

**POWERGRID MITHILANCHAL TRANSMISSION LIMITED**  
Wholly Owned Subsidiary of Power Grid Corporation of India Limited  
(CIN: U40300DL2017GOI310436)

**ANNUAL REPORT (2023-24)**

**POWERGRID MITHILANCHAL TRANSMISSION LIMITED**

**CIN: U40300DL2017GOI310436**

**Regd. Office: B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110016**

**Tel: 011-26560112 Email: Companysecretary@powergrid.in**

**DIRECTORS' REPORT**

Dear Members,

It gives me immense pleasure to present on behalf of the Board of Directors, the 7<sup>th</sup> Annual Report of POWERGRID Mithilanchal Transmission Limited on the working of the Company together with Audited Financial Statements and Auditors' Report for the financial year ended 31<sup>st</sup> March, 2024.

**1. State of the Company's Affairs & Project implementation**

POWERGRID Mithilanchal Transmission Limited (PMTL) was acquired by Power Grid Corporation of India Limited (POWERGRID) on 12<sup>th</sup> January, 2018 under Tariff based competitive bidding for Transmission System associated with "Establish Transmission System for Eastern Region Strengthening Scheme – XXI (ERSS-XXI)" build, own, operate and maintain (BOOM) basis. The transmission system includes establishment of 400kV Transmission lines in the state of Bihar including establishment of three new 400/220/132 kV Substations and two substation extensions in Bihar. The Company was granted transmission license by CERC on 24<sup>th</sup> April, 2018. All the nine elements have been progressively commissioned by October 2021.

**2. Financial Performance**

*(₹ in Lakhs)*

| <b>Particulars</b>                     | <b>2023-24</b>   | <b>2022-23</b>   |
|--|------------------|------------------|
| Revenue from Operations                | 17,506.17        | 17,512.21        |
| Other Income                           | 146.65           | 238.85           |
| <b>Total Income</b>                    | <b>17,652.82</b> | <b>17,751.06</b> |
| Expenses                               | 12,281.91        | 12,243.61        |
| <b>Profit before Tax</b>               | <b>5,370.91</b>  | <b>5,507.45</b>  |
| <b>Profit after Tax</b>                | <b>3,985.85</b>  | <b>4,110.62</b>  |
| <b>Earnings Per Equity Share (Rs.)</b> | <b>1.71</b>      | <b>1.76</b>      |

**3. Share Capital**

The Authorised and Paid up Share Capital as on 31<sup>st</sup> March, 2024 were ₹245.50 Crore and ₹233.20 Crore respectively.

**4. Dividend**

During Financial Year 2023-24, your Company has paid interim dividend on four occasions viz. ₹0.38 per share in July 2023, ₹0.44 per share in October, 2023, ₹0.43 per share in January, 2024 and ₹0.34 per share in March, 2024 out of profits of the Company for the financial year 2023-24 and profit of previous financial year. The total dividend payout for the year ended

March 31, 2024 amounts to ₹3,707.88 Lakh. The Directors of the Company do not recommend any final dividend for the financial year 2023-24.

**5. Reserves**

Out of Net profits of ₹3,985.85 Lakh in current Financial Year, the Company has transferred an amount of ₹46.84 Lakh to Self-Insurance Reserve.

**6. Particulars of Loans, Guarantees or Investments made under section 186 of the Companies Act, 2013**

Your Company has not given any loans, provided any guarantee or security to any other entity.

**7. Particulars of contracts or arrangements with related parties**

Particulars of contracts or arrangements with related parties referred to Section 188 of the Companies Act, 2013, in the prescribed form AOC-2, is given at **Annexure - I** to the Directors' Report.

**8. Material Changes & Commitments**

There has been no material changes & commitments affecting the financial position of the Company, which have occurred between the end of the financial year and date of this report.

**9. Deposits**

Your Company has not accepted any deposit for the period under review.

**10. Subsidiaries, Joint Ventures and Associate Companies**

Your Company does not have any subsidiaries, joint ventures and associate companies.

**11. Directors' Responsibility Statement**

As required under section 134(3)(c) & 134(5) of the Companies Act, your Directors confirm that:

- a. in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
- c. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- d. the Directors had prepared the Annual Accounts on a going concern basis; and
- e. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **12. Conservation of Energy, Technology Absorption, Foreign Exchange Earning and Out Go**

There is no Conservation of Energy, Technology absorption and Foreign Exchange Earnings and out go under section 134(3) of the Companies Act, 2013 for financial year 2023-24.

## **13. Annual Return**

In accordance with Section 92(3) read with Section 134 (3) (a) of the Companies Act, 2013, Annual Return of the Company is available on the web-site of the Power Grid Corporation of India Limited (Holding Company) at [www.powergrid.in](http://www.powergrid.in) and can be accessed in the Subsidiaries section under the Investor Relation tab.

## **14. Board of Directors & KMPs**

As on 31<sup>st</sup> March, 2024, the Board comprised of Four Directors viz., Shri B. Anantha Sarma, Shri Rajil Srivastava, Shri Ramesh Kumar and Smt. Vineeta Agarwal.

During the FY 2023-24, following changes took place in the composition of Board of Directors:

- a) Smt. D. D. Basumatary ceased to be the Director of the Company w.e.f. 31.05.2023, consequent to her resignation from POWERGRID;
- b) Smt. Vineeta Agarwal was appointed as an Additional Director of the Company w.e.f. 30.06.2023 who was regularized as a Director in the 6<sup>th</sup> Annual General Meeting held on 28.08.2023.
- c) Shri Ramesh Kumar and Shri Utpal Sharma who were appointed as Additional Directors upto the 6<sup>th</sup> Annual General Meeting were regularized as Directors in the 6<sup>th</sup> Annual General Meeting held on 28.08.2023.
- d) Shri Utpal Sharma ceased to be the Director of the Company w.e.f. 31.01.2024, consequent to his superannuation from POWERGRID.

