meeting held on 08.03.2019 has agreed in principle for winding up proceedings of RPTPL & to seek the approval from Ministry of Steel, Government of India, for closure of RPTPL. RINL's Board of Directors in its meeting held on 05.11.2019 has advised to put up the closure proposal again to Ministry of steel for onward submission to NITI Ayog. The Ministry of Steel vide letter dated 29.09.2020 informed RINL that closure of RPTPL is being examined and seeks further clarifications from RINL. Accordingly, relevant information was forwarded by RINL to The Ministry of Steel. The Approval from Government is still awaited.

### (b) Associates

Name of entity	Place of business/ Country of incorporation	Proportion of Ownership Interest	
		As at 31.03.2022	As at 31.03.2021
Powergrid Vizag Transmission Limited <sup>1</sup>	India	0%	NA
Powergrid Kala Amb Transmission Limited <sup>2</sup>	India	26%	NA
Powergrid Jabalpur Transmission Limited <sup>2</sup>	India	26%	NA
Powergrid Warora Transmission Limited <sup>2</sup>	India	26%	NA
Powergrid Parli Transmission Limited <sup>2</sup>	India	26%	NA

<sup>1</sup> Associate with holding of 26% from 13.05.2021 and transferred to PG InvIT on 31.03.2022 (Subsidiary till 12.05.2021) and Refer note 19A "Assets classified as held for sale"

<sup>2</sup> Associate from 13.05.2021 onwards (Subsidiary till 12.05.2021) and Refer note 19A "Assets classified as held for sale"

### (c) Key Managerial Personnel Whole Time Directors

Name	Designation
Shri K. Sreekant	Chairman & Managing Director
Smt. Seema Gupta	Director (Operations)
Shri Vinod Kumar Singh	Director (Personnel)
Shri M. Taj Mukarrum	Director (Finance) and CFO
Shri Abhay Choudhary	Director (Projects)

## 58. Disclosure as per Ind AS 24 - "Related Party Disclosures (Contd.)

### Independent Directors

Name	Designation
Shri M.N. Venkatesan	Independent Director
Shri Sunil Kumar Sharma	Independent Director up to 22.07.2021
Smt. A.R. Mahalakshmi	Independent Director up to 25.07.2021
Shri Onkarappa K.N.	Independent Director from 17.11.2021
Shri Chetan Bansilal Kankariya	Independent Director from 17.11.2021
Shri Ram Naresh Tiwari	Independent Director from 18.11.2021

### Government Nominee Directors and other KMP

Name	Designation
Shri Dilip Nigam	Government Nominee Director
Shri Mritunjay Kumar Narayan	Government Nominee Director [ceased to be director on 06.12.2021]
Shri Ghanshyam Prasad	Government Nominee Director w.e.f. 21.12.2021
Shri Mrinal Shrivastava	Company Secretary w.e.f. 01.07.2020

### (d) List of Other Related Parties

Name of Entity	Place of business/ country of incorporation	Nature of Relationship
Powergrid Employees P.F. Trust	India	Post-employment benefit plan of Powergrid
Powergrid Employees Defined Contribution Superannuation Benefit (Pension) Scheme Trust	India	Post-employment benefit plan of Powergrid
Powergrid Employees Gratuity Fund Trust	India	Post-employment benefit plan of Powergrid
Powergrid Employees Post-Retirement Medical Benefit Trust	India	Post Retirement Benefit plan of Powergrid
Powergrid Infrastructure Investment Trust	India	Sponsor

### (e) Government Related Entities

The company is controlled by the Government of India (GOI), being a Central Public Sector Enterprise (CPSE) under the Ministry of Power, with GOI holding 51.34% (Previous Year 51.34%) of equity shares capital issued and paid up.

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.



## 58. Disclosure as per Ind AS 24 - "Related Party Disclosures (Contd.)

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

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

(₹ in crore)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Amounts Receivable</b>		
<b>Loans to Joint Ventures</b>		
National High Power Test Laboratory Private Limited	18.40	18.40
Teestavalley Power Transmission Limited	-	29.29
<b>Total</b>	<b>18.40</b>	<b>47.69</b>
<b>Interest Accrued on loan to Joint Ventures</b>		
National High Power Test Laboratory Private Limited	3.34	1.58
Teestavalley Power Transmission Limited	-	3.61
<b>Total</b>	<b>3.34</b>	<b>5.19</b>
<b>Loans to Key Managerial Personnel</b>	<b>0.11</b>	0.14
<b>Other receivables</b>		
<u>Joint Ventures:</u>		
Powerlinks Transmission Limited	0.13	0.21
Torrent Power Grid Limited	0.17	0.44
Parbati Koldam Transmission Company Limited	0.38	0.38
Teestavalley Power Transmission Limited	6.55	6.12
North East Transmission Company Limited	-	0.25
National High Power Test Laboratory Private Limited	0.01	0.46
Bihar Grid Company Limited	0.01	1.63
Energy Efficiency Services Limited	1.12	-
Cross Border Power Transmission Company Limited	0.02	0.74
<b>Total</b>	<b>8.39</b>	<b>10.23</b>
<u>Associates:</u>		
Powergrid Kala Amb Transmission Limited	0.15	-
Powergrid Jabalpur Transmission Limited	0.09	-
Powergrid Warora Transmission Limited	0.28	-
Powergrid Parli Transmission Limited	0.29	-
<b>Total</b>	<b>0.81</b>	-
<b>Total Other receivables</b>	<b>9.20</b>	<b>10.23</b>
<b>Advances /Amounts Payable</b>		
<u>Joint Ventures:</u>		
Powerlinks Transmission Limited	0.04	0.54
Torrent Power Grid Limited	-	0.20
Teestavalley Power Transmission Limited	55.93	48.03
North East Transmission Company Limited	14.93	19.73
Bihar Grid Company Limited	-	0.01
Energy Efficiency Services Limited	2.56	-
Cross Border Power Transmission Company Limited	11.26	11.27



**58. Disclosure as per Ind AS 24 - "Related Party Disclosures (Contd.)**

(₹ in crore)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Associates:</b>		
Powergrid Warora Transmission Limited	0.01	-
Powergrid Parli Transmission Limited	0.03	-
<b>Total payables to related parties</b>	<b>84.76</b>	<b>79.78</b>
<b>Other Related Parties</b>		
<b>Outstanding balances with Employees Benefit Trust:</b>		
Powergrid Employees P.F. Trust	0.21	0.01
Powergrid Employees Defined Contribution Superannuation Benefit (Pension) Scheme Trust	0.07	-
Powergrid Employees Gratuity Fund Trust	12.70	(0.42)
Powergrid Employees Post-Retirement Medical Benefit Trust	(0.58)	3.44
<b>Total</b>	<b>12.40</b>	<b>3.03</b>

Refer note no. 61 for guarantee given on behalf of related parties.

**(g) Transactions with related parties**

The following transactions occurred with related parties:

(₹ in crore)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
<b>Services provided by the Company</b>		
<b>Consultancy Income</b>		
<b>Joint Ventures:</b>		
Torrent Power Grid Limited	0.69	0.67
Powergrid Himachal Transmission Limited	-	0.66
Teestavalley Power Transmission Limited	0.53	1.12
North East Transmission Company Limited	1.25	2.49
National High Power Test Laboratory Private Limited	-	0.81
Bihar Grid Company Limited	1.03	3.98
Cross Border Power Transmission Company Limited	1.88	1.75
<b>Total</b>	<b>5.38</b>	<b>11.48</b>
<b>Associates:</b>		
Powergrid Vizag Transmission Limited	3.15	-
Powergrid Kala Amb Transmission Limited	4.66	-
Powergrid Jabalpur Transmission Limited	2.67	-
Powergrid Warora Transmission Limited	7.89	-
Powergrid Parli Transmission Limited	7.75	-
<b>Total</b>	<b>26.12</b>	<b>-</b>
<b>Total Consultancy Income</b>	<b>31.50</b>	<b>11.48</b>
<b>Interest Income</b>		
<b>Joint Ventures:</b>		
National High Power Test Laboratory Private Limited	1.96	1.89
Teestavalley Power Transmission Limited	0.40	9.82
<b>Total</b>	<b>2.36</b>	<b>11.71</b>
<b>Other Related Parties:</b>		
POWERGRID Infrastructure Investment Trust	68.52	-
<b>Total</b>	<b>68.52</b>	<b>-</b>
<b>Total Interest Income</b>	<b>70.88</b>	<b>11.71</b>



## 58. Disclosure as per Ind AS 24 - "Related Party Disclosures (Contd.)"

(₹ in crore)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
<b>Dividend received</b>		
<u>Associates:</u>		
Powergrid Vizag Transmission Limited	35.34	-
Powergrid Kala Amb Transmission Limited	8.25	-
Powergrid Jabalpur Transmission Limited	18.05	-
Powergrid Warora Transmission Limited	26.89	-
Powergrid Parli Transmission Limited	28.22	-
<b>Total</b>	<b>116.75</b>	<b>-</b>
<u>Other Related Parties:</u>		
POWERGRID Infrastructure Investment Trust	33.85	-
<b>Total</b>	<b>33.85</b>	<b>-</b>
<b>Total Dividend received</b>	<b>150.60</b>	<b>-</b>
<b>Other income</b>		
<u>Joint Ventures:</u>		
Bihar Grid Company Limited	0.09	-
Energy Efficiency Services Limited	1.97	-
<b>Total</b>	<b>2.06</b>	<b>-</b>
<b>Investments made during the year</b>		
<u>Joint Ventures:</u>		
Bihar Grid Company Limited	32.24	33.00
Energy Efficiency Services Limited	407.49	-
<b>Total</b>	<b>439.73</b>	<b>33.00</b>
<b>Loans given during the year</b>		
<u>Joint Ventures:</u>		
Teestavalley Power Transmission Limited	-	95.00
<b>Total</b>	<b>-</b>	<b>95.00</b>
<b>Loans repayment received during the year</b>		
<u>Joint Ventures:</u>		
Teestavalley Power Transmission Limited	29.29	142.83
<b>Total</b>	<b>29.29</b>	<b>142.83</b>
<u>Associates:</u>		
Powergrid Vizag Transmission Limited	783.99	-
Powergrid Kala Amb Transmission Limited	186.00	-
Powergrid Jabalpur Transmission Limited	1,183.00	-
Powergrid Warora Transmission Limited	1,540.00	-
Powergrid Parli Transmission Limited	1,300.50	-
<b>Total</b>	<b>4,993.49</b>	<b>-</b>
<b>Total Loans repayment received during the year</b>	<b>5,022.78</b>	<b>142.83</b>
<b>Reimbursement of Expenses</b>		
<u>Joint Ventures:</u>		
Energy Efficiency Services Limited	1.24	-
<b>Total</b>	<b>1.24</b>	<b>-</b>

**58. Disclosure as per Ind AS 24 - "Related Party Disclosures (Contd.)**

(₹ in crore)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
<b>Other Related Parties</b>		
<u>Contribution made during the year</u>		
Powergrid Employees P.F. Trust	117.07	114.14
Powergrid Employees Defined Contribution Superannuation Benefit (Pension) Scheme Trust	100.77	120.46
Powergrid Employees Gratuity Fund Trust	37.86	21.81
Powergrid Employees Post-Retirement Medical Benefit Trust	35.54	12.02
<b>Total</b>	<b>291.24</b>	<b>268.43</b>
<u>Transaction with POWERGRID Infrastructure Investment Trust</u>		
Units Received for transfer of Investments	1,365.00	-
Amount Received on transfer of Investments including Offer For Sale	3,370.95	-
<b>Total</b>	<b>4,735.95</b>	<b>-</b>
<b>Recovery for Deputation of Employees</b>		
<u>Joint Ventures:</u>		
Torrent Power Grid Limited	-	0.51
Powergrid Himachal Transmission Limited (wholly owned subsidiary from 26.03.2021).	-	1.11
Energy Efficiency Services Limited	0.89	-
Teestavalley Power Transmission Limited	0.79	0.95
North East Transmission Company Limited	0.25	0.90
Cross Border Power Transmission Company Limited	0.67	0.77
<b>Total</b>	<b>2.60</b>	<b>4.24</b>

**Terms and Conditions**

The loans to key management personnel are on the same terms and conditions as applicable to all other employees.

All other transactions were made on normal commercial terms and conditions and at market rates. All outstanding balances are unsecured and are repayable in cash.

Loans to Subsidiaries & JVs are provided with interest rate ranging from 6.52% to 10.00% repayable as per agreed terms & conditions.

**(h) Transactions in the capacity of Central Transmission Utility (CTU) with the related parties**

(₹ in crore)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
<b>Transactions for the period the company was acting as CTU:</b>		
<u>Joint Ventures:</u>		
Powerlinks Transmission Limited	-	237.70
Torrent Power Grid Limited	-	50.96
Powergrid Himachal Transmission Limited	-	171.94
Parbati Koldam Transmission Company Limited	-	192.00
Teestavalley Power Transmission Limited	-	341.63
North East Transmission Company Limited	-	388.15
<b>Total</b>	<b>-</b>	<b>1,382.38</b>



## 58. Disclosure as per Ind AS 24 - "Related Party Disclosures (Contd.)

### (i) Remuneration to Key Managerial Personnel

(₹ in crore)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Short Term Employee Benefits	5.12	4.68
Post-Employment Benefits	0.15	0.67
Long Term Employee Benefits	0.64	0.46
<b>Total</b>	<b>5.91</b>	<b>5.81</b>
Sitting fee	0.44	0.32

In addition to the above remuneration, the whole-time directors have been allowed to use the staff car (including for private journeys) on payment of ₹2000/- p.m. as contained in the Department of Public Enterprises (DPE) OM No. 2 (23)/11-DPE (WC)-GL-V/13 dated 21/01/2013.

## 59. Operating Segments

### a) Business Segment

The Board of Directors is the Group's Chief Operating Decision Maker (CODM) who monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Three reportable segments have been identified on the basis of services provided.

- **Transmission Services-** Group's principal business is transmission of bulk power across different states of India.
- **Telecom Services-** The Company utilizes the spare Optical fibres available in the Optical Ground Wire (OPGW) laid on the transmission network for providing telecom services. It operates as a neutral carrier in the point to point bandwidth leasing business. Refer note no. 69 for disclosure on formation of wholly owned subsidiary of the company to undertake Telecommunications and Digital Technology Business of the company.
- **Consultancy Services-** provides Consultancy Services in the Transmission, Distribution and Telecom sectors, including Planning Design, Engineering, Load Dispatch, OPGW on intra state Transmission network, Procurement Management, Operation & Maintenance, Financing and Project Management.

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

c) Information about major customer: Revenue from any single customer is not equal to or exceeds 10% of the group's total revenue.

### d) Segment Revenue and Expenses

Revenue directly attributable to the segments is considered as Segment Revenue. Expenses directly attributable to the segments and common expenses allocated on a reasonable basis are considered as segment expenses.

Revenue from external customer in India is ₹42,211.13 crore (Previous Year ₹40,621.38 crore) and outside India is ₹47.12 crore (Previous Year ₹22.86 crore).

### e) Segment Assets and Liabilities

Segment assets include all operating assets comprising of Property, Plant and Equipment, current assets and loan and advances. Construction, Work-in-progress, construction stores and advances and investments are included in unallocated assets. Segment liabilities include operating liabilities and provisions.

**59. Operating Segments (Contd.)**

Particulars	Transmission Services		Consultancy Services		Telecom Services		Elimination		Total	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
<b>Revenue:</b>										
Revenue from Operations (including allocable other income)	40,976.38	39,492.46	682.28	438.55	599.59	713.23	-	-	42,258.25	40,644.24
Inter Segment Revenue	-	-	98.39	67.61	69.27	69.96	(167.66)	(137.57)	-	-
<b>Net Revenue from Operations</b>	<b>40,976.38</b>	<b>39,492.46</b>	<b>780.67</b>	<b>506.16</b>	<b>668.86</b>	<b>783.19</b>	<b>(167.66)</b>	<b>(137.57)</b>	<b>42,258.25</b>	<b>40,644.24</b>
Segment results	23,120.26	23,878.09	351.47	150.84	223.53	365.72			23,695.26	24,394.65
Exceptional Item									3,320.33	(1,078.64)
Unallocated Interest and Other Income									439.65	179.29
Unallocated Finance Costs									8,036.22	8,134.69
Profit before Tax (Including movement in Regulatory Deferral Account Balances)									19,419.02	15,360.61
Add: Share of net profit of joint ventures accounted for using equity method.									78.47	214.70
Profit before Tax									19,497.49	15,575.31
Provision for Taxes									2,673.42	3,538.85
<b>Profit after Tax</b>									<b>16,824.07</b>	<b>12,036.46</b>
<b>Other information:</b>										
Segment Assets	2,27,077.55	2,15,286.67	1,899.37	2,426.68	925.48	981.45			2,29,902.40	2,18,694.80
Unallocated Assets									20,780.17	30,293.62
Assets Classified as Held for Sale									260.86	6,701.05
<b>Total Assets</b>									<b>2,50,943.43</b>	<b>2,55,689.47</b>
Segment Liabilities	14,295.14	14,012.95	2,743.96	3,428.90	648.01	454.89			17,687.11	17,896.74
Unallocated Other Liabilities (including loans)									1,57,009.19	1,67,492.68
Liabilities directly associated with Assets Classified as Held for Sale									-	363.98
<b>Total liabilities</b>									<b>1,74,696.30</b>	<b>1,85,753.40</b>
Depreciation and Amortisation	12,762.38	11,936.83	5.75	5.60	103.53	96.76			12,871.66	12,039.19
Non-cash expenditure other than Depreciation	26.51	15.79	4.02	5.97	2.10	1.11			32.63	22.87
Capital Expenditure	13,952.47	20,935.26	3.73	82.50	199.00	10.13			14,155.20	21,027.89



## 60. Capital and other Commitments

(₹ in crore)

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)	7,251.68	6,542.25
Group's commitment towards further investment/loan in joint venture entities	116.69	148.92
Group's commitment towards further investment in other entities	452.05	713.17

## 61. Contingent Liabilities and contingent assets

### A. Contingent Liabilities

1. Claims against the Group not acknowledged as debts in respect of:

#### (i) Capital Works

Some of the contractors for supply and installation of equipments and execution of works at our projects have lodged claims on the group seeking enhancement of the contract price, revision of work schedule with price escalation, compensation for the extended period of work, idle charges etc. These claims are being contested by the group as being not admissible in terms of the provisions of the respective contracts.

The group is pursuing various options under the dispute resolution mechanism available in the contract for settlement of these claims. In such cases, contingent liability of ₹2,780.93 crore (Previous Year ₹2,540.73 crore) has been estimated.

#### (ii) Land compensation cases

In respect of land acquired for the projects, the land losers have claimed higher compensation before various authorities/courts which are yet to be settled. In such cases, contingent liability of ₹1,978.49 crore (Previous Year ₹1,729.82 crore) has been estimated.

#### (iii) Other claims

In respect of claims made by various State/Central Government Departments/Authorities towards building permission fees, penalty on diversion of agriculture land to non-agriculture use, Nala tax, water royalty etc. and by others, contingent liability of ₹5.81 crore (Previous Year ₹5.81 crore) has been estimated.

#### (iv) Disputed Income Tax/Sales Tax/Excise/Municipal Tax Matters

Disputed Income Tax/Sales Tax/Excise/Municipal Tax Matters amounting to ₹504.74 crore (Previous Year ₹258.30 crore) are being contested before various Appellate Authorities. Many of these matters have been disposed of in favour of the group but are disputed before higher authorities by the concerned departments. Against total claim of ₹201.22 crore (Previous Year ₹191.42 crore), provision of ₹165.52 crore (Previous Year ₹156.98 crore) is made and balance of ₹35.70 crore (Previous Year ₹34.44 crore) towards penalty is shown as contingent liability as it is not a wilful default and in management opinion, same is not expected to be upheld by the court.

#### (v) Others

- Contingent liability in respect of bills discounted with banks against trade receivables is amounting to ₹3,720.37 crore (Previous Year ₹2,533.96 crore). In case of any claim on the company from the banks in this regard, entire amount shall be recoverable from the beneficiaries along with surcharge.
  - Other contingent liabilities amounts to ₹711.04 crore (Previous Year ₹838.62 crore) which includes claim of ₹357.11 crore (Previous Year ₹402.37 crore) related to Arbitration cases/ROW cases.
  - Some of the beneficiaries have filed appeals against the tariff orders of the CERC. The amount of contingent liability in this regard is not ascertainable.
  - Under the Transmission Service Agreement (TSA) with Powerlinks Transmission Ltd, the group has an obligation to purchase the JV Company (Powerlinks Transmission Ltd) at a buyout price determined in accordance with the TSA. Such an obligation may result in case JV Company (Powerlinks Transmission Ltd) serves a termination notice either on "POWERGRID event of default" or on "force majeure event" prescribed under TSA. No contingent liability on this account has been considered as the same is not ascertainable.
2. Details of Bank guarantees given by the company on behalf of associate companies, which were taken over to carry out the business awarded under tariff based bidding, towards performance of the work awarded are as under:

(₹ in crore)

Name of Associate	As at 31.03.2022	As at 31.03.2021
Powergrid Jabalpur Transmission Limited	2.23	-



## 61. Contingent Liabilities and contingent assets (Contd.)

### B. Contingent Assets

While determining the tariff for some of the Company's Transmission Systems, CERC has disallowed certain capital expenditure incurred by the Company. The Company aggrieved over such issues has filed appeals with the Appellate Tribunal for Electricity (APTEL)/Hon'ble Supreme Court against the tariff orders issued by the CERC. Based on past experience, the Company believes that a favourable outcome is probable. However, it is impracticable to estimate the financial effect of the same as its receipt is dependent on the outcome of the judgement.

The group has filed an appeal in APTEL on 16/12/2016 for the acquisition cost of Powergrid Vemagiri Transmission Limited amounting to ₹18.28 crore as well as additional expenditure incurred from the date of acquisition and interest and carrying cost till the date of reimbursement. Extensive hearings were held by Hon'ble Tribunal and Hon'ble Tribunal vide order dated 12.02.2020 has directed all the parties to file written submissions. All the parties to dispute have filed written submissions to APTEL. The group believes that a favorable outcome is probable. Since there is no precedence of the judgements on such matters, it is impracticable to estimate the exact financial impact of the same.

## 62. Capital management

### a) Risk Management

The group'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 group's capital management, equity capital includes issued equity capital, securities premium Account and all other equity reserves attributable to the equity holders of the group. The group manages its capital structure and makes adjustments in light of changes in economic conditions, regulatory framework and requirements of financial covenants with lenders. To maintain or adjust the capital structure, the group may adjust the dividend payment to shareholders, regulate investments in new projects, return capital to shareholders or issue new shares. The group monitors capital using debt-equity ratio, which is the ratio of long term debt to total net worth. The policy is to keep the debt-equity ratio wherein the debt is less than 75% of total capital employed (i.e. debt to equity ratio less than 75:25). The group includes within long term debt, interest bearing loans and borrowings and current maturities of long term debt.

The debt –equity ratio of the Group was as follows:-

Particulars	As at 31.03.2022	As at 31.03.2021
Total borrowings (₹ in crore)	1,34,665.27	1,43,210.33
Equity (₹ in crore)	76,247.13	69,936.07
Debt - Equity ratio	1.77	2.05

Under the terms of the major borrowing facilities, the group is required to comply with the financial covenants. Breaches in meeting the financial covenants would permit the lenders to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current reporting period.

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

### b) Dividends

(₹ in crore)

Particular	For the year ended 31.03.2022	For the year ended 31.03.2021
<b>Equity shares</b>		
Final dividend for the year ended 31.03.2021 of ₹3.00 (31.03.2020 – ₹3.03*) per fully paid up share	2,092.64	2,113.56
Interim dividend for the year ended 31.03.2022 of ₹12.50 (31.03.2021 – ₹6.75*) per fully paid up share	8,719.32	4,708.43

\*after considering bonus shares



## 62. Capital management (Contd. )

Dividend not recognized at the end of the reporting period:

In addition to above dividend, the Board of Directors on 21 May 2022 recommended the payment of a final dividend of ₹2.25 per fully paid up equity share. This proposed dividend is subject to the approval of shareholders in the ensuing Annual general meeting.

## 63. Earnings per share

(Amount in ₹)

(a)Basic and diluted earnings per share attributable to the equity holders of the group	For the year ended 31.03.2022	For the year ended 31.03.2021
Including movement in Regulatory Deferral Account Balances	24.12	17.26
Excluding movement in Regulatory Deferral Account Balances	24.88	16.74
<b>Total basic and diluted earnings per share attributable to the equity holders of the group</b>	<b>24.12</b>	<b>17.26</b>

(₹ in crore)

(b)Reconciliation of earnings used as numerator in calculating earnings per share	For the year ended 31.03.2022	For the year ended 31.03.2021
Earnings attributable to the equity holders of the company including movement in Regulatory Deferral Account Balances	16,824.07	12,036.46
Earnings attributable to the equity holders of the company excluding movement in Regulatory Deferral Account Balances	17,353.81	11,674.78
<b>Total Earnings attributable to the equity holders of the group</b>	<b>16,824.07</b>	<b>12,036.46</b>

(c)Weighted average number of shares used as the denominator	For the year ended 31.03.2022	For the year ended 31.03.2021
Weighted average number of equity shares used as the denominator in calculating basic earnings per share *	6975452864	6975452864
Adjustments for calculation of diluted earnings per share	-	-
<b>Total weighted average number of equity shares used as the denominator in calculating diluted earnings per share</b>	<b>6975452864</b>	<b>6975452864</b>

\*The Company has issued 1743863216 equity shares of ₹10/- each as fully paid bonus shares during the year in the ratio of 1 equity share of ₹10/- each for every 3 equity shares held. This has been considered for calculating weighted average number of equity shares for all comparative periods. In line with the above, EPS for the year ended 31.03.2021 has been restated.

## 64. Financial Risk Management

The Group'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 Group's capital investments and operations.

The Group's principal financial assets include loans and advances, trade and other receivables, and cash and cash equivalents that are generated from its operations.

The Group'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 group's exposure, objectives, policies and processes for measuring and managing these risks.

### Risk management framework

The Parent company has a duly constituted Risk Management Committee headed by Director (Projects) with Director (Operations), Director (Finance) and 2 independent directors as members. For the purpose of evaluating and managing the uncertainties the enterprise faces, Enterprise Risk Management framework has been implemented. The framework is a structured, consistent and continuous process for identification, assessment, monitoring and management of risks. As per this framework, the significant business processes / risks are monitored and controlled through various Key Performance Indicators (KPIs). The Committee meets at regular intervals and reviews KPIs and provides updates to the Audit Committee/Board.

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

## 64. Financial Risk Management (Contd.)

### (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 Group is exposed to credit risk from its operating activities on account of trade receivables and loans and advances and from its financing activities due to deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

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 Group 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 Group. Where loans or receivables have been written off, the Group 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 Group primarily provides transmission facilities to inter-state transmission service customers (DICs) comprising mainly state utilities owned by State Governments and the main revenue is from transmission charges. CERC (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020 ("CERC Sharing Regulations") allow payment against monthly bills towards transmission charges within due date i.e., 45 days from the date of presentation of the bill and levy of surcharge on delayed payment beyond 45 days. However, in order to improve the cash flows of group, a graded rebate is provided for payments made within 45 days. If a DIC fails to pay any bill or part thereof by the Due Date, the Central Transmission Utility (CTU) may encash the Letter of Credit provided by the DIC and utilise the same towards the amount of the bill or part thereof that is overdue plus Late Payment Surcharge, if applicable.

The Company has a robust payment security mechanism in the form of Letter of Credit (LC) backed by the Tri-Partite Agreements (TPA). The TPA was signed among the GOI, Reserve Bank of India and the individual State Governments subsequent to the issuance of the One Time Settlement Scheme of State Electricity Boards dues during 2001-02 by the GOI. The TPA also provides that if there is any default in payment of current dues by any State Utility, the outstanding dues can be deducted from the State's RBI account and paid to the concerned CPSU.

As per provisions of CERC Sharing Regulations, in case tripartite agreement exists, the Letter of Credit shall be for an amount equal to 1.05 (one point zero five) times the average amount of the first bill of a year; Provided that where such tripartite agreement does not exist, the DIC shall open the Letter of Credit for an amount equal to 2.10 (two point one times) the average amount of the first bill of a year.

In addition to the encashment of letter of credit, on non-payment of outstanding dues, the CTU has power to Regulate the power supply on the defaulting entity as per CERC (Regulation of Power Supply) Regulation, 2010 or deny Short Term Open Access.

Trade receivables consist of receivables relating to transmission services of ₹9,464.97 crore (Previous Year ₹8,434.09 crore), receivables relating to consultancy services of ₹131.07 crore (Previous Year ₹174.50 crore) and receivables relating to telecom business of ₹179.80 crore (Previous Year ₹321.27 crore).

Contract Assets primarily relates to the Group's right to consideration for work completed 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 Group held cash and cash equivalents of ₹795.90 crore (Previous Year ₹1,057.36 crore). The cash and cash equivalents are held with public sector banks and high rated private sector banks and do not have any significant credit risk.

#### • Deposits with banks and financial institutions

The Group held deposits with banks and financial institutions of ₹4,327.11 crore (Previous Year ₹4,394.01 crore). Term deposits are placed with public sector banks and have negligible credit risk.

#### • Loans

The Group has given loans to employees, subsidiaries, Joint Venture companies, Government of India and other parties. House building loans and conveyance advance to the employees are secured against the mortgage of the house properties or hypothecation of vehicles for which such loans have been given in line with the policies of the Group. The loans provided to group companies are for projects under Tariff Based Competitive Bidding route and Public private partnership. The risk of default in respect of these loans is considered negligible.



## 64. Financial Risk Management (Contd.)

### (iii) Exposure to credit risk

(₹ in crore)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)</b>		
Non-Current Loans	406.45	322.58
Other non-current financial assets	4,516.33	4,468.08
Cash and cash equivalents	795.90	1,057.36
Deposits with banks and financial institutions	4,327.11	4,394.01
Current loans	98.59	127.05
Other current financial assets	567.87	863.76
<b>Total</b>	<b>10,712.25</b>	<b>11,232.84</b>
<b>Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)</b>		
Trade receivables	9,775.84	8,929.86
Contract Assets	5,607.74	2,180.59

### (iv) Provision for expected credit losses

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

The Group 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 lifetime expected credit losses

In respect of trade receivables and contract assets from Telecom and Consultancy, customer credit risk is managed by regular monitoring of the outstanding receivables and follow-up with the consumer for realization.

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

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

### (v) Ageing analysis of trade receivables

The ageing analysis of the trade receivables is as below:

(₹ in crore)

Ageing	Unbilled	Not due	0-30 days past due	31-60 days past due	61-90 days past due	91-120 days past due	More than 120 days past due	Total
<b>Gross carrying amount as on 31.03.2022</b>	<b>4,712.71</b>	<b>1,625.29</b>	<b>590.71</b>	<b>337.70</b>	<b>239.69</b>	<b>201.15</b>	<b>2,068.59</b>	<b>9,775.84</b>
Gross carrying amount as on 31.03.2021	4,953.89	1,761.37	378.20	156.27	136.89	114.75	1,428.49	8,929.86

### (vi) Reconciliation of impairment loss provisions

The movement in the allowance for impairment in respect of financial assets during the year was as follows:

(₹ in crore)

Particulars	Trade receivables	Contract Assets	Total
<b>Balance as at 01.04.2020</b>	<b>317.70</b>	<b>18.92</b>	<b>336.62</b>
Impairment loss recognised/ (reversed)	(17.26)	-	(17.26)
Amounts written off	-	-	-
<b>Balance as at 31.03.2021</b>	<b>300.44</b>	<b>18.92</b>	<b>319.36</b>

## 64. Financial Risk Management (Contd.)

Particulars	Trade receivables	Contract Assets	Total
Impairment loss recognised/ (reversed)	0.33	-	0.33
Amounts written off	-	-	-
<b>Balance as at 31.03.2022</b>	<b>300.77</b>	<b>18.92</b>	<b>319.69</b>

Based on historic default rates, the Group believes that, apart from the above, no impairment allowance is necessary in respect of any other assets as the amounts are insignificant.

### (B) LIQUIDITY RISK

Liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. The Group monitors its risk of a shortage of funds using a liquidity planning tool. The Group has access to a variety of sources of funding such as commercial paper, bank loans, bonds and external commercial borrowings and retains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Group's liquidity position comprising the undrawn borrowing facilities below and cash and cash equivalents on the basis of expected cash flows.

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

#### (i) Financial Arrangement

The Group had access to the following undrawn borrowing facilities at the end of the reporting period.

(₹ in crore)

Particulars	As at 31.03.2022	As at 31.03.2021
Expiring within 1 year (bank overdraft and other facilities)	<b>6,332.01</b>	4,352.76
Expiring beyond one year (bank loans)	<b>4,080.44</b>	6,125.35

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time and have remaining availability period of 1 to 5 years (Previous Year 1 to 5 years).

#### (ii) Maturities of financial liabilities

The table below analyses the Group'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 crore)

Contractual maturities of financial liabilities	Within a year	Between 1-5 years	Beyond 5 years	Total
<b>As at 31.03.2022</b>				
Borrowings (including interest outflows)	<b>27,753.48</b>	<b>76,736.57</b>	<b>66,168.89</b>	<b>1,70,658.94</b>
Trade payables	<b>267.10</b>	-	-	<b>267.10</b>
<u>Other financial liabilities</u>				
Lease liabilities	<b>2.79</b>	<b>10.42</b>	<b>29.21</b>	<b>42.42</b>
Others	<b>7,643.38</b>	<b>1,173.60</b>	<b>4,074.89</b>	<b>12,891.87</b>
<b>Total</b>	<b>35,666.75</b>	<b>77,920.59</b>	<b>70,272.99</b>	<b>1,83,860.33</b>
<b>As at 31.03.2021</b>				
Borrowings (including interest outflows)	22,105.96	76,820.18	89,916.93	1,88,843.07
Trade payables	187.48	-	-	187.48
<u>Other financial liabilities</u>				
Lease liabilities	3.97	10.50	69.26	83.73
Others	8,016.56	1,264.82	4,360.31	13,641.69
<b>Total</b>	<b>30,313.97</b>	<b>78,095.50</b>	<b>94,346.50</b>	<b>2,02,755.97</b>



## 64. Financial Risk Management (Contd.)

### (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
- (iii) Other price risk, such as equity price risk and commodity risk.

#### (i) Currency risk

The Group is exposed to currency risk mainly in respect of foreign currency denominated loans and borrowings and procurement of goods and services whose purchase consideration is denominated in foreign currency. Transmission tariff is regulated by the CERC. According to the CERC tariff regulations for the block 2019-24 the Group may hedge foreign exchange exposure in respect of the interest on foreign currency loan and repayment of foreign loan acquired for the transmission system, in part or full in its discretion and recover the cost of hedging of foreign exchange rate variation corresponding to the normative foreign debt, in the relevant year.

If hedging of the foreign exchange exposure is not undertaken, the extra rupee liability towards interest payment and loan repayment corresponding to the normative foreign currency loan in the relevant year is permissible to be recovered as part of transmission tariff provided it is not attributable to the generating company or the transmission licensee or its suppliers or contractors. During the Current financial year, no hedging for foreign exchange exposure has been undertaken by the Group. In respect of goods and services procured for Capital Investment, the exchange rate variation is part of the project cost, for determination of transmission tariff. The currency risk in respect of goods and services procured for operation activities is not significant.

The Group's exposure to foreign currency risk not hedged by a derivative instrument or otherwise at the end of the reporting period is as follows:

Particulars	Amount in Foreign Currency (in Crore)			Amount (₹ in Crore)	
	Currency	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Borrowings	USD	443.34	474.37	33,840.14	35,131.84
	EURO	60.86	66.13	5,219.35	5,771.83
	SEK	150.35	175.51	1,246.40	1,495.35
	JPY	2,290.89	2,309.06	1,438.68	1,554.00
Interest accrued but not due thereon including Agency Fee, Commitment Fee & other Charges	USD	1.30	1.35	99.23	99.98
	EURO	0.16	0.19	13.72	16.58
	SEK	0.39	0.95	3.23	8.09
	JPY	0.23	5.37	0.14	3.61
Trade Payables/deposits and retention money	USD	4.36	4.95	332.80	366.66
	EURO	3.07	3.27	263.28	285.41
	SEK	11.49	15.79	95.25	134.53
	CHF	0.04	0.04	3.33	3.16
	GBP	1.54	1.75	154.99	178.92
	JPY	76.79	76.75	48.22	51.65
	CAD	-	0.01	-	0.59
Trade receivables and Bank balances	USD	0.07	0.05	5.27	3.65
	NPR	5.87	15.26	3.67	9.54
	EURO	-	0.01	-	0.85
	BDT	-	1.25	-	0.91
Amount of contracts remaining to be executed	USD	0.43	1.70	32.82	125.90
	EURO	0.76	1.39	65.18	121.32
	SEK	0.57	1.41	4.73	12.01
	GBP	0.78	0.72	78.50	73.61
	JPY	-	1.72	-	1.16



## 64. Financial Risk Management (Contd.)

### Sensitivity Analysis

Since the impact of strengthening or weakening of Indian rupee against USD, Euro, JPY and other currencies on the statement of profit and loss would not be very significant; therefore, sensitivity analysis for currency risk is not disclosed.

#### (ii) Interest rate risk

The Group is exposed to interest rate risk arising mainly from long term borrowings with floating interest rates. The Group is exposed to interest rate risk because the cash flows associated with floating rate borrowings will fluctuate with changes in interest rates. The Group manages the interest rate risks by maintaining a debt portfolio comprising a mix of fixed and floating rate borrowings in domestic and foreign currencies.

At the reporting date, the interest rate profile of the Group's variable interest rate-bearing financial instruments is as follows:

(₹ in crore)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Long Term Debt with floating rate of interest</b>		
-Domestic	24,216.04	26,363.50
-Foreign	34,186.14	36,018.86
<b>Sub Total</b>	<b>58,402.18</b>	<b>62,382.36</b>
<b>Long Term Debt with fixed rate of interest</b>		
-Domestic	63,400.26	71,093.40
-Foreign	7,562.83	7,934.57
<b>Sub Total</b>	<b>70,963.09</b>	<b>79,027.97</b>
<b>Total Long Term Debt</b>	<b>1,29,365.27</b>	<b>1,41,410.33</b>
<b>% of Floating Interest Rate Debt to Total Long Term Debt</b>	<b>45.15%</b>	<b>44.11%</b>

#### Fair value sensitivity analysis for interest-rate risk

As per CERC Regulations, interest on loan during construction forms part of project cost for the purpose of tariff and after the date of commercial operation, interest on loans is recoverable through tariff calculated on the normative average loan of the year by applying the weighted average rate of interest of the actual loan portfolio.

Accordingly, the Group's interest rate risk is not considered significant; hence sensitivity analysis for the risk is not disclosed.

#### (iii) Other price risk

The Group's exposure to equity securities price risk arises from investments held by the Group and classified in the balance sheet as fair value through OCI.

Considering the magnitude of equity investments, no significant risk is expected to arise.

## 65. Income Tax expense

This note provides an analysis of the group'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 Group's tax position.

### (a) Income tax expense

(₹ in crore)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
<b>Current Tax</b>		
Current tax on profits for the year	3,352.29	2,565.27
Adjustments for current tax of prior periods	(38.46)	(56.68)
Pertaining to regulatory deferral account balances (A)	(112.15)	74.60
<b>Total current tax expense (B)</b>	<b>3,201.68</b>	<b>2,583.19</b>
<b>Deferred Tax expense</b>		
Origination and reversal of temporary differences & previously unrecognised tax credit recognised as Deferred Tax Asset this year	(528.26)	955.66
<b>Total deferred tax expense /benefit (C)</b>	<b>(528.26)</b>	<b>955.66</b>
<b>Income tax expense (B+C-A)</b>	<b>2,785.57</b>	<b>3,464.25</b>
<b>Pertaining to regulatory deferral account balances</b>	<b>(112.15)</b>	<b>74.60</b>
<b>Total tax expense including tax on movement in regulatory deferral account balances</b>	<b>2,673.42</b>	<b>3,538.85</b>



## 65. Income Tax expense (Contd.)

### (b) Income Tax recognized in Regulatory Deferral Account Balances:

(₹ in crore)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Deferred assets for Deferred tax liability	(736.52)	521.45
Foreign Currency Fluctuation	93.03	(85.17)
Employee Benefits and Other Expenses	1.60	-
Total Regulatory Deferral Account Balances Before Tax - Income / (Expenses)	(641.89)	436.28
Current Tax on Regulatory Deferral Account Balances	(112.15)	74.60
<b>Net Movement in Regulatory Deferral Account Balances - Income / (Expenses) (net of Tax)</b>	<b>(529.74)</b>	<b>361.68</b>

### (c) Income Tax recognized in other comprehensive income:

(₹ in crore)

Particulars	For the year ended 31.03.2022			For the year ended 31.03.2021		
	Before Tax	Tax expense/ (benefit)	Net of Tax	Before Tax	Tax expense/ (benefit)	Net of Tax
Net gains/(losses) on fair valuation of equity instruments	478.85	53.90	424.95	39.80	-	39.80
Net actuarial losses on defined benefit plans	(196.78)	(34.39)	(162.39)	(19.94)	(3.49)	(16.45)
Less: Transferred to expenditure during construction (net)	(34.34)	(6.00)	(28.34)	(2.44)	(0.43)	(2.01)
<b>Other Comprehensive Income (Net of Tax)</b>	<b>316.41</b>	<b>25.51</b>	<b>290.90</b>	<b>22.30</b>	<b>(3.06)</b>	<b>25.36</b>

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

(₹ in crore)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Profit before income tax expense including movement in Regulatory Deferral Account Balances	19,497.49	15,575.31
<b>Tax at the Company's domestic tax rate</b>	<b>7,016.03</b>	<b>5,525.04</b>
<b>Tax effect of:</b>		
Non Deductible tax items	(3,244.07)	(2,536.43)
Tax exempt income	(3,651.51)	(2,221.26)
Previous Years tax liability	(38.46)	(56.68)
Unabsorbed tax losses	(67.37)	(37.86)
Deferred Tax expense/(income)	(528.26)	955.66
Minimum alternate tax adjustments	3,187.06	1,910.38
<b>Income tax expense</b>	<b>2,673.42</b>	<b>3,538.85</b>

## 66. Employee Benefit Obligations

(₹ in crore)

Particulars	31 March 2022			31 March 2021		
	Current	Non-current	Total	Current	Non-current	Total
Leave Obligations	69.60	462.47	532.07	56.34	411.72	468.06
Post-Retirement Medical Facility (PRMF)	28.08	630.60	658.68	22.58	579.62	602.20
Other Employee benefits /Long Service Award	1.60	20.43	22.03	1.46	20.31	21.77
Gratuity	81.08	482.90	563.98	77.41	514.34	591.75
Other Defined retirement benefits (ODRB)/ Baggage Allowance	2.59	20.50	23.09	2.37	21.10	23.47
<b>Total employee benefit obligations</b>	<b>182.95</b>	<b>1616.90</b>	<b>1799.85</b>	<b>160.16</b>	<b>1547.09</b>	<b>1707.25</b>

## 66. Employee Benefit Obligations (Contd.)

### (i) Long Term Employee Benefits

#### A. Leave Obligations

The Company provides for earned leave benefit (including compensated absences) and half-pay leave to the employees of the company which accrue annually at 30 days and 20 days respectively. Earned leave is encashable while in service. Half pay leaves (HPL) are encashable only on separation beyond the age of 55 years upto the maximum of 300 days (HPL). However, total number of leave that can be encashed on superannuation shall be restricted to 300 days and no commutation of half pay leave shall be permissible. The liability for same is recognized on the basis of actuarial valuation.

#### B. Other employee benefits – POWERGRID Employee family rehabilitation scheme

The company has introduced POWERGRID Employees Family Economic Rehabilitation Scheme on 24.06.2017. The Objective of the scheme is to provide monetary assistance and support to an employee in case of his/her permanent total disablement and to his/her family in case of death while in service. The beneficiary would be entitled to monthly payment equivalent to the employee's 50% of one month pay last drawn provided the beneficiary deposits with the company an amount equal to PF (excluding VPF) balance, Gratuity amount and Group Insurance (EDLI) amount. Such monthly payment would continue till the normal notional date on which the employee concerned would have attained the age of superannuation had the employee continued in the service of the company. The scheme is optional. Provision for POWERGRID Employees Family Economic Rehabilitation Scheme amounting to ₹5.96 crore (up to Previous Year ₹9.67 crore) for the year has been made during the year based on actuarial valuation.

### (ii) Post-employment obligations (Defined Employee Benefit/Contribution Schemes)

#### A. Post-Retirement Medical Facility (PRMF)

The Company has Post-Retirement Medical Facility (PRMF), under which retired employees and the spouse are provided medical facilities in the empaneled hospitals. They can also avail treatment as Out-Patient subject to a ceiling fixed by the company. The liability for the same is recognized on the basis of actuarial valuation on annual basis on the Balance Sheet date. The scheme is funded by the company and is managed by a separate trust constituted on 01 May 2018.

#### B. Other employee benefits – Long Service Award

This benefit is applicable to all regular employees of the company (except for Directors and CMD) who have superannuated after completing at least 10 years of service. This scheme is unfunded and liability for the same is recognised on the basis of actuarial valuation on annual basis on the balance sheet date.

#### C. Gratuity

The company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to get gratuity at 15 days salary (15/26 x last drawn basic salary plus, dearness allowance) for each completed year of service on superannuation, resignation, termination, disablement or on death subject to a maximum of ₹20 lakh. The scheme is funded by the company and is managed by a separate trust. The liability for the same is recognized on the basis of actuarial valuation on annual basis on the Balance Sheet date. Company has carried out the actuarial valuation of Gratuity benefit considering ceiling of ₹20 Lakh.

#### D. Other Defined Retirement Benefits (ODRB)/Baggage Allowance

The Company has a scheme for settlement at the time of superannuation at anywhere in India and dependents to superannuated employees. The scheme is unfunded and liability for the same is recognized on the basis of actuarial valuation on annual basis on the Balance Sheet date.

#### E. Provident Fund

Company pays fixed contribution to Provident Fund at predetermined rate to a separate trust, which invests the funds in permitted securities. Contribution to family pension scheme is paid to the appropriate authorities. The contribution to the fund and EPS scheme for the year amounting to ₹130.81 crore (previous year ₹128.30 crore) has been recognized as expense and is charged to Statement of Profit and Loss. The obligation of the company is limited to such fixed contribution and to ensure a minimum rate of interest on contributions to the members as specified by GOI. As per the report of actuary overall interest earning and cumulative surplus is not more than statutory interest payment requirement. Hence, further provision of ₹171.06 Crore has been included in OCI based on actuarial valuation is considered necessary to meet the statutory interest payment during the FY 2021-22. Since the company does not have unconditional right over the PF corpus, the surplus has not been recognized in the Balance Sheet.

(₹ in crore)

Particulars	31 March 2022			31 March 2021		
	Current	Non-current	Total	Current	Non-current	Total
Provident Fund (PF)	694.61	2640.38	3334.99	438.42	2821.90	3260.32



## 66. Employee Benefit Obligations (Contd.)

(₹ in crore)

Particulars	PF		Net amount
	Present value of obligation	Fair value of plan assets	
<b>01 April 2021</b>	<b>3260.32</b>	<b>3301.89</b>	<b>(41.57)</b>
Service cost	118.36	-	118.36
Interest expense (income)	251.83	87.97	163.86
<b>Total</b>	<b>370.19</b>	<b>87.97</b>	<b>282.22</b>
<b>Re measurements</b>			
Return on plan assets, excluding amount included in interest expense/(income)			
(Gain)/Loss from change in demographic assumptions	-	-	-
(Gain)/Loss from change in financial assumptions	-	-	-
Experience (Gain)/ Losses	48.77	-	48.77
<b>Total</b>	<b>48.77</b>	<b>-</b>	<b>48.77</b>
Employee contributions	196.46	314.82	(118.36)
Benefits payments	(540.75)	(540.75)	-
<b>31 March 2022</b>	<b>3334.99</b>	<b>3163.93</b>	<b>171.06</b>

(₹ in crore)

Particulars	PF		Net amount
	Present value of obligation	Fair value of plan assets	
<b>01 April 2020</b>	<b>3055.87</b>	<b>3146.09</b>	<b>(90.22)</b>
Service cost	115.35	-	115.35
Interest expense (income)	254.71	207.78	46.93
<b>Total</b>	<b>370.06</b>	<b>207.78</b>	<b>162.28</b>
<b>Re measurements</b>			
Return on plan assets, excluding amount included in interest expense/(income)			
(Gain)/Loss from change in demographic assumptions	-	-	-
(Gain)/Loss from change in financial assumptions	-	-	-
Experience (Gain)/ Losses	1.72	-	1.72
<b>Total</b>	<b>1.72</b>	<b>-</b>	<b>1.72</b>
Employee contributions	256.88	372.23	(115.35)
Benefits payments	(424.21)	(424.21)	-
<b>31 March 2021</b>	<b>3260.32</b>	<b>3301.89</b>	<b>(41.57)</b>

The net liability disclosed above relates to Provident Fund is as follows:

(₹ in crore)

Particulars	PF	
	31 March 2022	31 March 2021
Present value of funded obligations	3334.99	3260.32
Fair value of plan assets	3163.93	3301.89
<b>Deficit/(Surplus) of funded plan</b>	<b>171.06</b>	<b>(41.57)</b>

Sensitivity Analysis of Provident Fund:

(₹ in crore)

Particulars	PF
a) Impact of change in discount rate	
Present value of Obligation at the end of period	3334.99
- Impact due to increase of 0.5%	(0.62)
- Impact due to decrease of 0.5%	0.65

## 66. Employee Benefit Obligations (Contd.)

The major categories of plan assets (PF) are as follows

(₹ in crore)

Particulars	31 March 2022				31 March 2021			
	Quoted	Unquoted	Total	In %	Quoted	Unquoted	Total	In %
Equity instruments (ETF)	102.83	-	102.83	3%	60.56	-	60.56	2%
<b>Debt instruments</b>								
Govt/State Bonds	1831.84	-	1831.84	58%	1774.95	-	1774.95	54%
PSU and Private Bonds	1120.02	-	1120.02	36%	1308.56	-	1308.56	40%
Bank Balance	73.80	-	73.80	2%	51.12	-	51.12	1%
Other Receivables	35.44	-	35.44	1%	106.70	-	106.70	3%
<b>Total</b>	<b>3163.93</b>	<b>-</b>	<b>3163.93</b>	<b>100%</b>	<b>3301.89</b>	<b>-</b>	<b>3301.89</b>	<b>100%</b>

Fair value of company's own transferable financial instruments held as plan assets is ₹54.03 crore as on 31 March 2022 (₹73.52 crore as on 31 March 2021).

The expected maturity analysis of provident fund is as follows:

(₹ in crore)

Particulars	Less than a year	Between 1-2 year	Between 2-5 years	Over 5 years	Total
<b>31 March 2022</b>	<b>694.61</b>	<b>297.11</b>	<b>616.26</b>	<b>1727.01</b>	<b>3334.99</b>
<b>31 March 2021</b>	438.42	338.33	737.81	1745.76	3260.32

### F. Pension

The Company has scheme of employees defined Pension Contribution. Company contribution is paid to separate trust. Amount of contribution paid/payable for the year is ₹115.31 crore (previous year ₹62.63 crore) has been recognized as expense and is charged to Statement of Profit & Loss.

The summarized position of various employee benefit obligations is as follows:

(₹ in crore)

Particulars	Gratuity			ODRB			Leaves			PRMF		
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount
<b>01 April 2021</b>	<b>591.75</b>	<b>592.76</b>	<b>(1.01)</b>	<b>23.47</b>	<b>-</b>	<b>23.47</b>	<b>468.06</b>	<b>-</b>	<b>468.06</b>	<b>602.20</b>	<b>601.13</b>	<b>1.07</b>
Service cost	24.04	-	24.04	1.40	-	1.40	65.64	-	65.64	19.47	-	19.47
Interest expense (income)	39.94	7.29	32.65	1.58	-	1.58	31.60	-	31.60	40.65	-	40.65
<b>Total amount recognized in profit or loss</b>	<b>63.98</b>	<b>7.29</b>	<b>56.69</b>	<b>2.98</b>	<b>-</b>	<b>2.98</b>	<b>97.24</b>	<b>-</b>	<b>97.24</b>	<b>60.12</b>	<b>-</b>	<b>60.12</b>
<b>Re measurements</b>												
Return on plan assets, excluding amount included in interest expense/(income)	-	0.01	(0.01)	-	-	-	-	-	-	-	54.37	(54.37)
(Gain)/Loss from change in demographic assumptions	-	-	-	-	-	-	-	-	-	-	-	-
(Gain)/Loss from change in financial assumptions	-	-	-	-	-	-	-	-	-	-	-	-
Experience (Gain)/ Losses	(18.77)	-	(18.77)	(3.35)	-	(3.35)	56.35	-	56.35	30.40	-	30.40
<b>Total amount recognized in other comprehensive income</b>	<b>(18.77)</b>	<b>0.01</b>	<b>(18.78)</b>	<b>(3.35)</b>	<b>-</b>	<b>(3.35)</b>	<b>56.35</b>	<b>-</b>	<b>56.35</b>	<b>30.40</b>	<b>54.37</b>	<b>(23.97)</b>



## 66. Employee Benefit Obligations (Contd.)

(₹ in crore)

Particulars	Gratuity			ODRB			Leaves			PRMF		
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount
Employer contributions	-	26.44	(26.44)			-	-	-	-		37.32	(37.32)
Benefits payments	(72.98)	(72.98)	-	(0.01)		(0.01)	(89.58)	-	(89.58)	(34.04)	(34.04)	-
<b>31 March 2022</b>	<b>563.98</b>	<b>553.52</b>	<b>10.46</b>	<b>23.09</b>	-	<b>23.09</b>	<b>532.07</b>	-	<b>532.07</b>	<b>658.68</b>	<b>658.78</b>	<b>(0.10)</b>

(₹ in crore)

Particulars	Gratuity			ODRB			Leaves			PRMF		
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount
<b>01 April, 2020</b>	<b>601.91</b>	<b>554.99</b>	<b>46.92</b>	<b>20.96</b>	-	<b>20.96</b>	<b>424.46</b>	-	<b>424.46</b>	<b>542.87</b>	<b>518.16</b>	<b>24.71</b>
Service cost	24.57		24.57	1.44	-	1.44	47.35	-	47.35	18.15	-	18.15
Interest expense (income)	40.63	39.91	0.72	1.41	-	1.41	28.65	-	28.65	36.65	-	36.65
<b>Total amount recognized in profit or loss</b>	<b>65.20</b>	<b>39.91</b>	<b>25.29</b>	<b>2.85</b>	-	<b>2.85</b>	<b>76.00</b>	-	<b>76.00</b>	<b>54.80</b>	-	<b>54.80</b>
<b>Re measurements</b>												
Return on plan assets, excluding amount included in interest expense/(income)											73.33	(73.33)
(Gain)/Loss from change in demographic assumptions												
(Gain)/Loss from change in financial assumptions												
Experience (Gain)/ Losses	(3.46)		(3.46)	(0.31)		(0.31)	47.97		47.97	29.77		29.77
<b>Total amount recognized in other comprehensive income</b>	<b>(3.46)</b>	<b>0.00</b>	<b>(3.46)</b>	<b>(0.31)</b>		<b>(0.31)</b>	<b>47.97</b>		<b>47.97</b>	<b>29.77</b>	<b>73.33</b>	<b>(43.56)</b>
Employer contributions		69.81	(69.81)								9.64	(9.64)
Benefits payments	(72.05)	(72.05)	0.00	(0.03)		(0.03)	(80.44)		(80.44)	(25.24)		(25.24)
Addition on business combinations	0.15	0.10	0.05				0.07		0.07			
<b>31 March 2021</b>	<b>591.75</b>	<b>592.76</b>	<b>(1.01)</b>	<b>23.47</b>	-	<b>23.47</b>	<b>468.06</b>	-	<b>468.06</b>	<b>602.20</b>	<b>601.13</b>	<b>1.07</b>

The net disclosed above relates to funded and unfunded plans are as follows: -

(₹ in crore)

Particulars	Gratuity		ODRB		Leaves		PRMF	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Present value of funded obligations	<b>563.98</b>	591.75	-	-	-	-	<b>658.68</b>	602.20
Fair value of plan assets	<b>553.52</b>	592.76	-	-	-	-	<b>658.78</b>	601.13
<b>Deficit/(Surplus) of funded plan</b>	<b>10.46</b>	<b>(1.01)</b>	-	-	-	-	<b>(0.10)</b>	<b>1.07</b>
<b>Unfunded plans</b>	-	-	<b>23.09</b>	<b>23.47</b>	<b>532.07</b>	<b>468.06</b>	-	-

The company expects to contribute ₹35.67 crore to the gratuity trust during the FY 2022-23.



## 66. Employee Benefit Obligations (Contd.)

### (iii) Significant actuarial assumptions for Post-Employment Benefits

#### Economic Assumptions

Particulars	Gratuity, ODRB, Pension, PRMF, PF	
	31 March 2022	31 March 2021
Discount rate	7.00%	6.75%
Salary growth rate (except for PF)	6.50%	6.50%

The discount rate is generally based upon the market yields available on Govt. Bonds at the accounting date relevant to currency of benefit payments for a term that matches the liabilities. Salary growth rate is companies' long term best estimate as to salary increases and takes account of inflation, seniority, promotion, business plan, HR Policy and other relevant factors on long term basis.

#### Demographic Assumptions

Particulars	31 March 2022	31 March 2021
i) Retirement Age	60	60
ii) Mortality rates inclusive of provision for disability	100% of IALM (2012-14)	100% of IALM (2012-14)
iii) Ages	Withdrawal rate %	Withdrawal %
Upto 30 years	3	3
From 31 to 44 years	2	2
Above 44 years	1	1

#### Mortality rates for specimen ages

Age	Mortality rate	Age	Mortality rate	Age	Mortality rate
15	0.000698	45	0.002579	75	0.038221
20	0.000924	50	0.004436	80	0.061985
25	0.000931	55	0.007513	85	0.100979
30	0.000977	60	0.011162	90	0.163507
35	0.001202	65	0.015932	95	0.259706
40	0.001680	70	0.024058	100	0.397733

### (iv) Sensitivity Analysis of the defined benefit obligation

(₹ in crore)

Particulars	Gratuity	ODRB	Leave	PRMF
a) Impact of change in discount rate				
Present value of Obligation at the end of period	563.98	23.09	532.07	658.68
- Impact due to increase of 0.5%	(22.62)	(1.01)	(25.63)	(36.21)
- Impact due to decrease of 0.5%	24.69	1.13	27.96	38.18
b) Impact of change in salary increase				
Present value of Obligation at the end of period	563.98	23.09	532.07	658.68
- Impact due to increase of 0.5%	7.94	1.12	27.96	38.99
- Impact due to decrease of 0.5%	(8.50)	(1.05)	(25.74)	(36.59)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

The sensitivity analysis above has been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. This analysis may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.



## 66. Employee Benefit Obligations (Contd.)

(v) The major categories of plan assets (Gratuity) are as follows:

(₹ in crore)

Particulars	31 March 2022				31 March 2021			
	Quoted	Unquoted	Total	In %	Quoted	Unquoted	Total	In %
Equity instruments (ETF)	4.98	-	4.98	1%	3.14	-	3.14	1%
<b>Debt instruments</b>								
Govt/State Bonds	326.56	-	326.56	62%	316.42	-	316.42	54%
PSU and Private Bonds	197.95	-	197.95	37%	266.28	-	266.28	45%
<b>Total*</b>	<b>529.49</b>	<b>-</b>	<b>529.49</b>	<b>100%</b>	<b>585.84</b>	<b>-</b>	<b>585.84</b>	<b>100%</b>

\*Fair valuation as per actuarial valuation is ₹553.29 crore (Previous Year ₹592.66 crore).

Fair value of company's own transferable financial instruments held as plan assets is ₹43.38 crore (Previous Year ₹56.03 crore).

(vi) The major categories of plan assets (PRMF) are as follows:

(₹ in crore)

Particulars	31 March 2022				31 March 2021			
	Quoted	Unquoted	Total	In %	Quoted	Unquoted	Total	In %
Equity instruments (ETF)	-	-	-	-	-	-	-	-
<b>Debt instruments</b>								
Govt/State Bonds	344.06	-	344.06	54%	296.17	-	296.17	51%
PSU and Private Bonds	298.85	-	298.85	46%	288.93	-	288.93	49%
<b>Total#</b>	<b>642.91</b>	<b>-</b>	<b>642.91</b>	<b>100%</b>	<b>585.10</b>	<b>-</b>	<b>585.10</b>	<b>100%</b>

#Fair valuation as per actuarial valuation is ₹658.78 crore (Previous Year ₹601.13 crore)

### (vii) Description of Risk exposures

Valuation is based on certain assumptions which are dynamic in nature and vary over time. As such company is exposed to various risks as follows:

- Salary Increases (except for PF) – Actual salary increase will increase the plan's liability. Increase in salary increase rate assumptions in future valuation will also increase the liability.
- Investment risk – If plan is funded then assets liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability
- Discount Rate – Reduction in discount rate in subsequent valuations can increase the plan's liability.
- Mortality & disability – Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

### (viii) Defined benefit liability and employee contribution

The weighted average duration of the defined benefit obligations is 39.61 years (Previous Year 39.57 years). The expected maturity analysis of undiscounted pension, gratuity, other defined retirement benefit and post-employment medical benefits is as follows:

(₹ in crore)

Particulars	Less than a year	Between 1-2 year	Between 2-5 years	Over 5 years	Total
<b>31 March 2022</b>					
Defined benefit obligation (Gratuity)	81.08	63.44	125.24	294.22	563.98
Post-employment medical benefits	28.08	35.84	140.27	454.49	658.68
ODRB	2.59	2.18	4.58	13.74	23.09
Other employee benefits (LSA)	1.60	1.14	2.50	16.79	22.03
<b>Total</b>	<b>113.35</b>	<b>102.60</b>	<b>272.59</b>	<b>779.24</b>	<b>1267.78</b>

**66. Employee Benefit Obligations (Contd.)**

(₹ in crore)

Particulars	Less than a year	Between 1-2 year	Between 2-5 years	Over 5 years	Total
<b>31 March 2021</b>					
Defined benefit obligation (Gratuity)	77.41	73.31	149.02	292.01	591.75
Post-employment medical benefits	22.58	28.78	112.44	438.40	602.20
ODRB	2.37	2.42	5.27	13.41	23.47
Other employee benefits (LSA)	1.46	1.46	3.42	15.43	21.77
<b>Total</b>	<b>103.82</b>	<b>105.97</b>	<b>270.15</b>	<b>759.25</b>	<b>1239.19</b>

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

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

(₹ in crore)

Particulars	<1 Year	1-2 Years	2-3 Years	>3 Years	Total
<b>As at 31.03.2022</b>					
Projects in progress	7,375.13	2,628.92	1,219.06	1,579.05	12,802.16
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>7,375.13</b>	<b>2,628.92</b>	<b>1,219.06</b>	<b>1,579.05</b>	<b>12,802.16</b>
<b>As at 31.03.2021</b>					
Projects in progress	13,114.04	7,427.47	1,664.16	2,476.39	24,682.06
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>13,114.04</b>	<b>7,427.47</b>	<b>1,664.16</b>	<b>2,476.39</b>	<b>24,682.06</b>

b) For capital-work-in progress (CWIP), whose completion is overdue or has exceeded its cost compared to its original plan, CWIP completion schedule is as follows:

(₹ in crore)

Particulars	Project	<1 Year	1-2 Years	2-3 Years	>3 Years	Total
Projects in progress	North East - Northern / Western Interconnector - I project	1,007.06	-	-	-	1,007.06
Projects in progress	Transmission System associated with Tehri Pump Storage Plant (PSP)	180.93	-	-	-	180.93
Projects in progress	Western Region System Strengthening Scheme - V	450.52	-	-	-	450.52
Projects in progress	Transmission System Associated with Mundra Ultra Mega Power Project	-	108.96	-	-	108.96
Projects in progress	Eastern Region Strengthening Scheme - V (ERSS-V)	26.61	-	-	-	26.61
Projects in progress	Establishment of Fibre Optic Communication System in Western Region under Master Communication Plan	0.74	-	-	-	0.74
Projects in progress	Phase-I Unified Real Time Dynamic State Measurement (URTDMS)	2.71	-	-	-	2.71
Projects in progress	Northern Region System Strengthening Scheme - XXXV (NRSS-XXXV)	93.93	-	-	-	93.93
Projects in progress	Fibre optic communication system in Eastern Region under expansion of Wideband Communication network in Eastern Region	6.05	-	-	-	6.05
Projects in progress	Fibre optic communication system for Central Sector Sub-Stations & generating stations in Southern Region	0.80	-	-	-	0.80
Projects in progress	Eastern Region Strengthening Scheme - XII (ERSS-XII)	22.31	-	-	-	22.31



## 67. Additional Regulatory Information as per Schedule III to the Companies Act, 2013 (Contd.)

(₹ in crore)

Particulars	Project	<1 Year	1-2 Years	2-3 Years	>3 Years	Total
Projects in progress	POWERGRID works associated with North Eastern Region Strengthening Scheme - II, Part-B (NERSS-II-B)	83.27	-	-	-	<b>83.27</b>
Projects in progress	North Eastern Region Strengthening Scheme - III (NERSS-III)	53.05	-	-	-	<b>53.05</b>
Projects in progress	Creation of 400/220kV Substations in NCT of Delhi during 12th Plan Period (Part-A)	260.91	-	-	-	<b>260.91</b>
Projects in progress	Establishment of Fibre Optic Communication System in Northern Region under Fibre Optic Expansion Project (Additional Requirement)	72.56	-	-	-	<b>72.56</b>
Projects in progress	Transmission System for Ultra Mega Solar Park (750 MW) in Rewa District, Madhya Pradesh	12.53	-	-	-	<b>12.53</b>
Projects in progress	Transmission System for Ultra Mega Solar Park in Anantpur District, Andhra Pradesh - Part B (Phase-II)	50.93	-	-	-	<b>50.93</b>
Projects in progress	Establishment of 220/66kV, 2X160MVA GIS at UT Chandigarh along with 220kV D/C line from Chandigarh GIS to 400/220kV Panchkula (PG) substation	302.64	-	-	-	<b>302.64</b>
Projects in progress	Eastern Region Strengthening Scheme-XVII (Part-B) [ERSS-XVII (Part-B)]	43.82	-	-	-	<b>43.82</b>
Projects in progress	System Strengthening Scheme in Northern Region-XXXVII (NRSS-XXXVII)	344.64	-	-	-	<b>344.64</b>
Projects in progress	ICTs & Bays associated with Northern Region System Strengthening Scheme - XXXVIII (NRSS-XXXVIII)	262.59	-	-	-	<b>262.59</b>
Projects in progress	Line bays associated with Northern Region System Strengthening Scheme -XXXVI	23.03	-	-	-	<b>23.03</b>
Projects in progress	Establishment of Fibre Optic Communication System under Wide Band Communication Expansion Plan in North-Eastern Region	34.86	-	-	-	<b>34.86</b>
Projects in progress	Establishment of Fibre Optic Communication System in Western Region under Master Communication Plan (Additional Requirement)	9.85	-	-	-	<b>9.85</b>
Projects in progress	POWERGRID works associated with Transmission System Strengthening in Indian System for transfer of power from new HEPs in Bhutan	54.50	-	-	-	<b>54.50</b>
Projects in progress	Establishment of Communication System under Expansion/Up-gradation of SCADA/EMS system at SLDCs of Eastern Region (BSPTCL and DVC)	15.86	-	-	-	<b>15.86</b>
Projects in progress	HVDC Bipole link between Western region (Raigarh, Chhattisgarh) and Southern region (Pugalur, Tamil Nadu) - North Trichur (Kerala) - Scheme#2: AC System Strengthening at Pugalur end	-	17.79	-	-	<b>17.79</b>
Projects in progress	POWERGRID works associated with North Eastern Region Strengthening Scheme - VI	18.43	-	-	-	<b>18.43</b>
Projects in progress	POWERGRID works associated with North Eastern Region Strengthening Scheme - V	66.36	-	-	-	<b>66.36</b>

**67. Additional Regulatory Information as per Schedule III to the Companies Act, 2013 (Contd.)**

(₹ in crore)

Particulars	Project	<1 Year	1-2 Years	2-3 Years	>3 Years	Total
Projects in progress	Sub-Station works associated with Additional Inter-Regional AC link for import into Southern Region i.e. Warora – Warangal and Chilakaluripeta - Hyderabad - Kurnool 765kV link	159.27	-	-	-	<b>159.27</b>
Projects in progress	Provision of 400kV line bays at Bhiwani (PG)	18.17	-	-	-	<b>18.17</b>
Projects in progress	Transmission System for evacuation of power from 2X500 MW Neyveli Lignite Corp. Ltd. TS-1 (Replacement) (NNTPS) in Neyveli, Tamil Nadu	39.07	-	-	-	<b>39.07</b>
Projects in progress	POWERGRID works associated with Transmission System Strengthening in WR associated with Khargone TPS	99.32	-	-	-	<b>99.32</b>
Projects in progress	POWERGRID works associated with immediate evacuation for North Karanpura (3X660 MW) generation project of NTPC	40.63	-	-	-	<b>40.63</b>
Projects in progress	Eastern Region Strengthening Scheme- XVIII (ERSS-XVIII)	10.45	-	-	-	<b>10.45</b>
Projects in progress	Transmission System for Ultra Mega Solar Power Park (700 MW) at Banaskantha (Radhanesda), Gujarat	153.01	-	-	-	<b>153.01</b>
Projects in progress	Communication System under Eastern Region Fibre Optic Expansion Project (Additional Requirement)	34.51	-	-	-	<b>34.51</b>
Projects in progress	POWERGRID Works associated with Additional 400kV feed to Goa	21.78	-	-	-	<b>21.78</b>
Projects in progress	Additional System for Power Evacuation from Generation Projects pooled at Raigarh (Tamnar) Pool	78.41	-	-	-	<b>78.41</b>
Projects in progress	Establishment of Fibre Optic Communication Scheme (Additional) under Central Sector for North Eastern Region	15.78	-	-	-	<b>15.78</b>
Projects in progress	Establishment of Reliable Communication Scheme under Central Sector for Eastern Region	9.32	-	-	-	<b>9.32</b>
Projects in progress	Reliable Communication Scheme under Central Sector for Southern Region	101.59	-	-	-	<b>101.59</b>
Projects in progress	Reliable Communication Scheme under Central Sector for Western Region	53.28	-	-	-	<b>53.28</b>
Projects in progress	Baharampur (POWERGRID) – Bheramara (Bangladesh) 2nd 400kV D/c Transmission Line (Indian Portion)	170.35	-	-	-	<b>170.35</b>
Projects in progress	Supplementary Transmission System for Ultra Mega Solar Power Park (700 MW) at Banaskantha (Radhanesda), Gujarat	164.81	-	-	-	<b>164.81</b>
Projects in progress	Scheme to control fault level at Wardha substation	46.01	-	-	-	<b>46.01</b>
Projects in progress	Implementation of 500 MVAR Thyristor Controlled Reactor at Kurukshetra 400 kV bus	92.80	-	-	-	<b>92.80</b>
Projects in progress	Reliable Communication Scheme under Central Sector for Northern Region	66.72	-	-	-	<b>66.72</b>



## 67. Additional Regulatory Information as per Schedule III to the Companies Act, 2013 (Contd.)

(₹ in crore)

Particulars	Project	<1 Year	1-2 Years	2-3 Years	>3 Years	Total
Projects in progress	Northern Region System Strengthening - XL (NRSS-XL)	79.72	-	-	-	<b>79.72</b>
Projects in progress	Northern Region System Strengthening - XLI (NRSS-XLI)	17.89	-	-	-	<b>17.89</b>
Projects in progress	System Strengthening - XXV in Southern Region	36.15	-	-	-	<b>36.15</b>
Projects in progress	Extension works at POWERGRID substations for Interconnection of RE projects	5.46	-	-	-	<b>5.46</b>
Projects in progress	Transmission System for Solar Energy Zones in Rajasthan	203.28	-	-	-	<b>203.28</b>
Projects in progress	Northern Region System Strengthening - XLII (NRSS-XLII)	8.31	-	-	-	<b>8.31</b>
Projects in progress	Scheme to control fault level in Northern Region (Phase-II)	65.65	-	-	-	<b>65.65</b>
Projects in progress	Eastern Region Strengthening Scheme-XXII	22.04	-	-	-	<b>22.04</b>
Projects in progress	Transmission System for providing connectivity to RE projects at Bikaner (PG), Fatehgarh-II & Bhadla-II	248.06	-	-	-	<b>248.06</b>
Projects in progress	Transmission System for controlling high short circuit current level at 400 kV Thiruvallur S/s	74.74	-	-	-	<b>74.74</b>
Projects in progress	Construction of 2 nos. of 400kV Hybrid/GIS Line bays at Varanasi (PG) substation	34.21	-	-	-	<b>34.21</b>
Projects in progress	2 Nos. of 220 kV line bays at Saharanpur (PG)	2.63	-	-	-	<b>2.63</b>
Projects in progress	Transmission system strengthening scheme for evacuation of power from solar energy zones in Rajasthan (8.1 GW) under Phase II- Part-A1	10.98	-	-	-	<b>10.98</b>
Projects in progress	North Eastern Region Strengthening Scheme - X (NERSS-X)	16.10	-	-	-	<b>16.10</b>
Projects in progress	Eastern Region Strengthening Scheme-XXIII	182.99	-	-	-	<b>182.99</b>
Projects in progress	Transmission System for North Eastern Region Strengthening Scheme - XIV (NERSS-XIV)	31.56	-	-	-	<b>31.56</b>
Projects in progress	North Eastern Region Strengthening Scheme - XI (NERSS-XI)	8.23	-	-	-	<b>8.23</b>
Projects in progress	Eastern Region System Strengthening Scheme-XXIV (ERSS-XXIV)	1.89	-	-	-	<b>1.89</b>
Projects in progress	Transmission System for Solar Power Parks at Bhadla, Rajasthan	92.95	-	-	-	<b>92.95</b>
Projects in progress	Transmission System for providing connectivity to RE projects at Bhuj-II (2000MW) in Gujarat	1,027.88	-	-	-	<b>1,027.88</b>
Projects in progress	ERSS XVIII-400 kv D/C Jeerat Subhasgram TL	381.80	-	-	-	<b>381.80</b>
Projects in progress	Construction of 765/400/220 kV GIS Substation Rampur and 400/220/132 KV GIS substation Sambhal with 400KV Transmission Line	592.11	-	-	-	<b>592.11</b>



**67. Additional Regulatory Information as per Schedule III to the Companies Act, 2013 (Contd.)**

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

(₹ in crore)

Particulars	<1 Year	1-2 Years	2-3 Years	>3 Years	Total
<b>As at 31.03.2022</b>					
Projects in progress	32.23	15.20	0.03	6.24	53.70
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>32.23</b>	<b>15.20</b>	<b>0.03</b>	<b>6.24</b>	<b>53.70</b>
<b>As at 31.03.2021</b>					
Projects in progress	46.65	15.98	89.12	6.24	157.99
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>46.65</b>	<b>15.98</b>	<b>89.12</b>	<b>6.24</b>	<b>157.99</b>

d) For Intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan, Intangible assets under development completion schedule is as follows:

(₹ in crore)

Particulars	Project	<1 Year	1-2 Years	2-3 Years	>3 Years	Total
Projects in progress	Western Region System Strengthening Scheme - V	6.24	-	-	-	6.24
Projects in progress	North East - Northern / Western Interconnector - I project	24.66	-	-	-	24.66
Projects in progress	Eastern Region Strengthening Scheme- XXIII	0.63	-	-	-	0.63
Projects in progress	Transmission System for providing connectivity to RE projects at Bhuj-II (2000MW) in Gujarat	15.23	-	-	-	15.23

e) No proceeding has been initiated or pending against the group 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.

f) The Company was sanctioned a working capital limit of ₹5,700 crore (Previous Year ₹5,700 crore) secured against current assets by consortium of banks. The quarterly returns of current assets have been filed by the company during the financial year and are in agreement with books of accounts.

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

h) Relationship with Struck off Companies:

(₹ in crore)

Name of struck off Company	Nature of transactions with struck off Company	Balance outstanding as at 31.03.2022	Balance outstanding as at 31.03.2021	Relationship with the Struck off company
Ace Consultants Pvt Ltd	Payables	0.00	0.00	Not a Related Party
Beautex Advertising Media Private Limited	Payables	0.03	0.03	Not a Related Party
Vitalink Wealth Advisory Services Private Limited	Shares held by stuck off company	0.00	0.00	Not a Related Party
Zenith Insurance Services Pvt Ltd	Shares held by stuck off company	0.00	0.00	Not a Related Party
J V A Enterprises Private Ltd.	Shares held by stuck off company	0.00	0.00	Not a Related Party
Isairis Trading Private Limited	Shares held by stuck off company	0.00	0.00	Not a Related Party
Kothari Intergroup Ltd.	Shares held by stuck off company	0.00	0.00	Not a Related Party
Vaishak Shares Limited	Shares held by stuck off company	0.00	0.00	Not a Related Party



## 67. Additional Regulatory Information as per Schedule III to the Companies Act, 2013 (Contd.)

(₹ in crore)

Name of struck off Company	Nature of transactions with struck off Company	Balance outstanding as at 31.03.2022	Balance outstanding as at 31.03.2021	Relationship with the Struck off company
Shubhra Communications Private Limited	Receivables	0.04	0.04	Not a Related Party
Roofers Media Private Limited	Receivables	0.02	0.02	Not a Related Party
Expeditive Infotech Private Limited	Receivables	0.11	0.06	Not a Related Party
Glan Solution India Private Limited	Receivables	0.03	0.03	Not a Related Party
Arctos Telecom Private Limited(OPC)	Receivables	0.08	0.08	Not a Related Party
Yash Techno Media Private Limited	Receivables	0.06	0.06	Not a Related Party
Viscom Media Private Limited	Receivables	0.02	0.02	Not a Related Party
Business Standard Ltd	Payables	0.01	0.01	Not a Related Party
IMPERIAL FOUNDATION PVT LTD	Payables	0.21	0.21	Not a Related Party
HINDUSTHAN VIDYUT PRODUCTS LIMIT	Payables	0.01	0.01	Not a Related Party
SIDDHARAM	Payables	0.04	0.09	Not a Related Party
Yumiko Global Infra Tech Pvt Ltd	Payables	0.10	0.16	Not a Related Party
Mittsoo Solutions Pvt Ltd	Payables	0.00	0.00	Not a Related Party
TGN Networks Private Limited	Payables	0.00	0.00	Not a Related Party
Jai Ambey Trading Private Limited	Payables	0.01	0.01	Not a Related Party
Visaag Technologies Private Limited	Payables	0.00	0.00	Not a Related Party
Braintech Infra Private Limited	Payables	0.01	0.01	Not a Related Party
Techsoul Energy Private Limited	Payables	0.00	0.00	Not a Related Party
Baur Instruments (India) Private Limited	Payables	0.00	0.00	Not a Related Party
Synergy Telecommunications Private Limited	Payables	0.16	0.16	Not a Related Party
Sigma Security Services Private Limited	Payables	0.01	0.01	Not a Related Party
Quality Reserch Services Private Limited	Payables	0.00	0.00	Not a Related Party

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

## 68. Disclosure of material impact of COVID-19 pandemic on listed entities under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Group is mainly engaged in the business of transmission of electricity and the tariffs for the transmission services are regulated in terms of the CERC Tariff Regulations which provide for recovery of the annual transmission charges based on system availability.

Due to the continuing 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. The Company has issued guidelines and protocols to be followed by its various units for the operation and maintenance of its transmission network during the pandemic. The Company has also implemented digital solutions such as e-office, ERP systems, Virtual Private Network, Video Conferencing etc. to facilitate Work from Home of its employees. Due to the various steps taken by the Company, 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.

## 68. Disclosure of material impact of COVID-19 pandemic on listed entities under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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. However, during the previous year, a consolidated one-time rebate of ₹1,078.64 crore given to DISCOMs and Power Departments of States / Union Territories for passing on to end consumers on account of COVID-19 pandemic against the billing of April 2020 and May 2020. Due to said consolidated one-time rebate, there was a reduction in the profit for the previous year and the same has been disclosed under "Exceptional items" in the Statement of Profit and loss.

The Company has made an assessment of 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 investments 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.

## 69. Other Notes

### A. Exceptional Items:

- a) In lieu of consideration of shareholding transferred to PG InvIT, 41,06,50,900 Units at the price of ₹100 each were allotted by PGInvIT to the company and ₹330.78 crore towards transfer of 26% share of PVT. Further, the company received an amount of ₹304.15 crore on relinquishment of right on additional revenue in PPTL, PWTL and PJTL. The company retained 13,65,00,100 units being 15% of total units of PGInvIT outstanding on post issue basis pursuant to InvIT Regulations and remaining 27,41,50,800 units were sold by way of 'Offer for Sale (OFS)'. The company received an amount of ₹2736.02 crore (net of STT) against the OFS. The Profit on above transactions (net of related expenses) amounting to ₹3554.88 crore has been disclosed under "Exceptional items".
- b) One of the Group entities filed a petition with CERC to seek relief for time extension of Scheduled Date of Commercial Operations (SCOD) and Compensation in form of increase in Transmission charges on account of Force Majeure and change in law events under Article 11 and Article 12 respectively of Transmission Service Agreement (TSA) dated 31.08.2015 signed by the Group entity with LTTCs for execution of a Transmission Project. CERC, vide its order dated 07.05.2022 has allowed partial increase in transmission Charges on account of Change in Law events. However, CERC has denied time extension on account of Force Majeure events, which may result in action by LTTCs to claim Liquidated Damages (LD) as per the provisions of TSA.

The Group entity has filed an appeal with Appellate Tribunal for Electricity (APTEL) challenging the above CERC order. The matter was listed for hearing on 20.05.2022 and APTEL granted interim protection against coercive/precipitative actions by LTTCs till next date of hearing. The matter is sub-judice.

However, a provision for the amount of ₹234.55 crore towards LD has been made by the group in FY 2021-22 leading to a reduction in the profit for the year. The same has been disclosed under "Exceptional items" in the Statement of Profit and loss.

- c) In previous year, a consolidated one-time rebate of ₹1078.64 crore has been disclosed under "Exceptional items" in the Statement of Profit and loss. (refer note no.68)

### B. Incorporation of wholly owned subsidiary of POWERGRID to undertake Telecommunications and Digital Technology Business of the company

A company "Powergrid Teleservices Limited" was incorporated on 25.11.2021 as a wholly owned subsidiary of the company with an objective to undertake Telecommunications and Digital Technology business. The Company is evaluating the methodology/ Transaction Scheme for transfer of said business including but not limited to identification of assets and liabilities. The approval from CERC regarding above transfer are yet to be received.

The Company will continue to operate the Telecommunication and Digital Technology business until the above significant activities are completed. As the said business is not available for immediate sale in its present condition, hence the same is not classified as "disposal group held for sale".

### C. Acquisitions under process

The Company was the successful bidder in TBCB Projects under the SPVs namely Khetri-Narela Transmission Limited (KNLT) and Mohanalganj Transmission Limited (MTL). Further, the company has acquired KNLT from concerned Bid Process Coordinator on 11.05.2022 & Letter of Intent (LoI) in respect of MTL has been obtained from concerned Bid Process Coordinator on 12.05.2022.

### D. Transfer of function of Central Transmission Utility (CTU) from the company

Ministry of Power vide Gazette notification dated 09.03.2021 notified that, with effect from 01.04.2021, "Central Transmission Utility of India Limited (CTUIL), a wholly owned subsidiary of the company incorporated on 28.12.2020" to undertake and discharge all functions of CTU pursuant to the provisions of the Electricity Act, 2003 or any regulations or directions of the central commission or authority or any other directions or functions prescribed by the Central Government in that regard. In pursuant to referred notification, the functions of CTU are transferred to CTUIL w.e.f. 01.04.2021.