The Board placed on record its appreciation for the valuable contribution, guidance & support given by Smt. D. D. Basumatary and Shri Utpal Sharma during their tenure as Director of the Company.

In accordance with the provisions of the Companies Act, 2013, Shri B. Anantha Sarma, Director shall retire by rotation at the Annual General Meeting of your Company and being eligible, offers himself for re-appointment.

None of the Directors is disqualified from being appointed/re-appointed as Director.

Further during the Current Financial Year Shri Piyush R. Bhadreshvara Company Secretary (CS) of the Company resigned from the said post w.e.f. closing hours of 7<sup>th</sup> June, 2024.

Pursuant to provisions of Section 203 of Companies Act, 2013 read with Rules made thereunder:

- a. Shri Manoj Kumar is Chief Financial Officer (CFO) & KMP of your Company.

#### **15. Number of Board meetings during the year**

As on Financial Year ended 31<sup>st</sup> March, 2024, eight (08) meetings of Board of Directors were held on 5<sup>th</sup> May, 2023, 30<sup>th</sup> June, 2023, 25<sup>th</sup> July, 2023, 25<sup>th</sup> August, 2023, 18<sup>th</sup> October, 2023, 17<sup>th</sup> January, 2024, 18<sup>th</sup> March, 2024 and 31<sup>st</sup> March, 2024. The detail of number of meetings attended by each Director during the financial year are as under:

| <b>Name of Directors</b>                              | <b>Designation</b>      | <b>No. of Board Meetings entitled to attend during FY 2023-24.</b> | <b>No. of Board Meetings attended during FY 2023-24.</b> |
|---|-------------------------|--|--|
| Shri B. Anantha Sarma                                 | Chairman<br>(Part-time) | 08   | 08   |
| Shri Rajil Srivastava                                 | Director                | 08   | 08   |
| Smt. D. D. Basumatary<br>(Ceased w.e.f. 31.05.2023)   | Director                | 01   | 01   |
| Shri Ramesh Kumar                                     | Director                | 08   | 08   |
| Shri Utpal Sharma<br>(Ceased w.e.f. 31.01.2024)       | Director                | 06   | 04   |
| Smt. Vineeta Agarwal<br>(Appointed w.e.f. 30.06.2023) | Director                | 06   | 04   |

#### **16. Committees of the Board**

##### Audit Committee & Nomination & Remuneration Committee

Being the wholly owned subsidiary of POWERGRID, your Company is not required to constitute an Audit Committee and Nomination & Remuneration Committee in terms of notifications dated 5<sup>th</sup> July, 2017 and 13<sup>th</sup> July, 2017 issued by the Ministry of Corporate Affairs (MCA).

##### Corporate Social Responsibility Committee

The Company has constituted a CSR Committee in line with the requirements of the Companies Act, 2013, Rules made thereunder. As on 31<sup>st</sup> March, 2024, the CSR Committee comprised following directors as members:

- 1) Shri B. Anantha Sarma : Chairman
- 2) Shri Rajil Srivastava : Member
- 3) Shri Ramesh Kumar : Member

During the year 2023-24, one (1) Meeting of CSR Committee was held on 25.07.2023.

As per provisions of Companies Act, 2013, the Company required to spend ₹71,49,667/- towards CSR activities during FY 2023-24. Keeping in view the wider coverage of CSR to the citizens, the Company has deposited ₹71,49,667/- in PM CARES Fund.

An annual report on CSR Activities undertaken during the FY 2023-24 is enclosed at **Annexure-II**.

#### **17. Declaration by Independent Directors**

As per the provisions of Rule 4 of Companies (Appointment and Qualification of Directors) Rules, 2014, your Company, being a wholly owned subsidiary of POWERGRID, is exempted from appointment of Independent Directors.

#### **18. Performance Evaluation**

As per notification dated 5th June 2015 issued by the Ministry of Corporate Affairs, the provision related to evaluation of performance of Board, its committees and individual directors under section 178(2) of the Companies Act, 2013 is exempt for Government Companies.

#### **19. Statutory Auditors**

Salarpuria Jajodia & Co., Chartered Accountants, was appointed by Comptroller and Auditor General of India as Statutory Auditors of the Company for the financial year 2023-24.

The Statutory Auditors have given an unqualified report on the Financial Statements for the financial year ended 31<sup>st</sup> March 2024. The report is self-explanatory and does not require any further comments by the Board.

#### **20. Comptroller and Auditor General's (C&AG) Comments**

Comptroller and Auditor General of India (C&AG) has informed that they have decided not to conduct supplementary audit under Section 143(6) of the Companies Act, 2013 of Financial Statements for the financial year ended 31<sup>st</sup> March, 2024. Copy of letter dated 06<sup>th</sup> June, 2024 received from C&AG is placed at **Annexure-III** to this report.

#### **21. Secretarial Audit Report**

M/s Arvind Kohli & Associates, Company Secretaries has conducted Secretarial Audit of the Company for the financial year ended 31<sup>st</sup> March, 2024. The Secretarial Audit report is placed at **Annexure – IV** to this report. The Secretarial Auditors have given an unqualified report. The report is self-explanatory and does not require any further comments by the Board.

## **22. Cost Auditors & Cost Records**

The Company has appointed M/s Harshikesh Dhawal & Co., Cost Accountant as Cost Auditors for the financial year 2023-24 under section Section 148 of the Act, 2013. Your Company has maintained Cost records as required under the provisions of Section 148 of the Companies Act, 2013.