## 69. Other Notes (Contd.)

### E. 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.

- F. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

70. a) Figures have been rounded off to nearest rupees in crore up to two decimals.

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

### For and on behalf of the Board of Directors

**Mrinal Shrivastava**

Company Secretary

**Mohammed Taj Mukarrum**

Director (Finance)

**K. Sreekant**

Chairman & Managing Director

### As per our report of even date

**For T R CHADHA & CO LLP**

Chartered Accountants

FRN : 006711N/N500028

**For UMAMAHESWARA RAO & CO**

Chartered Accountants

FRN : 004453S

**For B M CHATRATH & CO LLP**

Chartered Accountants

FRN : 301011E/E300025

**For PSD & ASSOCIATES**

Chartered Accountants

FRN : 004501C

**CA Neena Goel**

Partner

M. No. 057986

**CA R R Dakshinamurthy**

Partner

M. No. 211639

**CA Sanjay Sarkar**

Partner

M. No. 064305

**CA Prakash Sharma**

Partner

M. No. 072332

Date: 21 May 2022

Place: Gurugram

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF POWER GRID CORPORATION OF INDIA LIMITED

#### Report on the Audit of the Consolidated Financial Statements

##### Opinion

We have audited the accompanying consolidated financial statements of Power Grid Corporation of India Limited (hereinafter referred to as the "Holding Company"), and its subsidiaries (The Holding Company and its subsidiaries together referred to as "the Group"), and its joint ventures, which comprise the consolidated Balance Sheet as at 31 March 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended, and notes to the consolidated financial statement, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and joint ventures, as at 31 March 2022, the consolidated profit & total comprehensive income, consolidated changes in equity and consolidated cash flows for the year ended on that date.

##### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) 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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

##### Emphasis of Matter

We draw attention to the following matter in the notes to the Consolidated Financial Statements:

- In respect of provisional recognition of revenue from transmission assets for which final tariff orders are yet to be issued by the CERC [Refer Note No. 35(b)(ii)]

Our opinion is not modified in respect of the above matter.

##### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended 31 March 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, description of how the matter was addressed in our audit is provided in that context. Considering the requirement of Standard on Auditing (SA 600) on 'Using the work of Another Auditor' including materiality, below Key Audit Matters have been reproduced from the Independent Auditors' report on the audit of Standalone Financial Statements of the Holding Company.



Sr. No.	Key Audit Matters	How the matter was addressed in our audit
1	<p><b><u>Recognition of Revenue from Transmission Income</u></b></p> <p>Transmission Income is accounted for based on tariff orders notified by the CERC. In case of transmission projects where final tariff orders are yet to be notified, transmission income is accounted for on provisional basis as per Tariff Regulations and Orders of the CERC in earlier cases. Difference, if any, is accounted for on issuance of final Tariff Orders by the CERC. As at each reporting date, transmission income also includes an accrual for services rendered to the customers but not yet billed i.e. Unbilled Revenue.</p> <p>This is considered as Key Audit Matter due to the nature and extent of estimates made as per CERC Tariff Regulations and contracts with customers for recognition of revenue.</p> <p>(Refer Note No. 35 (b) (ii) Consolidated Financial Statement)</p>	<p>Our audit approach involved:</p> <p>Obtaining an understanding of the CERC Tariff Regulations, Orders, Circulars, Guidelines and the Company's internal circulars and procedures in respect of recognition and measurement of revenue from transmission of power.</p> <ul style="list-style-type: none"> <li>• Evaluated and tested the effectiveness of the design of Internal controls relating to recognition and measurement of revenue from Transmission.</li> <li>• Verified the transmission revenue based on the CERC Tariff Regulation, Orders, Circulars, Guidelines and the company's internal circulars.</li> <li>• Verified on test basis, the income recognised on provisional basis consistently as per the regulatory guidelines and orders of the CERC in recent cases where tariff orders were issued, for the assets whose final orders are yet to be notified by CERC, based on the date of commercial operation (DOCO) letters issued by Regional technical heads, and capital cost, as certified by the Management.</li> </ul> <p>Based on the above procedure performed, the recognition and measurement of revenue from transmission of power is considered to be adequate and reasonable.</p>
2	<p><b><u>Deferred Tax Assets relating to MAT credit entitlement</u></b></p> <p>The Company has considered MAT credit in anticipation of set off against the tax payable in future years and created Deferred Tax Asset for the same during the year. Corresponding to the said MAT Credit Entitlement, a Deferred Regulatory liability payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations has been recognized.</p> <p>We identified this as a key audit matter because of the importance of this matter to the intended users of the financial statements and its materiality and requirement of judgement in assessing future taxable profits for recognition of MAT credit entitlement.</p> <p>(Refer Note No. 26 of Consolidated financial statements.)</p>	<p>Our audit approach involved:</p> <ul style="list-style-type: none"> <li>• Reviewing the current status of availability of MAT credits.</li> <li>• Assessing the related forecasts of future taxable profits, evaluated the reasonableness and consistency of the considerations/assumptions underlying the preparation of these forecasts.</li> <li>• Based on the above procedures performed, the recognition and measurement of Deferred tax asset relating to MAT credit entitlement and corresponding Regulatory Deferral Liability towards customers, is considered adequate and reasonable.</li> </ul> <p>Based on the above procedures performed, the recognition and measurement of Deferred tax asset relating to MAT credit entitlement and corresponding Regulatory Deferral Liability towards customers, is considered adequate and reasonable.</p>
3	<p><b><u>Assessment of Contingent liabilities in respect of certain litigations including land compensation, direct and indirect taxes, various claims filed by other parties not acknowledged as debt.</u></b></p> <p>There is a high level of judgement required in estimating the contingent liabilities. The company's assessment of contingent liabilities is supported by the facts of the matter, Company's judgement thereon, past experience and advices from legal and independent tax consultants wherever necessary.</p> <p>We identified the above area as Key Audit Matter in view of associated uncertainty relating to the outcome of these matter.</p> <p>(Refer Note No. 61 of Consolidated financial statements.)</p>	<p>We have obtained an understanding of the Company's procedure in respect of estimation and disclosure of contingent liabilities and adopted the following audit procedures:</p> <ul style="list-style-type: none"> <li>• Reviewing the current status and material development of legal matters.</li> <li>• Examining recent orders from competent authorities and/or communication received from various authorities, judicial forums and follow-up action thereon.</li> <li>• Review and analysis of evaluation of the contentions of the company through discussions, collection of details of the subject matter under consideration, the likely outcome and consequent potential outflows on those issues.</li> </ul> <p>Based on the above procedures performed, the estimation and disclosures of contingent liabilities is considered to be adequate and reasonable.</p>



### Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our Auditor's Report thereon. The other information as identified above is expected to be made available to us after the date of this Auditor's Report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read those documents including annexures, if any thereon, if we conclude that there is a material misstatement therein, we shall communicate the matter to those charged with governance.

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of the joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and joint ventures 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 the 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and joint ventures are responsible for assessing the ability of the Group and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and joint ventures are also responsible for overseeing the financial reporting process of the Group and joint ventures.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated 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 the one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Companies in the Group have adequate internal financial controls 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 Holding Company's Management.
- Conclude on the appropriateness of Holding Company's Management 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 ability of the Group and joint ventures 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 consolidated 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 Group and joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the Financial Statements of such entities included in the Consolidated Financial Statements of which we are the Independent Auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other Auditors, such other Auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Holding Company included in the Consolidated Financial Statements, of which we are the Independent Auditors 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 consolidated 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.

## Other Matters

- (a) We did not audit the financial statements/ financial information of the following subsidiaries whose financial statements reflect the details given below for total assets and net assets as at 31 March 2022, total revenues and net cash flows for the year ended on that date to the extent to which they are reflected in the consolidated financial statements:

(₹ in Crore)

S. No.	Name of the Subsidiaries	Total Assets	Net Assets	Total Revenues	Net Cash Inflows/ (Outflows)
1	Powergrid Vemagiri Transmission Limited	-	(19.42)	-	-
2	Powergrid NM Transmission Limited	1,137.02	264.27	119.02	1.12
3	Powergrid Vizag Transmission Limited <sup>1</sup>	-	-	34.17	-
4	Powergrid Southern Interconnector Transmission System Limited	3,560.16	639.79	492.59	4.48
5	Powergrid Parli Transmission Limited <sup>1</sup>	-	-	39.46	-
6	Powergrid Warora Transmission Limited <sup>1</sup>	-	-	43.68	-
7	Powergrid Jabalpur Transmission Limited <sup>1</sup>	-	-	29.97	-
8	Powergrid Kala Amb Transmission Limited <sup>1</sup>	-	-	8.05	-
9	Powergrid Unchahar Transmission Limited	65.00	25.02	30.54	0.42
10	Powergrid Medinipur Jeerat Transmission Limited	3,356.78	692.24	448.60	35.99
11	Powergrid Mithilanchal Transmission Limited	1,233.82	254.51	143.91	14.37
12	Powergrid Varanasi Transmission System Limited	977.94	195.00	79.70	5.75

(₹ in Crore)

S. No.	Name of the Subsidiaries	Total Assets	Net Assets	Total Revenues	Net Cash Inflows/ (Outflows)
13	Powergrid Jawaharpur Firozabad Transmission Limited	481.13	101.60	51.90	8.57
14	Powergrid Khetri Transmission System Limited	1,024.42	203.84	52.66	5.10
15	Powergrid Bhuj Transmission Limited	1,054.81	179.97	0.01	0.23
16	Powergrid Bhind Guna Transmission Limited	509.48	89.43	0.01	0.06
17	Powergrid Ajmer Phagi Transmission Limited	595.75	115.57	47.95	3.46
18	Powergrid Fatehgarh Transmission Limited	685.52	143.26	36.71	4.16
19	Powergrid Rampur Sambhal Transmission Limited	608.68	108.06	-	0.09
20	Powergrid Meerut Simbhavali Transmission Limited	859.93	129.69	-	0.05
21	Central Transmission Utility of India Limited	1,950.83	40.05	53.71	11.45
22	Powergrid Ramgarh Transmission Limited	105.22	0.58	-	0.01
23	Powergrid Himachal Transmission Limited	499.53	422.30	136.43	(36.86)
24	Powergrid Sikar Transmission Limited <sup>2</sup>	612.50	46.88	-	0.31
25	Powergrid Bhadla Transmission Limited	348.23	19.75	-	0.00
26	Powergrid Teleservices Limited <sup>3</sup>	9.06	8.67	0.05	3.75
	<b>Total</b>	<b>19,675.81</b>	<b>5,198.79</b>	<b>1849.12</b>	<b>62.51</b>

<sup>1</sup> Subsidiary till 12.05.2021<sup>2</sup> 100% equity acquired from REC Power Distribution Company Limited on 04.06.2021.<sup>3</sup> Incorporated on 25.11.2021

The consolidated financial statements also include the Group's share of net profit/loss (including Other Comprehensive Income) for the year ended 31 March 2022 as considered in the consolidated financial statements in respect of following joint ventures whose financial statements/ financial information have not been audited by us.

(₹ in Crore)

S No.	Name of Joint Ventures	Group's share of net profit/(loss) (including Other Comprehensive Income)
1	Powerlinks Transmission Limited	44.97
2	Torrent Powergrid Limited	4.80
3	North East Transmission Company Limited	18.09
	<b>Total</b>	<b>67.86</b>

These financial statements/ financial information of subsidiaries and joint ventures have been audited by other auditors whose reports have been furnished to us by the Holding Company's Management upto 20 May 2022 and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures, and our report in terms of sub-section (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries and joint ventures is based solely on the reports of the other auditors after considering the requirement of Standard on Auditing (SA 600) on 'Using the work of Another Auditor' including materiality.

- (b) We did not audit the financial statements/ financial information of the following subsidiaries whose financial statements reflect the details given below for total assets and net assets as at 31 March 2022, total revenues and net cash flows for the year ended on that date to the extent to which they are reflected in the consolidated financial statements:

(₹ in Crore)

S. No.	Name of the Subsidiaries	Total Assets	Net Assets	Total Revenues	Net Cash Inflows/ (Outflows)
1	Powergrid Bikaner Transmission System Limited	589.40	22.19	-	-
2	Powergrid Aligarh Sikar Transmission Limited <sup>1</sup>	726.22	62.34	-	0.02
3	PowergridEnergy Services Limited <sup>2</sup>	-	(0.07)	-	-
	<b>Total</b>	<b>1,315.62</b>	<b>84.46</b>	<b>-</b>	<b>0.02</b>

<sup>1</sup>100% equity acquired from PFC Consulting Limited on 08.06.2021.<sup>2</sup>Incorporated on 14.03.2022.

The consolidated financial statements include the Group's share of net profit/loss (including Other Comprehensive Income) for the year ended 31 March 2022 as considered in the consolidated financial statements in respect of following joint ventures whose financial statements/ financial information have not been audited by us.



(₹ in Crore)

SNo.	Name of Joint Ventures	Group's share in net profit/(loss)
1	Parbati Koldam Transmission Company Limited	3.51
2	Teestavalley Power Transmission Limited	4.97
3	National High Power Test Lab Pvt Limited	(3.98)
4	Bihar Grid Company Limited	48.56
5	Energy Efficiency Services Limited <sup>1</sup>	(49.70)
6	Cross Border Transmission Limited	4.41
7	RINL POWERGRID TLT Pvt. Limited <sup>2</sup>	-
8	Power Transmission Company Nepal Ltd <sup>3</sup>	2.14
	<b>Total</b>	<b>9.91</b>

<sup>1</sup> Reinstated as Joint venture from 01.09.2021.

<sup>2</sup> The Holding company's Board of directors has accorded in-principle approval for closure of the JV company.

<sup>3</sup> located outside India.

These financial statements/ financial information of joint ventures are unaudited and have been furnished to us by the Holding Company's Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid joint ventures, is based solely on such unaudited financial statements/ financial information. One of the joint ventures as above is located outside India in respect of which the Holding Company's management has provided us the financial statements prepared in accordance with accounting principles generally accepted in India. In our opinion and according to the information and explanations given to us by the Holding Company's Management, these financial statements / financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements given below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Holding Company's Management.

### Report on Other Legal and Regulatory Requirements

- As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and joint ventures as noted in the other matter paragraph, we report, to the extent applicable, that:
  - 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 of the aforesaid consolidated financial statements.
  - In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated financial statements.
  - In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.
  - In view of exemption given vide notification no. G. S. R. 463(E) dated June 5, 2015, issued by Ministry of Corporate Affairs, provisions of Section 164(2) of the Act regarding disqualification of Directors, are not applicable to the Holding Company and its subsidiaries. Further, on the basis of the reports of the auditors of 3 (Three) joint ventures incorporated in India, none of the directors of the joint ventures incorporated in India is disqualified as on 31 March 2022 from being appointed as a director in terms of section 164(2) of the Act.
  - With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, its subsidiaries and joint ventures incorporated in India and the operating effectiveness of such controls, refer to our separate report in 'Annexure 1'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Group's internal financial controls with reference to consolidated financial statements.
  - Pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of Section 197 of the Companies Act, 2013, are not applicable to the Group. Further, on the basis of

the reports of the auditors of 3 (Three) joint ventures incorporated in India, the managerial remuneration for the year ended 31 March 2022 has been paid / provided to their directors in accordance with the provisions of section 197 read with Schedule V to the Act

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and joint ventures, as noted in the 'Other Matters' paragraph:

i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group (Refer Note 61 to the consolidated financial statements) and the joint venture companies (Refer Note 44.2 to the consolidated financial statements).

ii) Provision has been made in the consolidated financial statements, as required under the applicable law or Indian Accounting Standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group and the joint venture companies incorporated in India

iv) (a) The respective Managements of the Group and joint ventures, which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and the other auditors of such subsidiaries and its joint ventures that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries or joint ventures, to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries or joint ventures ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Group and joint ventures which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and the other auditors of such subsidiaries and joint ventures that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries, or joint ventures, from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries or joint ventures, shall, 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;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries and joint ventures, which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v) The final proposed dividend for the previous year and for the year and interim dividend declared or paid during the year by the Holding Company and its subsidiaries and joint ventures incorporated in India is in compliance with section 123 of the Act

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by the component auditors of the subsidiaries and joint ventures included in the consolidated financial statements of the Holding Company, to which reporting under CARO is applicable, provided to us by the Management of the Holding Company and based on the identification of matters of qualifications or adverse remarks in their CARO reports by the respective component auditors and provided to us, we report that in respect of those companies where audits have been completed under section 143 of the Act, the auditors of such companies have not reported any qualifications or adverse remarks. In respect of the following companies included in the consolidated financial statements of the Holding Company, whose audits under section 143 of the Act has not yet been completed, the CARO report as applicable in respect of those entities are not available and consequently have not been provided to us as on the date of this audit report:



Sr. No.	Name of the Company	Subsidiary/ Joint Venture
1.	Powergrid Aligarh Sikar Transmission Limited	Subsidiary
2.	Powergrid Bikaner Transmission System Limited	Subsidiary
3.	Powergrid Energy Services Limited	Subsidiary
4.	National High Power Test Laboratory Private Limited	Joint Venture
5.	Bihar Grid Company Limited	Joint Venture
6.	RINL Powergrid TLT Pvt. Limited	Joint Venture
7.	Power Transmission Company Nepal Limited	Joint Venture
8.	Energy Efficiency Services Limited	Joint Venture
9.	Cross Border Power Transmission Company Limited.	Joint Venture
10.	Parbati Koldam Transmission Company Limited	Joint Venture
11.	Teestavalley Power Transmission Limited	Joint Venture

**For T R CHADHA & CO LLP**

Chartered Accountants  
FRN : 006711N/N500028

**For UMAMAHESWARA RAO & CO**

Chartered Accountants  
FRN : 004453S

**For B M CHATRATH & CO LLP**

Chartered Accountants  
FRN : 301011E/E300025

**For PSD & ASSOCIATES**

Chartered Accountants  
FRN : 004501C

**Neena Goel**

Partner  
M. No. 057986  
UDIN: 22057986AJJPH1088  
Place: Gurugram

**R R Dakshinamurthy**

Partner  
M. No. 211639  
UDIN: 22211639AJJLRV1970  
Place: Gurugram

**Sanjay Sarkar**

Partner  
M. No. 064305  
UDIN: 22064305AJJEL1900  
Place: Gurugram

**Prakash Sharma**

Partner  
M. No. 072332  
UDIN: 22072332AJJILM2539  
Place: Gurugram

Date: 21 May 2022



## ANNEXURE 1

### ATTACHED TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF POWER GRID CORPORATION OF INDIA LIMITED FOR THE YEAR ENDED 31 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")

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended on 31 March 2022, we have audited the internal financial controls over financial reporting with reference to Consolidated Financial Statements of Power Grid Corporation of India Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies (the Holding Company and its subsidiaries together referred to as "the Group") and its joint venture companies, which are companies incorporated in India as of 31 March 2022.

#### Management's Responsibility for Internal Financial Controls

The respective Board of directors of the Holding company, its subsidiary companies and its joint venture companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Group's and the joint venture companies' which are incorporated in India, internal financial controls over financial reporting with reference to Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 with reference to Consolidated Financial Statements were 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 with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls over financial reporting with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls over financial reporting with reference to Consolidated Financial Statements, assessing the risk that 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 Judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiaries and joint venture companies incorporated in India, in terms of their reports referred to in the 'Other Matters' paragraph is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls system over financial reporting with reference to Consolidated Financial Statements.

#### Meaning of Internal Financial Controls Over Financial Reporting With Reference to Consolidated Financial Statements

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

- i. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- ii. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and



- iii. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to Consolidated Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to Consolidated Financial Statements, 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 with reference to Consolidated Financial Statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to Consolidated Financial Statements 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 Holding Company, its subsidiaries, and joint ventures which are companies incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting with reference to Consolidated Financial Statements and such internal financial controls over financial reporting with reference to Consolidated Financial Statements were operating effectively as at 31 March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **Other Matters**

Our aforesaid report under Section 143 (3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to Consolidated Financial Statements insofar as it related to 21 (twenty-one) subsidiary companies and 3 (Three) joint venture Companies incorporated in India, is based on the corresponding report of auditors of such companies.

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated Financial Statements in so far as it relates to three subsidiary and seven joint ventures incorporated in India, whose financial statements / financial information are unaudited and our opinion on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated Financial Statements of the Group is not affected as the Group's share of net profit/loss (including Other Comprehensive Income) and disclosures included in respect of aforesaid subsidiary and joint ventures in these Consolidated Financial Statements are not material to the Group.

Our report is not modified in respect of the above matters.

#### **For T R CHADHA & CO LLP**

Chartered Accountants  
FRN : 006711N/N500028

#### **For UMAMAHESWARA RAO & CO**

Chartered Accountants  
FRN : 004453S

#### **For B M CHATRATH & CO LLP**

Chartered Accountants  
FRN : 301011E/E300025

#### **For PSD & ASSOCIATES**

Chartered Accountants  
FRN : 004501C

#### **Neena Goel**

Partner  
M. No. 057986  
UDIN: 22057986AJJPH1088  
Place: Gurugram

#### **R R Dakshinamurthy**

Partner  
M. No. 211639  
UDIN: 22211639AJJLRV1970  
Place: Gurugram

#### **Sanjay Sarkar**

Partner  
M. No. 064305  
UDIN: 22064305AJJEL1900  
Place: Gurugram

#### **Prakash Sharma**

Partner  
M. No. 072332  
UDIN: 22072332AJJILM2539  
Place: Gurugram

Date: 21 May 2022

**Power Grid Corporation of India Ltd. (A Govt. of India Enterprise)**

CIN : L40101DL1989GOI038121

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

**Statement of Standalone Un-audited Financial Results for the quarter and half year ended 30 September 2022**

(₹ in Crore)

Sl. No.	Particulars	Quarter ended			Half Year ended		Year ended
		30.09.2022	30.06.2022	30.09.2021	30.09.2022	30.09.2021	31.03.2022
		(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Audited)
I	Revenue From Operations	10,655.70	10,446.08	9,930.74	21,101.78	19,709.46	39,933.39
II	Other Income	534.72	570.80	541.26	1,105.52	1,047.92	2,402.48
III	<b>Total Income (I+II)</b>	<b>11,190.42</b>	<b>11,016.88</b>	<b>10,472.00</b>	<b>22,207.30</b>	<b>20,757.38</b>	<b>42,335.87</b>
IV	<b>EXPENSES</b>						
	Employee benefits expense	658.49	560.56	537.92	1,219.05	1,056.17	2,234.76
	Finance costs	2,205.81	1,981.75	1,959.02	4,187.56	4,256.60	8,210.94
	Depreciation and amortisation expense	3,219.27	3,202.62	3,143.45	6,421.89	6,170.13	12,550.58
	Other expenses	1,039.06	1,083.80	606.21	2,122.86	1,292.22	2,771.62
	<b>Total expenses (IV)</b>	<b>7,122.63</b>	<b>6,828.73</b>	<b>6,246.60</b>	<b>13,951.36</b>	<b>12,775.12</b>	<b>25,767.90</b>
V	Profit before Exceptional Items, Tax and Regulatory Deferral Account Balances (III-IV)	4,067.79	4,188.15	4,225.40	8,255.94	7,982.26	16,567.97
VI	Exceptional Items-(Income)/Expense (Refer Note no. 4)	-	-	-	-	(3,169.58)	(3,759.51)
VII	<b>Profit before Tax and Regulatory Deferral Account Balances (V-VI)</b>	<b>4,067.79</b>	<b>4,188.15</b>	<b>4,225.40</b>	<b>8,255.94</b>	<b>11,151.84</b>	<b>20,327.48</b>
VIII	Tax expense:						
	Current tax - Current Year	705.08	724.76	730.97	1,429.84	1,730.27	3,320.52
	- Earlier Years	-	-	-	-	-	(38.46)
	Deferred tax	(322.39)	(222.47)	(181.95)	(544.86)	177.78	(571.00)
		<b>382.69</b>	<b>502.29</b>	<b>549.02</b>	<b>884.98</b>	<b>1,908.05</b>	<b>2,711.06</b>
IX	Profit for the period before Regulatory Deferral Account Balances (VII-VIII)	3,685.10	3,685.86	3,676.38	7,370.96	9,243.79	17,616.42
X	Net movement in Regulatory Deferral Account Balances - Income/(Expenses) (net of tax)	(34.06)	80.00	(338.11)	45.94	179.89	(522.66)
XI	<b>Profit for the period (IX+X)</b>	<b>3,651.04</b>	<b>3,765.86</b>	<b>3,338.27</b>	<b>7,416.90</b>	<b>9,423.68</b>	<b>17,093.76</b>
XII	<b>Other Comprehensive Income</b>						
	Items that will not be reclassified to profit or loss (net of tax)	143.77	(64.72)	106.49	79.05	312.22	290.93
XIII	<b>Total Comprehensive Income for the period (XI+XII)</b>	<b>3,794.81</b>	<b>3,701.14</b>	<b>3,444.76</b>	<b>7,495.95</b>	<b>9,735.90</b>	<b>17,384.69</b>
XIV	Paid up Equity Share Capital (Face value of share : ₹ 10/- each)	6,975.45	6,975.45	6,975.45	6,975.45	6,975.45	6,975.45
XV	Reserves (excluding Revaluation Reserve) as per balance sheet	75,102.59	72,877.26	70,246.65	75,102.59	70,246.65	69,176.12
XVI	Net Worth	82,078.04	79,852.71	77,222.10	82,078.04	77,222.10	76,151.57
XVII	Total Borrowings	1,30,575.96	1,33,023.80	1,35,012.05	1,30,575.96	1,35,012.05	1,34,665.27
XVIII	Bonds Redemption Reserve	4,962.70	5,185.30	6,525.26	4,962.70	6,525.26	5,532.80
XIX	Earnings per equity share including movement in Regulatory Deferral Account Balances (Face value of ₹10/- each): Basic & Diluted (In ₹)	5.23	5.40	4.79	10.63	13.51	24.51
XX	Earnings per equity share excluding movement in Regulatory Deferral Account Balances (Face value of ₹10/- each): Basic & Diluted (In ₹)	5.29	5.28	5.27	10.57	13.25	25.25

Refer accompanying notes to the financial results.





# Power Grid Corporation of India Ltd. (A Govt. of India Enterprise)

CIN : L40101DL1989GOI038121

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

## Statement of Standalone Assets and Liabilities

(₹ in Crore)

	Particulars	As at	
		30.09.2022 (Un-audited)	31.03.2022 (Audited)
<b>A.</b>	<b>ASSETS</b>		
<b>1</b>	<b>Non-current assets</b>		
	Property, plant & equipment	1,74,684.94	1,78,175.63
	Capital work-in-progress	7,248.38	7,344.46
	Investment Property	-	-
	Intangible assets	1,501.92	1,556.13
	Intangible assets under development	30.93	31.53
	Financial assets		
	Investments	7,493.75	7,228.53
	Trade receivables	1,005.95	-
	Loans	15,386.10	14,269.78
	Other non-current financial assets	4,174.43	4,144.46
	Other non-current assets	6,167.57	4,797.73
		<b>2,17,693.97</b>	<b>2,17,548.25</b>
	Assets Classified as Held for Sale (Refer Note 4)	59.00	245.00
		<b>2,17,752.97</b>	<b>2,17,793.25</b>
<b>2</b>	<b>Current assets</b>		
	Inventories	1,336.02	1,352.60
	Financial assets		
	Trade receivables	13,615.97	9,106.82
	Cash and cash equivalents	1,742.30	2,457.47
	Bank balances other than Cash and cash equivalents	390.88	513.57
	Loans	420.43	328.27
	Other current financial assets	3,434.21	6,125.77
	Other current assets	338.62	210.99
		<b>21,278.43</b>	<b>20,095.49</b>
	Assets Classified as Held for Sale (Refer Note 4)	201.86	15.86
		<b>21,480.29</b>	<b>20,111.35</b>
<b>3</b>	<b>Regulatory Deferral Account Balances</b>	10,028.38	9,973.04
	<b>TOTAL ASSETS</b>	<b>2,49,261.64</b>	<b>2,47,877.64</b>
<b>B.</b>	<b>EQUITY AND LIABILITIES</b>		
<b>1</b>	<b>Equity</b>		
	Equity Share capital	6,975.45	6,975.45
	Other Equity	75,102.59	69,176.12
		<b>82,078.04</b>	<b>76,151.57</b>
<b>2</b>	<b>Liabilities</b>		
<b>(i)</b>	<b>Non-current liabilities</b>		
	Financial Liabilities		
	Borrowings	1,11,170.77	1,14,199.40
	Lease Liability	27.30	27.04
	Other non-current financial liabilities	3,541.86	3,523.00
	Provisions	535.90	517.05
	Deferred tax liabilities (Net)	10,876.20	11,424.78
	Other non-current liabilities	210.52	240.89
		<b>1,26,362.55</b>	<b>1,29,932.16</b>
<b>(ii)</b>	<b>Current liabilities</b>		
	Financial liabilities		
	Borrowings	19,405.19	20,465.87
	Lease Liability	3.64	2.74
	Trade payables		
	(A) total outstanding dues of micro enterprises and small enterprises	34.46	47.19
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises.	213.29	218.95
	Other current financial liabilities	7,213.71	7,408.90
	Other current liabilities	2,653.81	3,203.41
	Provisions	834.82	932.31
	Current tax liabilities (net)	-	-
		<b>30,358.92</b>	<b>32,279.37</b>
<b>3</b>	<b>Deferred Revenue</b>	10,462.13	9,514.54
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,49,261.64</b>	<b>2,47,877.64</b>



# Power Grid Corporation of India Ltd. (A Govt. of India Enterprise)

CIN : L40101DL1989GOI038121

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

## Statement of Standalone Cash flows

(₹ in Crore)

Sl. No.	Particulars	For the Half Year ended	
		30.09.2022	30.09.2021
		(Un-audited)	(Un-audited)
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Profit Before Tax & Regulatory Deferral Account Balances	8,255.94	11,151.84
	Add: Net movement in Regulatory Deferral Account Balances (net of tax)	45.94	179.89
	Add: Tax on Net movement in Regulatory Deferral Account Balances	9.73	38.08
	<b>Profit Before Tax (including net movement in Regulatory Deferral Account Balances)</b>	<b>8,311.61</b>	<b>11,369.81</b>
	<b>Adjustment for :</b>		
	Depreciation & amortisation expenses	6,421.89	6,170.13
	Transfer from Grants in Aid	(159.93)	(151.28)
	Deferred revenue - Advance against Depreciation	(74.16)	(74.37)
	Provisions	6.27	0.54
	Changes in fair value of financial instruments through profit or loss	(3.58)	(6.59)
	Profit on sale of Investments in Subsidiaries	-	(3,169.58)
	Net Loss on Disposal / Write off of Property, Plant & Equipment	3.41	5.14
	Deferred Foreign Currency Fluctuation Asset	(1,149.07)	19.30
	Deferred Income from Foreign Currency Fluctuation	1,180.48	42.18
	Regulatory Deferral Account Debit Balances	(55.67)	(217.97)
	Finance Costs	4,187.57	4,256.60
	Provisions Written Back	(4.90)	(7.17)
	FERV loss / (gain)	-	(0.04)
	Profit on sale of Investment in Mutual Funds	-	(15.42)
	Interest income on Deposits, Bonds and loans to Subsidiaries & JVs, PG InvIT etc	(587.41)	(517.93)
	Surcharge income	(106.23)	(137.36)
	Income from finance lease	(66.12)	(40.99)
	Dividend income	(226.51)	(208.76)
		<b>9,366.04</b>	<b>5,946.43</b>
	<b>Operating profit before Changes in Assets and Liabilities</b>	<b>17,677.65</b>	<b>17,316.24</b>
	<b>Adjustment for Changes in Assets and Liabilities:</b>		
	(Increase)/Decrease in Inventories	16.58	(25.11)
	(Increase)/Decrease in Trade Receivables	(5,469.25)	(2,589.40)
	(Increase)/Decrease in Other Financial Assets	2,706.62	(3,640.24)
	(Increase)/Decrease in Other Non-current Assets	(2.80)	145.39
	(Increase)/Decrease in Other Current Assets	(127.63)	(118.70)
	Increase/(Decrease) in Liabilities & Provisions	(822.32)	(232.47)
		<b>(3,698.80)</b>	<b>(6,460.53)</b>
	<b>Cash generated from operations</b>	<b>13,978.85</b>	<b>10,855.71</b>
	Direct taxes paid	(1,452.61)	(1,682.03)
	<b>Net Cash from Operating Activities</b>	<b>12,526.24</b>	<b>9,173.68</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Property, Plant & Equipment and Capital Work in Progress (Including Advances for Capital Expenditure)	(914.91)	(1,550.82)
	Receipt of Grant	-	60.00
	Investment in Mutual Funds	-	(1,470.00)
	Sale of Mutual Funds	-	1,152.70
	Sale of Investment in Subsidiaries/Associate (Net)	-	2,702.23
	Investments in Subsidiaries, JVs & others (Net)	(222.45)	(618.27)
	Loans & Advances to Subsidiaries, JVs & Associates (Including repayments)	(1,094.08)	3,318.20
	Financial lease receipts	123.04	37.88
	Interest received on Deposits, Bonds and Loans to Subsidiaries & JVs, PG InvIT etc	511.39	565.30
	Surcharge received	57.12	88.06
	Dividend received	226.51	208.76
	<b>Net Cash from/(used in) Investing Activities</b>	<b>(1,313.38)</b>	<b>4,494.04</b>



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<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds from Borrowings		
	Non Current	1,902.44	1,714.77
	Current	7,845.00	-
	Repayment of Borrowings		
	Non Current	(4,825.68)	(8,335.28)
	Current	(11,045.00)	(1,800.00)
	Repayment of Lease Liabilities (Including interest)	(1.65)	(3.32)
	Finance Costs paid	(4,233.66)	(4,595.52)
	Dividend paid	(1,569.48)	(2,092.64)
	<b>Net Cash used in Financing Activities</b>	<b>(11,928.03)</b>	<b>(15,111.99)</b>
<b>D.</b>	<b>Net change in Cash and Cash equivalents (A+B+C)</b>	<b>(715.17)</b>	<b>(1,444.27)</b>
<b>E.</b>	Cash and Cash equivalents (Opening balance)	2,457.47	4,430.05
<b>F.</b>	Cash and Cash equivalents (Closing balance) *	<b>1,742.30</b>	<b>2,985.78</b>

\* Includes ₹ 812.82 crore (corresponding half year ₹ 1,405.97 crore) held in designated accounts which is not available for use by the Company.





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**Statement of Standalone Segment wise Revenue, Results, Assets and Liabilities  
for the quarter and half year ended 30 September 2022**

(₹ in Crore)

Sl. No.	Particulars	Quarter ended			Half Year ended		Year ended
		30.09.2022 (Un-audited)	30.06.2022 (Un-audited)	30.09.2021 (Un-audited)	30.09.2022 (Un-audited)	30.09.2021 (Un-audited)	31.03.2022 (Audited)
A.	<b>Segment Revenue (including allocable Other Income)</b>						
	- Transmission	10,411.78	10,215.50	9,697.56	20,627.28	19,383.77	39,187.62
	- Consultancy	139.23	233.46	187.95	372.69	340.37	771.21
	- Telecom	204.96	190.29	190.96	395.25	309.78	668.86
	<b>Total</b>	<b>10,755.97</b>	<b>10,639.25</b>	<b>10,076.47</b>	<b>21,395.22</b>	<b>20,033.92</b>	<b>40,627.69</b>
	Less: Inter Segment Revenue	18.95	19.09	17.28	38.04	34.20	69.08
	<b>Total Revenue including allocable Other Income</b>	<b>10,737.02</b>	<b>10,620.16</b>	<b>10,059.19</b>	<b>21,357.18</b>	<b>19,999.72</b>	<b>40,558.61</b>
B.	<b>Segment Results</b>						
	<b>Profit before Interest and Tax</b>						
	- Transmission	5,662.00	5,676.88	5,187.23	11,338.88	11,432.02	21,797.33
	- Consultancy	39.95	118.42	94.44	158.37	160.13	347.48
	- Telecom	76.98	74.82	80.24	151.80	107.02	223.53
	<b>Total Profit before Interest and Tax</b>	<b>5,778.93</b>	<b>5,870.12</b>	<b>5,361.91</b>	<b>11,649.05</b>	<b>11,699.17</b>	<b>22,368.34</b>
	<b>Add:</b>						
	Other unallocated income	453.40	396.72	412.81	850.12	757.66	1,777.26
	<b>Less :</b>						
	Unallocated interest and finance charges	2,205.81	1,981.75	1,959.02	4,187.56	4,256.60	8,210.94
	Exceptional Item (Refer Note no. 4)	-	-	-	-	(3,169.58)	(3,759.51)
	<b>Profit before Tax (including Regulatory Deferral Account Balances)</b>	<b>4,026.52</b>	<b>4,285.09</b>	<b>3,815.70</b>	<b>8,311.61</b>	<b>11,369.81</b>	<b>19,694.17</b>
C.	<b>Segment Assets</b>						
	- Transmission	2,12,318.47	2,14,719.11	2,17,250.18	2,12,318.47	2,17,250.18	2,12,132.74
	- Consultancy	1,474.25	1,738.91	1,741.15	1,474.25	1,741.15	1,895.00
	- Telecom	970.40	916.54	896.26	970.40	896.26	925.48
	- Unallocated Assets	34,237.66	32,713.71	33,386.93	34,237.66	33,386.93	32,663.56
	- Assets Classified as Held for Sale (Refer Note no. 4)	260.86	260.86	315.39	260.86	315.39	260.86
	<b>Total Segment Assets</b>	<b>2,49,261.64</b>	<b>2,50,349.13</b>	<b>2,53,589.91</b>	<b>2,49,261.64</b>	<b>2,53,589.91</b>	<b>2,47,877.64</b>
D.	<b>Segment Liabilities</b>						
	- Transmission	13,169.91	12,833.59	14,900.17	13,169.91	14,900.17	12,144.91
	- Consultancy	2,129.38	2,417.28	2,587.28	2,129.38	2,587.28	2,741.83
	- Telecom	652.58	637.17	540.25	652.58	540.25	648.01
	- Unallocated Liabilities	1,51,231.73	1,54,608.38	1,58,340.11	1,51,231.73	1,58,340.11	1,56,191.32
	<b>Total Segment Liabilities</b>	<b>1,67,183.60</b>	<b>1,70,496.42</b>	<b>1,76,367.81</b>	<b>1,67,183.60</b>	<b>1,76,367.81</b>	<b>1,71,726.07</b>

**Notes:**

The operations of the Company are mainly carried out within the country and therefore, geographical segments are not applicable.



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Additional Information on Standalone Basis Pursuant to Regulation 52(4) and Regulation 54(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended as at and for the quarter and half year ended 30 September 2022

Sl. No.	Particulars	Quarter ended			Half Year ended		Year ended
		30.09.2022	30.06.2022	30.09.2021	30.09.2022	30.09.2021	31.03.2022
		(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Audited)
1	Debt Equity Ratio [Total Borrowings/Shareholder's Equity]	1.59	1.67	1.75	1.59	1.75	1.77
2	Debt Service Coverage Ratio (DSCR) [[Profit for the period + Depreciation and amortisation expense + Finance costs + FERV + Net Loss on Sale of Fixed Assets]/(Finance costs + Lease Payments + Principal Repayments)]	2.18	1.96	1.12	2.06	1.58	1.61
3	Interest Service Coverage Ratio (ISCR) [[Profit for the period + Depreciation and amortisation expense + Finance costs + FERV + Net Loss on Sale of Fixed Assets]/(Finance costs)]	4.22	4.69	4.28	4.44	4.66	4.61
4	Current Ratio [Current Assets/Current Liabilities]	0.71	0.72	0.89	0.71	0.89	0.62
5	Long Term Debt to Working Capital [(Non-Current Borrowings+Current Maturities of Long-term Borrowings)/ (Current Assets-Current Liabilities excluding Current Maturities of Long-term Borrowings)]	15.25	19.35	15.63	15.25	15.63	43.15
6	Bad debts to Account Receivable Ratio [Bad debts/Average Trade Receivables]	-	-	-	-	-	-
7	Current Liability Ratio [Current Liabilities/Total Liabilities]	0.18	0.19	0.15	0.18	0.15	0.19
8	Total Debts to Total Assets [Total Borrowings/Total Assets]	0.52	0.53	0.53	0.52	0.53	0.54
9	Debtors Turnover [Annualised Revenue from Operations/Average Trade Receivables]	2.89	3.53	3.72	3.47	4.20	4.39
10	Inventory Turnover [Annualised Revenue from Operations/Average Inventory]	31.14	30.61	28.33	31.27	28.30	29.14
11	Operating Margin (%) [Earnings before Interest, depreciation, Tax and exceptional items/Revenue from Operations]	91%	93%	93%	92%	93%	93%
12	Net Profit Margin (%) [Profit for the Period/Revenue from Operations]	34%	36%	34%	35%	48%	43%





#### Notes to Standalone financial results:

1. (a) In exercise of powers u/s 178 of the Electricity Act 2003, Central Electricity Regulatory Commission (CERC) has notified "CERC (Terms and Conditions of Tariff) Regulations, 2019" vide order dated 07 March 2019 for the determination of transmission tariff for the block period 2019-24.  
(b) The company has recognised Transmission income during the quarter and half year ended 30 September 2022 as per the following:  
(i) ₹ 7,887.89 Crore for the quarter (corresponding previous quarter ₹ 4,200.42 Crore) and ₹ 13,855.34 Crore for the half year (corresponding previous half year ended ₹ 7,168.67 Crore) as per final tariff orders issued by CERC for the tariff period 2019-24.  
(ii) ₹ 2,190.78 Crore for the quarter (corresponding previous quarter ₹ 5,305.32 Crore) and ₹ 6,071.98 Crore for the half year (corresponding previous the half year ₹ 11,554.13 Crore) provisionally as per CERC Tariff Regulations for the block period 2019-24 and other orders in similar cases, in respect of transmission assets for which final tariff orders are yet to be issued.  
(c) Consequent to the final order issued by CERC, transmission income includes ₹ 417.11 crore (increase) for the quarter (corresponding previous quarter ₹ 190.44 Crore (increase)) and ₹ 768.36 crore (increase) for the half year (corresponding previous half year ₹ 331.86 Crore (increase)) pertaining to earlier years.
2. The Company, in its 33<sup>rd</sup> Annual General Meeting held on 29 August 2022, has declared and subsequently paid final dividend of ₹ 2.25 per share (face value of ₹ 10/- each) in addition to interim dividend of ₹ 12.50 per share paid earlier, totalling to ₹ 14.75 per share for the financial year 2021-22. The Company, in its Board Meeting held on 05 November 2022, has declared interim dividend of ₹ 5.00 per share for financial year 2022-23.
3. The Company has considered various internal and external information available up to the date of approval of financial results in assessing the impact of COVID-19 pandemic on the financial results for the quarter and half year ended 30 September 2022 & there has been no material impact on the operations or profitability of the company during the quarter and half year ended 30 September 2022. The Company will continue to monitor any material changes to future economic conditions.
4. During the previous year ended 31 March 2022, the Company has monetised five (05) of its Subsidiaries through POWERGRID Infrastructure Investment Trust ('PGInvIT/ Trust'). The 74% shares in the above five SPVs was transferred to PGInvIT in May 2021 and balance 26% shares of PVTI was transferred in March 2022. The balance 26% of remaining SPVs will be transferred in line with Transmission Service Agreement (TSA) & the same has been classified as "Assets Classified as Held for Sale" as on 30 September 2022. The Profit on said transactions (net of related expenses) has been disclosed under "Exceptional items" in previous periods.
5. Electricity (Late Payment Surcharge and Related Matters) Rules, 2022 was notified by Ministry of Power on 03 June 2022, provides that at the option of the Distribution licensees, the outstanding dues including late payment surcharge (LPSC) upto the date of the said notification shall be rescheduled upto a maximum period of 48 months in the manner prescribed in the said Rules and no further LPSC shall be charged on those dues. Pursuant to the above, some of the distribution licensees have opted for rescheduling of their dues with Central Transmission Utility. The company's portion of dues have been presented at their fair value under Trade Receivables (Non- current/Current) considering the requirements of applicable Indian Accounting Standards. Consequently, the fair value difference amounting to ₹127.09 crore has been charged as expense in statement of profit or loss for the quarter and six months ended 30 September 2022.
6. Provision for taxes, employee benefits and other provisions for contingencies have been considered on estimated basis.
7. The above statement of Standalone financial results has been reviewed by the Audit Committee and has been approved by the Board of Directors in their respective meetings held on 05 November 2022.



8. As required under regulation 33 and 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended to the extent applicable, the Statutory Auditors have conducted a limited review of the Standalone financial results for the quarter and half year ended 30 September 2022.
9. Previous period figures have been regrouped / rearranged wherever considered necessary.





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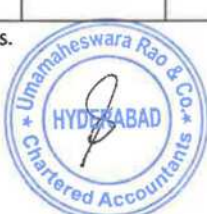
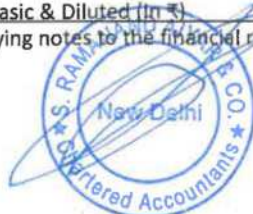
B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110016

**Statement of Consolidated Un-audited Financial Results for the quarter and half year ended 30 September 2022**

(₹ in Crore)

Sl. No.	Particulars	Quarter ended			Half Year ended		Year ended
		30.09.2022	30.06.2022	30.09.2021	30.09.2022	30.09.2021	31.03.2022
		(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Audited)
I	Revenue From Operations	11,150.57	10,905.21	10,268.48	22,055.78	20,487.06	41,621.64
II	Other Income	198.87	263.33	246.26	462.20	419.29	1,076.26
III	<b>Total Income (I+II)</b>	<b>11,349.44</b>	<b>11,168.54</b>	<b>10,514.74</b>	<b>22,517.98</b>	<b>20,906.35</b>	<b>42,697.90</b>
IV	<b>EXPENSES</b>						
	Employee benefits expense	657.59	562.83	533.59	1,220.42	1,060.46	2,243.89
	Finance costs	2,187.37	1,959.70	1,884.52	4,147.07	4,100.48	8,036.22
	Depreciation and amortisation expense	3,317.31	3,295.26	3,194.56	6,612.57	6,307.06	12,871.66
	Other expenses	1,067.13	1,093.15	622.85	2,160.28	1,313.91	2,805.55
	<b>Total expenses (IV)</b>	<b>7,229.40</b>	<b>6,910.94</b>	<b>6,235.52</b>	<b>14,140.34</b>	<b>12,781.91</b>	<b>25,957.32</b>
V	Profit before Share of net profits of investments in Joint Ventures accounted for using Equity Method, Exceptional Items, Tax and Regulatory Deferral Account Balances (III-IV)	4,120.04	4,257.60	4,279.22	8,377.64	8,124.44	16,740.58
VI	Share of net profits of investments in Joint Ventures accounted for using Equity Method	(24.37)	(4.55)	28.51	(28.92)	45.76	78.47
VII	Profit before Exceptional Items, Tax and Regulatory Deferral Account Balances (V+VI)	4,095.67	4,253.05	4,307.73	8,348.72	8,170.20	16,819.05
VIII	Exceptional Items-(Income)/Expense (Refer Note no. 4 and 5)	-	-	-	-	(3,013.97)	(3,320.33)
IX	<b>Profit before Tax and Regulatory Deferral Account Balances (VII-VIII)</b>	<b>4,095.67</b>	<b>4,253.05</b>	<b>4,307.73</b>	<b>8,348.72</b>	<b>11,184.17</b>	<b>20,139.38</b>
X	Tax expense:						
	Current tax - Current Year	713.97	732.16	734.11	1,446.13	1,741.96	3,352.29
	- Earlier Years	-	-	-	-	-	(38.46)
	Deferred tax	(304.41)	(202.09)	(142.19)	(506.50)	243.66	(528.26)
		<b>409.56</b>	<b>530.07</b>	<b>591.92</b>	<b>939.63</b>	<b>1,985.62</b>	<b>2,785.57</b>
XI	Profit for the period before Regulatory Deferral Account Balances (IX-X)	3,686.11	3,722.98	3,715.81	7,409.09	9,198.55	17,353.81
XII	Net movement in Regulatory Deferral Account Balances- Income/(Expenses) (net of tax)	(35.95)	78.21	(339.43)	42.26	176.11	(529.74)
XIII	<b>Profit for the period (XI+XII)</b>	<b>3,650.16</b>	<b>3,801.19</b>	<b>3,376.38</b>	<b>7,451.35</b>	<b>9,374.66</b>	<b>16,824.07</b>
XIV	<b>Other Comprehensive Income</b>						
	Items that will not be reclassified to profit or loss (net of tax)	143.77	(64.72)	106.49	79.05	312.22	290.90
	Share of other comprehensive income of Joint Ventures accounted for using Equity Method	0.16	0.07	-	0.23	0.01	0.24
XV	<b>Total Comprehensive Income for the period (XIII+XIV)</b>	<b>3,794.09</b>	<b>3,736.54</b>	<b>3,482.87</b>	<b>7,530.63</b>	<b>9,686.89</b>	<b>17,115.21</b>
XVI	Paid up Equity Share Capital (Face value of share : ₹ 10/- each)	6,975.45	6,975.45	6,975.45	6,975.45	6,975.45	6,975.45
XVII	Reserves (excluding Revaluation Reserve) as per balance sheet	75,232.83	73,008.22	70,599.35	75,232.83	70,599.35	69,271.68
XVIII	Net Worth	82,208.28	79,983.67	77,574.80	82,208.28	77,574.80	76,247.13
XIX	Total Borrowings	1,30,575.96	1,33,023.80	1,35,012.05	1,30,575.96	1,35,012.05	1,34,665.27
XX	Bonds Redemption Reserve	4,962.70	5,185.30	6,525.26	4,962.70	6,525.26	5,532.80
XXI	Earnings per equity share including movement in Regulatory Deferral Account Balances (Face value of ₹10/- each): Basic & Diluted (In ₹)	5.23	5.45	4.84	10.68	13.44	24.12
XXII	Earnings per equity share excluding movement in Regulatory Deferral Account Balances (Face value of ₹10/- each): Basic & Diluted (In ₹)	5.28	5.34	5.33	10.62	13.19	24.88

Refer accompanying notes to the financial results.



**Power Grid Corporation of India Ltd. (A Govt. of India Enterprise)**

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

**Statement of Consolidated Assets and Liabilities**

(₹ in Crore)

	Particulars	As at	
		30.09.2022 (Un-audited)	31.03.2022 (Audited)
<b>A.</b>	<b>ASSETS</b>		
<b>1</b>	<b>Non-current assets</b>		
	Property, plant & equipment	1,87,785.59	1,90,048.35
	Capital work-in-progress	12,271.02	12,799.90
	Investment Property	-	-
	Intangible assets	1,688.16	1,724.49
	Intangible assets under development	37.87	53.70
	Investments in Joint Ventures accounted for using the equity method	1,805.34	1,861.21
	Financial assets		
	Investments	1,983.71	1,926.43
	Trade receivables	1,005.95	-
	Loans	439.60	406.45
	Other non-current financial assets	4,830.20	4,591.16
	Other non-current assets	6,457.55	4,977.66
		<b>2,18,304.99</b>	<b>2,18,389.35</b>
	Assets Classified as Held for Sale (Refer Note 4)	59.00	245.00
		<b>2,18,363.99</b>	<b>2,18,634.35</b>
<b>2</b>	<b>Current assets</b>		
	Inventories	1,346.91	1,357.17
	Financial assets		
	Trade receivables	14,078.07	9,475.07
	Cash and cash equivalents	2,136.60	2,577.11
	Bank balances other than Cash and cash equivalents	2,540.08	2,471.07
	Loans	109.26	98.59
	Other current financial assets	3,505.07	6,156.69
	Other current assets	378.63	224.28
		<b>24,094.62</b>	<b>22,359.98</b>
	Assets Classified as Held for Sale (Refer Note 4)	201.86	15.86
		<b>24,296.48</b>	<b>22,375.84</b>
<b>3</b>	<b>Regulatory deferral account balances</b>	9,984.12	9,933.24
	<b>TOTAL ASSETS</b>	<b>2,52,644.59</b>	<b>2,50,943.43</b>
<b>B.</b>	<b>EQUITY AND LIABILITIES</b>		
<b>1</b>	<b>Equity</b>		
	Equity Share capital	6,975.45	6,975.45
	Other Equity	75,232.83	69,271.68
		<b>82,208.28</b>	<b>76,247.13</b>
<b>2</b>	<b>Liabilities</b>		
<b>(i)</b>	<b>Non-current liabilities</b>		
	Financial Liabilities		
	Borrowings	1,11,170.77	1,14,199.40
	Lease Liabilities	27.82	27.58
	Other non-current financial liabilities	3,541.86	3,523.00
	Provisions	535.99	517.14
	Deferred tax liabilities (Net)	10,846.76	11,356.98
	Other non-current liabilities	212.52	242.89
		<b>1,26,335.72</b>	<b>1,29,866.99</b>
<b>(ii)</b>	<b>Current liabilities</b>		
	Financial liabilities		
	Borrowings	19,405.19	20,465.87
	Lease Liabilities	3.68	2.78
	Trade payables		
	(A) total outstanding dues of micro enterprises and small enterprises	34.46	47.19
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises.	214.29	219.91
	Other current financial liabilities	10,107.63	10,174.00
	Other current liabilities	2,778.98	3,228.45
	Provisions	1,070.15	1,167.12
	Current tax liabilities (net)	24.08	9.45
		<b>33,638.46</b>	<b>35,314.77</b>
<b>3</b>	<b>Deferred Revenue</b>	10,462.13	9,514.54
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,52,644.59</b>	<b>2,50,943.43</b>





**Power Grid Corporation of India Ltd. (A Govt. of India Enterprise)**

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**Statement of Consolidated Cash flows**

(₹ in Crore)

Sl. No.	Particulars	For the Half Year ended	
		30.09.2022	30.09.2021
		(Un-audited)	(Un-audited)
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Profit Before Tax & Regulatory Deferral Account Balances	8,348.72	11,184.17
	Add: Net movement in Regulatory Deferral Account Balances (net of tax)	42.26	176.11
	Add: Tax on Net movement in Regulatory Deferral Account Balances	8.95	37.28
	<b>Profit Before Tax (including net movement in Regulatory Deferral Account Balances)</b>	<b>8,399.93</b>	<b>11,397.56</b>
	<b>Adjustment for :</b>		
	Depreciation & amortisation expenses	6,612.57	6,307.06
	Transfer from Grants in Aid	(159.93)	(151.28)
	Deferred revenue - Advance against Depreciation	(74.16)	(74.37)
	Provisions	8.95	0.54
	Changes in fair value of financial instruments through profit or loss	(3.58)	(6.59)
	Profit on sale of investment in subsidiaries	-	(3,013.97)
	Share of net profits of joint ventures accounted for using equity method	28.92	(45.76)
	Net Loss on Disposal / Write off of Property, Plant & Equipment	3.41	5.14
	Deferred Foreign Currency Fluctuation Asset	(1,149.07)	19.30
	Deferred Income from Foreign Currency Fluctuation	1,180.48	42.18
	Regulatory Deferral Account Debit Balances	(51.21)	(213.39)
	Finance Costs	4,147.07	4,100.48
	Provisions Written Back	(4.90)	(7.17)
	FERV loss / (gain)	-	(0.04)
	Profit on sale of investments in Mutual Funds	-	(15.42)
	Interest income on Deposits, Bonds, loans to JVs, PG InvIT etc	(106.97)	(85.48)
	Surcharge income	(112.76)	(143.77)
	Income from finance lease	(101.33)	(62.53)
	Dividend income	(62.81)	(54.77)
		<b>10,154.68</b>	<b>6,600.16</b>
	<b>Operating profit before Changes in Assets and Liabilities</b>	<b>18,554.61</b>	<b>17,997.72</b>
	<b>Adjustment for Changes in Assets and Liabilities:</b>		
	(Increase)/Decrease in Inventories	10.26	(25.11)
	(Increase)/Decrease in Trade Receivables	(5,561.73)	(2,762.21)
	(Increase)/Decrease in Other Financial Assets	2,484.46	(4,893.19)
	(Increase)/Decrease in Other Non-current Assets	2.78	134.82
	(Increase)/Decrease in Other Current Assets	(154.35)	(122.25)
	Increase/(Decrease) in Liabilities & Provisions	(592.27)	1,801.06
		<b>(3,810.85)</b>	<b>(5,866.88)</b>
	<b>Cash generated from operations</b>	<b>14,743.76</b>	<b>12,130.84</b>
	Direct taxes paid	(1,472.68)	(1,695.17)
	<b>Net Cash from Operating Activities</b>	<b>13,271.08</b>	<b>10,435.67</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Property, Plant & Equipment and Capital Work in Progress (Including Advances for Capital Expenditure)	(2,150.06)	(3,332.95)
	Receipt of Grant	-	60.00
	Investment in Mutual Funds	-	(1,470.00)
	Sale of Mutual Funds	-	1,152.70
	Consideration received on transfer of subsidiaries/associates (net)	-	2,486.18
	Investments in joint venture companies & others	(0.00)	(419.23)
	(Increase)/Decrease in Investments in other companies	3.28	-
	Loans & Advances to Joint Venture/Associate Companies (including repayments)	0.62	5,022.78
	Financial lease receipts	123.04	55.95
	Interest received on Deposits, Bonds & loans to JVs, PG InvIT etc	90.81	67.92
	Surcharge received	59.60	143.77
	Dividend received from joint venture companies	26.66	31.09
	Dividend received from other investments	62.81	54.77
	<b>Net Cash from/(used in) Investing Activities</b>	<b>(1,783.24)</b>	<b>3,852.98</b>



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<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds from Borrowings		
	Non Current	1,902.43	1,714.77
	Current	7,845.00	-
	Repayment of Borrowings		
	Non Current	(4,825.68)	(8,494.13)
	Current	(11,045.00)	(1,800.00)
	Repayment of Lease Liabilities (Including interest)	(1.70)	(3.38)
	Finance Costs paid	(4,233.92)	(4,602.13)
	Dividend paid	(1,569.48)	(2,092.64)
	<b>Net Cash used in Financing Activities</b>	<b>(11,928.35)</b>	<b>(15,277.51)</b>
<b>D.</b>	<b>Net change in Cash and Cash equivalents (A+B+C)</b>	<b>(440.51)</b>	<b>(988.86)</b>
<b>E.</b>	Cash and Cash equivalents (Opening balance) (including classified as held for sale)	2,577.11	4,667.74
	Less: Cash and Cash equivalents classified as held for sale	-	-
<b>F.</b>	<b>Cash and Cash equivalents (Closing balance) *</b>	<b>2,136.60</b>	<b>3,678.88</b>

\* Includes ₹ 812.82 crore (corresponding half year ₹ 1,405.97 crore) held in designated accounts which is not available for use by the Group.





**Power Grid Corporation of India Ltd. (A Govt. of India Enterprise)**

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**Statement of Consolidated Segment wise Revenue, Results, Assets and Liabilities  
for the quarter and half year ended 30 September 2022**

(₹ in Crore)

Sl. No.	Particulars	Quarter ended			Half Year ended		Year ended
		30.09.2022	30.06.2022	30.09.2021	30.09.2022	30.09.2021	31.03.2022
		(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Audited)
A.	<b>Segment Revenue (including allocable Other Income)</b>						
	- Transmission	10,920.50	10,702.98	10,054.26	21,623.48	20,160.63	40,976.38
	- Consultancy	141.18	235.39	189.78	376.57	346.07	780.67
	- Telecom	205.01	190.32	190.96	395.33	309.78	668.86
	<b>Total</b>	<b>11,266.69</b>	<b>11,128.69</b>	<b>10,435.00</b>	<b>22,395.38</b>	<b>20,816.48</b>	<b>42,425.91</b>
	Less: Inter Segment Revenue	38.88	44.50	37.18	83.38	81.36	167.66
	<b>Total Revenue including allocable Other Income</b>	<b>11,227.81</b>	<b>11,084.19</b>	<b>10,397.82</b>	<b>22,312.00</b>	<b>20,735.12</b>	<b>42,258.25</b>
B.	<b>Segment Results</b>						
	<b>Profit before Interest and Tax</b>						
	- Transmission	6,027.42	6,033.96	5,460.19	12,061.38	11,996.67	23,120.26
	- Consultancy	37.87	118.95	95.06	156.82	163.39	351.47
	- Telecom	76.93	74.81	80.24	151.74	107.02	223.53
	<b>Total Profit before Interest and Tax</b>	<b>6,142.22</b>	<b>6,227.72</b>	<b>5,635.49</b>	<b>12,369.94</b>	<b>12,267.08</b>	<b>23,695.26</b>
	<b>Add:</b>						
	Share of net profits of investments in Joint Ventures accounted for using Equity Method	(24.37)	(4.55)	28.51	(28.92)	45.76	78.47
	Other unallocated income	121.63	84.35	116.92	205.98	171.23	439.65
	<b>Less :</b>						
	Unallocated interest and finance charges	2,187.37	1,959.70	1,884.52	4,147.07	4,100.48	8,036.22
	Exceptional Item - Transmission (Refer Note no. 4 and 5)	-	-	-	-	(3,013.97)	(3,320.33)
	<b>Profit before Tax (including Regulatory Deferral Account Balances)</b>	<b>4,052.11</b>	<b>4,347.82</b>	<b>3,896.40</b>	<b>8,399.93</b>	<b>11,397.56</b>	<b>19,497.49</b>
C.	<b>Segment Assets</b>						
	- Transmission	2,29,350.91	2,30,370.43	2,30,655.59	2,29,350.91	2,30,655.59	2,27,077.55
	- Consultancy	1,480.88	1,744.34	1,744.55	1,480.88	1,744.55	1,899.37
	- Telecom	979.39	925.57	896.26	979.39	896.26	925.48
	- Unallocated Assets	20,572.55	20,513.69	22,903.76	20,572.55	22,903.76	20,780.17
	- Assets Classified as Held for Sale (Refer Note no. 4)	260.86	260.86	315.39	260.86	315.39	260.86
	<b>Total Segment Assets</b>	<b>2,52,644.59</b>	<b>2,53,814.89</b>	<b>2,56,515.55</b>	<b>2,52,644.59</b>	<b>2,56,515.55</b>	<b>2,50,943.43</b>
D.	<b>Segment Liabilities</b>						
	- Transmission	15,715.84	15,514.70	16,629.74	15,715.84	16,629.74	14,295.14
	- Consultancy	2,136.95	2,419.93	2,588.57	2,136.95	2,588.57	2,743.96
	- Telecom	653.06	637.65	540.25	653.06	540.25	648.01
	- Unallocated Liabilities	1,51,930.46	1,55,258.94	1,59,182.19	1,51,930.46	1,59,182.19	1,57,009.19
	<b>Total Segment Liabilities</b>	<b>1,70,436.31</b>	<b>1,73,831.22</b>	<b>1,78,940.75</b>	<b>1,70,436.31</b>	<b>1,78,940.75</b>	<b>1,74,696.30</b>

**Notes**

The operations of the Group are mainly carried out within the country and therefore, geographical segments are not applicable.



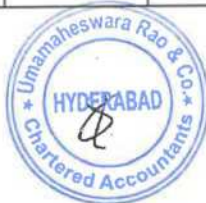
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**Additional Information on Consolidated Basis Pursuant to Regulation 52(4) and Regulation 54(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended  
as at and for the quarter and half year ended 30 September 2022**

Sl. No.	Particulars	Quarter ended			Half Year ended		Year ended
		30.09.2022	30.06.2022	30.09.2021	30.09.2022	30.09.2021	31.03.2022
		(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Audited)
1	Debt Equity Ratio [Total Borrowings/Shareholder's Equity]	1.59	1.66	1.74	1.59	1.74	1.77
2	Debt Service Coverage Ratio (DSCR) [(Profit for the period + Depreciation and amortisation expense + Finance costs + FERV + Net Loss on Sale of Fixed Assets)/(Finance costs + Lease Payments + Principal Repayments)]	2.21	1.99	1.13	2.09	1.57	1.61
3	Interest Service Coverage Ratio (ISCR) [(Profit for the period + Depreciation and amortisation expense + Finance costs + FERV + Net Loss on Sale of Fixed Assets)/(Finance costs)]	4.29	4.80	4.46	4.53	4.83	4.70
4	Current Ratio [Current Assets/Current Liabilities]	0.72	0.73	0.87	0.72	0.87	0.63
5	Long Term Debt to Working Capital [(Non-Current Borrowings+Current Maturities of Long-term Borrowings)/ (Current Assets-Current Liabilities excluding Current Maturities of Long-term Borrowings)]	16.13	21.33	17.00	16.13	17.00	58.09
6	Bad debts to Account Receivable Ratio [Bad debts/Average Trade Receivables]	-	-	-	-	-	-
7	Current Liability Ratio [Current Liabilities/Total Liabilities]	0.20	0.20	0.17	0.20	0.17	0.20
8	Total Debts to Total Assets [Total Borrowings/Total Assets]	0.52	0.52	0.53	0.52	0.53	0.54
9	Debtors Turnover [Annualised Revenue from Operations/Average Trade Receivables]	2.92	3.55	3.75	3.51	4.25	4.45
10	Inventory Turnover [Annualised Revenue from Operations/Average Inventory]	32.28	31.77	29.36	32.49	29.33	30.28
11	Operating Margin (%) [Earnings before Interest, depreciation, Tax and exceptional items/Revenue from Operations]	88%	90%	91%	89%	90%	90%
12	Net Profit Margin (%) [Profit for the Period/Revenue from Operations]	33%	35%	33%	34%	46%	40%





# Power Grid Corporation of India Ltd. (A Govt. of India Enterprise)

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The Subsidiaries, Joint Venture & Associates Companies considered in Consolidated Un-audited Financial Results for the quarter and half year ended 30 September 2022

Subsidiary Companies	Ownership (%)
<b>Incorporated in India</b>	
1 Powergrid NM Transmission Limited	100%
2 Powergrid Unchahar Transmission Limited	100%
3 Powergrid Southern Interconnector Transmission System Limited	100%
4 Powergrid Vemagiri Transmission Limited	100%
5 Powergrid Medinipur Jeerat Transmission Limited	100%
6 Powergrid Mithilanchal Transmission Limited	100%
7 Powergrid Varanasi Transmission System Limited	100%
8 Powergrid Jawaharpur Firozabad Transmission Limited	100%
9 Powergrid Khetri Transmission System Limited	100%
10 Powergrid Bhuj Transmission Limited (Erstwhile Bhuj-II Transmission Limited)	100%
11 Powergrid Bhind Guna Transmission Limited (Erstwhile Bhind Guna Transmission Limited)	100%
12 Powergrid Ajmer Phagi Transmission Limited (Erstwhile Ajmer Phagi Transco Limited)	100%
13 Powergrid Fatehgarh Transmission Limited (Erstwhile Fatehgarh-II Transco Limited)	100%
14 Powergrid Rampur Sambhal Transmission Limited (Erstwhile Rampur Sambhal Transco Limited)	100%
15 Powergrid Meerut Simbhavali Transmission Limited (Erstwhile Meerut-Simbhavali Transmission Limited)	100%
16 Central Transmission Utility of India Limited	100%
17 Powergrid Ramgarh Transmission Limited (Erstwhile Ramgarh New Transmission Limited)	100%
18 Powergrid Himachal Transmission Limited (Erstwhile Jaypee Powergrid Limited)	100%
19 Powergrid Bikaner Transmission System Limited (Erstwhile Bikaner-II Bhiwadi Transco Limited)	100%
20 Powergrid Sikar Transmission Limited (Erstwhile Sikar New Transmission Limited)	100%
21 Powergrid Bhadla Transmission Limited (Erstwhile Fatehgarh Badla Transco Limited)	100%
22 Powergrid Aligarh Sikar Transmission Limited (Erstwhile Sikar II Aligarh Transmission Limited)	100%
23 Powergrid Teleservices Limited	100%
24 Powergrid Energy Services Limited	100%
25 Powergrid Narela Transmission Limited (Erstwhile Khetri-Narela Transmission Limited) <sup>1</sup>	100%
26 Powergrid Gomti Yamuna Transmission Limited (Erstwhile Mohanlalganj Transmission Limited) <sup>2</sup>	100%
27 Powergrid Neemuch Transmission Limited (Erstwhile Neemuch Transmission Limited) <sup>3</sup>	100%

<sup>1</sup> 100% equity acquired from PFC Consulting Limited on 11.05.2022

<sup>2</sup> 100% equity acquired from PFC Consulting Limited on 30.05.2022

<sup>3</sup> 100% equity acquired from REC Power Development and Consultancy Limited on 24.08.2022

Joint Ventures	Ownership (%)
<b>Incorporated in India</b>	
1 Powerlinks Transmission Limited	49%
2 Torrent Power Grid Limited	26%
3 Parbati Koldam Transmission Company Limited	26%
4 Teestavalley Power Transmission Limited <sup>1</sup>	30.92%
5 North East Transmission Company Limited	26%
6 National High Power Test Laboratory Private Limited	20%
7 Bihar Grid Company Limited	50%
8 Cross Border Power Transmission Company Limited	26%
9 RINL Powergrid TLT Private Limited <sup>2</sup>	50%
10 Energy Efficiency Services Limited	33.33%
11 Butwal-Gorakhpur Cross Border Power Transmission Limited <sup>3</sup>	50%
<b>Incorporated outside India</b>	
12 Power Transmission Company Nepal Limited	26%

<sup>1</sup> POWERGRID & Teesta Urja Ltd are the Joint venture partners in Teestavalley Power Transmission Limited & holds 26% & 74% equity, respectively as per Shareholding agreement. On call of additional equity by Teestavalley Power Transmission limited, POWERGRID contributed their share while the other JV partner has not yet contributed their share of money. Consequently, the holding of POWERGRID increased to 30.92% against 26% provided in shareholding agreement.



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<sup>2</sup> POWERGRID's Board of Directors in its meeting held on 01.05.2018 accorded in principle approval to close RINL Powergrid TLT Private Limited (RPTPL) and seek consent of other JV Partner Rashtriya Ispat Nigam Limited (RINL). RINL's Board of Directors in its meeting held on 08.03.2019 has agreed in principle for winding up proceedings of RPTPL & to seek the approval from Ministry of Steel(MoS), Government of India, for closure of RPTPL. The approval for closure of RPTPL is received on 11.07.2022 from MoS.

<sup>3</sup> Incorporated on 31.08.2022 as a Joint Venture between the company and Nepal Electricity Authority (NEA) with equity participation of 50:50 for implementation of Indian Portion of New Butwal - Gorakhpur 400 kV Double Circuit (Quad Moose) Cross Border Transmission Line.

	Associate Companies*	Ownership (%)
	Incorporated in India	
1	Powergrid Kala Amb Transmission Limited	26%
2	Powergrid Jabalpur Transmission Limited	26%
3	Powergrid Warora Transmission Limited	26%
4	Powergrid Parli Transmission Limited	26%

\* Accounted as per Ind AS 105 as these are classified as Assets held for sale.





**Notes to Consolidated financial results:**

1. (a) In exercise of powers u/s 178 of the Electricity Act 2003, Central Electricity Regulatory Commission (CERC) has notified "CERC (Terms and Conditions of Tariff) Regulations, 2019" vide order dated 07 March 2019 for the determination of transmission tariff for the block period 2019-24.  
(b) In respect of projects whose tariffs are determined by CERC, the Group has recognised Transmission income during quarter and half year ended 30 September 2022 as per the following:  
(i) ₹ 7,921.09 Crore for the quarter (corresponding previous quarter ₹ 4,234.66 Crore) and ₹ 13,920.64 Crore for the half year (corresponding previous half year ended ₹ 7,238.28 Crore) as per final tariff orders issued by CERC for the tariff period 2019-24.  
(ii) ₹ 2,190.78 Crore for the quarter (corresponding previous quarter ₹ 5,305.32 Crore) and ₹ 6,071.98 Crore for the half year (corresponding previous the half year ₹ 11,554.13 Crore) provisionally as per CERC Tariff Regulations for the block period 2019-24 and other orders in similar cases, in respect of transmission assets for which final tariff orders are yet to be issued.  
(c) Consequent to the final order issued by CERC, transmission income includes ₹ 417.11 crore (increase) for the quarter (corresponding previous quarter ₹ 190.44 Crore (increase)) and ₹ 768.36 crore (increase) for the half year (corresponding previous half year ₹ 331.86 Crore(increase)) pertaining to earlier years.
2. The Company, in its 33<sup>rd</sup> Annual General Meeting held on 29 August 2022, has declared and subsequently paid final dividend of ₹ 2.25 per share (face value of ₹ 10/- each) in addition to interim dividend of ₹ 12.50 per share paid earlier, totalling to ₹ 14.75 per share for the financial year 2021-22. The Company, in its Board Meeting held on 05 November 2022, has declared interim dividend of ₹ 5.00 per share for financial year 2022-23.
3. The Group has considered various internal and external information available up to the date of approval of financial results in assessing the impact of COVID-19 pandemic on the financial results for the quarter and half year ended 30 September 2022 & there has been no material impact on the operations or profitability of company during the quarter and half year ended 30 September 2022. The Group will continue to monitor any material changes to future economic conditions.
4. During the previous year ended 31 March 2022, the Group has monetised five (05) of its Subsidiaries through POWERGRID Infrastructure Investment Trust ('PGInvIT/ Trust'). The 74% shares in the above five SPVs was transferred to PGInvIT in May 2021 and balance 26% shares of PVTI was transferred in March 2022. The balance 26% of remaining SPVs will be transferred in line with Transmission Service Agreement (TSA) & the same has been classified as "Assets Classified as Held for Sale" as on 30 September 2022. The Profit on said transactions (net of related expenses) has been disclosed under "Exceptional items" in previous periods.
5. In previous year ended 31 March 2022, one of the Group entities filed a petition with CERC for increase in Transmission charges on account of Force Majeure and change in law events. CERC has allowed partial increase in transmission Charges on account of Change in Law events. The Group entity has filed an appeal with Appellate Tribunal for Electricity (APTEL) challenging the above CERC order. APTEL has granted interim protection against coercive/precipitative actions by LTTCs till the next date of hearing of 13.12.2022. The matter is sub-judice. However, a provision for the amount of ₹ 234.55 crore towards LD was made by the group in FY 2021-22 leading to a reduction in the profit for the year. The same has been disclosed under "Exceptional items" in the Statement of Profit and loss of previous periods.
6. Electricity (Late Payment Surcharge and Related Matters) Rules, 2022 was notified by Ministry of Power on 03 June 2022, provides that at the option of the Distribution licensees, the outstanding dues including late payment surcharge (LPSC) upto the date of the said notification shall be rescheduled upto a maximum period of 48 months in the manner prescribed in the said Rules and no further LPSC shall be charged on those dues. Pursuant to the above, some of the distribution licensees have opted for rescheduling of their dues with Central Transmission Utility. The company's portion of dues have been presented at their fair value under Trade



Receivables (Non- current/Current) considering the requirements of applicable Indian Accounting Standards. Consequently, the fair value difference amounting to ₹127.09 crore has been charged as expense in statement of profit or loss for the quarter and six months ended 30 September 2022.

7. Provision for taxes, employee benefits and other provisions for contingencies have been considered on estimated basis.
8. The above statement of Consolidated financial results has been reviewed by the Audit Committee and has been approved by the Board of Directors in their respective meetings held on 05 November 2022.
9. As required under regulation 33 and 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended to the extent applicable, the Statutory Auditors have conducted a limited review of the Consolidated financial results for the quarter and half year ended 30 September 2022.
10. Previous period figures have been regrouped / rearranged wherever considered necessary.

For and on behalf of **POWER GRID CORPORATION OF INDIA LTD.**



G Ravisankar  
Director (Finance)

Place: Gurugram  
Date: 05 November 2022





**Power Grid Corporation of India Ltd. (A Govt. of India Enterprise)**

CIN : L40101DL1989GOI038121

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

**Extract of the Financial Results for the quarter and half year ended 30 September 2022**

(₹ In Crore)

S.No.	Particulars	Standalone					Consolidated				
		Quarter ended		Half Year ended		Year ended	Quarter ended		Half Year ended		Year ended
		30.09.2022	30.09.2021	30.09.2022	30.09.2021	31.03.2022	30.09.2022	30.09.2021	30.09.2022	30.09.2021	31.03.2022
		(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Audited)
1	Total Income from Operations	11,190.42	10,472.00	22,207.30	20,757.38	42,335.87	11,349.44	10,514.74	22,517.98	20,906.35	42,697.90
2	Net Profit before Exceptional Items and Tax (including Regulatory Deferral Account Balances (net of tax))	4,033.73	3,887.29	8,301.88	8,162.15	16,045.31	4,059.72	3,968.30	8,390.98	8,346.31	16,289.31
3	Net Profit before Tax (after exceptional items)(including Regulatory Deferral Account Balances (net of tax))	4,033.73	3,887.29	8,301.88	11,331.73	19,804.82	4,059.72	3,968.30	8,390.98	11,360.28	19,609.64
4	Net Profit after Tax for the period	3,651.04	3,338.27	7,416.90	9,423.68	17,093.76	3,650.16	3,376.38	7,451.35	9,374.66	16,824.07
5	Total Comprehensive Income comprising net Profit after Tax and Other Comprehensive Income	3,794.81	3,444.76	7,495.95	9,735.90	17,384.69	3,794.09	3,482.87	7,530.63	9,686.89	17,115.21
6	Paid up Equity Share Capital (Face value of share : ₹10/- each)	6,975.45	6,975.45	6,975.45	6,975.45	6,975.45	6,975.45	6,975.45	6,975.45	6,975.45	6,975.45
7	Reserves (excluding Revaluation Reserve) as shown in the Balance sheet	75,102.59	70,246.65	75,102.59	70,246.65	69,176.12	75,232.83	70,599.35	75,232.83	70,599.35	69,271.68
8	Securities Premium Account	7,834.43	7,834.43	7,834.43	7,834.43	7,834.43	7,834.43	7,834.43	7,834.43	7,834.43	7,834.43
9	Net worth	82,078.04	77,222.10	82,078.04	77,222.10	76,151.57	82,208.28	77,574.80	82,208.28	77,574.80	76,247.13
10	Total Borrowings	1,30,575.96	1,35,012.05	1,30,575.96	1,35,012.05	1,34,665.27	1,30,575.96	1,35,012.05	1,30,575.96	1,35,012.05	1,34,665.27
11	Debt Equity Ratio	1.59	1.75	1.59	1.75	1.77	1.59	1.74	1.59	1.74	1.77
12	Earnings per equity share including movement in Regulatory Deferral Account Balances (Face value of ₹10/- each): Basic and Diluted (in ₹)	5.23	4.79	10.63	13.51	24.51	5.23	4.84	10.68	13.44	24.12
13	Earnings per equity share excluding movement in Regulatory Deferral Account Balances (Face value of ₹10/- each): Basic and Diluted (in ₹)	5.29	5.27	10.57	13.25	25.25	5.28	5.33	10.62	13.19	24.88
14	Bonds Redemption Reserve	4,962.70	6,525.26	4,962.70	6,525.26	5,532.80	4,962.70	6,525.26	4,962.70	6,525.26	5,532.80
15	Debt Service Coverage Ratio	2.18	1.12	2.06	1.58	1.61	2.21	1.13	2.09	1.57	1.61
16	Interest Service Coverage Ratio	4.22	4.28	4.44	4.66	4.61	4.29	4.46	4.53	4.83	4.70

**Notes :**

- The above is an extract of the detailed format of quarter and half year ended Consolidated and Standalone Financial Results filed with the Stock Exchanges under Regulations 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of the quarter and half year ended Consolidated and Standalone Financial Results is available on the Investor Relations section of our website <https://www.powergrid.in> and under Corporates Section of BSE Limited & National Stock Exchange of India Limited at <https://www.bseindia.com> and <https://www.nseindia.com> respectively.
- Previous periods figures have been regrouped/rearranged wherever considered necessary.

For and on behalf of POWER GRID CORPORATION OF INDIA LTD.



G Ravisankar  
Director (Finance)

Place : Gurugram

Date : 05 November 2022



**S. RAMANAND AIYAR & CO.**

Chartered Accountants  
708, Surya Kiran Building,  
19, Kasturba Gandhi Marg  
New Delhi-110001

**UMAMAHESWARA RAO & CO**

Chartered Accountants  
Flat No.5-H, D Block, 8-3-324,  
Yellareddyguda Lane, Ameerpet X Roads,  
Hyderabad,  
Telangana-500073.

**B M CHATRATH & CO LLP**

Chartered Accountants  
#Centre Point# ,4th floor,  
Room No-440  
21, Hemanta Basu Sarani,  
Kolkata,  
West Bengal-700001

**PSD & ASSOCIATES**

Chartered Accountants  
808, Tower – A,  
Omkar Alta Monte,  
Pathanwadi Malad East,  
Mumbai-400097.

**Independent Auditor's Limited Review Report on the standalone unaudited financial results for the quarter and half year ended on 30 September 2022 of the Company Pursuant to the Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To  
The Board of Directors,  
Power Grid Corporation of India Limited  
B-9, Qutab Institutional Area,  
Katwaria Sarai,  
New Delhi – 110016

1. We have reviewed the accompanying Statement of Standalone Un-audited Financial Results of **Power Grid Corporation of India Limited** ("the Company") for the quarter and half year ended 30 September 2022 (hereinafter referred to as "Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. This Statement submitted is the responsibility of the Company's Management and approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("IND AS 34"), prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Financial Statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of Standalone Un-audited Financial Results prepared in accordance with the applicable Indian Accounting Standards specified under section 133 of Companies Act, 2013 read with Rule 7 of The Companies (Accounts) Rules 2014 and other accounting practices and policies generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations





and Disclosure Requirements) Regulations, 2015, as amended from time to time, including the manner in which it is to be disclosed, or that it contains any material misstatement.

## 5. Emphasis of matter

We draw attention to the following matter in notes to the standalone financial results:

- In respect of recognition of revenue from transmission assets for which final tariff orders are yet to be issued by the CERC [Refer Note No. 1 (b)(ii)].

Our conclusion on the Statement is not modified in respect of the above matters.

For **S. RAMANAND AIYAR & CO.**  
Chartered Accountants  
FRN : 000990N

  
**R. Balasubramanian**  
Partner  
M. No. 080432  
UDIN: 22080432BCDGPUS244  
Place: Gurugram



For **UMAMAHESWARA RAO & CO**  
Chartered Accountants  
FRN : 004453S

  
**R R Dakshinamurthy**  
Partner  
M. No. 211639  
UDIN: 22211639BCDGQP4875  
Place: Gurugram



For **B M CHATRATH & CO LLP**  
Chartered Accountants  
FRN : 301011E/E300025

  
**Sanjay Sarkar**  
Partner  
M. No. 064305  
UDIN: 22064305BCDGXG6598  
Place: Gurugram



For **PSD & ASSOCIATES**  
Chartered Accountants  
FRN : 004501C

  
**Satish Chandra Sharma**  
Partner  
M. No. 072846  
UDIN: 22072846BCDIYD6878  
Place: Gurugram



Date: 05 November 2022

**S. RAMANAND AIYAR & CO.**

Chartered Accountants  
708, Surya Kiran Building,  
19, Kasturba Gandhi Marg  
New Delhi-110001

**B M CHATRATH & CO LLP**

Chartered Accountants  
#Centre Point# ,4th floor,  
Room No-440  
21, Hemanta Basu Sarani,  
Kolkata,  
West Bengal-700001

**UMAMAHESWARA RAO & CO**

Chartered Accountants  
Flat No.5-H, D Block, 8-3-324,  
Yellareddyguda Lane, Ameerpet X Roads,  
Hyderabad,  
Telangana-500073.

**PSD & ASSOCIATES**

Chartered Accountants  
808, Tower – A,  
Omkar Alta Monte,  
Pathanwadi Malad East,  
Mumbai-400097.