## **23. Details in respect of frauds reported by auditors other than those which are reportable to the Central Government**

None of the Auditors of the Company have reported any frauds to the Board of Directors under section 143(12) of the Companies Act, 2013, including rules made thereunder.

## **24. Development & Implementation of Risk Management Policy**

Your Company being a wholly owned subsidiary of POWERGRID is covered under the Risk Management Framework as being done in the holding company.

## **25. Particulars of Employees**

As per Notification dated 5<sup>th</sup> June, 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 197 of the Companies Act, 2013 & corresponding rules of Chapter XIII are exempted for Government Companies.

## **26. Compliance with Secretarial Standards**

Your Company has complied with the applicable Secretarial Standards during the financial year 2023-24.

## **27. Prevention of Sexual Harassment at workplace**

POWERGRID (Holding Company) has Internal Complaints Committee (ICC) in place to redress the complaints of sexual harassment.

## **28. Details of Significant & Material Orders passed by the regulators, courts, tribunals impacting the going concern status and company's operation in future**

No significant / material orders were passed by any authority during the Financial Year impacting the going concern status and Company's operation in future.

## **29. Internal Financial Control Systems and their adequacy**

Your Company being a wholly owned subsidiary of POWERGRID (Holding Company) has comply with Internal Financial Controls System over Financial Reporting as adopted by the Holding Company.

## **30. Insolvency and Bankruptcy Code, 2016**

During the Financial Year 2023-24, no application has been made under the Insolvency and Bankruptcy Code.

### **31. Acknowledgement**

The Board of Directors place on record their gratitude for the support of Ministry of Power, the Central Electricity Regulatory Commission, the Central Electricity Authority, the Department of Public Enterprises, Power Grid Corporation of India Limited, the Comptroller & Auditor General of India, the Auditors and various other authorities.

For and on behalf of  
**POWERGRID Mithilanchal Transmission Limited**

Date: 23<sup>rd</sup> September, 2024  
Place: Gurgaon

**Sd/-**  
**(B. Anantha Sarma)**  
**Chairman**  
**DIN: 08742208**



**POWERGRID MITHILANCHAL TRANSMISSION LIMITED****Form No. AOC -2**

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

## 1. Details of contracts or arrangements or transactions not at Arm's length basis.

| Sl. No. | Particulars   | Details |
|---------|---|---------|
| a       | Name (s) of the related party & nature of relationship  | -       |
| b       | Nature of contracts/arrangements/transaction  | -       |
| c       | Duration of the contracts/arrangements/transaction  | -       |
| d       | Salient terms of the contracts or arrangements or transaction including the value, if any                         | -       |
| e       | Justification for entering into such contracts or arrangements or transactions'                                   | -       |
| f       | Date of approval by the Board   | -       |
| g       | Amount paid as advances, if any   | -       |
| h       | Date on which the special resolution was passed in General meeting as required under first proviso to section 188 | -       |

## 2. Details of contracts or arrangements or transactions at Arm's length basis.

| Sl. No. | Particulars  | Details  |
|---------|--|--|
| a       | Name (s) of the related party & nature of relationship | Power Grid Corporation of India Limited (POWERGRID) [holding company w.e.f. 12.01.2018].   |
| b       | Nature of contracts/arrangements/transaction           | Part (A) to take any security(ies) / guarantee(s) in connection with loan(s) / any form of debt including ECBs and/or to avail Inter corporate loan(s) on cost to cost basis, or a combination thereof, upto an amount of Rs. 1000 crore from POWERGRID.<br>Part (B) to avail all inputs and services as may be required by the Company from POWERGRID @ 5% of the actual project cost (excl. IDC and Consultancy Fee) plus GST as applicable.<br>Part (C) to avail Post COD activities including O&M of the assets owned by the Company |

|   |   |   |
|---|---|---|
|   |   | Part (D) for Sale/Transfer of Spares of the Company   |
| c | Duration of the contracts/arrangements/transaction  | Part (A) As mutually agreed.<br>Part (B) Commissioning of the project including associated reconciliation activities.<br>Part (C) As mutually agreed.<br>Part (D) As mutually agreed. |
| d | Salient terms of the contracts or arrangements or transaction including the value, if any | Refer (b)   |
| e | Date of approval by the Board   | For Part (A) 12.02.2018<br>For Part (B) 12.01.2018<br>For Part (C) 30.06.2023<br>For Part (D) 17.01.2024  |
| f | Amount paid as advances, if any   | -   |

For and on behalf of  
**POWERGRID Mithilanchal Transmission Limited**

**Sd/-**  
**(B. Anantha Sarma)**  
**Chairman**  
**DIN: 08742208**

Date: 23<sup>rd</sup> September, 2024  
Place: Gurgaon

**ANNUAL REPORT ON CSR FOR THE FINANCIAL YEAR 2023-24****1. Brief outline on CSR Policy of the Company:**

Your Company has adopted the CSR and Sustainability Policy of its holding company viz. Power Grid Corporation of India Limited (POWERGRID) and is undertaking CSR activities though directly. CSR Policy of POWERGRID is formulated keeping in view the requirements of the Companies Act, 2013 and the Department of Public Enterprises. The activities proposed to be undertaken under CSR shall include all the activities mentioned in Schedule VII of Section 135 (3) (a) of the Company's Act, 2013. The CSR and Sustainability Policy of POWERGRID, holding company is available on website <https://www.powergrid.in/sites/default/files/CSR%26S%20policy.pdf>

**2. Composition of CSR Committee:** Composition of the CSR Committee and the meeting attended by the members, is depicted below.