**Independent Auditor's Limited Review Report on the consolidated unaudited financial results for the quarter and half year ended on 30 September 2022 of the Company Pursuant to the Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To  
The Board of Directors,  
Power Grid Corporation of India Limited  
B-9, Qutab Institutional Area,  
Katwaria Sarai,  
New Delhi – 110016

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **Power Grid Corporation of India Limited** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), and its share of the net profit/(loss) after tax and share of total comprehensive income / (loss) of its joint ventures for the quarter and half year ended 30 September 2022 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, to the extent applicable.





4. The Statement includes the results of the Parent and the following entities:

**List of Subsidiaries:**

- (i) Powergrid NM transmission Ltd
- (ii) Powergrid Unchahar Transmission Ltd
- (iii) Powergrid Southern Interconnector Transmission System Limited
- (iv) Powergrid Vemagiri transmission Ltd
- (v) Powergrid Medinipur Jeerat Transmission Limited
- (vi) Powergrid Mithilanchal Transmission Limited
- (vii) Powergrid Varanasi Transmission System Limited
- (viii) Powergrid Jawaharpur Firozabad Transmission Limited
- (ix) Powergrid Khetri Transmission System Limited
- (x) Powergrid Bhuj Transmission Limited
- (xi) Powergrid Bhind Guna Transmission Limited
- (xii) Powergrid Ajmer Phagi Transmission Limited
- (xiii) Powergrid Fatehgarh Transmission Limited
- (xiv) Powergrid Rampur Sambhal Transmission Limited
- (xv) Powergrid Meerut Simbhavali Transmission Limited
- (xvi) Central Transmission Utility of India Limited
- (xvii) Powergrid Ramgarh Transmission Limited (Erstwhile Ramgarh New Transmission Limited)
- (xviii) Powergrid Himachal Transmission Limited (Erstwhile Jaypee Powergrid Limited)
- (xix) Powergrid Bikaner Transmission System Limited (Erstwhile Bikaner-II Bhiwadi Transco Limited)
- (xx) Powergrid Sikar Transmission Limited (Erstwhile Sikar New Transmission Limited)
- (xxi) Powergrid Bhadla Transmission Limited (Erstwhile Fatehgarh Bhadla Transco Limited)
- (xxii) Powergrid Aligarh Sikar Transmission Limited (Erstwhile Sikar-II Aligarh Transmission Limited)
- (xxiii) Powergrid Teleservices Limited
- (xxiv) Powergrid Energy Services Limited
- (xxv) Powergrid Narela Transmission Limited (Erstwhile Khetri-Narela Transmission Limited)<sup>1</sup>
- (xxvi) Powergrid Gomti Yamuna Transmission Limited (Erstwhile Mohanlalganj Transmission Limited)<sup>2</sup>
- (xxvii) Powergrid Neemuch Transmission Limited (Erstwhile Neemuch Transmission Limited)<sup>3</sup>

<sup>1</sup> 100% equity acquired from PFC Consulting Limited on 11.05.2022

<sup>2</sup> 100% equity acquired from PFC Consulting Limited on 30.05.2022

<sup>3</sup> 100% equity acquired from REC Power Development and Consultancy Limited on 24.08.2022

**List of Joint Ventures:**

- (i) Powerlinks Transmission Limited
- (ii) Torrent Powergrid Limited
- (iii) Parbati Koldam Transmission Company Limited
- (iv) Teestavalley Power Transmission Limited
- (v) North East Transmission Company Limited
- (vi) National High Power Test Lab Pvt Limited
- (vii) Bihar Grid Company Limited
- (viii) Cross Border Transmission Limited
- (ix) RINL POWERGRID TLT Pvt Limited<sup>1</sup>
- (x) Energy Efficiency Services Limited
- (xi) Butwal-Gorakhpur Cross Border Power Transmission Limited<sup>2</sup>
- (xii) Power Transmission Company Nepal Limited<sup>3</sup>

<sup>1</sup> The Holding company's Board of directors has accorded in-principle approval for closure of the JV company.

<sup>2</sup> Incorporated on 31.08.2022 as a Joint Venture between the company and Nepal Electricity Authority (NEA) with equity participation of 50:50 for implementation of Indian Portion of New Butwal - Gorakhpur 400 kV Double Circuit (Quad Moose) Cross Border Transmission Line.

<sup>3</sup> located outside India.





5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 7 (a) below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

## 6. Emphasis of Matter

We draw attention to the following matter in notes to the consolidated financial results:

- In respect of recognition of revenue from transmission assets for which final tariff orders are yet to be issued by the CERC [Refer Note No. 1 (b)(ii)].

Our conclusion on the Statement is not modified in respect of the above matters.

## 7. Other Matters

a. We did not review the interim financial results / financial information of 21 subsidiaries included in the consolidated unaudited financial results, whose interim financial results / financial information reflect total revenue of Rs. 471.90 Crore and Rs. 908.41 crore, total net profit after tax of Rs 145.27 Crore and Rs. 287.87 crore, total comprehensive income of Rs 145.27 crore and Rs. 287.87 crore for the quarter and half year ended 30 September 2022, respectively, total Cash inflow (net) of Rs 263.42 for the half year ended 30 September 2022 and total assets of Rs 19,818.72 crore as at 30 September 2022 as considered in the consolidated unaudited financial results. The consolidated unaudited financial results also includes the Group's share of net profit after tax of Rs 8.27 crore and Rs.20.83 crore and total comprehensive income of Rs.8.39 crore and Rs.20.95 crore for the quarter and half year ended 30 September 2022, respectively, as considered in the consolidated unaudited financial results, in respect of 2 joint ventures, whose interim financial results / financial information have not been reviewed by us. These interim financial results/ financial information have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

b. The consolidated unaudited financial results includes the interim financial results/ financial information of 6 subsidiaries which have not been reviewed by their auditors, whose interim financial results/ financial information reflect total revenue of 68.93 crore and Rs. 137.41 crore, total net profit after tax of Rs 1.68 crore and Rs. 14.69 crore, total comprehensive income of Rs 1.68 crore and Rs.14.69 crore for the quarter and half year ended 30 September 2022, respectively, total Cash inflow (net) of Rs 11.21 for the half year ended 30 September 2022 and total assets of Rs. 3070.21 crore as at 30 September 2022 as considered in the consolidated unaudited financial results. The consolidated unaudited financial results also includes the Group's share of net profit/(loss) after tax of Rs. (32.64) crore and (49.75) crore and total comprehensive income/(loss) of Rs. (32.60) crore and (49.64) crore for the quarter and half year ended 30 September 2022, respectively, as considered in the consolidated unaudited financial results, in respect of 10 joint ventures, based on their interim financial results/ financial information which have not been reviewed by their auditors. According to the information and explanations given to us by the Management, these interim financial results/ financial information are not material to the Group.




Our conclusion on the Statement is not modified in respect of the above matters.

For **S. RAMANAND AIYAR & CO.**  
Chartered Accountants  
FRN : 000990N

  
**R. Balasubramanian**  
Partner  
M. No. 080432  
UDIN: 22080432BCDGRE7636  
Place: Gurugram



For **UMAMAHESWARA RAO & CO**  
Chartered Accountants  
FRN : 004453S

  
**R R Dakshinamurthy**  
Partner  
M. No. 211639  
UDIN: 22211639BCDGRRC269  
Place: Gurugram



For **B M CHATRATH & CO LLP**  
Chartered Accountants  
FRN : 301011E/E300025

  
**Sanjay Sarkar**  
Partner  
M. No. 064305  
UDIN: 22064305BCDHBD3489  
Place: Gurugram



For **PSD & ASSOCIATES**  
Chartered Accountants  
FRN : 004501C



**Satish Chandra Sharma**  
Partner  
M. No. 072846  
UDIN: 22072846BCDJHT6834  
Place: Gurugram



Date: 05 November, 2022

31<sup>st</sup> January, 2023

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

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

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

**Sub: Unaudited Financial Results for the quarter and nine months ended 31<sup>st</sup> December, 2022 & declaration of 2<sup>nd</sup> Interim Dividend.**

Dear Sir,

In pursuance of Regulation 30 read with Schedule III of the SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015, a copy of Unaudited Financial Results for the quarter and nine months ended 31<sup>st</sup> December, 2022 is submitted please.

Further, in terms of Regulation 30 and 43 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is also informed that the Board of Directors, in their Meeting held today i.e. on 31<sup>st</sup> January, 2023, have approved the payment of 2<sup>nd</sup> Interim Dividend of Rs. 5/- per equity share of Rs. 10/- each (@50% of the paid-up equity share capital) for the Financial Year 2022-23.

The 2<sup>nd</sup> Interim Dividend shall be paid to the Members on 24<sup>th</sup> February, 2023.

The Board Meeting commenced at 6:00 p.m. and concluded at 7:55 p.m..

Thanking You,

Yours faithfully,

MRINAL  
SHRIVASTAVA  
VA

Digitally signed by  
MRINAL  
SHRIVASTAVA  
Date: 2023.01.31  
19:57:21 +05'30'

**(Mrinal Shrivastava)**  
**Company Secretary &**  
**Compliance Officer**



**Power Grid Corporation of India Ltd. (A Govt. of India Enterprise)**

CIN : L40101DL1989GOI038121

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

**Statement of Standalone Un-audited Financial Results for the quarter and nine months ended 31 December 2022**

(₹ in Crore)

Sl. No.	Particulars	Quarter ended			Nine Months ended		Year ended
		31.12.2022	30.09.2022	31.12.2021	31.12.2022	31.12.2021	31.03.2022
		(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Audited)
I	Revenue From Operations	10,746.37	10,655.70	10,001.93	31,848.15	29,711.39	39,933.39
II	Other Income	726.09	534.72	634.63	1,831.61	1,682.55	2,402.48
III	<b>Total Income (I+II)</b>	<b>11,472.46</b>	<b>11,190.42</b>	<b>10,636.56</b>	<b>33,679.76</b>	<b>31,393.94</b>	<b>42,335.87</b>
IV	<b>EXPENSES</b>						
	Employee benefits expense	611.76	658.49	611.05	1,830.81	1,667.22	2,234.76
	Finance costs	3,036.70	2,205.81	1,851.68	7,224.26	6,108.28	8,210.94
	Depreciation and amortisation expense	3,304.10	3,219.27	3,192.96	9,725.99	9,363.09	12,550.58
	Other expenses	755.14	1,039.06	701.64	2,878.00	1,993.86	2,771.62
	<b>Total expenses (IV)</b>	<b>7,707.70</b>	<b>7,122.63</b>	<b>6,357.33</b>	<b>21,659.06</b>	<b>19,132.45</b>	<b>25,767.90</b>
V	Profit before Exceptional Items, Tax and Regulatory Deferral Account Balances (III-IV)	3,764.76	4,067.79	4,279.23	12,020.70	12,261.49	16,567.97
VI	Exceptional Items-(Income)/Expense (refer Note no. 4)	-	-	-	-	(3,169.58)	(3,759.51)
VII	<b>Profit before Tax and Regulatory Deferral Account Balances (V-VI)</b>	<b>3,764.76</b>	<b>4,067.79</b>	<b>4,279.23</b>	<b>12,020.70</b>	<b>15,431.07</b>	<b>20,327.48</b>
VIII	Tax expense:						
	Current tax - Current Year	652.28	705.08	742.34	2,082.12	2,472.61	3,320.52
	- Earlier Years	(73.77)	-	-	(73.77)	-	(38.46)
	Deferred tax	(281.57)	(322.39)	120.07	(826.43)	297.85	(571.00)
		<b>296.94</b>	<b>382.69</b>	<b>862.41</b>	<b>1,181.92</b>	<b>2,770.46</b>	<b>2,711.06</b>
IX	Profit for the period before Regulatory Deferral Account Balances (VII-VIII)	3,467.82	3,685.10	3,416.82	10,838.78	12,660.61	17,616.42
X	Net movement in Regulatory Deferral Account Balances - Income/(Expenses) (net of tax) (refer note no. 6)	233.90	(34.06)	(67.38)	279.84	112.51	(522.66)
XI	<b>Profit for the period (IX+X)</b>	<b>3,701.72</b>	<b>3,651.04</b>	<b>3,349.44</b>	<b>11,118.62</b>	<b>12,773.12</b>	<b>17,093.76</b>
XII	<b>Other Comprehensive Income</b>						
	Items that will not be reclassified to profit or loss (net of tax)	(149.07)	143.77	(13.86)	(70.02)	298.36	290.93
XIII	<b>Total Comprehensive Income for the period (XI+XII)</b>	<b>3,552.65</b>	<b>3,794.81</b>	<b>3,335.58</b>	<b>11,048.60</b>	<b>13,071.48</b>	<b>17,384.69</b>
XIV	Paid up Equity Share Capital (Face value of share : ₹ 10/- each)	6,975.45	6,975.45	6,975.45	6,975.45	6,975.45	6,975.45
XV	Reserves (excluding Revaluation Reserve) as per balance sheet	75,167.51	75,102.59	68,699.41	75,167.51	68,699.41	69,176.12
XVI	Net Worth	82,142.96	82,078.04	75,674.86	82,142.96	75,674.86	76,151.57
XVII	Total Borrowings	1,28,658.12	1,30,575.96	1,34,356.45	1,28,658.12	1,34,356.45	1,34,665.27
XVIII	Bonds Redemption Reserve	4,684.26	4,962.70	5,881.58	4,684.26	5,881.58	5,532.80
XIX	Earnings per equity share including movement in Regulatory Deferral Account Balances (Face value of ₹10/- each): Basic & Diluted (In ₹)	5.31	5.23	4.80	15.94	18.31	24.51
XX	Earnings per equity share excluding movement in Regulatory Deferral Account Balances (Face value of ₹10/- each): Basic & Diluted (In ₹)	4.97	5.29	4.90	15.54	18.15	25.25

Refer accompanying notes to the financial results.



**Power Grid Corporation of India Ltd. (A Govt. of India Enterprise)**

CIN : L40101DL1989GOI038121

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

**Statement of Standalone Segment wise Revenue, Results, Assets and Liabilities  
for the quarter and nine months ended 31 December 2022**

(₹ in Crore)

Sl. No.	Particulars	Quarter ended			Nine Months ended		Year ended
		31.12.2022	30.09.2022	31.12.2021	31.12.2022	31.12.2021	31.03.2022
		(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Audited)
A.	<b>Segment Revenue (including allocable Other Income)</b>						
	- Transmission	10,517.57	10,411.78	9,800.64	31,144.85	29,184.41	39,187.62
	- Consultancy	171.66	139.23	171.43	544.35	511.80	771.21
	- Telecom	209.55	204.96	185.15	604.80	494.93	668.86
	<b>Total</b>	<b>10,898.78</b>	<b>10,755.97</b>	<b>10,157.22</b>	<b>32,294.00</b>	<b>30,191.14</b>	<b>40,627.69</b>
	Less: Inter Segment Revenue	18.50	18.95	17.35	56.54	51.55	69.08
	<b>Total Revenue including allocable Other Income</b>	<b>10,880.28</b>	<b>10,737.02</b>	<b>10,139.87</b>	<b>32,237.46</b>	<b>30,139.59</b>	<b>40,558.61</b>
B.	<b>Segment Results</b>						
	<b>Profit before Interest and Tax</b>						
	- Transmission	6,328.48	5,662.00	5,454.43	17,667.36	16,886.45	21,797.33
	- Consultancy	78.41	39.95	57.20	236.78	217.33	347.48
	- Telecom	85.80	76.98	69.17	237.60	176.19	223.53
	<b>Total Profit before Interest and Tax</b>	<b>6,492.69</b>	<b>5,778.93</b>	<b>5,580.80</b>	<b>18,141.74</b>	<b>17,279.97</b>	<b>22,368.34</b>
	<b>Add:</b>						
	Other unallocated income	592.18	453.40	496.69	1,442.30	1,254.35	1,777.26
	<b>Less :</b>						
	Unallocated interest and finance charges	3,036.70	2,205.81	1,851.68	7,224.26	6,108.28	8,210.94
	Exceptional Item (refer Note no. 4)	-	-	-	-	(3,169.58)	(3,759.51)
	<b>Profit before Tax (including Regulatory Deferral Account Balances)</b>	<b>4,048.17</b>	<b>4,026.52</b>	<b>4,225.81</b>	<b>12,359.78</b>	<b>15,595.62</b>	<b>19,694.17</b>
C.	<b>Segment Assets</b>						
	- Transmission	2,09,831.04	2,12,318.47	2,18,186.84	2,09,831.04	2,18,186.84	2,12,132.74
	- Consultancy	1,438.80	1,474.25	1,951.08	1,438.80	1,951.08	1,895.00
	- Telecom	1,053.87	970.40	875.43	1,053.87	875.43	925.48
	- Unallocated Assets	34,975.52	34,237.66	32,398.53	34,975.52	32,398.53	32,663.56
	- Assets Classified as Held for Sale (refer Note no. 4)	260.86	260.86	315.39	260.86	315.39	260.86
	<b>Total Segment Assets</b>	<b>2,47,560.09</b>	<b>2,49,261.64</b>	<b>2,53,727.27</b>	<b>2,47,560.09</b>	<b>2,53,727.27</b>	<b>2,47,877.64</b>
D.	<b>Segment Liabilities</b>						
	- Transmission	13,422.40	13,169.91	16,698.76	13,422.40	16,698.76	12,144.91
	- Consultancy	2,107.78	2,129.38	2,732.89	2,107.78	2,732.89	2,741.83
	- Telecom	640.07	652.58	548.66	640.07	548.66	648.01
	- Unallocated Liabilities	1,49,246.88	1,51,231.73	1,58,072.10	1,49,246.88	1,58,072.10	1,56,191.32
	<b>Total Segment Liabilities</b>	<b>1,65,417.13</b>	<b>1,67,183.60</b>	<b>1,78,052.41</b>	<b>1,65,417.13</b>	<b>1,78,052.41</b>	<b>1,71,726.07</b>

**Notes:**

The operations of the Company are mainly carried out within the country and therefore, geographical segments are not applicable.





**Power Grid Corporation of India Ltd. (A Govt. of India Enterprise)**

CIN : L40101DL1989GOI038121

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

Additional Information on Standalone Basis Pursuant to Regulation 52(4) and Regulation 54(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended as at and for the quarter and nine months ended 31 December 2022

Sl. No.	Particulars	Quarter ended			Nine Months ended		Year ended
		31.12.2022	30.09.2022	31.12.2021	31.12.2022	31.12.2021	31.03.2022
		(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Audited)
1	Debt Equity Ratio [Total Borrowings/Shareholder's Equity]	1.57	1.59	1.78	1.57	1.78	1.77
2	Debt Service Coverage Ratio (DSCR) [(Profit for the period + Depreciation and amortisation expense + Finance costs + FERV + Net Loss on Sale of Fixed Assets)/(Finance costs + Lease Payments + Principal Repayments)]	1.81	2.18	1.31	1.97	1.49	1.61
3	Interest Service Coverage Ratio (ISCR) [(Profit for the period + Depreciation and amortisation expense + Finance costs + FERV + Net Loss on Sale of Fixed Assets)/(Finance costs)]	3.31	4.22	4.54	3.97	4.63	4.61
4	Current Ratio [Current Assets/Current Liabilities]	0.70	0.71	0.79	0.70	0.79	0.62
5	Long Term Debt to Working Capital [(Non-Current Borrowings+Current Maturities of Long-term Borrowings)/ (Current Assets-Current Liabilities excluding Current Maturities of Long-term Borrowings)]	13.79	15.25	43.39	13.79	43.39	43.15
6	Bad debts to Account Receivable Ratio [Bad debts/Average Trade Receivables]	-	-	-	-	-	-
7	Current Liability Ratio [Current Liabilities/Total Liabilities]	0.18	0.18	0.18	0.18	0.18	0.19
8	Total Debts to Total Assets [Total Borrowings/Total Assets]	0.52	0.52	0.53	0.52	0.53	0.54
9	Debtors Turnover [Annualised Revenue from Operations/Average Trade Receivables]	2.97	2.89	4.24	3.69	4.53	4.39
10	Inventory Turnover [Annualised Revenue from Operations/Average Inventory]	31.74	31.14	27.93	31.51	28.16	29.14
11	Operating Margin (%) [Earnings before Interest, depreciation, Tax and exceptional items/Revenue from Operations]	92%	91%	93%	92%	93%	93%
12	Net Profit Margin (%) [Profit for the Period/Revenue from Operations]	34%	34%	33%	35%	43%	43%



#### Notes to Standalone financial results:

1. (a) In exercise of powers u/s 178 of the Electricity Act 2003, Central Electricity Regulatory Commission (CERC) has notified "CERC (Terms and Conditions of Tariff) Regulations, 2019" vide order dated 07 March 2019 for the determination of transmission tariff for the block period 2019-24.  
(b) The company has recognised Transmission income during the quarter and nine months ended 31 December 2022 as per the following:  
(i) ₹ 8,829.85 Crore for the quarter (corresponding previous quarter ₹ 5,455.86 Crore) and ₹ 22,685.19 Crore for the nine months (corresponding previous nine months ended ₹ 12,624.53 Crore) as per final tariff orders issued by CERC for the tariff period 2019-24.  
(ii) ₹ 1,408.91 Crore for the quarter (corresponding previous quarter ₹ 4,084.65 Crore) and ₹ 7,480.89 Crore for the nine months (corresponding previous nine months ₹ 15,638.78 Crore) provisionally as per CERC Tariff Regulations for the block period 2019-24 and other orders in similar cases, in respect of transmission assets for which final tariff orders are yet to be issued.  
(c) Consequent to the final order issued by CERC, transmission income includes ₹ 326.27 crore (increase) for the quarter (corresponding previous quarter ₹ 73.18 Crore (increase)) and ₹ 1,094.63 crore (increase) for the nine months (corresponding previous nine months ₹ 405.04 Crore (increase)) pertaining to earlier years.
2. The Company, in its Board Meeting held on 05 November 2022, has declared interim dividend of ₹ 5.00 per share for financial year 2022-23 and subsequently paid on 30 November 2022. In addition to above, the Board in its meeting held on 31 January 2023, has declared interim dividend of ₹ 5.00 per share (face value of ₹ 10/- each) for financial year 2022-23.
3. The Company has considered various internal and external information available up to the date of approval of financial results in assessing the impact of COVID-19 pandemic on the financial results for the quarter and nine months ended 31 December 2022 & there has been no material impact on the operations or profitability of the company during the quarter and nine months ended 31 December 2022. The Company will continue to monitor any material changes to future economic conditions.
4. During the previous year ended 31 March 2022, the Company has monetised five (05) of its Subsidiaries through POWERGRID Infrastructure Investment Trust ('PGInvIT/ Trust'). The 74% shares in the above five SPVs was transferred to PGInvIT in May 2021 and balance 26% shares of PVTI was transferred in March 2022. The balance 26% of remaining SPVs will be transferred in line with Transmission Service Agreement (TSA) & the same has been classified as "Assets Classified as Held for Sale" as on 31 December 2022. The Profit on said transactions (net of related expenses) has been disclosed under "Exceptional items" in previous periods.
5. Electricity (Late Payment Surcharge and Related Matters) Rules, 2022 was notified by Ministry of Power on 03 June 2022, provides that at the option of the Distribution licensees, the outstanding dues including late payment surcharge (LPSC) upto the date of the said notification shall be rescheduled upto a maximum period of 48 months in the manner prescribed in the said Rules and no further LPSC shall be charged on those dues. Pursuant to the above, some of the distribution licensees have opted for rescheduling of their dues with Central Transmission Utility. The company's portion of dues have been presented at their fair value under Trade Receivables (Non- current/Current) considering the requirements of applicable Indian Accounting Standards. Consequently, the net impact of fair value difference amounting to ₹94.30 crore has been charged in statement of profit or loss for nine months ended 31 December 2022.
6. CERC vide order dated 26.12.2022 has disallowed the claim amounting to ₹134.16 crore on account of pay revision (2017) which was accounted as Regulatory Deferral Account Balances. Accordingly, the company has reversed the amount shown as recoverable from the beneficiaries in the current quarter under the head Net Movement in Regulatory Deferral Account Balances-Income/(Expenses)(Net of Tax).





7. Provision for taxes, employee benefits and other provisions for contingencies have been considered on estimated basis.
8. The above statement of Standalone financial results has been reviewed by the Audit Committee and has been approved by the Board of Directors in their respective meetings held on 31 January 2023.
9. As required under regulation 33 and 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended to the extent applicable, the Statutory Auditors have conducted a limited review of the Standalone financial results for the quarter and nine months ended 31 December 2022.
10. Previous period figures have been regrouped / rearranged wherever considered necessary.



**Power Grid Corporation of India Ltd. (A Govt. of India Enterprise)**

CIN : L40101DL1989GOI038121

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

**Statement of Consolidated Un-audited Financial Results for the quarter and nine months ended 31 December 2022**

(₹ in Crore)

Sl. No.	Particulars	Quarter ended			Nine Months ended		Year ended
		31.12.2022	30.09.2022	31.12.2021	31.12.2022	31.12.2021	31.03.2022
		(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Audited)
I	Revenue From Operations	11,261.78	11,150.57	10,447.81	33,317.56	30,934.87	41,621.64
II	Other Income	268.44	198.87	275.80	730.64	695.09	1,076.26
III	<b>Total Income (I+II)</b>	<b>11,530.22</b>	<b>11,349.44</b>	<b>10,723.61</b>	<b>34,048.20</b>	<b>31,629.96</b>	<b>42,697.90</b>
IV	<b>EXPENSES</b>						
	Employee benefits expense	612.62	657.59	612.69	1,833.04	1,673.15	2,243.89
	Finance costs	3,011.75	2,187.37	1,845.08	7,158.82	5,945.56	8,036.22
	Depreciation and amortisation expense	3,406.82	3,317.31	3,285.51	10,019.39	9,592.57	12,871.66
	Other expenses	755.72	1,067.13	716.92	2,916.00	2,030.83	2,805.55
	<b>Total expenses (IV)</b>	<b>7,786.91</b>	<b>7,229.40</b>	<b>6,460.20</b>	<b>21,927.25</b>	<b>19,242.11</b>	<b>25,957.32</b>
V	Profit before Share of net profits of investments in Joint Ventures accounted for using Equity Method, Exceptional Items, Tax and Regulatory Deferral Account Balances (III-IV)	3,743.31	4,120.04	4,263.41	12,120.95	12,387.85	16,740.58
VI	Share of net profits of investments in Joint Ventures accounted for using Equity Method	0.16	(24.37)	(16.62)	(28.76)	29.14	78.47
VII	Profit before Exceptional Items, Tax and Regulatory Deferral Account Balances (V+VI)	3,743.47	4,095.67	4,246.79	12,092.19	12,416.99	16,819.05
VIII	Exceptional Items-(Income)/Expense (refer Note no. 4 and 5)	-	-	-	-	(3,013.97)	(3,320.33)
IX	<b>Profit before Tax and Regulatory Deferral Account Balances (VII-VIII)</b>	<b>3,743.47</b>	<b>4,095.67</b>	<b>4,246.79</b>	<b>12,092.19</b>	<b>15,430.96</b>	<b>20,139.38</b>
X	Tax expense:						
	Current tax - Current Year	662.09	713.97	745.65	2,108.22	2,487.61	3,352.29
	- Earlier Years	(73.77)	-	-	(73.77)	-	(38.46)
	Deferred tax	(258.32)	(304.41)	139.60	(764.82)	383.26	(528.26)
		<b>330.00</b>	<b>409.56</b>	<b>885.25</b>	<b>1,269.63</b>	<b>2,870.87</b>	<b>2,785.57</b>
XI	Profit for the period before Regulatory Deferral Account Balances (IX-X)	3,413.47	3,686.11	3,361.54	10,822.56	12,560.09	17,353.81
XII	Net movement in Regulatory Deferral Account Balances - Income/(Expenses) (net of tax) (refer note no. 7)	231.87	(35.95)	(68.57)	274.13	107.54	(529.74)
XIII	<b>Profit for the period (XI+XII)</b>	<b>3,645.34</b>	<b>3,650.16</b>	<b>3,292.97</b>	<b>11,096.69</b>	<b>12,667.63</b>	<b>16,824.07</b>
XIV	<b>Other Comprehensive Income</b>						
	Items that will not be reclassified to profit or loss (net of tax)	(149.07)	143.77	(13.87)	(70.02)	298.35	290.90
	Share of other comprehensive income of Joint Ventures accounted for using Equity Method	0.05	0.16	(0.29)	0.28	(0.28)	0.24
XV	<b>Total Comprehensive Income for the period (XIII+XIV)</b>	<b>3,496.32</b>	<b>3,794.09</b>	<b>3,278.81</b>	<b>11,026.95</b>	<b>12,965.70</b>	<b>17,115.21</b>
XVI	Paid up Equity Share Capital (Face value of share : ₹ 10/- each)	6,975.45	6,975.45	6,975.45	6,975.45	6,975.45	6,975.45
XVII	Reserves (excluding Revaluation Reserve) as per balance sheet	75,241.11	75,232.83	68,995.34	75,241.11	68,995.34	69,271.68
XVIII	Net Worth	82,216.56	82,208.28	75,970.79	82,216.56	75,970.79	76,247.13
XIX	Total Borrowings	1,28,658.12	1,30,575.96	1,34,356.45	1,28,658.12	1,34,356.45	1,34,665.27
XX	Bonds Redemption Reserve	4,684.26	4,962.70	5,881.58	4,684.26	5,881.58	5,532.80
XXI	Earnings per equity share including movement in Regulatory Deferral Account Balances (Face value of ₹10/- each): Basic & Diluted (In ₹)	5.23	5.23	4.72	15.91	18.16	24.12
XXII	Earnings per equity share excluding movement in Regulatory Deferral Account Balances (Face value of ₹10/- each): Basic & Diluted (In ₹)	4.90	5.28	4.82	15.52	18.01	24.88

Refer accompanying notes to the financial results.





**Power Grid Corporation of India Ltd. (A Govt. of India Enterprise)**

CIN : L40101DL1989GOI038121

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

**Statement of Consolidated Segment wise Revenue, Results, Assets and Liabilities  
for the quarter and nine months ended 31 December 2022**

(₹ in Crore)

Sl. No.	Particulars	Quarter ended			Nine Months ended		Year ended
		31.12.2022	30.09.2022	31.12.2021	31.12.2022	31.12.2021	31.03.2022
		(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Audited)
<b>A.</b>	<b>Segment Revenue (including allocable Other Income)</b>						
	- Transmission	11,055.39	10,920.50	10,274.91	32,678.87	30,435.54	40,976.38
	- Consultancy	173.63	141.18	173.28	550.20	519.35	780.67
	- Telecom	209.60	205.01	185.15	604.93	494.93	668.86
	<b>Total</b>	<b>11,438.62</b>	<b>11,266.69</b>	<b>10,633.34</b>	<b>33,834.00</b>	<b>31,449.82</b>	<b>42,425.91</b>
	Less: Inter Segment Revenue	47.46	38.88	45.96	130.84	127.32	167.66
	<b>Total Revenue including allocable Other Income</b>	<b>11,391.16</b>	<b>11,227.81</b>	<b>10,587.38</b>	<b>33,703.16</b>	<b>31,322.50</b>	<b>42,258.25</b>
<b>B.</b>	<b>Segment Results</b>						
	<b>Profit before Interest and Tax</b>						
	- Transmission	6,737.41	6,027.42	5,789.97	18,798.79	17,786.64	23,120.26
	- Consultancy	73.75	37.87	58.26	230.57	221.65	351.47
	- Telecom	85.79	76.93	69.17	237.53	176.19	223.53
	<b>Total Profit before Interest and Tax</b>	<b>6,896.95</b>	<b>6,142.22</b>	<b>5,917.40</b>	<b>19,266.89</b>	<b>18,184.48</b>	<b>23,695.26</b>
	<b>Add:</b>						
	Share of net profits of investments in Joint Ventures accounted for using Equity Method	0.16	(24.37)	(16.62)	(28.76)	29.14	78.47
	Other unallocated income	139.06	121.63	136.23	345.04	307.46	439.65
	<b>Less :</b>						
	Unallocated interest and finance charges	3,011.75	2,187.37	1,845.08	7,158.82	5,945.56	8,036.22
	Exceptional Item - Transmission (refer Note no. 4 and 5)	-	-	-	-	(3,013.97)	(3,320.33)
	<b>Profit before Tax (including Regulatory Deferral Account Balances)</b>	<b>4,024.42</b>	<b>4,052.11</b>	<b>4,191.93</b>	<b>12,424.35</b>	<b>15,589.49</b>	<b>19,497.49</b>
<b>C.</b>	<b>Segment Assets</b>						
	- Transmission	2,27,295.05	2,29,350.91	2,40,962.18	2,27,295.05	2,40,962.18	2,27,077.55
	- Consultancy	1,446.83	1,480.88	1,956.64	1,446.83	1,956.64	1,899.37
	- Telecom	1,062.85	979.39	875.43	1,062.85	875.43	925.48
	- Unallocated Assets	21,009.15	20,572.55	21,085.63	21,009.15	21,085.63	20,780.17
	- Assets Classified as Held for Sale (Refer Note no. 4)	260.86	260.86	315.39	260.86	315.39	260.86
	<b>Total Segment Assets</b>	<b>2,51,074.74</b>	<b>2,52,644.59</b>	<b>2,65,195.27</b>	<b>2,51,074.74</b>	<b>2,65,195.27</b>	<b>2,50,943.43</b>
<b>D.</b>	<b>Segment Liabilities</b>						
	- Transmission	16,036.99	15,715.84	26,603.31	16,036.99	26,603.31	14,295.14
	- Consultancy	2,122.52	2,136.95	2,734.93	2,122.52	2,734.93	2,743.96
	- Telecom	640.54	653.06	548.66	640.54	548.66	648.01
	- Unallocated Liabilities	1,50,058.13	1,51,930.46	1,59,337.58	1,50,058.13	1,59,337.58	1,57,009.19
	<b>Total Segment Liabilities</b>	<b>1,68,858.18</b>	<b>1,70,436.31</b>	<b>1,89,224.48</b>	<b>1,68,858.18</b>	<b>1,89,224.48</b>	<b>1,74,696.30</b>

**Notes**

The operations of the Group are mainly carried out within the country and therefore, geographical segments are not applicable.



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CIN : L40101DL1989GOI038121

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Additional Information on Consolidated Basis Pursuant to Regulation 52(4) and Regulation 54(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended  
as at and for the quarter and nine months ended 31 December 2022

Sl. No.	Particulars	Quarter ended			Nine Months ended		Year ended
		31.12.2022	30.09.2022	31.12.2021	31.12.2022	31.12.2021	31.03.2022
		(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Audited)
1	Debt Equity Ratio [Total Borrowings/Shareholder's Equity]	1.56	1.59	1.77	1.56	1.77	1.77
2	Debt Service Coverage Ratio (DSCR) [(Profit for the period + Depreciation and amortisation expense + Finance costs + FERV + Net Loss on Sale of Fixed Assets)/(Finance costs + Lease Payments + Principal Repayments)]	1.82	2.21	1.32	1.99	1.49	1.61
3	Interest Service Coverage Ratio (ISCR) [(Profit for the period + Depreciation and amortisation expense + Finance costs + FERV + Net Loss on Sale of Fixed Assets)/(Finance costs)]	3.34	4.29	4.57	4.03	4.75	4.70
4	Current Ratio [Current Assets/Current Liabilities]	0.71	0.72	0.82	0.71	0.82	0.63
5	Long Term Debt to Working Capital [(Non-Current Borrowings+Current Maturities of Long-term Borrowings)/(Current Assets-Current Liabilities excluding Current Maturities of Long-term Borrowings)]	14.85	16.13	70.10	14.85	70.10	58.09
6	Bad debts to Account Receivable Ratio [Bad debts/Average Trade Receivables]	-	-	-	-	-	-
7	Current Liability Ratio [Current Liabilities/Total Liabilities]	0.19	0.20	0.22	0.19	0.22	0.20
8	Total Debts to Total Assets [Total Borrowings/Total Assets]	0.51	0.52	0.51	0.51	0.51	0.54
9	Debtors Turnover [Annualised Revenue from Operations/Average Trade Receivables]	3.01	2.92	4.24	3.72	4.57	4.45
10	Inventory Turnover [Annualised Revenue from Operations/Average Inventory]	32.94	32.28	29.00	32.78	29.24	30.28
11	Operating Margin (%) [Earnings before Interest, depreciation, Tax and exceptional items/Revenue from Operations]	88%	88%	90%	89%	90%	90%
12	Net Profit Margin (%) [Profit for the Period/Revenue from Operations]	32%	33%	32%	33%	41%	40%





#### Notes to Consolidated financial results:

1. (a) In exercise of powers u/s 178 of the Electricity Act 2003, Central Electricity Regulatory Commission (CERC) has notified "CERC (Terms and Conditions of Tariff) Regulations, 2019" vide order dated 07 March 2019 for the determination of transmission tariff for the block period 2019-24.  
(b) In respect of projects whose tariffs are determined by CERC, the Group has recognised Transmission income during quarter and nine months ended 31 December 2022 as per the following:  
(i) ₹ 8,863.14 Crore for the quarter (corresponding previous quarter ₹ 5,486.23 Crore) and ₹ 22,783.79 Crore for the nine months (corresponding previous nine months ended ₹ 12,724.51 Crore) as per final tariff orders issued by CERC for the tariff period 2019-24.  
(ii) ₹ 1,408.91 Crore for the quarter (corresponding previous quarter ₹ 4,084.65 Crore) and ₹ 7,480.89 Crore for the nine months (corresponding previous nine months ₹ 15,638.78 Crore) provisionally as per CERC Tariff Regulations for the block period 2019-24 and other orders in similar cases, in respect of transmission assets for which final tariff orders are yet to be issued.  
(c) Consequent to the final order issued by CERC, transmission income includes ₹ 326.27 crore (increase) for the quarter (corresponding previous quarter ₹ 73.18 Crore (increase)) and ₹ 1,094.63 crore (increase) for the nine months (corresponding previous nine months ₹ 405.04 Crore (increase)) pertaining to earlier years.
2. The Company, in its Board Meeting held on 05 November 2022, has declared interim dividend of ₹ 5.00 per share for financial year 2022-23 and subsequently paid on 30 November 2022. In addition to above, the Board in its meeting held on 31 January 2023, has declared interim dividend of ₹ 5.00 per share (face value of ₹ 10/- each) for financial year 2022-23.
3. The Group has considered various internal and external information available up to the date of approval of financial results in assessing the impact of COVID-19 pandemic on the financial results for the quarter and nine months ended 31 December 2022 & there has been no material impact on the operations or profitability of company during the quarter and nine months ended 31 December 2022. The Group will continue to monitor any material changes to future economic conditions.
4. During the previous year ended 31 March 2022, the Group has monetised five (05) of its Subsidiaries through POWERGRID Infrastructure Investment Trust ('PGInvIT/ Trust'). The 74% shares in the above five SPVs was transferred to PGInvIT in May 2021 and balance 26% shares of PVTI was transferred in March 2022. The balance 26% of remaining SPVs will be transferred in line with Transmission Service Agreement (TSA) & the same has been classified as "Assets Classified as Held for Sale" as on 31 December 2022. The Profit on said transactions (net of related expenses) has been disclosed under "Exceptional items" in previous periods.
5. In previous year ended 31 March 2022, one of the Group entities filed a petition with CERC for increase in Transmission charges on account of Force Majeure and change in law events. CERC has allowed partial increase in transmission Charges on account of Change in Law events. The Group entity has filed an appeal with Appellate Tribunal for Electricity (APTEL) challenging the above CERC order. APTEL has granted interim protection against coercive/precipitative actions by LTTCs till the next date of hearing of 03.03.2023. The matter is sub-judice. However, a provision for the amount of ₹ 234.55 crore towards LD was made by the group in FY 2021-22 leading to a reduction in the profit for the year. The same has been disclosed under "Exceptional items" in the Statement of Profit and loss of previous periods.
6. Electricity (Late Payment Surcharge and Related Matters) Rules, 2022 was notified by Ministry of Power on 03 June 2022, provides that at the option of the Distribution licensees, the outstanding dues including late payment surcharge (LPSC) upto the date of the said notification shall be rescheduled upto a maximum period of 48 months in the manner prescribed in the said Rules and no further LPSC shall be charged on those dues. Pursuant to the above, some of the distribution licensees have opted for rescheduling of their dues with Central Transmission Utility. The company's portion of dues have been presented at their fair value under Trade



Receivables (Non- current/Current) considering the requirements of applicable Indian Accounting Standards. Consequently, the net impact of fair value difference amounting to ₹94.30 crore has been charged in statement of profit or loss for nine months ended 31 December 2022.

7. CERC vide order dated 26.12.2022 has disallowed the claim amounting to ₹134.16 crore on account of pay revision (2017) which was accounted as Regulatory Deferral Account Balances. Accordingly, the company has reversed the amount shown as recoverable from the beneficiaries in the current quarter under the head Net Movement in Regulatory Deferral Account Balances-Income/(Expenses)(Net of Tax).
8. Provision for taxes, employee benefits and other provisions for contingencies have been considered on estimated basis.
9. The above statement of Consolidated financial results has been reviewed by the Audit Committee and has been approved by the Board of Directors in their respective meetings held on 31 January 2023.
10. As required under regulation 33 and 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended to the extent applicable, the Statutory Auditors have conducted a limited review of the Consolidated financial results for the quarter and nine months ended 31 December 2022.
11. Previous period figures have been regrouped / rearranged wherever considered necessary.

For and on behalf of **POWER GRID CORPORATION OF INDIA LTD.**



G Ravisankar  
Director (Finance)

Place: Gurugram  
Date: 31 January 2023





**Power Grid Corporation of India Ltd. (A Govt. of India Enterprise)**

CIN : L40101DL1989GOI038121

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

**Extract of the Financial Results for the quarter and nine months ended 31 December 2022**

(₹ in Crore)

S.No.	Particulars	Standalone					Consolidated				
		Quarter ended		Nine Months ended		Year ended	Quarter ended		Nine Months ended		Year ended
		31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.03.2022	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.03.2022
		(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Audited)
1	Total Income from Operations	11,472.46	10,636.56	33,679.76	31,393.94	42,335.87	11,530.22	10,723.61	34,048.20	31,629.96	42,697.90
2	Net Profit before Exceptional Items and Tax (including Regulatory Deferral Account Balances (net of tax))	3,998.66	4,211.85	12,300.54	12,374.00	16,045.31	3,975.34	4,178.22	12,366.32	12,524.53	16,289.31
3	Net Profit before Tax (after exceptional items)(including Regulatory Deferral Account Balances (net of tax))	3,998.66	4,211.85	12,300.54	15,543.58	19,804.82	3,975.34	4,178.22	12,366.32	15,538.50	19,609.64
4	Net Profit after Tax for the period	3,701.72	3,349.44	11,118.62	12,773.12	17,093.76	3,645.34	3,292.97	11,096.69	12,667.63	16,824.07
5	Total Comprehensive Income comprising net Profit after Tax and Other Comprehensive Income	3,552.65	3,335.58	11,048.60	13,071.48	17,384.69	3,496.32	3,278.81	11,026.95	12,965.70	17,115.21
6	Paid up Equity Share Capital (Face value of share : ₹10/- each)	6,975.45	6,975.45	6,975.45	6,975.45	6,975.45	6,975.45	6,975.45	6,975.45	6,975.45	6,975.45
7	Reserves (excluding Revaluation Reserve) as shown in the Balance sheet	75,167.51	68,699.41	75,167.51	68,699.41	69,176.12	75,241.11	68,995.34	75,241.11	68,995.34	69,271.68
8	Securities Premium Account	7,834.43	7,834.43	7,834.43	7,834.43	7,834.43	7,834.43	7,834.43	7,834.43	7,834.43	7,834.43
9	Net worth	82,142.96	75,674.86	82,142.96	75,674.86	76,151.57	82,216.56	75,970.79	82,216.56	75,970.79	76,247.13
10	Total Borrowings	1,28,658.12	1,34,356.45	1,28,658.12	1,34,356.45	1,34,665.27	1,28,658.12	1,34,356.45	1,28,658.12	1,34,356.45	1,34,665.27
11	Debt Equity Ratio	1.57	1.78	1.57	1.78	1.77	1.56	1.77	1.56	1.77	1.77
12	Earnings per equity share including movement in Regulatory Deferral Account Balances (Face value of ₹10/- each): Basic and Diluted (in ₹)	5.31	4.80	15.94	18.31	24.51	5.23	4.72	15.91	18.16	24.12
13	Earnings per equity share excluding movement in Regulatory Deferral Account Balances (Face value of ₹10/- each): Basic and Diluted (in ₹)	4.97	4.90	15.54	18.15	25.25	4.90	4.82	15.52	18.01	24.88
14	Bonds Redemption Reserve	4,684.26	5,881.58	4,684.26	5,881.58	5,532.80	4,684.26	5,881.58	4,684.26	5,881.58	5,532.80
15	Debt Service Coverage Ratio	1.81	1.31	1.97	1.49	1.61	1.82	1.32	1.99	1.49	1.61
16	Interest Service Coverage Ratio	3.31	4.54	3.97	4.63	4.61	3.34	4.57	4.03	4.75	4.70

**Notes :**

- The above is an extract of the detailed format of quarter and nine months ended Consolidated and Standalone Financial Results filed with the Stock Exchanges under Regulations 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of the quarter and nine months ended Consolidated and Standalone Financial Results is available on the Investors section of our website <https://www.powergrid.in> and under Corporates Section of BSE Limited & National Stock Exchange of India Limited at <https://www.bseindia.com> and <https://www.nseindia.com> respectively.
- Previous periods figures have been regrouped/rearranged wherever considered necessary.

For and on behalf of **POWER GRID CORPORATION OF INDIA LTD.**

G Ravisankar  
Director (Finance)

Place : Gurugram

Date : 31 January 2023



**S. RAMANAND AIYAR & CO.**

Chartered Accountants  
708, Surya Kiran Building,  
19, Kasturba Gandhi Marg  
New Delhi-110001

**B M CHATRATH & CO LLP**

Chartered Accountants  
#Centre Point# ,4th floor,  
Room No-440  
21, Hemanta Basu Sarani,  
Kolkata,  
West Bengal-700001

**UMAMAHESWARA RAO & CO**

Chartered Accountants  
Flat No.5-H, D Block, 8-3-324,  
Yellareddyguda Lane, Ameerpet X Roads,  
Hyderabad,  
Telangana-500073.

**PSD & ASSOCIATES**

Chartered Accountants  
808, Tower – A,  
Omkar Alta Monte,  
Pathanwadi Malad East,  
Mumbai-400097.

**Independent Auditor's Limited Review Report on the standalone unaudited financial results for the quarter and nine months ended on 31 December 2022 of the Company Pursuant to the Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To  
The Board of Directors,  
Power Grid Corporation of India Limited  
B-9, Qutab Institutional Area,  
Katwaria Sarai,  
New Delhi – 110016

1. We have reviewed the accompanying Statement of Standalone Un-audited Financial Results of **Power Grid Corporation of India Limited** ("the Company") for the quarter and nine months ended 31 December 2022 (hereinafter referred to as "Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("IND AS 34"), prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Financial Statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of Standalone Un-audited Financial Results prepared in accordance with the applicable Indian Accounting Standards specified under section 133 of Companies Act, 2013 read with Rule 7 of The Companies (Accounts) Rules 2014 and other accounting practices and policies generally accepted in India, has not disclosed the information required to be disclosed in terms of the Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.





## 5. Emphasis of matter

We draw attention to the following matter in notes to the standalone financial results:

- In respect of recognition of revenue from transmission assets for which final tariff orders are yet to be issued by the CERC [Refer Note No. 1 (b)(ii)].


Our conclusion on the Statement is not modified in respect of the above matters.


For **S. RAMANAND AIYAR & CO.**  
Chartered Accountants  
FRN : 000990N

  
**R. Balasubramanian**  
Partner  
M. No. 080432  
UDIN: 23080432BGWPF5196  
Place: Gurugram



For **UMAMAHESWARA RAO & CO**  
Chartered Accountants  
FRN : 004453S

  
**Krishna Sai G.H.**  
Partner  
M. No. 233399  
UDIN: 23233399BGYJHW9458  
Place: Gurugram



For **B M CHATRATH & CO LLP**  
Chartered Accountants  
FRN : 301011E/E300025

  
**Sanjay Sarkar**  
Partner  
M. No. 064305  
UDIN: 23064305BGQJRD7425  
Place: Gurugram



For **PSD & ASSOCIATES**  
Chartered Accountants  
FRN : 004501C

  
**Satish Chandra Sharma**  
Partner  
M. No. 072846  
UDIN: 23072846BGYVZL2226  
Place: Gurugram



Date: 31 January 2023

**S. RAMANAND AIYAR & CO.**

Chartered Accountants  
708, Surya Kiran Building,  
19, Kasturba Gandhi Marg  
New Delhi-110001

**B M CHATRATH & CO LLP**

Chartered Accountants  
#Centre Point# ,4th floor,  
Room No-440  
21, Hemanta Basu Sarani,  
Kolkata,  
West Bengal-700001

**UMAMAHESWARA RAO & CO**

Chartered Accountants  
Flat No.5-H, D Block, 8-3-324,  
Yellareddyguda Lane, Ameerpet X Roads,  
Hyderabad,  
Telangana-500073.

**PSD & ASSOCIATES**

Chartered Accountants  
808, Tower – A,  
Omkar Alta Monte,  
Pathanwadi Malad East,  
Mumbai-400097.

**Independent Auditor's Limited Review Report on the consolidated unaudited financial results for the quarter and nine months ended on 31 December 2022 of the Company Pursuant to the Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To

The Board of Directors,  
Power Grid Corporation of India Limited  
B-9, Qutab Institutional Area,  
Katwaria Sarai,  
New Delhi – 110016

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **Power Grid Corporation of India Limited** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), and its share of the net profit/(loss) after tax and share of total comprehensive income / (loss) of its joint ventures for the quarter and nine months ended 31 December 2022 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Regulations").
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.





4. The Statement includes the results of the Parent and the following entities:

**List of Subsidiaries:**

- (i) Powergrid NM transmission Ltd
- (ii) Powergrid Unchahar Transmission Ltd
- (iii) Powergrid Southern Interconnector Transmission System Limited
- (iv) Powergrid Vemagiri transmission Ltd
- (v) Powergrid Medinipur Jeerat Transmission Limited
- (vi) Powergrid Mithilanchal Transmission Limited
- (vii) Powergrid Varanasi Transmission System Limited
- (viii) Powergrid Jawaharpur Firozabad Transmission Limited
- (ix) Powergrid Khetri Transmission System Limited
- (x) Powergrid Bhuj Transmission Limited
- (xi) Powergrid Bhind Guna Transmission Limited
- (xii) Powergrid Ajmer Phagi Transmission Limited
- (xiii) Powergrid Fatehgarh Transmission Limited
- (xiv) Powergrid Rampur Sambhal Transmission Limited
- (xv) Powergrid Meerut Simbhavali Transmission Limited
- (xvi) Central Transmission Utility of India Limited
- (xvii) Powergrid Ramgarh Transmission Limited (Erstwhile Ramgarh New Transmission Limited)
- (xviii) Powergrid Himachal Transmission Limited (Erstwhile Jaypee Powergrid Limited)
- (xix) Powergrid Bikaner Transmission System Limited (Erstwhile Bikaner-II Bhiwadi Transco Limited)
- (xx) Powergrid Sikar Transmission Limited (Erstwhile Sikar New Transmission Limited)
- (xxi) Powergrid Bhadla Transmission Limited (Erstwhile Fatehgarh Bhadla Transco Limited)
- (xxii) Powergrid Aligarh Sikar Transmission Limited (Erstwhile Sikar-II Aligarh Transmission Limited)
- (xxiii) Powergrid Teleservices Limited
- (xxiv) Powergrid Energy Services Limited
- (xxv) Powergrid Narela Transmission Limited (Erstwhile Khetri-Narela Transmission Limited)<sup>1</sup>
- (xxvi) Powergrid Gomti Yamuna Transmission Limited (Erstwhile Mohanlalganj Transmission Limited)<sup>2</sup>
- (xxvii) Powergrid Neemuch Transmission Limited (Erstwhile Neemuch Transmission Limited)<sup>3</sup>
- (xxviii) Powergrid ER NER Transmission Limited (Erstwhile ER NER Transmission Limited)<sup>4</sup>

<sup>1</sup> 100% equity acquired from PFC Consulting Limited on 11.05.2022

<sup>2</sup> 100% equity acquired from PFC Consulting Limited on 30.05.2022

<sup>3</sup> 100% equity acquired from REC Power Development and Consultancy Limited on 24.08.2022

<sup>4</sup> 100% equity acquired from REC Power Development and Consultancy Limited on 10.10.2022

**List of Joint Ventures:**

- (i) Powerlinks Transmission Limited
- (ii) Torrent Powergrid Limited
- (iii) Parbati Koldam Transmission Company Limited
- (iv) Teestavalley Power Transmission Limited
- (v) North East Transmission Company Limited
- (vi) National High Power Test Lab Pvt Limited
- (vii) Bihar Grid Company Limited
- (viii) Cross Border Transmission Limited
- (ix) RINL POWERGRID TLT Pvt Limited<sup>1</sup>
- (x) Energy Efficiency Services Limited
- (xi) Butwal-Gorakhpur Cross Border Power Transmission Limited<sup>2</sup>
- (xii) Power Transmission Company Nepal Limited<sup>3</sup>

<sup>1</sup> The Holding company's Board of directors has accorded in-principle approval for closure of the JV company.

<sup>2</sup> Incorporated on 31.08.2022 as a Joint Venture between the company and Nepal Electricity Authority (NEA) with equity participation of 50:50 for implementation of Indian Portion of New Butwal - Gorakhpur 400 kV Double Circuit (Quad Moose) Cross Border Transmission Line.

<sup>3</sup> located outside India.





5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 7 (a) below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

## 6. Emphasis of Matter

We draw attention to the following matter in notes to the consolidated financial results:

- In respect of recognition of revenue from transmission assets for which final tariff orders are yet to be issued by the CERC [Refer Note No. 1 (b)(ii)].

Our conclusion on the Statement is not modified in respect of the above matters.

## 7. Other Matters

a. We did not review the interim financial results / financial information of 23 subsidiaries included in the consolidated unaudited financial results, whose interim financial results / financial information reflect total revenue of Rs. 553 Crore and Rs. 1560.22 crore, total net profit after tax of Rs 163.48 Crore and Rs. 470.74 crore, total comprehensive income of Rs 163.48 Crore and Rs. 470.74 crore for the quarter and nine months ended 31 December 2022, respectively, as considered in the consolidated unaudited financial results. The consolidated unaudited financial results also includes the Group's share of net profit after tax of Rs 12.10 crore and Rs. 32.59 crore and total comprehensive income of Rs. 12.15 crore and Rs. 32.76 crore for the quarter and nine months ended 31 December 2022, respectively, as considered in the consolidated unaudited financial results, in respect of 2 joint ventures, whose interim financial results / financial information have not been reviewed by us. These interim financial results/ financial information have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

b. The consolidated unaudited financial results includes the interim financial results/ financial information of 5 subsidiaries which have not been reviewed by their auditors, whose interim financial results/ financial information reflect total revenue of Rs. 18.91 crore and Rs. 57.51 crore, total net profit after tax of Rs 6.36 crore and Rs. 1.66 crore, total comprehensive income of Rs 6.36 crore and Rs. 1.66 crore for the quarter and nine months ended 31 December 2022, respectively, as considered in the consolidated unaudited financial results. The consolidated unaudited financial results also includes the Group's share of net profit/(loss) after tax of Rs. (11.94) crore and Rs. (61.35) crore and total comprehensive income/(loss) of Rs. (11.94) crore and Rs. (61.24) crore for the quarter and nine months ended 31 December 2022, respectively, as considered in the consolidated unaudited financial results, in respect of 10 joint ventures, based on their interim financial results/ financial information which have not been reviewed by their auditors. According to the information and explanations given to us by the Management, these interim financial results/ financial information are not material to the Group.



Our conclusion on the Statement is not modified in respect of the above matters.

For **S. RAMANAND AIYAR & CO.**  
Chartered Accountants  
FRN : 000990N

  
**R. Balasubramanian**  
Partner  
M. No. 080432  
UDIN: 23080432BGWPFB6031  
Place: Gurugram



For **UMAMAHESWARA RAO & CO**  
Chartered Accountants  
FRN : 004453S

  
**Krishna Sai G.H.**  
Partner  
M. No. 233399  
UDIN: 23233399BGYJHX1396  
Place: Gurugram



For **B M CHATRATH & CO LLP**  
Chartered Accountants  
FRN : 301011E/E300025

  
**Sanjay Sarkar**  
Partner  
M. No. 064305  
UDIN: 23064305BGQJRE5138  
Place: Gurugram



For **PSD & ASSOCIATES**  
Chartered Accountants  
FRN : 004501C

  
**Satish Chandra Sharma**  
Partner  
M. No. 072846  
UDIN: 23072846BGYVZM5934  
Place: Gurugram



**Date: 31 January 2023**

POWERGRID/RMC-FIN/COMP/DEC-22/3

Dt. 31<sup>st</sup> January, 2023

To,

General Manager - Listing Listing Department National Stock Exchange of India Ltd. Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra East, Mumbai-400051	General Manager Department of Corporate Services BSE Limited, Floor 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001
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**Reference: NSE-SCRIP ID: POWERGRID; BSE Scrip Code: 532898**

<b>Subject</b>	<b>Information under Regulation 52(4), 52(7) and 54(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time for the quarter ended 31<sup>st</sup> December, 2022.</b>
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Dear Sir,

In pursuance of Regulation 52(4), 52(7) and 54(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, we hereby provide the following information for the quarter ended 31<sup>st</sup> December, 2022:

Sl.	Particular	Details / Ratios
1.	<b>Debt Equity Ratio</b>	Refer unaudited Financial Results for the quarter ended 31-December-2022
2.	<b>Debt Service Coverage ratio (%)</b>	Refer unaudited Financial Results for the quarter ended 31-December-2022
3.	<b>Interest Service Coverage Ratio (%)</b>	Refer unaudited Financial Results for the quarter ended 31-December-2022
4.	<b>Outstanding redeemable preference shares (quantity and value)</b>	Not applicable
5.	<b>Capital Redemption reserve/ Debenture Redemption Reserve (Rs. in Crore)</b>	Refer unaudited Financial Results for the quarter ended 31-December-2022
6.	<b>Net Worth (Rs. in Crore)</b>	Refer unaudited Financial Results for the quarter ended 31-December-2022
7.	<b>Net Profit after tax (Rs. in Crore)</b>	Refer unaudited Financial Results for the quarter ended 31-December-2022
8.	<b>Earnings per Share (Rs.)</b>	Refer unaudited Financial Results for the quarter ended 31-December-2022
9.	<b>Current Ratio</b>	Refer unaudited Financial Results for the quarter ended 31-December-2022
10.	<b>Long term debt to working capital</b>	Refer unaudited Financial Results for the quarter ended 31-December-2022

केन्द्रीय कार्यालय: "सौदामिनी", प्लॉट नंबर 2, सेक्टर -29, गुरुग्राम -122001, (हरियाणा) दूरभाष: 0124-2571700-719  
Corporate Office: "Saudamini", Plot No. 2, Sector-29, Gurugram-122001, (Haryana) Tel.: 0124-2571700-719

पंजीकृत कार्यालय: बी -9, कुतुब इंस्टीट्यूशनल एरिया, कटवारिया सराय, नई दिल्ली -110 016. दूरभाष: 011-26560112, 26560121, 26564812, 26564892, CIN: L40101DL1989GOI038121  
Registered Office: B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110 016. Tel: 011-26560112, 26560121, 26564812, 26564892,  
CIN : L40101DL1989GOI038121  
Website: www.powergrid.in



Sl.	Particular	Details / Ratios
11.	<b>Bad debts to Account receivable ratio</b>	Refer unaudited Financial Results for the quarter ended 31-December-2022
12.	<b>Current liability ratio</b>	Refer unaudited Financial Results for the quarter ended 31-December-2022
13.	<b>Total debts to total assets</b>	Refer unaudited Financial Results for the quarter ended 31-December-2022
14.	<b>Debtors turnover</b>	Refer unaudited Financial Results for the quarter ended 31-December-2022
15.	<b>Inventory turnover</b>	Refer unaudited Financial Results for the quarter ended 31-December-2022
16.	<b>Operating margin</b>	Refer unaudited Financial Results for the quarter ended 31-December-2022
17.	<b>Net profit margin</b>	Refer unaudited Financial Results for the quarter ended 31-December-2022
18.	<b>Utilization of issue proceeds under Regulation 52(7)</b>	No bond raised during the quarter ended 31-December-2022
19.	<b>Material deviations, if any, under Regulation 52(7A)</b>	Not applicable
20.	<b>Extent and Nature of Security Created and Maintained</b>	Bonds are secured by way of Registered Bond Trust Deed ranking pari-pasu on immovable property situated at Mauje Ambheti Taluka Kaparada in District Valsad Gujarat and Floating charges on the assets of the company with minimum security cover of 1.10 times.

Thanking you,

Yours faithfully

MRINAL  
SHRIVASTAVA

Digitally signed by  
MRINAL SHRIVASTAVA  
Date: 2023.01.31  
19:57:45 +05'30'

**(Mrinal Shrivastava)**  
**Company Secretary –**  
**Compliance Officer**



**PSD & Associates**  
Chartered Accountants

**CERTIFICATE**

To  
IDBI Trusteeship Services Limited  
Asian Building, Ground Floor,  
17, R Kamani Marg,  
Ballard Estate,  
Mumbai - 400 001

**Independent Statutory Auditor's Certificate with respect to maintenance of asset cover in respect of listed non-convertible debt securities of Power Grid Corporation of India Limited as on 31<sup>st</sup> December 2022.**

We understand that Power Grid Corporation Of India Ltd. ("the Company") having its registered office at B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110016 is required to obtain a certificate from the statutory auditors for the purpose of submission with IDBI Trusteeship Services Limited with respect to maintenance of asset cover in respect of listed non-convertible debt securities of the Company as per Regulation 54 read with Regulation 56(1)(d) of Securities and Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulation, 2015 ("Regulations") in the format notified by SEBI vide circular no. SEBI/ HO/ MIRSD/ MIRSD\_CRADT/ CIR/ P/ 2022/ 67 dated 19<sup>th</sup> May, 2022.

**Management's Responsibility**

The Company's Management is responsible for preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and calculation of asset cover with respect to listed non-convertible debt securities of the Company as on 31<sup>st</sup> December 2022 in the format notified by SEBI vide circular no. SEBI/ HO/ MIRSD/ MIRSD\_CRADT/ CIR/ P/ 2022/ 67 dated 19<sup>th</sup> May, 2022.

**Auditor's Responsibility**

Our responsibility is to provide reasonable assurance with respect to asset cover maintained by the Company with respect to listed non-convertible debt securities as on 31<sup>st</sup> December 2022.

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.







**PSD & Associates**  
**Chartered Accountants**

**Opinion**

- a. As per Annexure - 1  
b. **Compliance of financial covenants of the listed debt securities**

- i. We have examined the compliance related made by the Company in respect of the financial covenants of the listed debt securities and certify that such covenants/terms of the issue have been complied by the Company. The company has created a charge on immovable property (land) situated at Mauje Ambheti Taluka Kaparada in District Valsad Gujarat, ranking pari-passu with mortgage and charge already created for other borrowings. This immovable property, being land, insurance cover on the same is not required.

There is a floating charge on whole of the company's assets (except investments, land and buildings, Roads and bridges, water supply, drainage and sewerage and current assets) for Secured Debt Securities.

- ii. For other covenants mentioned in Bond Trustee Agreement, the management has given representation certifying that the covenants have been complied by the company

**Restriction on Use**

This certificate is being issued to the IDBI Trusteeship Services Limited with respect to asset cover maintained by the Power Grid Corporation of India Limited with respect to listed non-convertible debt securities of the Company as on 31<sup>st</sup> December 2022. Our certificate should not to be used for any other purpose or by any person other than the addressees of this certificate. Accordingly, we do not accept or assume any liability or duty of care to any other person to whom this certificate is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

**For PSD & Associates**  
**Chartered Accountants**

Firm's Registration Number-004501C



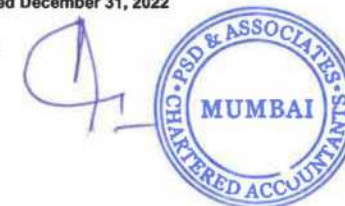
Satish Chandra Sharma  
Partner  
M. No. 072846  
UDIN: 23072846BGYVZN3089  
Place: Gurugram  
Date: 31-01-2023

Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N	Column O
Particulars	Description of asset for which this certificate relate	Exclusive Charge	Exclusive Charge	Pari-Passu Charge	Pari-Passu Charge	Pari-Passu Charge	Assets not offered as Security	Elimination (amount in negative)	(Total C to H)	Related to only those items covered by this certificate				
		Debt for which this certificate being issued	Other Secured Debt	Debt for which this certificate being issued	Assets shared by pari passu debt holder (Includes debt for which this certificate is issued & other debt [Foreign Currency Loan Guaranteed by GOI] with pari-passu charge)	Other assets on which there is pari-passu charge (excluding items covered in column F)		debt amount considered more than once (due to exclusive plus pari passu charge)		Market Value for Assets charged on Exclusive basis	Carrying /book value for exclusive charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Market Value for Pari passu charge Assets	Carrying value/book value for pari passu charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Total Value (=K+L+M+N)
		Book Value	Book Value	Yes/ No Yes	Book Value	Book Value							Relating to Column F	
<b>ASSETS</b>														
Property, Plant and Equipment	1. Land & Building				0.69	0.00	5867.34		5,868.03			27.46		27.46
	2. Property, Plant and Equipment				83,728.36	82,844.83			1,66,573.19				83,728.36	83,728.36
Capital Work-in-Progress						7,282.76			7,282.76					
Right of Use Assets						407.19			407.19					
Goodwill														
Intangible Assets						1,499.23			1,499.23					
Intangible Assets under Development						30.93			30.93					
Investments							7,407.31		7,407.31					
Loans						16,023.19			16,023.19					
Inventories							1,331.29		1,331.29					
Trade Receivables							13,332.50		13,332.50					
Cash and Cash Equivalents							2,798.21		2,798.21					
Bank Balances other than Cash and Cash Equivalents							399.40		399.40					
Others						10,699.13	13,907.73		24,606.86					
<b>Total</b>					<b>83,729.05</b>	<b>1,18,787.26</b>	<b>45,043.78</b>		<b>2,47,560.09</b>			<b>27.46</b>	<b>83,728.36</b>	<b>83,755.82</b>
<b>LIABILITIES</b>														
Debt securities to which this certificate pertains	Secured Bonds				50,279.92				50,279.92				50,279.92	50,279.92
Other debt sharing pari-passu charge with above debt ★					25,836.77	15,199.00			41,035.77				25,836.77	25,836.77
Other Debt (Unsecured)							28,109.80		28,109.80					
Subordinated debt														
Borrowings	Short Term						0.00		0.00					
Bank														
Debt Securities	Unsecured						12,181.79		12,181.79					
Others	GOI Bond						3,597.72		3,597.72					
Trade payables							286.74		286.74					
Lease Liabilities							30.52		30.52					
Provisions							535.90		535.90					
Others							29,358.97		29,358.97					
<b>Total</b>					<b>76,116.69</b>	<b>15,199.00</b>	<b>74,101.44</b>		<b>1,65,417.13</b>				<b>76,116.69</b>	<b>76,116.69</b>
<b>Cover on Book Value</b>					<b>1.10</b>									
<b>Cover on Market Value</b>														<b>1.10</b>
		Exclusive Security Cover Ratio			Pari-Passu Security Cover Ratio	1.10								

1. We confirm that the Company has complied with the covenants mentioned in the disclosure documents of the Secured Redeemable Non-convertible Debenture for the period ended December 31, 2022

2. The Market value of Rs. 27.46 Crore of the immovable property is on the basis of certified valuation done on May 11, 2022.

★ Rs. 25836.77 Crore pertaining to Secured Foreign Currency Loan Guaranteed by GOI & Rs. 15199 Crore pertaining to other Secured Foreign Currency Loan & Domestic Term Loan



**General information about company**

Scrip code	532898
NSE Symbol	POWERGRID
MSEI Symbol	NOTLISTED
ISIN	INE752E01010
Name of the company	Power Grid Corporation of India Limited
Whether company is SME	No
Class of Security	Equity Shares
Type of report	Quarterly
Quarter Ended / Half year ended/Date of Report (For Prelisting / Allotment)	31-12-2022
Date of allotment / extinguishment (in case Capital Restructuring selected) / Listing Date	
Shareholding pattern filed under	Regulation 31 (1) (b)
Whether the listed entity is Public Sector Undertaking (PSU)?	Yes

### Declaration

Sr. No.	Particular	Yes/No	Promoter and Promoter Group	Public shareholder	Non Promoter- Non Public
1	Whether the Listed Entity has issued any partly paid up shares?	No	No	No	No
2	Whether the Listed Entity has issued any Convertible Securities ?	No	No	No	No
3	Whether the Listed Entity has issued any Warrants ?	No	No	No	No
4	Whether the Listed Entity has any shares against which depository receipts are issued?	No	No	No	No
5	Whether the Listed Entity has any shares in locked-in?	No	No	No	No
6	Whether any shares held by promoters are pledge or otherwise encumbered?	No	No		
7	Whether company has equity shares with differential voting rights?	No	No	No	No
8	Whether the listed entity has any significant beneficial owner?	No			

**Table VI - Statement showing foreign ownership limits**

<b>Particular</b>	<b>Approved limits (%)</b>	<b>Limits utilized (%)</b>
As on shareholding date	35	32.88
As on the end of previous 1st quarter	35	31.86
As on the end of previous 2nd quarter	35	30.41
As on the end of previous 3rd quarter	35	29.46
As on the end of previous 4th quarter	35	28.5

**Table I - Summary Statement holding of specified securities**

Category (I)	Category of shareholder (II)	Nos. Of shareholders (III)	No. of fully paid up equity shares held (IV)	No. Of Partly paid-up equity shares held (V)	No. Of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+ (V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			
								No of Voting (XIV) Rights			Total as a % of (A+B+C)
								Class eg: X	Class eg:y	Total	
(A)	Promoter & Promoter Group	2	3581163210			3581163210	51.34	3581163210		3581163210	51.34
(B)	Public	811072	3394289654			3394289654	48.66	3394289654		3394289654	48.66
(C)	Non Promoter-Non Public										
(C1)	Shares underlying DRs										
(C2)	Shares held by Employee Trusts										
	Total	811074	6975452864			6975452864	100	6975452864		6975452864	100



**Table I - Summary Statement holding of specified securities**

Category (I)	Category of shareholder (II)	No. Of Shares Underlying Outstanding convertible securities (X)	No. of Shares Underlying Outstanding Warrants (Xi)	No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a)	Shareholding , as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	Sub-categorization of shares		
						No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		Sub-category (i)	Sub-category (ii)	Sub-category (iii)
(A)	Promoter & Promoter Group				51.34					3581163210			
(B)	Public				48.66					3394232970	0	0	0
(C)	Non Promoter-Non Public												
(C1)	Shares underlying DRs												
(C2)	Shares held by Employee Trusts												
	Total				100					6975396180	0	0	0

**Table II - Statement showing shareholding pattern of the Promoter and Promoter Group**

Sr.	Category & Name of the Shareholders (I)	Nos. Of shareholders (III)	No. of fully paid up equity shares held (IV)	No. Of Partly paid-up equity shares held (V)	No. Of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+ (V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			
								No of Voting (XIV) Rights			Total as a % of Total Voting rights
								Class eg: X	Class eg:y	Total	
A	Table II - Statement showing shareholding pattern of the Promoter and Promoter Group										
(1)	Indian										
(b)	Central Government/ State Government(s)	2	3581163210			3581163210	51.34	3581163210		3581163210	51.34
Sub-Total (A) (1)		2	3581163210			3581163210	51.34	3581163210		3581163210	51.34
(2)	Foreign										
Total Shareholding of Promoter and Promoter Group (A)=(A) (1)+(A)(2)		2	3581163210			3581163210	51.34	3581163210		3581163210	51.34
B	Table III - Statement showing shareholding pattern of the Public shareholder										
(1)	Institutions (Domestic)										
(a)	Mutual Funds	35	590308889			590308889	8.46	590308889		590308889	8.46
(c)	Alternate Investment Funds	19	4629455			4629455	0.07	4629455		4629455	0.07
(d)	Banks	8	100322			100322	0	100322		100322	0
(e)	Insurance Companies	32	256786267			256786267	3.68	256786267		256786267	3.68

(f)	Provident Funds/ Pension Funds	1	35928741			35928741	0.52	35928741		35928741	0.52
(i)	NBFCs registered with RBI	10	1058037			1058037	0.02	1058037		1058037	0.02
Sub-Total (B) (1)		105	888811711			888811711	12.74	888811711		888811711	12.74
(2)	Institutions (Foreign)										
(d)	Foreign Portfolio Investors Category I	1020	2196707973			2196707973	31.49	2196707973		2196707973	31.49
(e)	Foreign Portfolio Investors Category II	76	88224199			88224199	1.26	88224199		88224199	1.26
(g)	Any Other (specify)	2	948073			948073	0.01	948073		948073	0.01
Sub-Total (B) (2)		1098	2285880245			2285880245	32.77	2285880245		2285880245	32.77
(3)	Central Government / State Government(s)										
(c)	Shareholding by Companies or Bodies Corporate where Central / State Government is a promoter	4	39112			39112	0	39112		39112	0
Sub-Total (B) (3)		4	39112			39112	0	39112		39112	0
(4)	Non-institutions										
(b)	Directors and their relatives (excluding independent directors and nominee directors)	5	2625			2625	0	2625		2625	0
(f)	Investor Education and	1	1110947			1110947	0.02	1110947		1110947	0.02

	Protection Fund (IEPF)										
(g)	Resident Individuals holding nominal share capital up to Rs. 2 lakhs	784492	169986170			169986170	2.44	169986170		169986170	2.44
(h)	Resident Individuals holding nominal share capital in excess of Rs. 2 lakhs	239	13591085			13591085	0.19	13591085		13591085	0.19
(i)	Non Resident Indians (NRIs)	9601	5316343			5316343	0.08	5316343		5316343	0.08
(k)	Foreign Companies	2	1419			1419	0	1419		1419	0
(l)	Bodies Corporate	1439	11051661			11051661	0.16	11051661		11051661	0.16
(m)	Any Other (specify)	14086	18498336			18498336	0.27	18498336		18498336	0.27
Sub-Total (B) (4)		809865	219558586			219558586	3.15	219558586		219558586	3.15
Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)+(B)(4)		811072	3394289654			3394289654	48.66	3394289654		3394289654	48.66
C	Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder										
Total (A+B+C2 )		811074	6975452864			6975452864	100	6975452864		6975452864	100
Total (A+B+C )		811074	6975452864			6975452864	100	6975452864		6975452864	100

**Table II - Statement showing shareholding pattern of the Promoter and Promoter Group**

Sr.	No. Of Shares Underlying Outstanding convertible securities (X)	No. of Shares Underlying Outstanding Warrants (Xi)	No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a)	Shareholding , as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	Sub-categorization of shares		
					No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		Sub-category (i)	Sub-category (ii)	Sub-category (iii)
A	Table II - Statement showing shareholding pattern of the Promoter and Promoter Group											
(1)	Indian											
(b)				51.34					3581163210			
Sub-Total (A) (1)				51.34					3581163210			
(2)	Foreign											
Total Shareholding of Promoter and Promoter Group (A)=(A) (1)+(A)(2)				51.34					3581163210			
B	Table III - Statement showing shareholding pattern of the Public shareholder											
(1)	Institutions (Domestic)											
(a)				8.46					590308889	0	0	0
(c)				0.07					4629455	0	0	0
(d)				0					100322	0	0	0

(e)				3.68					256786267	0	0	0
(f)				0.52					35928741	0	0	0
(i)				0.02					1058037	0	0	0
Sub-Total (B) (1)				12.74					888811711	0	0	0
(2)	Institutions (Foreign)											
(d)				31.49					2196707973	0	0	0
(e)				1.26					88224199	0	0	0
(g)				0.01					948072	0	0	0
Sub-Total (B) (2)				32.77					2285880244	0	0	0
(3)	Central Government / State Government(s)											
(c)				0					39112	0	0	0
Sub-Total (B) (3)				0					39112	0	0	0
(4)	Non-institutions											
(b)				0					2625	0	0	0
(f)				0.02					1110947	0	0	0
(g)				2.44					169938454	0	0	0
(h)				0.19					13591085	0	0	0
(i)				0.08					5315976	0	0	0
(k)				0					1419	0	0	0
(l)				0.16					11043661	0	0	0
(m)				0.27					18497736	0	0	0
Sub-Total (B) (4)				3.15					219501903	0	0	0



Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)+(B)(4)				48.66					3394232970	0	0	0
C	Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder											
Total (A+B+C2 )				100					6975396180			
Total (A+B+C )				100					6975396180			

Central Government/ State Government(s)			
Searial No.	1	2	
Name of the Shareholders (I)	PRESIDENT OF INDIA	PRESIDENT OF INDIA	<a href="#">Click here to go back</a>
PAN (II)			Total
No. of fully paid up equity shares held (IV)	3446136810	135026400	3581163210
No. Of Partly paid-up equity shares held (V)			
No. Of shares underlying Depository Receipts (VI)			
Total nos. shares held (VII) = (IV)+ (V)+ (VI)	3446136810	135026400	3581163210
Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	49.4	1.94	51.34
Number of Voting Rights held in each class of securities (IX)			
Class eg: X	3446136810	135026400	3581163210
Class eg:y			
Total	3446136810	135026400	3581163210
Total as a % of Total Voting rights	49.4	1.94	51.34

No. Of Shares Underlying Outstanding convertible securities (X)			
No. of Shares Underlying Outstanding Warrants (Xi)			
No. Of Shares Underlying Outstanding convertible securities and warrants (X)			
Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	49.4	1.94	51.34
Number of Locked in shares (XII)			
No. (a)			
As a % of total Shares held (b)			
Number of Shares pledged or otherwise encumbered (XIII)			
No. (a)			
As a % of total Shares held (b)			
Number of equity shares held in dematerialized form (XIV)	3446136810	135026400	3581163210

Reason for not providing PAN			
Reason for not providing PAN	Textual Information(1)	Textual Information(2)	
Shareholder type	Promoter	Promoter	

**Text Block**

Textual Information(1)	PRESIDENT OF INDIA
Textual Information(2)	PRESIDENT OF INDIA

Mutual Funds			
Searial No.	1	2	
Name of the Shareholders (I)	NIPPON LIFE INDIA TRUSTEE LTD-A/C NIPPON INDIA RET	SBI ARBITRAGE OPPORTUNITIES FUND	<a href="#">Click here to go back</a>
PAN (II)	AAATR0090B	AABTS6407Q	Total
No. of fully paid up equity shares held (IV)	199299863	124261276	323561139
No. Of Partly paid-up equity shares held (V)			
No. Of shares underlying Depository Receipts (VI)			
Total nos. shares held (VII) = (IV)+ (V)+ (VI)	199299863	124261276	323561139
Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	2.86	1.78	4.64
Number of Voting Rights held in each class of securities (IX)			
Class eg: X	199299863	124261276	323561139
Class eg:y			
Total	199299863	124261276	323561139
Total as a % of Total Voting rights	2.86	1.78	4.64



No. Of Shares Underlying Outstanding convertible securities (X)			
No. of Shares Underlying Outstanding Warrants (Xi)			
No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a)			
Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	2.86	1.78	4.64
Number of Locked in shares (XII)			
No. (a)			
As a % of total Shares held (b)			
Number of equity shares held in dematerialized form (XIV)	199299863	124261276	323561139
Reason for not providing PAN			
Reason for not providing PAN			

Sub-categorization of shares			
Shareholding (No. of shares) under			
Sub-category (i)	0	0	0
Sub-category (ii)	0	0	0
Sub-category (iii)	0	0	0

Foreign Portfolio Investors Category I				
Searial No.	1	2	3	
Name of the Shareholders (I)	GOVERNMENT OF SINGAPORE - E	CAPITAL INCOME BUILDER	STICHTING DEPOSITARY APG EMERGING MARKETS EQUITY P	Click here to go back
PAN (II)	AAAJG0594R	AABTC1736A	AAVCS6547E	Total
No. of fully paid up equity shares held (IV)	193110891	176275365	74728121	444114377
No. Of Partly paid-up equity shares held (V)				
No. Of shares underlying Depository Receipts (VI)				
Total nos. shares held (VII) = (IV)+ (V)+ (VI)	193110891	176275365	74728121	444114377
Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	2.77	2.53	1.07	6.37
Number of Voting Rights held in each class of securities (IX)				
Class eg: X	193110891	176275365	74728121	444114377
Class eg:y				
Total	193110891	176275365	74728121	444114377
Total as a % of Total Voting rights	2.77	2.53	1.07	6.37

No. Of Shares Underlying Outstanding convertible securities (X)				
No. of Shares Underlying Outstanding Warrants (Xi)				
No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a)				
Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	2.77	2.53	1.07	6.37
Number of Locked in shares (XII)				
No. (a)				
As a % of total Shares held (b)				
Number of equity shares held in dematerialized form (XIV)	193110891	176275365	74728121	444114377
Reason for not providing PAN				
Reason for not providing PAN				

Sub-categorization of shares				
Shareholding (No. of shares) under				
Sub-category (i)	0	0	0	0
Sub-category (ii)	0	0	0	0
Sub-category (iii)	0	0	0	0

Insurance Companies		
Searial No.	1	
Name of the Shareholders (I)	LICI ULIP-SECURED FUND	<a href="#">Click here to go back</a>
PAN (II)	AAACL0582H	Total
No. of fully paid up equity shares held (IV)	169256664	169256664
No. Of Partly paid-up equity shares held (V)		
No. Of shares underlying Depository Receipts (VI)		
Total nos. shares held (VII) = (IV)+ (V)+ (VI)	169256664	169256664
Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	2.43	2.43
Number of Voting Rights held in each class of securities (IX)		
Class eg: X	169256664	169256664
Class eg:y		
Total	169256664	169256664
Total as a % of Total Voting rights	2.43	2.43



No. Of Shares Underlying Outstanding convertible securities (X)		
No. of Shares Underlying Outstanding Warrants (Xi)		
No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a)		
Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	2.43	2.43
Number of Locked in shares (XII)		
No. (a)		
As a % of total Shares held (b)		
Number of equity shares held in dematerialized form (XIV)	169256664	169256664
Reason for not providing PAN		
Reason for not providing PAN		

Sub-categorization of shares		
Shareholding (No. of shares) under		
Sub-category (i)	0	0
Sub-category (ii)	0	0
Sub-category (iii)	0	0

Any Other (specify)			
Searial No.	1	2	
Category	Other	Other	
Category / More than 1 percentage	Category	Category	Click here to go back
Name of the Shareholders (I)	FOREIGN INSTITUTIONAL INVESTORS	BANKS	
PAN (II)			Total
No. of the Shareholders (I)	1	1	2
No. of fully paid up equity shares held (IV)	948072	1	948073
No. Of Partly paid-up equity shares held (V)			
No. Of shares underlying Depository Receipts (VI)			
Total nos. shares held (VII) = (IV)+ (V)+ (VI)	948072	1	948073
Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	0.01	0	0.01
Number of Voting Rights held in each class of securities (IX)			
Class eg: X	948072	1	948073

Class eg:y			
Total	948072	1	948073
Total as a % of Total Voting rights	0.01	0	0.01
No. Of Shares Underlying Outstanding convertible securities (X)			
No. of Shares Underlying Outstanding Warrants (Xi)			
No. Of Shares Underlying Outstanding convertible securities and Warrants (X)			
Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	0.01	0	0.01
Number of Locked in shares (XII)			
No. (a)			
As a % of total Shares held (b)			
Number of equity shares held in dematerialized form (XIV)	948072	0	948072

Reason for not providing PAN			
Reason for not providing PAN			
Sub-categorization of shares			
Shareholding (No. of shares) under			
Sub-category (i)	0	0	0
Sub-category (ii)	0	0	0
Sub-category (iii)	0	0	0

Any Other (specify)				
Searial No.	1	2	3	
Category	Clearing Members	HUF	Trusts	
Category / More than 1 percentage	Category	Category	Category	
Name of the Shareholders (I)				Click here to go back
PAN (II)				Total
No. of the Shareholders (I)	73	13969	44	14086
No. of fully paid up equity shares held (IV)	10503293	7643177	351866	18498336
No. Of Partly paid-up equity shares held (V)				
No. Of shares underlying Depository Receipts (VI)				
Total nos. shares held (VII) = (IV)+ (V)+ (VI)	10503293	7643177	351866	18498336
Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	0.15	0.11	0.01	0.27
Number of Voting Rights held in each class of securities (IX)				
Class eg: X	10503293	7643177	351866	18498336

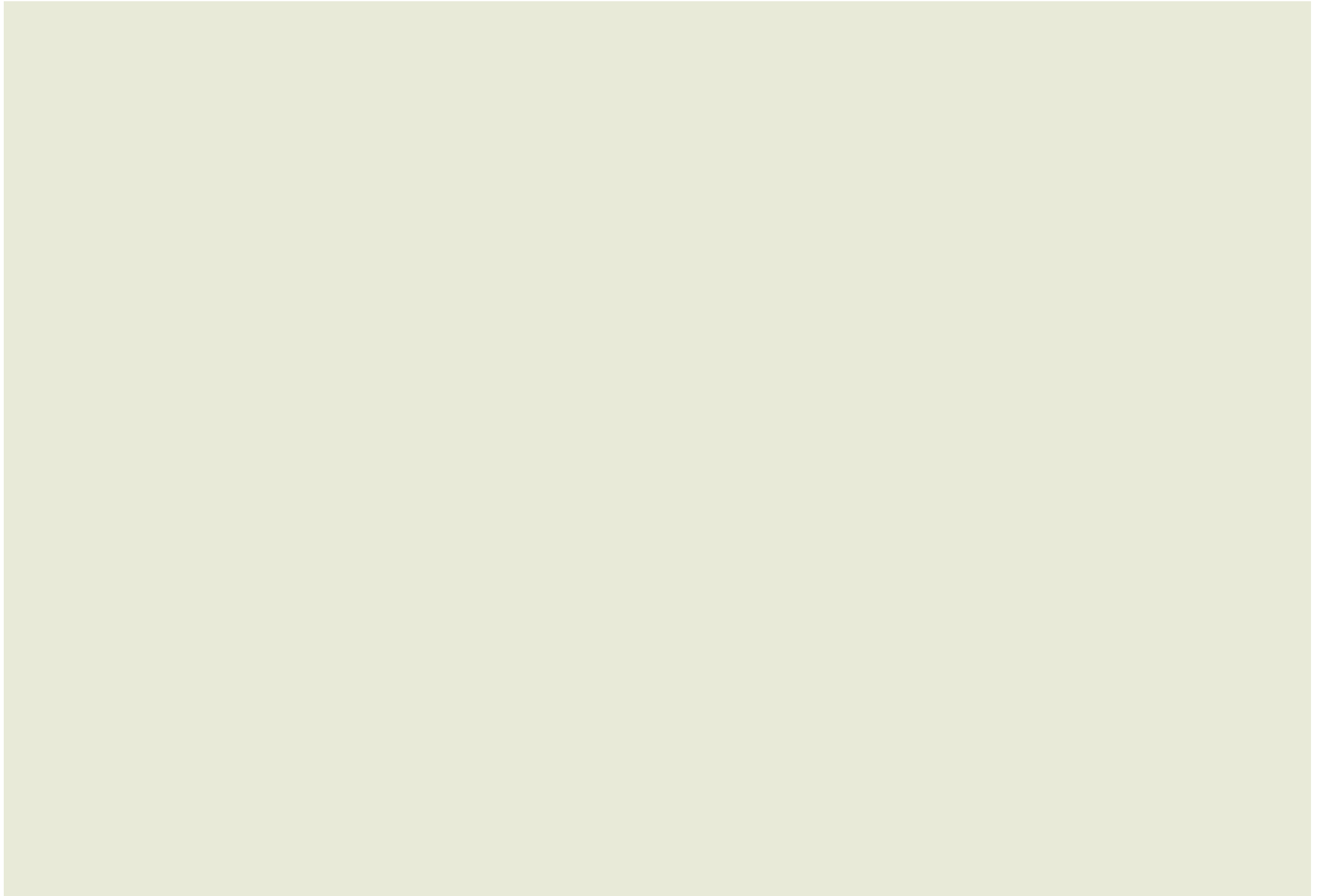


Class eg:y				
Total	10503293	7643177	351866	18498336
Total as a % of Total Voting rights	0.15	0.11	0.01	0.27
No. Of Shares Underlying Outstanding convertible securities (X)				
No. of Shares Underlying Outstanding Warrants (Xi)				
No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a)				
Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	0.15	0.11	0.01	0.27
Number of Locked in shares (XII)				
No. (a)				
As a % of total Shares held (b)				
Number of equity shares held in	10503293	7642577	351866	18497736

dematerialized form (XIV)				
Reason for not providing PAN				
Reason for not providing PAN				
Sub-categorization of shares				
Shareholding (No. of shares) under				
Sub-category (i)	0	0	0	0
Sub-category (ii)	0	0	0	0
Sub-category (iii)	0	0	0	0

**Details of Shares which remain unclaimed for Public**

Searial No.	Number of shareholders	Outstanding shares held in demat or unclaimed suspense account	voting rights which are frozen	Disclosure of notes on shares which remain unclaimed for public shareholders
1	5	1293		



CIN: L40101DL1989GOI038121

C/COS/Listing/NSE/

Dt: 10.07.2020

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: Compliance under Regulation 23(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Please find enclosed the disclosure of Related Party Transactions on a consolidated basis, in the format specified in the accounting standards for the year ended 31<sup>st</sup> March, 2020.