As on 31<sup>st</sup> March, 2024, the CSR Committee comprised the following members:

| S. No. | Name of Director      | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|--------|-----------------------|--------------------------------------|--|--|
| 1.     | Shri B. Anantha Sarma | Chairman & Director                  | 1  | 1  |
| 2.     | Shri Rajil Srivastava | Director                             | 1  | 1  |
| 3.     | Shri Ramesh Kumar     | Director                             | 1  | 1  |
| 4.     | *Shri Utpal Sharma    | Director                             | 1  | 1  |

\*Shri Utpal Sharma, Director & Member of CSR Committee has resigned from the Board with effect from 31<sup>st</sup> January, 2024.

**3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:**

The Committee has complied with the applicable provisions of Section 135 of the Companies Act, 2013 and rules made thereunder. The Company has adopted the CSR and Sustainability Policy of POWERGRID (Holding Company), as mentioned above, detail of the same can be viewed at:

<https://www.powergrid.in/sites/default/files/CSR%26S%20policy.pdf>

Further, as the Company does not have its website, the detail of composition of CSR Committee and CSR projects, which have been undertaken by the Board of Directors during the year, has been provided at point no.2 and 6, respectively of this report.

4. **Executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:** Not Applicable
5. (a) **Average net profit of the company as per sub-section (5) of section 135:**  
Rs. 3,574.83/- lakh
- (b) **Two percent of average net profit of the company as per sub-section (5) of section 135:**  
Rs. 71.49/- lakh, constituting the 2% of the average net profit of the Company for the preceding three financial years.
- (c) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** Not Applicable
- (d) **Amount required to be set off for the financial year, if any:** Not Applicable
- (e) **Total CSR obligation for the financial year [(b)+(c)-(d)]:** Rs. 71,49,667/-
6. (a) **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):** Rs. 71,49,667/- lakh (other than ongoing project).
- (b) **Amount spent in Administrative Overheads:** Not Applicable
- (c) **Amount spent on Impact Assessment, if applicable:** Not Applicable
- (d) **Total amount spent for the Financial Year [(a)+(b)+(c)]:** Rs. 71,49,667/-
- (e) **CSR amount spent or unspent for the Financial Year:**

| Total Amount Spent for the FY (in Rs.) | Amount Unspent (in Rs.)  |                   |  |         |                   |
|--|--|-------------------|--|---------|-------------------|
|  | Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135. |                   | Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135. |         |                   |
|  | Amount.  | Date of transfer. | Name of the Fund.  | Amount. | Date of transfer. |
| 71,49,667/-                            | Nil  | N.A.              | N.A.   | Nil     | NA                |

- (f) **Excess amount for set off, if any:** Nil

| Sr. No. | Particular  | Amount (Rs.) |
|---------|---|--------------|
| (1)     | (2)   | (3)          |
| (i)     | Two percent of average net profit of the company as per sub-section (5) of section 135                      | 71,49,667/-  |
| (ii)    | Total amount spent for the Financial Year   | 71,49,667/-  |
| (iii)   | Excess amount spent for the financial year [(ii) - (i)]   | Nil          |
| (iv)    | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | -            |
| (v)     | Amount available for set off in succeeding financial years [(iii) -(iv)]                                    | -            |

**7. (a) Details of Unspent CSR amount for the preceding three financial years:**

| 1       | 2                           | 3   | 4   | 5   | 6   |                  | 7  | 8                  |
|---------|-----------------------------|---|---|---|---|------------------|--|--------------------|
| Sl. No. | Preceding Financial Year(s) | Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in Rs.) | Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in Rs.) | Amount spent in the reporting Financial Year (in Rs.) | Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any |                  | Amount remaining to be spent in succeeding financial years. (in Rs.) | Deficiency, if any |
|         |                             |   |   |   | Name of the Fund  | Date of transfer |  |                    |
| 1.      | 2020-21                     | -   | -   | Nil   | -   | -                | -  | -                  |
| 2.      | 2021-22                     | -   | -   | Nil   | -   | -                | -  | -                  |
| 3.      | 2022-23                     | -   | -   |   | -   | -                | -  | -                  |

**8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No**

**9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per as per subsection (5) of section 135: Not Applicable**

Date: 23<sup>rd</sup> September, 2024  
Place: Gurgaon

Sd/-  
(B. Anantha Sarma)  
Chairman of CSR Committee  
DIN: 08742208

गोपनीय



भारतीय लेखापरीक्षा और लेखा विभाग  
कार्यालय महा निदेशक लेखापरीक्षा (ऊर्जा)  
नई दिल्ली

INDIAN AUDIT & ACCOUNTS DEPARTMENT  
Office of the Director General of Audit (Energy)  
New Delhi



Dated: 06/06/2024

सेवा में,

अध्यक्ष,

पावरग्रिड मिथिलांचल ट्रांसमिशन लिमिटेड,

नई दिल्ली।

विषय: 31 मार्च 2024 को समाप्त वर्ष के लिए पावरग्रिड मिथिलांचल ट्रांसमिशन लिमिटेड, नई दिल्ली के वर्ष 2023-24 के वार्षिक लेखाओं पर कम्पनी अधिनियम, 2013 की धारा 143(6)(b) के अन्तर्गत भारत के नियन्त्रक एवं महालेखापरीक्षक की टिप्पणियाँ।

महोदय,

मैं, पावरग्रिड मिथिलांचल ट्रांसमिशन लिमिटेड, नई दिल्ली के 31 मार्च 2024 को समाप्त वर्ष के लेखाओं पर कम्पनी अधिनियम, 2013 की धारा 143(6)(b) के अन्तर्गत भारत के नियन्त्रक एवं महालेखापरीक्षक की टिप्पणियाँ अग्रहित कर रहा हूँ। कृपया इस पत्र की संलग्नकों सहित प्रामि की पावती भेजी जाए।

भवदीय,

संलग्नक:- यथोपरि।

संजय कु. झा  
(संजय कु. झा)  
महानिदेशक

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(B) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF POWERGRID MITHILANCHAL TRANSMISSION LIMITED FOR THE YEAR ENDED 31 MARCH 2024**

The preparation of financial statements of POWERGRID Mithilanchal Transmission Limited for the year ended 31 March 2024 in accordance with the financial reporting framework prescribed under the Companies Act, 2013(Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 02 May 2024.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of POWERGRID Mithilanchal Transmission Limited for the year ended 31 March 2024 under Section 143(6)(a) of the Act.