This is submitted in terms of Regulation 23 (9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Thanking You,

Yours faithfully,



(Mrinal Shrivastava)  
Company Secretary &  
Compliance Officer

Encl: a/a

## Power Grid Corporation of India Limited

**Related party Transactions on consolidation basis for the year ending 31.03.2020 [pursuant to Regulation 23(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]**

### (a) Joint Ventures

Name of entity	Place of business/country of incorporation	Proportion of Ownership Interest	
		As at 31.03.2020	As at 31.03.2019
Powerlinks Transmission Limited	India	49%	49%
Torrent Power Grid Limited	India	26%	26%
Jaypee Powergrid Limited	India	26%	26%
Parbati Koldam Transmission Company Limited	India	26%	26%
Teestavalley Power Transmission Limited#	India	30.92%	28.23%
North East Transmission Company Limited	India	26%	26%
National High Power Test Laboratory Private Limited	India	20%	20%
Bihar Grid Company Limited	India	50%	50%
Kalinga Bidyut Prasaran Nigam Private Limited###	India	50%	50%
Cross Border Power Transmission Company Limited	India	26%	26%
RINL Powergrid TLT Private Limited###	India	50%	50%
Power Transmission Company Nepal Limited	Nepal	26%	26%

# POWERGRID & Teesta Urja Ltd are the Joint venture partners in Teestavalley Power Transmission Limited & holds 26% & 74 % equity, respectively as per Shareholding agreement. On call of additional equity by Teestavalley Power Transmission limited, POWERGRID contributed their share amounting ₹ 14.56 crore (previous year ₹ 11.28 crore) while the other JV partner has not yet contributed their share of money as on 31.03.2020. Consequently, the holding of POWERGRID increased to 30.92% (previous year 28.23%) as on 31.03.2020 against 26% provided in shareholding agreement.

### Shareholders of M/s Kalinga Bidyut Prasaran Nigam Pvt Ltd (KBPNL), JV between M/s POWERGRID & M/s OPTCL in their Extra Ordinary General Meeting held on 02.01.2020 approved the striking off of the name of the company pursuant to section 248 (2) of the Companies Act, 2013. Accordingly, e-form STK-2 vide SRN NO- R30789564 has been filed in Registrar of Companies (ROC), Odisha on Dated 21.01.2020 for removal of name of the Company. The present status of striking off of the Company (M/s KBPNL) as per MCA website is "Under Process of Striking Off".

### POWERGRID's Board of Directors in its meeting held on 1st May 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 01st March, 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 05th November, 2019 has advised to put up the closure proposal again to Ministry of steel for onward submission to NITI Ayog. The Approval from Government is awaited.

### (b) Key Managerial Personnel

#### Whole Time Directors

Name	Designation
Shri K. Sreekant	Chairman & Managing Director (Relinquished the charge of post of Director (Finance) and assumed charge of Chairman & Managing Director w.e.f. 05.08.2019)
Shri Ravi P. Singh	Director (Personnel) & Additional Charge of Chairman & Managing Director w.e.f. 21.01.2019 to 05.08.2019 and superannuated on 31.01.2020
Ms. Seema Gupta	Director (Operations) & Additional Charge of Director (Finance) w.e.f. 30.09.2019 to 05.11.2019. Further Additional charge of Director (Finance) w.e.f. 06.02.2020
Shri Rajeev Kumar Chauhan	Director (Projects)
Shri Vinod Kumar Singh	Director (Personnel) w.e.f. 01.02.2020

#### Independent Directors

Name	Designation
Shri Tse Ten Dorji	Independent Director ceased to be director on 15.02.2020
Shri Manoj Kumar Mittal	Independent Director
Shri Sunil Kumar Sharma	Independent Director
Smt. A.R. Mahalakshmi	Independent Director
Shri M.N. Venkatesan	Independent Director w.e.f. 11.07.2019
Shri Jagdish Ishwar Bhai Patel	Independent Director ceased to be director on 26.09.2019



**Government Nominee Directors and other KMP**

Name	Designation
Shri S.K.G. Rahate	Government Nominee Director w.e.f. 27.09.2019 to 16.03.2020
Shri Vivek Kumar Dewangan	Government Nominee Director ceased to be director on 07.06.2019
Shri Ghanshyam Prasad	Government Nominee Director ceased to be director on 23.09.2019
Shri Anurag Agarwal	Government Nominee Director w.e.f. 27.06.2019 to 12.07.2019
Shri Dilip Nigam	Government Nominee Director w.e.f. 28.12.2019
Shri Sanjay Malhotra	Government Nominee Director w.e.f. 31.01.2020 to 16.03.2020
Shri Tanmay Kumar	Government Nominee Director w.e.f. 18.03.2020
Smt. Divya Tandon	Company Secretary
Shri K. S. R. Murty	CFO w.e.f. 27.08.2019

**(c) List of Other Related Parties**

Name of Entity	Place of business/country of incorporation	Nature of Relationship
Powergrid Employees P.F. Trust	India	Post-employment benefit plan of Powergrid
Powergrid Self Contributory Superannuation Benefit (Pension) Fund Trust	India	Post-employment benefit plan of Powergrid
Powergrid Employees Gratuity Fund Trust	India	Post-employment benefit plan of Powergrid
Powergrid Employees Post-Retirement Medical Benefit Trust	India	Post Retirement Benefit plan of Powergrid

**(d) Government Related Entities**

The company is controlled by the Government of India (GOI), being a Central Public Sector Enterprise (CPSE) under the Ministry of Power, with GOI holding 51.34% (Previous Year 55.37%) of equity shares capital issued and paid up.

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.

**(e) 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 crore)

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Amounts Receivable</b>		
<b>Loans to Joint Ventures</b>		
National High Power Test Laboratory Private Limited	18.40	6.00
Teestavalley Power Transmission Limited	77.12	77.12
<b>Total</b>	<b>95.52</b>	<b>83.12</b>
<b>Interest Accrued on loan to Joint Ventures</b>		
National High Power Test Laboratory Private Limited	0.27	-
Teestavalley Power Transmission Limited	0.90	1.62
<b>Total</b>	<b>1.17</b>	<b>1.62</b>
<b>Loans to Key Managerial Personnel</b>	0.09	0.18

<b>Other receivables</b>		
<u>Joint Ventures:</u>		
Powerlinks Transmission Limited	0.02	-
Torrent Power Grid Limited	0.19	0.01
Jaypee Powergrid Limited	0.02	0.02
Parbati Koldam Transmission Company Limited	0.38	0.38
Teestavalley Power Transmission Limited	8.06	-
North East Transmission Company Limited	1.42	-
National High Power Test Laboratory Private Limited	1.18	34.02
Cross Border Power Transmission Company Limited	0.67	-
Power Transmission Company Nepal Limited	-	3.10
<b>Total</b>	<b>11.94</b>	<b>37.53</b>
<b>Advances /Amounts Payable</b>		
<u>Joint Ventures</u>		
Powerlinks Transmission Limited	2.78	2.72
Teestavalley Power Transmission Limited	47.56	35.32
North East Transmission Company Limited	20.29	7.96
Bihar Grid Company Limited	0.30	1.52
Cross Border Power Transmission Company Limited	11.12	10.14
<b>Total payables to related parties</b>	<b>82.05</b>	<b>57.66</b>
<b>Other Related Parties</b>		
<u>Outstanding balances with Employees Benefit Trust</u>		
Powergrid Employees P.F. Trust	34.74	35.54
Powergrid Self Contributory Superannuation Benefit (Pension) Fund Trust	11.01	11.77
Powergrid Employees Gratuity Fund Trust	16.22	5.47
Powergrid Employees Post-Retirement Medical Benefit Trust	27.14	20.53
<b>Total</b>	<b>89.11</b>	<b>73.31</b>

**(f) Transactions with related parties**

The following transactions occurred with related parties:

(₹ in crore)

<b>Particulars</b>	<b>For the year ended 31.03.2020</b>	<b>For the year ended 31.03.2019</b>
<b>Services provided by the Company</b>		
<b>Consultancy Income</b>		
<u>Joint Ventures:</u>		
Torrent Power Grid Limited	0.64	1.37
Jaypee Powergrid Limited	0.64	1.12
Parbati Koldam Transmission Company Limited	-	0.01
Teestavalley Power Transmission Limited	1.61	5.80
North East Transmission Company Limited	4.49	5.22
National High Power Test Laboratory Private Limited	0.84	0.54
Bihar Grid Company Limited	13.11	16.26
Cross Border Power Transmission Company Limited	2.02	2.05
Power Transmission Company Nepal Limited	-	1.66
<b>Total</b>	<b>23.35</b>	<b>34.03</b>
<b>Interest on Loan</b>		
<u>Joint Ventures:</u>		
National High Power Test Laboratory Private Limited	1.40	0.60
Teestavalley Power Transmission Limited	12.60	1.80
<b>Total</b>	<b>14.00</b>	<b>2.40</b>
<b>Investments made during the year (Equity)</b>		
<u>Joint Ventures:</u>		
Teestavalley Power Transmission Limited	14.56	11.28
Bihar Grid Company Limited	85.61	15.45

RINL Powergrid TLT Pvt. Ltd	-	0.60
<b>Total</b>	<b>100.17</b>	<b>27.33</b>
<b><u>Loans given during the year</u></b>		
<b><u>Joint Ventures:</u></b>		
National High Power Test Laboratory Private Limited	12.40	-
Teestavalley Power Transmission Limited	114.60	77.12
<b>Total</b>	<b>127.00</b>	<b>77.12</b>
<b><u>Loans repayment received during the year</u></b>		
<b><u>Joint Ventures:</u></b>		
Teestavalley Power Transmission Limited	114.60	-
<b>Total</b>	<b>114.60</b>	<b>-</b>
<b><u>Other Related Parties</u></b>		
<b><u>Contribution made during the year</u></b>		
Powergrid Employees P.F. Trust	110.45	131.04
Powergrid Self Contributory Superannuation Benefit (Pension) Fund Trust	33.43	102.41
Powergrid Employees Gratuity Fund Trust	30.42	29.56
Powergrid Employees Post-Retirement Medical Benefit Trust	62.77	-
<b>Total</b>	<b>237.07</b>	<b>263.01</b>
<b><u>Recovery for Deputation of Employees</u></b>		
<b><u>Joint Ventures:</u></b>		
Torrent Power Grid Limited	0.15	-
Jaypee Powergrid Limited	0.98	0.48
Teestavalley Power Transmission Limited	0.33	0.21
North East Transmission Company Limited	0.65	0.13
Cross Border Power Transmission Company Limited	0.94	1.22
<b>Total</b>	<b>3.05</b>	<b>2.04</b>

#### Terms and Conditions

The loans to key management personnel are on the same terms and conditions as applicable to all other employees

All other transactions were made on normal commercial terms and conditions and at market rates. All outstanding balances are unsecured and are repayable in cash.

#### (g) Transaction in the capacity of Central Transmission Utility (CTU) with the related parties

(₹ in crore)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
<b><u>Joint Ventures:</u></b>		
Powerlinks Transmission Limited	227.61	207.79
Torrent Power Grid Limited	48.68	46.91
Jaypee Powergrid Limited	110.87	180.92
Parbati Koldam Transmission Company Limited	247.05	155.75
Teestavalley Power Transmission Limited	176.40	32.23
North East Transmission Company Limited	350.55	341.86
<b>Total</b>	<b>1,161.16</b>	<b>965.46</b>

#### (h) Remuneration to Key Managerial Personnel

(₹ in crore)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Short Term Employee Benefits	4.09	5.16
Post-Employment Benefits	0.24	0.19
Long Term Employee Benefits	1.76	0.44
Arrears to KMPs	-	0.72
<b>Total</b>	<b>6.09</b>	<b>6.51</b>
Sitting fee	0.35	0.37

In addition to the above remuneration, the whole time directors have been allowed to use the staff car (including for private journeys) on payment of ₹ 2000/- p.m. as contained in the Department of Public Enterprises (DPE) OM No. 2 (23)/11-DPE (WC)-GL-V/13 dated 21/01/2013.

24<sup>th</sup> June, 2021

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

To  
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: Compliance under Regulation 23(9) of the SEBI (Listing Obligations  
and Disclosure Requirements) Regulations, 2015**

Please find enclosed the disclosure of Related Party Transactions on a consolidated basis, in the format specified in the accounting standards for the half year ended 31<sup>st</sup> March, 2021.

This is submitted in terms of Regulation 23 (9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Thanking You,

Yours faithfully,



(Mrinal Shrivastava)  
Company Secretary &  
Compliance Officer

Encl: a/a

## Power Grid Corporation of India Limited

Related party Transactions on consolidated basis for the year ending 31.03.2021 [pursuant to Regulation 23(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

### (a) Joint Ventures

Name of entity	Place of business/country of incorporation	Proportion of Ownership Interest	
		As at 31.03.2021	As at 31.03.2020
Powerlinks Transmission Limited	India	49%	49%
Torrent Power Grid Limited	India	26%	26%
Jaypee Powergrid Limited <sup>1</sup>	India	NA	26%
Parbati Koldam Transmission Company Limited	India	26%	26%
Teestavalley Power Transmission Limited <sup>2</sup>	India	30.92%	30.92%
North East Transmission Company Limited	India	26%	26%
National High Power Test Laboratory Private Limited	India	20%	20%
Bihar Grid Company Limited	India	50%	50%
Kalinga Bidyut Prasaran Nigam Private Limited <sup>3</sup>	India	NA	50%
Cross Border Power Transmission Company Limited	India	26%	26%
RINL Powergrid TLT Private Limited <sup>4</sup>	India	50%	50%
Power Transmission Company Nepal Limited	Nepal	26%	26%

<sup>1</sup> Joint venture till 25.03.2021 (Wholly owned subsidiary from 26.03.2021).

<sup>2</sup> POWERGRID & Teesta Urja Ltd are the Joint venture partners in Teestavalley Power Transmission Limited & holds 26% & 74 % equity, respectively as per Shareholding agreement. On call of additional equity by Teestavalley Power Transmission limited, POWERGRID contributed their share while the other JV partner has not yet contributed their share of money. Consequently, the holding of POWERGRID increased to 30.92% against 26% provided in shareholding agreement.

<sup>3</sup> The present status of the Company (M/s KBPNL) as per MCA website is "Strike Off".

<sup>4</sup> POWERGRID's Board of Directors in its meeting held on 01.05.2018 accorded in principle approval to close RINL Powergrid TLT Private Limited (RPTPL) and seek consent of other JV Partner Rashtriya Ispat Nigam Limited (RINL). RINL's Board of Directors in its meeting held on 08.03.2019 has agreed in principle for winding up proceedings of RPTPL & to seek the approval from Ministry of Steel, Government of India, for closure of RPTPL. RINL's Board of Directors in its meeting held on 05.11.2019 has advised to put up the closure proposal again to Ministry of steel for onward submission to NITI Ayog. The Ministry of Steel vide letter dated 29.09.2020 informed RINL that closure of RPTPL is being examined and seeks further clarifications from RINL. Accordingly, relevant information was forwarded by RINL to The Ministry of Steel. The Approval from Government is still awaited.

### (b) Key Managerial Personnel

#### Whole Time Directors

Name	Designation
Shri K. Sreekant	Chairman & Managing Director
Smt. Seema Gupta	Director (Operations) [Additional Charge of Director (Finance) w.e.f. 06.02.2020 to 05.05.2020 & 14.05.2020 to 03.07.2020]
Shri Rajeev Kumar Chauhan	Director (Projects) [ceased to be director on 31.10.2020]
Shri Vinod Kumar Singh	Director (Personnel)
M. Taj Mukarrum	Director (Finance) w.e.f. 04.07.2020 and CFO w.e.f. 01.08.2020
Shri Abhay Choudhary	Director (Projects) w.e.f. 01.11.2020

#### Independent Directors

Name	Designation
Shri Manoj Kumar Mittal	Independent Director upto 11.09.2020
Shri Sunil Kumar Sharma	Independent Director
Smt. A.R. Mahalakshmi	Independent Director
Shri M.N. Venkatesan	Independent Director



**Government Nominee Directors and other KMP**

Name	Designation
Shri Dilip Nigam	Government Nominee Director [ceased to be director on 30.04.2020] & Government Nominee Director w.e.f. 04.01.2021
Shri Tanmay Kumar	Government Nominee Director [ceased to be director on 05.11.2020]
Shri Mritunjay Kumar Narayan	Government Nominee Director w.e.f. 05.11.2020
Smt. Divya Tandon	Company Secretary [ceased to be Company Secretary w.e.f. 30.06.2020]
Shri Mrinal Srivastava	Company Secretary w.e.f. 01.07.2020
Shri K. S. R. Murty	CFO [ceased to be CFO on 31.07.2020]

**(c) List of Other Related Parties**

Name of Entity	Place of business/country of incorporation	Nature of Relationship
Powergrid Employees P.F. Trust	India	Post-employment benefit plan of Powergrid
Powergrid Self Contributory Superannuation Benefit (Pension) Fund Trust	India	Post-employment benefit plan of Powergrid
Powergrid Employees Gratuity Fund Trust	India	Post-employment benefit plan of Powergrid
Powergrid Employees Post-Retirement Medical Benefit Trust	India	Post Retirement Benefit plan of Powergrid

**(d) Government Related Entities**

The company is controlled by the Government of India (GOI), being a Central Public Sector Enterprise (CPSE) under the Ministry of Power, with GOI holding 51.34% (Previous Year 51.34%) of equity shares capital issued and paid up.

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.

**(e) 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 crore)

Particulars	As at 31.03.2021	As at 31.03.2020
<b>Amounts Receivable</b>		
<b>Loans to Joint Ventures</b>		
National High Power Test Laboratory Private Limited	18.40	18.40
Teestavalley Power Transmission Limited	29.29	77.12
<b>Total</b>	<b>47.69</b>	<b>95.52</b>
<b>Interest Accrued on loan to Joint Ventures</b>		
National High Power Test Laboratory Private Limited	1.58	0.83
Teestavalley Power Transmission Limited	3.61	3.21
<b>Total</b>	<b>5.19</b>	<b>4.04</b>
<b>Loans to Key Managerial Personnel</b>	<b>0.14</b>	<b>0.09</b>

<b>Other receivables</b>		
<u>Joint Ventures:</u>		
Powerlinks Transmission Limited	0.21	0.02
Torrent Power Grid Limited	0.44	0.19
Jaypee Powergrid Limited	-	0.02
Parbati Koldam Transmission Company Limited	0.38	0.38
Teestavalley Power Transmission Limited	6.12	5.75
North East Transmission Company Limited	0.25	1.42
National High Power Test Laboratory Private Limited	0.46	0.62
Bihar Grid Company Limited	1.63	-
Cross Border Power Transmission Company Limited	0.74	0.67
<b>Total</b>	<b>10.23</b>	<b>9.07</b>
<b>Advances /Amounts Payable</b>		
<u>Joint Ventures</u>		
Powerlinks Transmission Limited	0.54	2.78
Torrent Power Grid Limited	0.20	-
Teestavalley Power Transmission Limited	48.03	47.56
North East Transmission Company Limited	19.73	20.29
Bihar Grid Company Limited	0.01	0.30
Cross Border Power Transmission Company Limited	11.27	11.12
<b>Total payables to related parties</b>	<b>79.78</b>	<b>82.05</b>
<b>Other Related Parties</b>		
<u>Outstanding balances with Employees Benefit Trust</u>		
Powergrid Employees P.F. Trust	0.01	34.74
Powergrid Self Contributory Superannuation Benefit (Pension) Fund Trust	-	11.01
Powergrid Employees Gratuity Fund Trust	(0.42)	16.22
Powergrid Employees Post-Retirement Medical Benefit Trust	3.44	27.14
<b>Total</b>	<b>3.03</b>	<b>89.11</b>

**(f) Transactions with related parties**

The following transactions occurred with related parties:

(₹ in crore)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
<b>Services provided by the Company</b>		
<b>Consultancy Income</b>		
Powerlinks Transmission Limited	-	-
Torrent Power Grid Limited	0.67	0.64
Jaypee Powergrid Limited	0.66	0.64
Teestavalley Power Transmission Limited	1.12	1.61
North East Transmission Company Limited	2.49	4.49
National High Power Test Laboratory Private Limited	0.81	0.84
Bihar Grid Company Limited	3.98	13.11
Cross Border Power Transmission Company Limited	1.75	2.02
<b>Total</b>	<b>11.48</b>	<b>23.35</b>
<b>Interest on Loan</b>		
<u>Joint Ventures:</u>		
National High Power Test Laboratory Private Limited	1.89	1.40
Teestavalley Power Transmission Limited	9.82	12.60
<b>Total</b>	<b>11.71</b>	<b>14.00</b>



<b>Investments made during the year (Equity)</b>		
Joint Ventures:		
Teestavalley Power Transmission Limited	-	14.56
Bihar Grid Company Limited	33.00	85.61
<b>Total</b>	<b>33.00</b>	<b>100.17</b>
<b>Loans given during the year</b>		
Joint Ventures:		
National High Power Test Laboratory Private Limited	-	12.40
Teestavalley Power Transmission Limited	95.00	114.60
<b>Total</b>	<b>95.00</b>	<b>127.00</b>
<b>Loans repayment received during the year</b>		
Joint Ventures:		
Teestavalley Power Transmission Limited	142.83	114.60
<b>Total</b>	<b>142.83</b>	<b>114.60</b>
<b>Other Related Parties</b>		
Contribution made during the year		
Powergrid Employees P.F. Trust	114.14	110.45
Powergrid Self Contributory Superannuation Benefit (Pension) Fund Trust	120.46	33.43
Powergrid Employees Gratuity Fund Trust	21.81	30.42
Powergrid Employees Post-Retirement Medical Benefit Trust	12.02	62.77
<b>Total</b>	<b>268.43</b>	<b>237.07</b>
<b>Recovery for Deputation of Employees</b>		
Joint Ventures:		
Torrent Power Grid Limited	0.51	0.15
Jaypee Powergrid Limited (wholly owned subsidiary from 26.03.2021).	1.11	0.98
Teestavalley Power Transmission Limited	0.95	0.33
North East Transmission Company Limited	0.90	0.65
Cross Border Power Transmission Company Limited	0.77	0.94
<b>Total</b>	<b>4.24</b>	<b>3.05</b>

#### Terms and Conditions

The loans to key management personnel are on the same terms and conditions as applicable to all other employees.

All other transactions were made on normal commercial terms and conditions and at market rates. All outstanding balances are unsecured and are repayable in cash.

#### g) Transaction in the capacity of Central Transmission Utility (CTU) with the related parties

(₹ in crore)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Joint Ventures:		
Powerlinks Transmission Limited	237.70	227.61
Torrent Power Grid Limited	50.96	48.68
Jaypee Powergrid Limited	171.94	110.87
Parbati Koldam Transmission Company Limited	192.00	247.05
Teestavalley Power Transmission Limited	341.63	176.40
North East Transmission Company Limited	388.15	350.55
<b>Total</b>	<b>1,382.38</b>	<b>1,161.16</b>

**h) Remuneration to Key Managerial Personnel**

(₹ in crore)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Short Term Employee Benefits	4.68	4.09
Post-Employment Benefits	0.67	0.24
Long Term Employee Benefits	0.46	1.76
<b>Total</b>	<b>5.81</b>	<b>6.09</b>
Sitting fee	0.32	0.35

In addition to the above remuneration, the whole-time directors have been allowed to use the staff car (including for private journeys) on payment of ₹ 2000/- p.m. as contained in the Department of Public Enterprises (DPE) OM No. 2 (23)/11-DPE (WC)-GL-V/13 dated 21/01/2013.



4<sup>th</sup> June, 2022

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

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

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

**Sub: Compliance under Regulation 23(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Dear Sir,

Please find enclosed the disclosure of Related Party Transactions of POWERGRID in the specified format, for the half year ended 31<sup>st</sup> March, 2022.

This is submitted in terms of Regulation 23 (9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Thanking You.

Yours faithfully,

  
(Mrinal Shrivastava)  
Company Secretary &  
Compliance Officer

**MRINAL SHRIVASTAVA**  
Company Secretary  
Power Grid Corporation of India Ltd.  
(A Govt. of India Enterprise)  
Plot No.-2, Sector-29, Gurgaon- 122 001 (Haryana)

(Amount: in crores)

									Additional disclosure of related party transactions - applicable only in case the related party transaction relates to loans, inter-corporate deposits, advances or investments made or given by the listed entity/subsidiary. These details need to be disclosed only once, during the reporting period when such transaction was undertaken.							
S. No	Details of the party (listed entity /subsidiary) entering into the transaction	Details of the counterparty		Type of related party transaction	Value of the related party transaction as approved by the audit committee	Value of transaction during the reporting period	In case monies are due to either party as a result of the transaction		In case any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments			Details of the loans, inter-corporate deposits, advances or investments				
	Name	Name	Relationship of the counterparty with the listed entity or its subsidiary				Opening balance	Closing balance	Nature of indebtedness (loan/ issuance of debt/ any other etc.)	Cost	Tenure	Nature (loan/advance/ inter-corporate deposit/ investment)	Interest Rate (%)	Tenure	Secured/ unsecured	Purpose for which the funds will be utilised by the ultimate recipient of funds (endusage)
1	Power Grid Corporation Of India Limited	Powergrid NM Transmission Limited	Subsidiary	Consultancy Income	1.50	1.50										
2	Power Grid Corporation Of India Limited	Powergrid Unchahar Transmission Limited	Subsidiary	Consultancy Income	0.68	0.68										
3	Power Grid Corporation Of India Limited	Powergrid Southern Interconnector Transmission System Limited	Subsidiary	Consultancy Income	5.63	5.63										
4	Power Grid Corporation Of India Limited	Powergrid Medinipur Jeerat Transmission Limited	Subsidiary	Consultancy Income	9.71	9.71										
5	Power Grid Corporation Of India Limited	Powergrid Mithilanchal Transmission Limited	Subsidiary	Consultancy Income	6.90	6.90										
6	Power Grid Corporation Of India Limited	Powergrid Varanasi Transmission System Limited	Subsidiary	Consultancy Income	1.32	1.32										
7	Power Grid Corporation Of India Limited	Powergrid Jawaharpur Firozabad Transmission Limited	Subsidiary	Consultancy Income	3.84	3.84										
8	Power Grid Corporation Of India Limited	Powergrid Khetri Transmission System Limited	Subsidiary	Consultancy Income	4.63	4.63										
9	Power Grid Corporation Of India Limited	Powergrid Bhuj Transmission Limited	Subsidiary	Consultancy Income	3.68	3.68										
10	Power Grid Corporation Of India Limited	Powergrid Bhind Guna Transmission Limited	Subsidiary	Consultancy Income	1.57	1.57										
11	Power Grid Corporation Of India Limited	Powergrid Ajmer Phagi Transmission Limited	Subsidiary	Consultancy Income	1.44	1.44										
12	Power Grid Corporation Of India Limited	Powergrid Fatehgarh Transmission Limited	Subsidiary	Consultancy Income	2.28	2.28										
13	Power Grid Corporation Of India Limited	Powergrid Rampur Sambhal Transmission Limited	Subsidiary	Consultancy Income	5.69	5.69										
14	Power Grid Corporation Of India Limited	Powergrid Meerut Simbhavali Transmission Limited	Subsidiary	Consultancy Income	7.79	7.79										
15	Power Grid Corporation Of India Limited	Powergrid Ramgarh Transmission Limited	Subsidiary	Consultancy Income	1.30	1.30										
16	Power Grid Corporation Of India Limited	Powergrid Himachal Transmission Limited	Subsidiary	Consultancy Income	0.35	0.35										
17	Power Grid Corporation Of India Limited	Powergrid Bikaner Transmission System Limited	Subsidiary	Consultancy Income	7.22	7.22										
18	Power Grid Corporation Of India Limited	Powergrid Sikar Transmission Limited	Subsidiary	Consultancy Income	4.49	4.49										
19	Power Grid Corporation Of India Limited	Powergrid Bhadla Transmission Limited	Subsidiary	Consultancy Income	2.99	2.99										
20	Power Grid Corporation Of India Limited	Powergrid Aligarh Sikar Transmission Limited	Subsidiary	Consultancy Income	9.34	9.34										
21	Power Grid Corporation Of India Limited	Torrent Power Grid Limited	Joint Venture	Consultancy Income	0.35	0.35										
22	Power Grid Corporation Of India Limited	Teestavalley Power Transmission Limited	Joint Venture	Consultancy Income	0.29	0.29										
23	Power Grid Corporation Of India Limited	North East Transmission Company Limited	Joint Venture	Consultancy Income	0.37	0.37										
24	Power Grid Corporation Of India Limited	Bihar Grid Company Limited	Joint Venture	Consultancy Income	0.55	0.55										
25	Power Grid Corporation Of India Limited	Cross Border Power Transmission Company Limited	Joint Venture	Consultancy Income	0.98	0.98										
26	Power Grid Corporation Of India Limited	Powergrid Vizag Transmission Limited	Associate	Consultancy Income	1.83	1.83										
27	Power Grid Corporation Of India Limited	Powergrid Kala Amb Transmission Limited	Associate	Consultancy Income	2.24	2.24										
28	Power Grid Corporation Of India Limited	Powergrid Jabalpur Transmission Limited	Associate	Consultancy Income	1.45	1.45										
29	Power Grid Corporation Of India Limited	Powergrid Warora Transmission Limited	Associate	Consultancy Income	4.47	4.47										
30	Power Grid Corporation Of India Limited	Powergrid Parli Transmission Limited	Associate	Consultancy Income	4.34	4.34										
31	Power Grid Corporation Of India Limited	Powergrid NM Transmission Limited	Subsidiary	Interest Income	NA	35.20										
32	Power Grid Corporation Of India Limited	Powergrid Unchahar Transmission Limited	Subsidiary	Interest Income	NA	1.43										
33	Power Grid Corporation Of India Limited	Powergrid Southern Interconnector Transmission System Limited	Subsidiary	Interest Income	NA	94.45										
34	Power Grid Corporation Of India Limited	Powergrid Medinipur Jeerat Transmission Limited	Subsidiary	Interest Income	NA	87.93										
35	Power Grid Corporation Of India Limited	Powergrid Mithilanchal Transmission Limited	Subsidiary	Interest Income	NA	31.66										
36	Power Grid Corporation Of India Limited	Powergrid Varanasi Transmission System Limited	Subsidiary	Interest Income	NA	25.05										
37	Power Grid Corporation Of India Limited	Powergrid Jawaharpur Firozabad Transmission Limited	Subsidiary	Interest Income	NA	12.02										
38	Power Grid Corporation Of India Limited	Powergrid Khetri Transmission System Limited	Subsidiary	Interest Income	NA	25.96										
39	Power Grid Corporation Of India Limited	Powergrid Bhui Transmission Limited	Subsidiary	Interest Income	NA	20.80										



									Additional disclosure of related party transactions - applicable only in case the related party transaction relates to loans, inter-corporate deposits, advances or investments made or given by the listed entity/subsidiary. These details need to be disclosed only once, during the reporting period when such transaction was undertaken.							
S. No	Details of the party (listed entity /subsidiary) entering into the transaction	Details of the counterparty		Type of related party transaction	Value of the related party transaction as approved by the audit committee	Value of transaction during the reporting period	In case monies are due to either party as a result of the transaction		In case any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments			Details of the loans, inter-corporate deposits, advances or investments				
	Name	Name	Relationship of the counterparty with the listed entity or its subsidiary				Opening balance	Closing balance	Nature of indebtedness (loan/ issuance of debt/ any other etc.)	Cost	Tenure	Nature (loan/advance/ inter-corporate deposit/ investment)	Interest Rate (%)	Tenure	Secured/ unsecured	Purpose for which the funds will be utilised by the ultimate recipient of funds (endusage)
40	Power Grid Corporation Of India Limited	Powergrid Bhind Guna Transmission Limited	Subsidiary	Interest Income	NA	11.40										
41	Power Grid Corporation Of India Limited	Powergrid Ajmer Phagi Transmission Limited	Subsidiary	Interest Income	NA	16.10										
42	Power Grid Corporation Of India Limited	Powergrid Fatehgarh Transmission Limited	Subsidiary	Interest Income	NA	17.35										
43	Power Grid Corporation Of India Limited	Powergrid Rampur Sambhal Transmission Limited	Subsidiary	Interest Income	NA	10.15										
44	Power Grid Corporation Of India Limited	Powergrid Meerut Simbhavali Transmission Limited	Subsidiary	Interest Income	NA	13.20										
45	Power Grid Corporation Of India Limited	Powergrid Ramgarh Transmission Limited	Subsidiary	Interest Income	NA	2.07										
46	Power Grid Corporation Of India Limited	Powergrid Himachal Transmission Limited	Subsidiary	Interest Income	NA	4.28										
47	Power Grid Corporation Of India Limited	Powergrid Bikaner Transmission System Limited	Subsidiary	Interest Income	NA	9.17										
48	Power Grid Corporation Of India Limited	Powergrid Sikar Transmission Limited	Subsidiary	Interest Income	NA	12.72										
49	Power Grid Corporation Of India Limited	Powergrid Bhadla Transmission Limited	Subsidiary	Interest Income	NA	7.29										
50	Power Grid Corporation Of India Limited	Powergrid Aligarh Sikar Transmission Limited	Subsidiary	Interest Income	NA	11.58										
51	Power Grid Corporation Of India Limited	National High Power Test Laboratory Private Limited	Joint Venture	Interest Income	NA	1.00										
52	Power Grid Corporation Of India Limited	POWERGRID Infrastructure Investment Trust	The Company is Sponsor to the trust	Interest Income	NA	68.52										
53	Power Grid Corporation Of India Limited	Powergrid Unchahar Transmission Limited	Subsidiary	Dividend received	NA	8.81										
54	Power Grid Corporation Of India Limited	Powergrid Southern Interconnector Transmission System Limited	Subsidiary	Dividend received	NA	119.11										
55	Power Grid Corporation Of India Limited	Powergrid Medinipur Jeerat Transmission Limited	Subsidiary	Dividend received	NA	138.53										
56	Power Grid Corporation Of India Limited	Powergrid Mithilanchal Transmission Limited	Subsidiary	Dividend received	NA	17.72										
57	Power Grid Corporation Of India Limited	Powergrid Varanasi Transmission System Limited	Subsidiary	Dividend received	NA	11.16										
58	Power Grid Corporation Of India Limited	Powergrid Jawaharpur Firozabad Transmission Limited	Subsidiary	Dividend received	NA	6.17										
59	Power Grid Corporation Of India Limited	Powergrid Himachal Transmission Limited	Subsidiary	Dividend received	NA	12.00										
60	Power Grid Corporation Of India Limited	Powerlinks Transmission Limited	Joint Venture	Dividend received	NA	22.93										
61	Power Grid Corporation Of India Limited	Torrent Power Grid Limited	Joint Venture	Dividend received	NA	2.34										
62	Power Grid Corporation Of India Limited	North East Transmission Company Limited	Joint Venture	Dividend received	NA	10.69										
63	Power Grid Corporation Of India Limited	Power Transmission Company Nepal Limited	Joint Venture	Dividend received	NA	1.32										
64	Power Grid Corporation Of India Limited	Powergrid Vizag Transmission Limited	Associate	Dividend received	NA	18.33										
65	Power Grid Corporation Of India Limited	Powergrid Kala Amb Transmission Limited	Associate	Dividend received	NA	5.36										
66	Power Grid Corporation Of India Limited	Powergrid Jabalpur Transmission Limited	Associate	Dividend received	NA	12.98										
67	Power Grid Corporation Of India Limited	Powergrid Warora Transmission Limited	Associate	Dividend received	NA	17.17										
68	Power Grid Corporation Of India Limited	Powergrid Parli Transmission Limited	Associate	Dividend received	NA	14.74										
69	Power Grid Corporation Of India Limited	POWERGRID Infrastructure Investment Trust	The Company is Sponsor to the trust	Dividend received	NA	33.85										
70	Power Grid Corporation Of India Limited	Powergrid Unchahar Transmission Limited	Subsidiary	Other income	0.14	0.14										
71	Power Grid Corporation Of India Limited	Powergrid Khetri Transmission System Limited	Subsidiary	Other income	0.37	0.37										
72	Power Grid Corporation Of India Limited	Bihar Grid Company Limited	Joint Venture	Other income	0.09	0.09										
73	Power Grid Corporation Of India Limited	Energy Efficiency Services Limited	Joint Venture	Other income	1.97	1.97										
74	Power Grid Corporation Of India Limited	Powergrid Medinipur Jeerat Transmission Limited	Subsidiary	Investment made	38.00	38.00										
75	Power Grid Corporation Of India Limited	Powergrid Mithilanchal Transmission Limited	Subsidiary	Investment made	9.00	9.00										
76	Power Grid Corporation Of India Limited	Powergrid Varanasi Transmission System Limited	Subsidiary	Investment made	10.35	10.35										
77	Power Grid Corporation Of India Limited	Powergrid Jawaharpur Firozabad Transmission Limited	Subsidiary	Investment made	7.40	7.40										