For and on behalf of the  
Comptroller & Auditor General of India



(Sanjay K. Jha)  
Director General of Audit (Energy)

Place: New Delhi

Date: 06/06/2024

**Form No. MR – 3**  
**SECRETARIAL AUDIT REPORT**  
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024  
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**POWERGRID Mithilanchal Transmission Limited**  
B-9, Qutab Institutional Area, Katwaria Sarai,  
New Delhi-110016.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **POWERGRID Mithilanchal Transmission Limited [CIN: U40300DL2017GOI310436]** (hereinafter called the “Company”) having its Registered Office at B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110016. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **March 31, 2024** generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **March 31, 2024** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’): -
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not Applicable during the period under review, as the Company is not Listed)**



(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(Not Applicable during the period under review, as the Company is not Listed)**

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not Applicable during the period under review, as the Company is not Listed)**

(d) The Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021; **(Not Applicable during the period under review, as the Company is not Listed)**

(e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not Applicable during the period under review, as the Company is not Listed)**

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not Applicable during the period under review, as the Company is not Listed) and**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not Applicable during the period under review, as the Company is not Listed)**

(vi) The other laws, as informed and certified by the management of the Company which, are specifically applicable to the Company based on their sector/ industry are:

a. The Electricity Act, 2003 and Rules and Regulations made thereunder

Being Electricity Transmission Company, the Electricity Act, 2003 is specifically applicable to the Company in respect of which, we have only verified the license and terms thereof issued by Central Electricity Regulatory Commission dated 27.04.2018 which is valid for a period of 25 years. Further, we have relied upon the representation made by the Management with respect to compliance of the terms of the Electricity Transmission License.

b. The compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this audit since the same have been subject to review by the statutory auditor and other designated professionals.

**We have also examined compliance with the applicable clauses/Regulations of the following:**

- i. Secretarial Standards issued by The Institute of Company Secretaries of India;
- ii. The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015. **(Being non-listed company during the period under review, it's not applicable).**

During the period under review and as per the explanations and representations made by the officers and management and subject to the clarifications given to us, the Company has satisfactorily complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that:**

The Board of Directors of the Company comprises of Non-Executive Directors only. The Changes in the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

The Company is a wholly owned subsidiary of Power Grid Corporation of India Limited (a Government of India Enterprise). Hence the Company is exempted from applicability of Section 177 and section 178 of the Companies act, 2013 read with Rule 4(1) & (2) of the Companies (Appointment and Qualification of Directors) Amendment Rules, 2017 dated 5<sup>th</sup> July, 2017 and Rule 6 of Companies (Meeting of Board and its Powers) Second Amendment Rules, 2017 dated 13<sup>th</sup> July 2017.

Being Government Company, provisions of Section 203 of the Companies Act, 2013 shall not apply with respect to appointment of Managing Director, Chief Executive officer or Manager and in their absence a whole time Director of the Company vide Ministry of Corporate Affairs Notification dated 5<sup>th</sup> June, 2015.

Adequate notice is given to all directors to schedule the Board Meetings along with agenda and detailed notes on agenda were generally sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions were carried unanimously during the period under review.

**We further report that** according to the information and explanation given to us, there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**For ARVIND KOHLI & ASSOCIATES  
Company Secretaries**

**Date: 19.07.2024**

**Place: Gurugram**

**Sd/-  
ARVIND KOHLI  
(Proprietor)  
FCS No.: 4434; CP No.: 2818  
PR: 3056/2023  
UDIN: F00443F000779516**

Note: This report is to be read with our letter of even date which is annexed as **Annexure-A** and forms an integral part of this report.

To,  
The Members  
**POWERGRID Mithilanchal Transmission Limited**  
B-9, Qutab Institutional Area, Katwaria Sarai,  
New Delhi-110016.

Our Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our finding/ audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company. We have relied upon the Reports of statutory Auditors regarding compliance of Companies Act, 2013 and Rules made thereunder relating to maintenance of Books of Accounts, papers and financial statement of the relevant financial year, which give a true and fair view of the state of the affairs of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For ARVIND KOHLI & ASSOCIATES**  
**Company Secretaries**

**Date: 19.07.2024**  
**Place: Gurugram**

**Sd/-**  
**ARVIND KOHLI**  
**(Proprietor)**  
**FCS No.: 4434; CP No.: 2818**  
**PR: 3056/2023**  
**UDIN: F00443F000779516**

## **INDEPENDENT AUDITORS' REPORT**

To the Members of

**M/s POWERGRID MITHILANCHAL TRANSMISSION LIMITED**

**Report on the Ind-AS Financial Statements**

### **Opinion**

We have audited the accompanying Ind AS Financial Statements of **M/s POWERGRID MITHILANCHAL TRANSMISSION LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year ended on that date, and notes to financial statement including a summary of the material accounting policies and other explanatory information (hereinafter referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in compliance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013, Companies Indian Accounting Standards) Rules, 2015, and the accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at 31<sup>st</sup> March 2024, the total comprehensive income (comprising of profit and other 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 Ind AS financial statements in accordance with the Standard 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 Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants

of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act 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 on the financial statements.

### **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 of the current period. 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 that there are no key audit matters to communicate in our report.

### **Management's Responsibility for the Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these 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 the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act, read with 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditors' Responsibility**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal

financial 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 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 financial statements, including the disclosures, and whether the 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, 2020 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in **Annexure "A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.




- d. In our opinion, the aforesaid financial statements comply with the Ind AS prescribed under section 133 of the Act read with relevant rules issued thereunder.
- e. As the Government Companies have been exempted from applicability of the provision of section 164(2) of the Companies Act, 2013, reporting on disqualification of Director is not required.
- f. With respect to the adequacy of the internal financial controls over financial reporting with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in **Annexure "B"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
- g. Pursuant to Notification No. GSR 463(E) dated 5<sup>th</sup> June 2015 issued by the Ministry of Corporate Affairs, Government of India, provision of Section 197 of the Companies Act, 2013 are not applicable to the Company, being a Government Company
- 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, 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 financial statements -Refer Note 40 to the financial statements.
  - ii. The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  
- iv. (a) The Management has represented that, to the best of 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. The dividend declared or paid during the year by the Company is in accordance with Section 123 of the Companies Act, 2013.

vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

3. In terms of Section 143(5) of the Companies Act 2013, we give in the "Annexure-C" statement on the directions issued by the Comptroller and Auditor General of India.

For M/S Salarpuria Jajodia & Co  
Chartered Accountants  
FRN 001862C with ICAI

Hari Kant Prasad Jain  Digitally signed by Hari Kant  
Prasad Jain  
Date: 2024.05.02 18:35:58 +05'30'

CA Hari Kant Prasad Jain  
Partner  
Membership No. 012525

UDIN: **24012525BKHRYW5200**

Place: Patna

Date: 02<sup>nd</sup> day of May, 2024

### **Annexure 'A' to the Independent Auditors' Report**

As referred to in our Independent Auditors' Report of even date to the members of the **POWERGRID Mithilanchal Transmission Limited**, on the financial statements for the year ended 31 March 2024, we report that:

- (i) a) (A) The Company has generally maintained records, showing full particulars including quantitative details and situation of Property, Plant & Equipment.  
  
(B) The Company has generally maintained 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 size of the company and the 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.
- d) In our opinion and according to the information and explanations given to us, the company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Accordingly, the provision of clause 3(i)(d) of the Order are not applicable.
- e) In our opinion and according to the information and explanations given to us, no proceedings have been initiated or are pending against the company for holding any Benami property under the "Benami Transactions (Prohibition) Act, 1988 and Rules made thereunder.

- (ii) (a) The 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 discrepancies of 10% or more in the aggregate for each class of inventory between physical inventory and books records were noticed on such verification.
- (b) The Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at any point of time during the year from banks or financial institutions on the basis of security of current assets and hence reporting under paragraph 3(ii)(b) of the Order is not applicable.
- (iii) According to the information and explanations given to us, the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, provisions of paragraph 3(iii) (a) to paragraph 3(iii)(f) are not applicable to the company.
- (iv) In our opinion and according to the 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 granted, investments made, guarantees and securities provided, as applicable.
- (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 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 a 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 2024 for a period of more than six months from the date they became payable.

b) According to information and explanations given to us, there are no statutory dues referred to in sub- clause (a), which have not been deposited on account of dispute. However, the following disputed demands of Income Tax have not been deposited:

| Name of the Statute | Amount* (₹ in Lakh) | Period to which the amount relates | Forum where dispute is pending |
|---------------------|---------------------|------------------------------------|--------------------------------|
| Income Tax          | 2897.27             | F.Y. 2021-22                       | CIT (Appeal)                   |

(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. Accordingly, the provisions of paragraph 3(viii) of the Order are not applicable.

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

- (a) the Company has not defaulted during the year in repayment of loans & payment of Interest to its financial institutions, bankers and dues to the Bond holders.
  - (b) the company has not been declared willful defaulter by any bank/financial institution/other lender.
  - (c) the company has not taken any term loans from Bank/Financial Institutions. However, Loan taken from Holding Company have been applied for the purpose for which the loans were obtained.
  - (d) the Company has not raised any funds on short term basis to be utilized for long term purpose. Hence, clause 3(ix)(d) is not applicable.
  - (e) The Company do not have any Subsidiaries, Joint ventures or Associates. Accordingly, paragraph 3(ix)(e) and 3(ix)(f) are not applicable to the Company.
- (x) (a) The company has not raised money by way of an initial public offer or further public offer (including debt instruments) during the year and hence reporting under paragraph 3(x)(a) of the Order is not applicable to the Company.
- (b) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence reporting under paragraph 3(x)(b) of the Order is not applicable to the Company.
- (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 on the company or by 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) According to the information and explanations given to us, no whistle-blower complaints have been received during the year by the Company.
- (xii) The company is not a Nidhi Company as prescribed under section 406 of the Act. Accordingly, clause 3(xii)(a), 3(xii)(b) & 3(xii)(c) of the Order is not applicable to the company.
- (xiii) According to the information and explanations given to us and as represented by the management, all transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and the details have been disclosed in the Ind AS financial statements as required by the applicable Indian Accounting Standards.
- (xiv) (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 the nature of its business.
  - (b) The reports of the Internal Auditors for the period under audit were considered by us.
- (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 covered under section 192 of the Act. Accordingly, paragraph 3(xv) of the Order is not applicable to the company.