									Additional disclosure of related party transactions - applicable only in case the related party transaction relates to loans, inter-corporate deposits, advances or investments made or given by the listed entity/subsidiary. These details need to be disclosed only once, during the reporting period when such transaction was undertaken.							
S. No	Details of the party (listed entity /subsidiary) entering into the transaction	Details of the counterparty		Type of related party transaction	Value of the related party transaction as approved by the audit committee	Value of transaction during the reporting period	In case monies are due to either party as a result of the transaction		In case any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments			Details of the loans, inter-corporate deposits, advances or investments				
	Name	Name	Relationship of the counterparty with the listed entity or its subsidiary				Opening balance	Closing balance	Nature of indebtedness (loan/ issuance of debt/ any other etc.)	Cost	Tenure	Nature (loan/advance/ inter-corporate deposit/ investment)	Interest Rate (%)	Tenure	Secured/ unsecured	Purpose for which the funds will be utilised by the ultimate recipient of funds (endusage)
78	Power Grid Corporation Of India Limited	Powergrid Khetri Transmission System Limited	Subsidiary	Investment made	17.00	17.00										
79	Power Grid Corporation Of India Limited	Powergrid Bhuj Transmission Limited	Subsidiary	Investment made	40.29	40.29										
80	Power Grid Corporation Of India Limited	Powergrid Bhind Guna Transmission Limited	Subsidiary	Investment made	16.20	16.20										
81	Power Grid Corporation Of India Limited	Powergrid Ajmer Phagi Transmission Limited	Subsidiary	Investment made	3.00	3.00										
82	Power Grid Corporation Of India Limited	Powergrid Fatehgarh Transmission Limited	Subsidiary	Investment made	15.74	15.74										
83	Power Grid Corporation Of India Limited	Powergrid Rampur Sambhal Transmission Limited	Subsidiary	Investment made	76.98	76.98										
84	Power Grid Corporation Of India Limited	Powergrid Meerut Simbhavali Transmission Limited	Subsidiary	Investment made	84.45	84.45										
85	Power Grid Corporation Of India Limited	Powergrid Ramgarh Transmission Limited	Subsidiary	Investment made	1.05	1.05										
86	Power Grid Corporation Of India Limited	Powergrid Bikaner Transmission System Limited	Subsidiary	Investment made	22.20	22.20										
87	Power Grid Corporation Of India Limited	Powergrid Sikar Transmission Limited	Subsidiary	Investment made	47.30	47.30										
88	Power Grid Corporation Of India Limited	Powergrid Bhadla Transmission Limited	Subsidiary	Investment made	20.26	20.26										
89	Power Grid Corporation Of India Limited	Powergrid Aligarh Sikar Transmission Limited	Subsidiary	Investment made	62.34	62.34										
90	Power Grid Corporation Of India Limited	Powergrid Teleservices Limited	Subsidiary	Investment made	9.00	9.00										
91	Power Grid Corporation Of India Limited	Bihar Grid Company Limited	Joint Venture	Investment made	20.50	20.50										
92	Power Grid Corporation Of India Limited	Powergrid NM Transmission Limited	Subsidiary	Loans Given	17.00	17.00						Loan	SBI 6M MCLR	6 Month	Unsecured	Business purpose
93	Power Grid Corporation Of India Limited	Powergrid Southern Interconnector Transmission System Limited	Subsidiary	Loans Given	0.11	0.11						Loan	SBI 3M MCLR	35 Years post commissioning	Unsecured	Business purpose
94	Power Grid Corporation Of India Limited	Powergrid Southern Interconnector Transmission System Limited	Subsidiary	Loans Given	0.41	0.41			Loan	REPO +195 BPS	15 Years	Loan	REPO +195 BPS	35 Years post commissioning	Unsecured	Business purpose
95	Power Grid Corporation Of India Limited	Powergrid Medinipur Jeerat Transmission Limited	Subsidiary	Loans Given	49.00	49.00						Loan	SBI 3M MCLR	35 Years post commissioning	Unsecured	Business purpose
96	Power Grid Corporation Of India Limited	Powergrid Medinipur Jeerat Transmission Limited	Subsidiary	Loans Given	9.11	9.11			Issuance of Bond	6.05%	5 Years	Loan	6.05%	35 Years post commissioning	Unsecured	Business purpose
97	Power Grid Corporation Of India Limited	Powergrid Mithilanchal Transmission Limited	Subsidiary	Loans Given	12.15	12.15						Loan	SBI 3M MCLR	35 Years post commissioning	Unsecured	Business purpose
98	Power Grid Corporation Of India Limited	Powergrid Mithilanchal Transmission Limited	Subsidiary	Loans Given	5.48	5.48			Issuance of Bond	6.05%	5 Years	Loan	6.05%	35 Years post commissioning	Unsecured	Business purpose
99	Power Grid Corporation Of India Limited	Powergrid Mithilanchal Transmission Limited	Subsidiary	Loans Given	1.01	1.01			Loan	REPO +195 BPS	15 Years	Loan	REPO +195 BPS	35 Years post commissioning	Unsecured	Business purpose
100	Power Grid Corporation Of India Limited	Powergrid Varanasi Transmission System Limited	Subsidiary	Loans Given	29.80	29.80						Loan	SBI 3M MCLR	35 Years post commissioning	Unsecured	Business purpose
101	Power Grid Corporation Of India Limited	Powergrid Varanasi Transmission System Limited	Subsidiary	Loans Given	3.81	3.81			Issuance of Bond	6.05%	5 Years	Loan	6.05%	35 Years post commissioning	Unsecured	Business purpose
102	Power Grid Corporation Of India Limited	Powergrid Varanasi Transmission System Limited	Subsidiary	Loans Given	10.30	10.30			Loan	REPO +195 BPS	15 Years	Loan	REPO +195 BPS	35 Years post commissioning	Unsecured	Business purpose
103	Power Grid Corporation Of India Limited	Powergrid Jawaharpur Firozabad Transmission Limited	Subsidiary	Loans Given	8.35	8.35						Loan	SBI 3M MCLR	35 Years post commissioning	Unsecured	Business purpose
104	Power Grid Corporation Of India Limited	Powergrid Khetri Transmission System Limited	Subsidiary	Loans Given	43.28	43.28						Loan	SBI 3M MCLR	35 Years post commissioning	Unsecured	Business purpose
105	Power Grid Corporation Of India Limited	Powergrid Khetri Transmission System Limited	Subsidiary	Loans Given	0.70	0.70			Issuance of Bond	6.05%	5 Years	Loan	6.05%	35 Years post commissioning	Unsecured	Business purpose
106	Power Grid Corporation Of India Limited	Powergrid Khetri Transmission System Limited	Subsidiary	Loans Given	2.30	2.30			Loan	REPO +195 BPS	15 Years	Loan	REPO +195 BPS	35 Years post commissioning	Unsecured	Business purpose
107	Power Grid Corporation Of India Limited	Powergrid Bhuj Transmission Limited	Subsidiary	Loans Given	209.50	209.50						Loan	SBI 3M MCLR	35 Years post commissioning	Unsecured	Business purpose
108	Power Grid Corporation Of India Limited	Powergrid Bhuj Transmission Limited	Subsidiary	Loans Given	14.20	14.20			Issuance of Bond	6.05%	5 Years	Loan	6.05%	35 Years post commissioning	Unsecured	Business purpose
109	Power Grid Corporation Of India Limited	Powergrid Bhuj Transmission Limited	Subsidiary	Loans Given	11.00	11.00			Loan	REPO +195 BPS	15 Years	Loan	REPO +195 BPS	35 Years post commissioning	Unsecured	Business purpose
110	Power Grid Corporation Of India Limited	Powergrid Bhind Guna Transmission Limited	Subsidiary	Loans Given	33.35	33.35						Loan	SBI 3M MCLR	35 Years post commissioning	Unsecured	Business purpose

									Additional disclosure of related party transactions - applicable only in case the related party transaction relates to loans, inter-corporate deposits, advances or investments made or given by the listed entity/subsidiary. These details need to be disclosed only once, during the reporting period when such transaction was undertaken.								
S. No	Details of the party (listed entity /subsidiary) entering into the transaction	Details of the counterparty		Type of related party transaction	Value of the related party transaction as approved by the audit committee	Value of transaction during the reporting period	In case monies are due to either party as a result of the transaction		In case any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments			Details of the loans, inter-corporate deposits, advances or investments					
	Name	Name	Relationship of the counterparty with the listed entity or its subsidiary				Opening balance	Closing balance	Nature of indebtedness (loan/ issuance of debt/ any other etc.)	Cost	Tenure	Nature (loan/advance/ inter-corporate deposit/ investment	Interest Rate (%)	Tenure	Secured/ unsecured	Purpose for which the funds will be utilised by the ultimate recipient of funds (endusage)	
111	Power Grid Corporation Of India Limited	Powergrid Bhind Guna Transmission Limited	Subsidiary	Loans Given	4.20	4.20			Issuance of Bond	6.05%	5 Years	Loan	6.05%	35 Years post commissioning	Unsecured	Business purpose	
112	Power Grid Corporation Of India Limited	Powergrid Bhind Guna Transmission Limited	Subsidiary	Loans Given	5.50	5.50			Loan	REPO +195 BPS	15 Years	Loan	REPO +195 BPS	35 Years post commissioning	Unsecured	Business purpose	
113	Power Grid Corporation Of India Limited	Powergrid Ajmer Phagi Transmission Limited	Subsidiary	Loans Given	5.98	5.98						Loan	SBI 3M MCLR	35 Years post commissioning	Unsecured	Business purpose	
114	Power Grid Corporation Of India Limited	Powergrid Ajmer Phagi Transmission Limited	Subsidiary	Loans Given	0.52	0.52			Loan	REPO +195 BPS	15 Years	Loan	REPO +195 BPS	35 Years post commissioning	Unsecured	Business purpose	
115	Power Grid Corporation Of India Limited	Powergrid Fatehgarh Transmission Limited	Subsidiary	Loans Given	11.24	11.24						Loan	SBI 3M MCLR	35 Years post commissioning	Unsecured	Business purpose	
116	Power Grid Corporation Of India Limited	Powergrid Fatehgarh Transmission Limited	Subsidiary	Loans Given	0.25	0.25			Issuance of Bond	6.05%	5 Years	Loan	6.05%	35 Years post commissioning	Unsecured	Business purpose	
117	Power Grid Corporation Of India Limited	Powergrid Fatehgarh Transmission Limited	Subsidiary	Loans Given	2.25	2.25			Loan	REPO +195 BPS	15 Years	Loan	REPO +195 BPS	35 Years post commissioning	Unsecured	Business purpose	
118	Power Grid Corporation Of India Limited	Powergrid Rampur Sambhal Transmission Limited	Subsidiary	Loans Given	216.40	216.40						Loan	SBI 3M MCLR	35 Years post commissioning	Unsecured	Business purpose	
119	Power Grid Corporation Of India Limited	Powergrid Rampur Sambhal Transmission Limited	Subsidiary	Loans Given	12.05	12.05			Issuance of Bond	6.05%	5 Years	Loan	6.05%	35 Years post commissioning	Unsecured	Business purpose	
120	Power Grid Corporation Of India Limited	Powergrid Rampur Sambhal Transmission Limited	Subsidiary	Loans Given	15.35	15.35			Loan	REPO +195 BPS	15 Years	Loan	REPO +195 BPS	35 Years post commissioning	Unsecured	Business purpose	
121	Power Grid Corporation Of India Limited	Powergrid Meerut Simbhavali Transmission Limited	Subsidiary	Loans Given	222.47	222.47						Loan	SBI 3M MCLR	35 Years post commissioning	Unsecured	Business purpose	
122	Power Grid Corporation Of India Limited	Powergrid Meerut Simbhavali Transmission Limited	Subsidiary	Loans Given	59.77	59.77			Issuance of Bond	6.05%	5 Years	Loan	6.05%	35 Years post commissioning	Unsecured	Business purpose	
123	Power Grid Corporation Of India Limited	Powergrid Meerut Simbhavali Transmission Limited	Subsidiary	Loans Given	55.55	55.55			Loan	REPO +195 BPS	15 Years	Loan	REPO +195 BPS	35 Years post commissioning	Unsecured	Business purpose	
124	Power Grid Corporation Of India Limited	Powergrid Ramgarh Transmission Limited	Subsidiary	Loans Given	58.58	58.58						Loan	SBI 3M MCLR	35 Years post commissioning	Unsecured	Business purpose	
125	Power Grid Corporation Of India Limited	Powergrid Ramgarh Transmission Limited	Subsidiary	Loans Given	3.95	3.95			Issuance of Bond	6.05%	5 Years	Loan	6.05%	35 Years post commissioning	Unsecured	Business purpose	
126	Power Grid Corporation Of India Limited	Powergrid Bikaner Transmission System Limited	Subsidiary	Loans Given	259.60	259.60						Loan	SBI 3M MCLR	35 Years post commissioning	Unsecured	Business purpose	
127	Power Grid Corporation Of India Limited	Powergrid Bikaner Transmission System Limited	Subsidiary	Loans Given	23.90	23.90			Issuance of Bond	6.05%	5 Years	Loan	6.05%	35 Years post commissioning	Unsecured	Business purpose	
128	Power Grid Corporation Of India Limited	Powergrid Sikar Transmission Limited	Subsidiary	Loans Given	213.70	213.70						Loan	SBI 3M MCLR	35 Years post commissioning	Unsecured	Business purpose	
129	Power Grid Corporation Of India Limited	Powergrid Sikar Transmission Limited	Subsidiary	Loans Given	5.20	5.20			Issuance of Bond	6.05%	5 Years	Loan	6.05%	35 Years post commissioning	Unsecured	Business purpose	
130	Power Grid Corporation Of India Limited	Powergrid Bhadla Transmission Limited	Subsidiary	Loans Given	144.98	144.98						Loan	SBI 3M MCLR	35 Years post commissioning	Unsecured	Business purpose	
131	Power Grid Corporation Of India Limited	Powergrid Aligarh Sikar Transmission Limited	Subsidiary	Loans Given	344.09	344.09						Loan	SBI 3M MCLR	35 Years post commissioning	Unsecured	Business purpose	
132	Power Grid Corporation Of India Limited	Powergrid Aligarh Sikar Transmission Limited	Subsidiary	Loans Given	53.71	53.71			Issuance of Bond	6.05%	5 Years	Loan	6.05%	35 Years post commissioning	Unsecured	Business purpose	
133	Power Grid Corporation Of India Limited	Powergrid Aligarh Sikar Transmission Limited	Subsidiary	Loans Given	8.25	8.25			Loan	REPO +195 BPS	15 Years	Loan	REPO +195 BPS	35 Years post commissioning	Unsecured	Business purpose	
134	Power Grid Corporation Of India Limited	Powergrid NM Transmission Limited	Subsidiary	Repayment of Loan	NA	3.30											
135	Power Grid Corporation Of India Limited	Powergrid Unchahar Transmission Limited	Subsidiary	Repayment of Loan	NA	0.99											
136	Power Grid Corporation Of India Limited	Powergrid Southern Interconnector Transmission System Limited	Subsidiary	Repayment of Loan	NA	13.60											
137	Power Grid Corporation Of India Limited	Powergrid Medinipur Jeerat Transmission Limited	Subsidiary	Repayment of Loan	NA	35.00											
138	Power Grid Corporation Of India Limited	Powergrid Mithilanchal Transmission Limited	Subsidiary	Repayment of Loan	NA	3.70											
139	Power Grid Corporation Of India Limited	Powergrid Varanasi Transmission System Limited	Subsidiary	Repayment of Loan	NA	5.23											
140	Power Grid Corporation Of India Limited	Powergrid Jawaharpur Firozabad Transmission Limited	Subsidiary	Repayment of Loan	NA	2.49											

[illegible]

								Additional disclosure of related party transactions - applicable only in case the related party transaction relates to loans, inter-corporate deposits, advances or investments made or given by the listed entity/subsidiary. These details need to be disclosed only once, during the reporting period when such transaction was undertaken.								
S. No	Details of the party (listed entity /subsidiary) entering into the transaction	Details of the counterparty		Type of related party transaction	Value of the related party transaction as approved by the audit committee	Value of transaction during the reporting period	In case monies are due to either party as a result of the transaction		In case any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments			Details of the loans, inter-corporate deposits, advances or investments				
	Name	Name	Relationship of the counterparty with the listed entity or its subsidiary				Opening balance	Closing balance	Nature of indebtedness (loan/ issuance of debt/ any other etc.)	Cost	Tenure	Nature (loan/advance/ inter-corporate deposit/ investment)	Interest Rate (%)	Tenure	Secured/ unsecured	Purpose for which the funds will be utilised by the ultimate recipient of funds (endusage)
169	Power Grid Corporation Of India Limited	Shri K. Sreekant	Key Management Personnel	Short Term Employee Benefit	NA	0.58										
170	Power Grid Corporation Of India Limited	Smt. Seema Gupta	Key Management Personnel	Short Term Employee Benefit	NA	0.65										
171	Power Grid Corporation Of India Limited	Shri Vinod Kumar Singh	Key Management Personnel	Short Term Employee Benefit	NA	0.65										
172	Power Grid Corporation Of India Limited	Shri M. Taj Mukarrum	Key Management Personnel	Short Term Employee Benefit	NA	0.58										
173	Power Grid Corporation Of India Limited	Shri Abhay Choudhary	Key Management Personnel	Short Term Employee Benefit	NA	0.55										
174	Power Grid Corporation Of India Limited	Shri Mrinal Srivastava	Key Management Personnel	Short Term Employee Benefit	NA	0.41										
175	Power Grid Corporation Of India Limited	Shri Vinod Kumar Singh	Key Management Personnel	Post-Employment Benefits	NA	0.06										
176	Power Grid Corporation Of India Limited	Shri Abhay Choudhary	Key Management Personnel	Post-Employment Benefits	NA	0.03										
177	Power Grid Corporation Of India Limited	Shri K. Sreekant	Key Management Personnel	Long Term Employee Benefit	NA	0.03										
178	Power Grid Corporation Of India Limited	Smt. Seema Gupta	Key Management Personnel	Long Term Employee Benefit	NA	0.03										
179	Power Grid Corporation Of India Limited	Shri Vinod Kumar Singh	Key Management Personnel	Long Term Employee Benefit	NA	0.03										
180	Power Grid Corporation Of India Limited	Shri M. Taj Mukarrum	Key Management Personnel	Long Term Employee Benefit	NA	0.03										
181	Power Grid Corporation Of India Limited	Shri Abhay Choudhary	Key Management Personnel	Long Term Employee Benefit	NA	0.03										
182	Power Grid Corporation Of India Limited	Shri Mrinal Srivastava	Key Management Personnel	Long Term Employee Benefit	NA	0.03										
183	Power Grid Corporation Of India Limited	Shri M.N. Venkatesan	Key Management Personnel	Sitting Fee	NA	0.19										
184	Power Grid Corporation Of India Limited	Shri Sunil Kumar Sharma	Key Management Personnel	Sitting Fee	NA	0.06										
185	Power Grid Corporation Of India Limited	Smt. A.R. Mahalakshmi	Key Management Personnel	Sitting Fee	NA	0.06										
186	Power Grid Corporation Of India Limited	Shri Onkarappa K.N.	Key Management Personnel	Sitting Fee	NA	0.05										
187	Power Grid Corporation Of India Limited	Shri Chetan Bansilal Kankariya	Key Management Personnel	Sitting Fee	NA	0.05										
188	Power Grid Corporation Of India Limited	Shri Ram Naresh Tiwari	Key Management Personnel	Sitting Fee	NA	0.03										
189	Power Grid Corporation Of India Limited	Powergrid Vemagiri Transmission Limited (fully provided)	Subsidiary	Amounts receivable - other than loan			19.42	19.42								
190	Power Grid Corporation Of India Limited	Powergrid NM Transmission Limited	Subsidiary	Amounts receivable - other than loan			-	0.12								
191	Power Grid Corporation Of India Limited	Powergrid Unchahar Transmission Limited	Subsidiary	Amounts receivable - other than loan			1.67	2.51								
192	Power Grid Corporation Of India Limited	Powergrid Southern Interconnector Transmission System Limited	Subsidiary	Amounts receivable - other than loan			-	0.18								
193	Power Grid Corporation Of India Limited	Powergrid Medinipur Jeerat Transmission Limited	Subsidiary	Amounts receivable - other than loan			1.35	1.93								
194	Power Grid Corporation Of India Limited	Powergrid Mithilanchal Transmission Limited	Subsidiary	Amounts receivable - other than loan			6.17	-								
195	Power Grid Corporation Of India Limited	Powergrid Varanasi Transmission System Limited	Subsidiary	Amounts receivable - other than loan			1.29	0.74								
196	Power Grid Corporation Of India Limited	Powergrid Jawaharpur Firozabad Transmission Limited	Subsidiary	Amounts receivable - other than loan			0.19	8.27								
197	Power Grid Corporation Of India Limited	Powergrid Khetri Transmission System Limited	Subsidiary	Amounts receivable - other than loan			0.36	5.07								

									Additional disclosure of related party transactions - applicable only in case the related party transaction relates to loans, inter-corporate deposits, advances or investments made or given by the listed entity/subsidiary. These details need to be disclosed only once, during the reporting period when such transaction was undertaken.								
S. No	Details of the party (listed entity /subsidiary) entering into the transaction	Details of the counterparty		Type of related party transaction	Value of the related party transaction as approved by the audit committee	Value of transaction during the reporting period	In case monies are due to either party as a result of the transaction		In case any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments			Details of the loans, inter-corporate deposits, advances or investments					
	Name	Name	Relationship of the counterparty with the listed entity or its subsidiary				Opening balance	Closing balance	Nature of indebtedness (loan/ issuance of debt/ any other etc.)	Cost	Tenure	Nature (loan/advance/ inter-corporate deposit/ investment)	Interest Rate (%)	Tenure	Secured/ unsecured	Purpose for which the funds will be utilised by the ultimate recipient of funds (endusage)	
198	Power Grid Corporation Of India Limited	Powergrid Bhuj Transmission Limited	Subsidiary	Amounts receivable - other than loan			2.56	0.94									
199	Power Grid Corporation Of India Limited	Powergrid Bhind Guna Transmission Limited	Subsidiary	Amounts receivable - other than loan			0.62	0.28									
200	Power Grid Corporation Of India Limited	Powergrid Ajmer Phagi Transmission Limited	Subsidiary	Amounts receivable - other than loan			0.09	0.13									
201	Power Grid Corporation Of India Limited	Powergrid Fatehgarh Transmission Limited	Subsidiary	Amounts receivable - other than loan			0.15	2.48									
202	Power Grid Corporation Of India Limited	Powergrid Rampur Sambhal Transmission Limited	Subsidiary	Amounts receivable - other than loan			1.85	3.44									
203	Power Grid Corporation Of India Limited	Powergrid Meerut Simbhavali Transmission Limited	Subsidiary	Amounts receivable - other than loan			0.55	1.98									
204	Power Grid Corporation Of India Limited	Central Transmission Utility of India Limited	Subsidiary	Amounts receivable - other than loan			15.03	-									
205	Power Grid Corporation Of India Limited	Powergrid Ramgarh Transmission Limited	Subsidiary	Amounts receivable - other than loan			0.15	0.31									
206	Power Grid Corporation Of India Limited	Powergrid Himachal Transmission Limited	Subsidiary	Amounts receivable - other than loan			0.77	0.78									
207	Power Grid Corporation Of India Limited	Powergrid Bikaner Transmission System Limited	Subsidiary	Amounts receivable - other than loan			1.58	3.06									
208	Power Grid Corporation Of India Limited	Powergrid Sikar Transmission Limited	Subsidiary	Amounts receivable - other than loan			10.29	1.35									
209	Power Grid Corporation Of India Limited	Powergrid Bhadla Transmission Limited	Subsidiary	Amounts receivable - other than loan			2.06	1.11									
210	Power Grid Corporation Of India Limited	Powergrid Aligarh Sikar Transmission Limited	Subsidiary	Amounts receivable - other than loan			2.36	5.03									
211	Power Grid Corporation Of India Limited	Powergrid Teleservices Limited	Subsidiary	Amounts receivable - other than loan			-	0.48									
212	Power Grid Corporation Of India Limited	Powergrid Energy Services Limited	Subsidiary	Amounts receivable - other than loan			-	0.09									
213	Power Grid Corporation Of India Limited	Powerlinks Transmission Limited	Joint Venture	Amounts receivable - other than loan			0.05	0.13									
214	Power Grid Corporation Of India Limited	Torrent Power Grid Limited	Joint Venture	Amounts receivable - other than loan			0.11	0.17									
215	Power Grid Corporation Of India Limited	Parbati Koldam Transmission Company Limited	Joint Venture	Amounts receivable - other than loan			0.38	0.38									
216	Power Grid Corporation Of India Limited	Teestavalley Power Transmission Limited	Joint Venture	Amounts receivable - other than loan			6.59	6.55									
217	Power Grid Corporation Of India Limited	National High Power Test Laboratory Private Limited	Joint Venture	Amounts receivable - other than loan			0.47	0.01									
218	Power Grid Corporation Of India Limited	Bihar Grid Company Limited	Joint Venture	Amounts receivable - other than loan			0.01	0.01									
219	Power Grid Corporation Of India Limited	Energy Efficiency Services Limited	Joint Venture	Amounts receivable - other than loan			0.90	1.12									
220	Power Grid Corporation Of India Limited	Cross Border Power Transmission Company Limited	Joint Venture	Amounts receivable - other than loan			0.71	0.02									
221	Power Grid Corporation Of India Limited	Powergrid Kala Amb Transmission Limited	Associate	Amounts receivable - other than loan			1.12	0.15									
222	Power Grid Corporation Of India Limited	Powergrid Jabalpur Transmission Limited	Associate	Amounts receivable - other than loan			-	0.09									
223	Power Grid Corporation Of India Limited	Powergrid Warora Transmission Limited	Associate	Amounts receivable - other than loan			0.11	0.28									
224	Power Grid Corporation Of India Limited	Powergrid Parli Transmission Limited	Associate	Amounts receivable - other than loan			0.15	0.29									
225	Power Grid Corporation Of India Limited	Powergrid NM Transmission Limited	Subsidiary	Amounts receivable towards Loan and interest accrued			926.44	905.06									



									Additional disclosure of related party transactions - applicable only in case the related party transaction relates to loans, inter-corporate deposits, advances or investments made or given by the listed entity/subsidiary. These details need to be disclosed only once, during the reporting period when such transaction was undertaken.							
S. No	Details of the party (listed entity /subsidiary) entering into the transaction	Details of the counterparty		Type of related party transaction	Value of the related party transaction as approved by the audit committee	Value of transaction during the reporting period	In case monies are due to either party as a result of the transaction		In case any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments			Details of the loans, inter-corporate deposits, advances or investments				
	Name	Name	Relationship of the counterparty with the listed entity or its subsidiary				Opening balance	Closing balance	Nature of indebtedness (loan/ issuance of debt/ any other etc.)	Cost	Tenure	Nature (loan/advance/ inter-corporate deposit/ investment)	Interest Rate (%)	Tenure	Secured/ unsecured	Purpose for which the funds will be utilised by the ultimate recipient of funds (endusage)
226	Power Grid Corporation Of India Limited	Powergrid Unchahar Transmission Limited	Subsidiary	Amounts receivable towards Loan and interest accrued			35.80	34.59								
227	Power Grid Corporation Of India Limited	Powergrid Southern Interconnector Transmission System Limited	Subsidiary	Amounts receivable towards Loan and interest accrued			2,664.41	2,651.33								
228	Power Grid Corporation Of India Limited	Powergrid Medinipur Jeerat Transmission Limited	Subsidiary	Amounts receivable towards Loan and interest accrued			2,513.45	2,523.64								
229	Power Grid Corporation Of India Limited	Powergrid Mithilanchal Transmission Limited	Subsidiary	Amounts receivable towards Loan and interest accrued			920.16	927.40								
230	Power Grid Corporation Of India Limited	Powergrid Varanasi Transmission System Limited	Subsidiary	Amounts receivable towards Loan and interest accrued			718.73	739.60								
231	Power Grid Corporation Of India Limited	Powergrid Jawaharpur Firozabad Transmission Limited	Subsidiary	Amounts receivable towards Loan and interest accrued			341.56	345.70								
232	Power Grid Corporation Of India Limited	Powergrid Khetri Transmission System Limited	Subsidiary	Amounts receivable towards Loan and interest accrued			759.71	790.75								
233	Power Grid Corporation Of India Limited	Powergrid Bhuj Transmission Limited	Subsidiary	Amounts receivable towards Loan and interest accrued			539.55	778.52								
234	Power Grid Corporation Of India Limited	Powergrid Bhind Guna Transmission Limited	Subsidiary	Amounts receivable towards Loan and interest accrued			329.31	374.36								
235	Power Grid Corporation Of India Limited	Powergrid Ajmer Phagi Transmission Limited	Subsidiary	Amounts receivable towards Loan and interest accrued			477.82	466.79								
236	Power Grid Corporation Of India Limited	Powergrid Fatehgarh Transmission Limited	Subsidiary	Amounts receivable towards Loan and interest accrued			520.46	519.74								
237	Power Grid Corporation Of India Limited	Powergrid Rampur Sambhal Transmission Limited	Subsidiary	Amounts receivable towards Loan and interest accrued			198.02	443.33								
238	Power Grid Corporation Of India Limited	Powergrid Meerut Simbhavali Transmission Limited	Subsidiary	Amounts receivable towards Loan and interest accrued			281.26	621.76								
239	Power Grid Corporation Of India Limited	Powergrid Ramgarh Transmission Limited	Subsidiary	Amounts receivable towards Loan and interest accrued			29.46	92.29								
240	Power Grid Corporation Of India Limited	Powergrid Himachal Transmission Limited	Subsidiary	Amounts receivable towards Loan and interest accrued			139.14	115.14								
241	Power Grid Corporation Of India Limited	Powergrid Bikaner Transmission System Limited	Subsidiary	Amounts receivable towards Loan and interest accrued			141.69	426.62								
242	Power Grid Corporation Of India Limited	Powergrid Sikar Transmission Limited	Subsidiary	Amounts receivable towards Loan and interest accrued			261.22	481.38								
243	Power Grid Corporation Of India Limited	Powergrid Bhadla Transmission Limited	Subsidiary	Amounts receivable towards Loan and interest accrued			135.29	281.14								
244	Power Grid Corporation Of India Limited	Powergrid Aligarh Sikar Transmission Limited	Subsidiary	Amounts receivable towards Loan and interest accrued			165.97	573.87								

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S. No	Details of the party (listed entity /subsidiary) entering into the transaction	Details of the counterparty		Type of related party transaction	Value of the related party transaction as approved by the audit committee	Value of transaction during the reporting period	In case monies are due to either party as a result of the transaction		In case any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments			Details of the loans, inter-corporate deposits, advances or investments				
	Name	Name	Relationship of the counterparty with the listed entity or its subsidiary				Opening balance	Closing balance	Nature of indebtedness (loan/ issuance of debt/ any other etc.)	Cost	Tenure	Nature (loan/advance/ inter-corporate deposit/ investment)	Interest Rate (%)	Tenure	Secured/ unsecured	Purpose for which the funds will be utilised by the ultimate recipient of funds (endusage)
245	Power Grid Corporation Of India Limited	National High Power Test Laboratory Private Limited	Joint Venture	Amounts receivable towards Loan and interest accrued			20.83	21.74								
246	Power Grid Corporation Of India Limited	Smt. Seema Gupta	Key Managerial Personnel	Amounts receivable towards Loan and interest accrued			0.01	-								
247	Power Grid Corporation Of India Limited	Shri Vinod Kumar Singh	Key Managerial Personnel	Amounts receivable towards Loan and interest accrued			-	0.07								
248	Power Grid Corporation Of India Limited	Shri Abhay Choudhary	Key Managerial Personnel	Amounts receivable towards Loan and interest accrued			0.05	0.04								
249	Power Grid Corporation Of India Limited	Powergrid Khetri Transmission System Limited	Subsidiary	Advances /Amounts Payable			-	0.06								
250	Power Grid Corporation Of India Limited	Powergrid Himachal Transmission Limited	Subsidiary	Advances /Amounts Payable			0.04	-								
251	Power Grid Corporation Of India Limited	Central Transmission Utility of India Limited	Subsidiary	Advances /Amounts Payable			334.46	0.13								
252	Power Grid Corporation Of India Limited	Powerlinks Transmission Limited	Joint Venture	Advances /Amounts Payable			0.04	0.04								
253	Power Grid Corporation Of India Limited	Teestavalley Power Transmission Limited	Joint Venture	Advances /Amounts Payable			52.45	55.93								
254	Power Grid Corporation Of India Limited	North East Transmission Company Limited	Joint Venture	Advances /Amounts Payable			18.43	14.93								
255	Power Grid Corporation Of India Limited	National High Power Test Laboratory Private Limited	Joint Venture	Advances /Amounts Payable			1.98	-								
256	Power Grid Corporation Of India Limited	Bihar Grid Company Limited	Joint Venture	Advances /Amounts Payable			0.03	-								
257	Power Grid Corporation Of India Limited	Energy Efficiency Services Limited	Joint Venture	Advances /Amounts Payable			2.19	2.56								
258	Power Grid Corporation Of India Limited	Cross Border Power Transmission Company Limited	Joint Venture	Advances /Amounts Payable			11.26	11.26								
259	Power Grid Corporation Of India Limited	Powergrid Warora Transmission Limited	Associate	Advances /Amounts Payable			-	0.01								
260	Power Grid Corporation Of India Limited	Powergrid Parli Transmission Limited	Associate	Advances /Amounts Payable			-	0.03								
261	Power Grid Corporation Of India Limited	Powergrid Employees Provident Fund Trust	Trust	Outstanding balances with Employees Benefit Trust			0.03	0.21								
262	Power Grid Corporation Of India Limited	Powergrid Employees Defined Contribution Superannuation Benefit (Pension) Scheme Trust	Trust	Outstanding balances with Employees Benefit Trust			0.38	0.07								
263	Power Grid Corporation Of India Limited	Powergrid Employees Gratuity Fund Trust	Trust	Outstanding balances with Employees Benefit Trust			(0.42)	12.70								
264	Power Grid Corporation Of India Limited	Powergrid Employees Post-Retirement Medical Benefit Trust	Trust	Outstanding balances with Employees Benefit Trust			8.59	(0.58)								
265	Power Grid Corporation Of India Limited	Powergrid NM Transmission Limited	Subsidiary	Equity holding			488.95	488.95								
266	Power Grid Corporation Of India Limited	Powergrid Unchahar Transmission Limited	Subsidiary	Equity holding			12.96	12.96								
267	Power Grid Corporation Of India Limited	Powergrid Southern Interconnector Transmission System Limited	Subsidiary	Equity holding			709.00	709.00								
268	Power Grid Corporation Of India Limited	Powergrid Vemagiri Transmission Limited (fully provided)	Subsidiary	Equity holding			0.05	0.05								
269	Power Grid Corporation Of India Limited	Powergrid Medinipur Jeerat Transmission Limited	Subsidiary	Equity holding			600.00	638.00								
270	Power Grid Corporation Of India Limited	Powergrid Mithilanchal Transmission Limited	Subsidiary	Equity holding			224.20	233.20								



DCS/COMP/RM/IP-PPDI/720/22-23

March 24, 2023

**Powergrid Corporation of India Limited**B-9, Qutab Institutional Area  
Katwaria Sarai  
New Delhi- 110 016

Dear Sir/Madam

**Re: Private Placement of 60,000 Unsecured, Rated, Redeemable, Taxable, Non-Convertible Debentures of face value of Rs. 1 Lakh Each (Debentures / Bonds) for cash at par with a base issue size of Rs. 100 Crore and an option to retain oversubscription of Rs. 500 Crore aggregating to a total issue size of Rs. 600 Crore (The Issue).**

We acknowledge receipt of your application on the online portal on March 24, 2023 seeking In-principle approval for issue of captioned security. In this regard, the Exchange is pleased to grant in-principle approval for listing of captioned security subject to fulfilling the following conditions at the time of seeking listing:

1. Filing of listing application.
2. Payment of fees as may be prescribed from time to time.
3. Compliance with SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 and circulars issued thereunder and also Compliance with provisions of Companies Act 2013.
4. Receipt of Statutory & other approvals & compliance of guidelines issued by the statutory authorities including SEBI, RBI, DCA etc. as may be applicable.
5. Compliance with change in the guidelines, regulations, directions, circulars of the Exchange, SEBI or any other statutory authorities, documentary requirements from time to time.
6. Compliance with below mentioned circular dated June 10, 2020 issued by BSE before opening of the issue to the investors.:  
<https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20200610-31>
7. Issuers, for whom use of EBP is not mandatory, specific attention is drawn towards compliance with Chapter XV of SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 and BSE Circular No 20210519-29 dated May 19, 2021. Accordingly, Issuers of privately placed debt securities in terms of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 or ILDM Regulations for whom accessing the electronic book platform (EBP) is not mandatory shall upload details of the issue with any one of the EBPs within one working day of such issuance. The details can be uploaded using the following links [Electronic Issuance - Bombay Stock Exchange Limited](#) (bseindia.com).

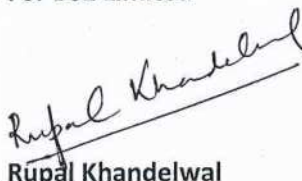


8. It is advised that Face Value of NCDs issue through private placement basis should be kept as per Chapter V of SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021

9. *Issuers are hereby advised to comply with signing of agreements with both the depositories as per Regulation 7 of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021.*

This In-Principle Approval is valid for a period of 1 year from the date of issue of this letter or period of 1 year from the date of opening of the first offer of debt securities under the shelf placement memorandum, whichever ever applicable. The Exchange reserves its right to withdraw its in-principle approval at any later stage if the information submitted to the Exchange is found to be incomplete/incorrect/misleading/false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 and circulars issued thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Guidelines/Regulations issued by the statutory authorities etc. Further, it is subject to payment of all applicable charges levied by the Exchange for usage of any system, software or similar such facilities provided by BSE which the Company shall avail to process the application of securities for which approval is given vide this letter.

Yours faithfully,  
For BSE Limited



Rupal Khandelwal

pm Assistant General Manager



Raghavendra Bhat  
Associate Manager

**National Stock Exchange Of India Limited**

Ref. No.: NSE/LIST/6164

March 24, 2023

The Company Secretary  
Powergrid Corporation of India Limited  
B-9, Qutab Institutional Area,  
Katwaria Sarai, New Delhi- 110 016.

**Kind Attn.: Sh. Mrinal Shrivastava**

Dear Sir,

**Sub.: In-principle approval for listing of Non-convertible bonds in the nature of Debentures on private placement basis**

This is with reference to your application dated March 24, 2023, requesting for In-principle approval for the proposed listing of unsecured, non-convertible, non-cumulative, taxable, redeemable bonds in the nature of debentures of face value of Rs. 100000/- each, for base issue size of Rs. 10000 lakhs with a green shoe option of Rs. 50000 lakhs, aggregating to total issue size of Rs. 60000 lakhs, to be issued by Powergrid Corporation of India Limited on private placement basis. In this regard, the Exchange is pleased to grant in-principle approval for the said issue, subject to adequate disclosures to be made in the Offer Document in terms of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended from time to time, applicable SEBI Circulars and other applicable laws in this regard and provided the Company includes the following Disclaimer Clause as given below in the Offer Document after the SEBI disclaimer clause:

**“As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). It is to be distinctly understood that the aforesaid submission or in-principle approval given by NSE vide its letter Ref.: NSE/LIST/6164 dated March 24, 2023, or hosting the same on the website of NSE in terms of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended from time to time, should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer’s securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.**

**Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever”**

This Document is Digitally Signed

National Stock Exchange of India Limited | Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051,  
India +91 22 26598100 | www.nseindia.com | CIN U67120MH1992PLC069769

Signer: PRAKASH DEVDAK KELKAR  
Date: Fri, Mar 24, 2023 15:42:26 IST  
Location: NSE



Ref. No.: NSE/LIST/6164

March 24, 2023

Please note that the approval given by the Exchange should not in any way be deemed or construed that the draft Offer Document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this draft offer document; nor does it warrant that the securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of the Company, its promoters, its management or any scheme or project.

Kindly also note that these debt instruments may be listed on the Exchange after the allotment process has been completed, provided the securities of the issuer are eligible for listing on the Exchange as per our listing criteria and the issuer fulfills the listing requirements of the Exchange. The issuer is responsible to ensure compliance with all the applicable guidelines issued by appropriate authorities from time to time including Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended from time to time, applicable SEBI Circulars and other applicable laws in this regard.

Specific attention is drawn towards Para 1 of Chapter XV of SEBI Operational Circular No. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021. Accordingly, Issuers of privately placed debt securities in terms of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and for whom accessing the electronic book platform (EBP) is not mandatory shall upload details of the issue with any one of the EBPs within one working day of allotment of securities. The details can be uploaded using the following links:

<https://www.nse-ebp.com>  
<https://www.nseebp.com/ebp/rest/reportingentity?new=true>

Kindly ensure compliance with SEBI Circular No. SEBI/HO/DDHS/DDHS\_Div1/P/CIR/2022/167 dated November 30, 2022, with respect to the timelines for listing of securities issued on a private placement basis.

Kindly note, this Exchange letter should not be construed as approval under any other Act /Regulation/Rule/Bye laws (except as referred above) for which the Company may be required to obtain approval from other department(s) of the Exchange. The Company is requested to separately take up matter with the concerned departments for approval, if any.

Yours faithfully,  
For National Stock Exchange of India Limited

Prakash Kelkar  
Manager

This Document is Digitally Signed

Signer: PRAKASH DEVIDAS KELKAR  
Date: Fri, Mar 24, 2023 15:42:26 IST  
Location: NSE