- (xvi) (a) According to the information and explanations given to us, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Accordingly, paragraphs 3(xvi)(a) 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) According to the information and explanations given to us and 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 been no resignation of the statutory auditors during the year. Hence, the provisions stated in paragraph clause 3 (xviii) of the Order are not applicable to the Company.
- (xix) According to the information and explanations given to us and based on our examination of financial ratios, ageing and expected date of realisation of financial assets and payment of liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of audit report and the Company is capable of meeting its liabilities existing

at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

- (xx) According to the information and explanations given to us, the provisions of section 135 of the Act are applicable to the Company. The Company has made the required contributions during the year and there are no unspent amounts which are required to be transferred to the special account as on the date of our audit report. Accordingly, the provisions of paragraph (xx)(a) to (b) of the Order are not applicable to the Company.
- (xxi) The reporting under clause 3(xxii) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in the report.

.For M/S Salarpuria Jajodia & Co  
Chartered Accountants  
FRN 001862C with ICAI

Hari Kant Prasad Jain Digitally signed by Hari Kant Prasad  
Jain

Date: 2024.05.02 18:36:59 +05'30'

CA Hari Kant Prasad Jain  
Partner

Membership No. 012525

UDIN: **24012525BKHRYW5200**

Place: Patna

Date: 02<sup>nd</sup> day of May, 2024

## **ANNEXURE – “B”**

As referred to in our Independent Auditors’ Report of even date to the members of the **M/s POWERGRID Mithilanchal Transmission Limited** (“the Company”), on the financial statements for the year ended 31<sup>st</sup> March 2024

### **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 financial statements of the Company as at 31<sup>st</sup> March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

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

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the 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 with reference to financial statements, both 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 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 financial statements, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to Fraud or Error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting with reference to financial statements.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting with reference to 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 financial statements include 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 disposition of the Company's Assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting with reference to 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 financial statements to future periods are subject to the risk that the internal financial controls over financial reporting with reference to 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, to the best of our information and according to the explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to financial statements and such internal financial controls over financial reporting with reference to Ind AS financial statements were operating effectively as at 31st March 2024, based on "the internal financial controls over financial reporting with reference to financial statements criteria established by the Company considering the essential

components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.”

.For M/S Salarpuria Jajodia & Co  
Chartered Accountants  
**FRN 001862C with ICAI**

Hari Kant Prasad Jain  
Digitally signed by Hari Kant Prasad Jain  
Date: 2024.05.02 18:37:31 +05'30'

CA Hari Kant Prasad Jain  
Partner  
Membership No. 012525

UDIN: **24012525BKHRYW5200**

Place: Patna

Date: 02<sup>nd</sup> day of May,2024

### **Annexure 'C' to the Independent Auditors' Report**

As referred to in our Independent Auditors' Report of even date to the members of the **POWERGRID Mithilanchal Transmission Limited**, on the Ind AS financial statements for the year ended 31 March 2024, we report the statement on the directions issued by the Comptroller and Auditor General of India

We have verified various documents and other relevant records and also on the basis of information and explanations provided to us, by the management of POWERGRID Mithilanchal Transmission Limited to ascertain whether the company has complied with the section 143(5) of the Companies Act, 2013 and give our report against each specific direction as under.

| <b>Sl. No.</b> | <b>Directions u/s 143(5) of the Companies Act, 2013</b>  | <b>Auditor's reply on action taken on the directions</b>  | <b>Impact on financial statement</b> |
|----------------|--|---|--------------------------------------|
| 1              | Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated. | The company is having ERP system (SAP) in place for processing all accounting transactions. No accounting transaction is being recorded/processed otherwise than 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.   | 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. | NIL                                  |

|   |   |  |     |
|---|---|--|-----|
|   | Whether such cases are properly accounted for? (In case, lender is a Government company, then this direction is also applicable for statutory auditor of lender company).   | 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 Government 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, no funds were received / receivable for specific schemes from Central/ State government or its agencies. | NIL |

For M/S Salarpuria Jajodia & Co  
Chartered Accountants  
**FRN 001862C with ICAI**

Hari Kant Prasad  
Jain

Digitally signed by Hari Kant  
Prasad Jain  
Date: 2024.05.02 18:38:08 +05'30'

CA Hari Kant Prasad Jain  
Partner  
Membership No. 012525

UDIN: **24012525BKHRYW5200**

Place: Patna

Date: 02<sup>nd</sup> day of May, 2024



COMPLIANCE CERTIFICATE

We have conducted the audit of accounts of **POWERGRID Mithilanchal Transmission Limited** for the year ended 31<sup>st</sup> March,2024 in accordance with the directions / sub directions issued by the C & AG of India under Section 143 (5) of the Companies Act, 2013 and certify that we have complied with all the directions / sub directions issued to us.

For Salarpuria Jajodia & Co.  
Chartered Accountants

Hari Kant Prasad Jain Digitally signed by Hari Kant  
Prasad Jain  
Date: 2024.05.02 18:38:34 +05'30'  
(CA H.K.P.Jain)  
Partner  
M.No. 012525

Place: Patna  
The **02<sup>nd</sup> day of May,2024**

## POWERGRID Mithilanchal Transmission Limited

CIN : U40300DL2017GOI310436

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

Balance Sheet as at 31 March, 2024

(₹ In Lakh)

| Particulars  | Note      | As at 31 March, 2024 | As at 31 March, 2023 |
|--|-----------|----------------------|----------------------|
| <b>ASSETS</b>  |           |                      |                      |
| <b>Non-current assets</b>  |           |                      |                      |
| (a) Property, plant & equipment                                      | <u>4</u>  | 1,12,272.62          | 1,16,088.16          |
| (b) Capital work in progress   | <u>5</u>  | 193.80               | 226.26               |
| (c) Intangible assets  | <u>6</u>  | 152.87               | 157.60               |
| (d) Financial assets   |           |                      |                      |
| (i) Trade receivables  | <u>7</u>  | 117.97               | 355.51               |
| (ii) Other non-current financial assets                              | <u>8</u>  | 233.90               | 305.24               |
| (e) Other non-current assets   | <u>9</u>  | 376.55               | 347.81               |
|  |           | <b>1,13,347.71</b>   | <b>1,17,480.58</b>   |
| <b>Current assets</b>  |           |                      |                      |
| (a) Inventories  | <u>10</u> | 40.42                | -                    |
| (b) Financial assets   |           |                      |                      |
| (i) Trade receivables  | <u>11</u> | 3,344.65             | 3,283.93             |
| (ii) Cash and cash equivalents                                       | <u>12</u> | 0.36                 | 1,226.96             |
| (iii) Bank Balance other than Cash and cash equivalents              | <u>13</u> | 1,472.85             | -                    |
| (iv) Other current financial assets                                  | <u>14</u> | 201.85               | -                    |
|  |           | <b>5,060.13</b>      | <b>4,510.89</b>      |
| <b>Total Assets</b>  |           | <b>1,18,407.84</b>   | <b>1,21,991.47</b>   |
| <b>EQUITY AND LIABILITIES</b>  |           |                      |                      |
| <b>Equity</b>  |           |                      |                      |
| (a) Equity Share capital   | <u>15</u> | 23,320.00            | 23,320.00            |
| (b) Other Equity   | <u>16</u> | 596.42               | 1,181.29             |
|  |           | <b>23,916.42</b>     | <b>24,501.29</b>     |
| <b>Liabilities</b>   |           |                      |                      |
| <b>Non-current liabilities</b>                                       |           |                      |                      |
| (a) Financial liabilities  |           |                      |                      |
| (i) Borrowings   | <u>17</u> | 88,601.73            | 90,518.16            |
| (b) Deferred tax liabilities (net)                                   | <u>18</u> | 4,094.81             | 2,709.75             |
|  |           | <b>92,696.54</b>     | <b>93,227.91</b>     |
| <b>Current liabilities</b>   |           |                      |                      |
| (a) Financial liabilities  |           |                      |                      |
| (i) Borrowings   | <u>19</u> | 1,040.48             | 2,823.07             |
| (ii) Trade payables  | <u>20</u> |                      |                      |
| (a) Total O/s dues of micro & small enterprises                      |           | -                    | -                    |
| (b) Total O/s dues of creditors other than micro & small enterprises |           | 162.67               | 19.56                |
| (iii) Other current financial liabilities                            | <u>21</u> | 445.91               | 1,301.25             |
| (b) Other current liabilities  | <u>22</u> | 145.82               | 118.39               |
|  |           | <b>1,794.88</b>      | <b>4,262.27</b>      |
| <b>Total Equity and Liabilities</b>                                  |           | <b>1,18,407.84</b>   | <b>1,21,991.47</b>   |

The accompanying notes (1 to 45) form an integral part of financial statements

As per our report of even date  
**For Salarpuria Jajodia & Co**  
Chartered Accountants  
Firm Regn. No. 001862C

**Hari Kant Prasad Jain**  
Digitally signed by Hari Kant Prasad Jain  
Date: 2024.05.02 18:26:34 +05'30'

**CA Hari Kant Prasad Jain**  
Partner  
Mem. No. 012525  
Place: Patna  
Date: 02 May, 2024

For and on behalf of the Board of Directors

**ANANTHA SARMA BOPPUDI**  
Digitally signed by ANANTHA SARMA BOPPUDI  
Date: 2024.05.02 18:01:19 +05'30'

**B. Anantha Sarma**  
Chairman  
DIN: 08742208  
Place: Gurugram  
Date: 02 May, 2024

**MANOJ KUMAR**  
Digitally signed by MANOJ KUMAR  
Date: 2024.05.02 17:47:53 +05'30'

**Manoj Kumar**  
Chief Financial Officer  
PAN: AJUPK6726G  
Place: Patna  
Date: 02 May, 2024

**RAMESH KUMAR**  
Digitally signed by RAMESH KUMAR  
Date: 2024.05.02 17:59:32 +05'30'

**Ramesh Kumar**  
Director  
DIN: 09759318  
Place: Gurugram  
Date: 02 May, 2024

**Piyush Rameshbhai Bhadreshvara**  
Digitally signed by Piyush Rameshbhai Bhadreshvara  
Date: 2024.05.02 17:57:18 +05'30'

**Piyush R. Bhadreshvara**  
Company Secretary  
Mem. No. A44551  
Place: Gurugram  
Date: 02 May, 2024

**POWERGRID Mithilanchal Transmission Limited**  
**CIN : U40300DL2017GOI310436**  
**B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi, 110016**  
**Statement of Profit and Loss For the Year ended 31 March, 2024**

(₹ In Lakh)

| Particulars  | Note               | For the Year ended 31 March, 2024 | For the Year ended 31 March, 2023 |
|--|--------------------|-----------------------------------|-----------------------------------|
| Revenue From Operations                            | <a href="#">23</a> | 17,506.17                         | 17,512.21                         |
| Other Income                                       | <a href="#">24</a> | 146.65                            | 238.85                            |
| <b>Total Income</b>                                |                    | <b>17,652.82</b>                  | <b>17,751.06</b>                  |
| <b>EXPENSES</b>                                    |                    |                                   |                                   |
| Finance costs                                      | <a href="#">25</a> | 7,126.07                          | 6,733.11                          |
| Depreciation and amortization expense              | <a href="#">26</a> | 3,210.63                          | 3,200.76                          |
| Other expenses                                     | <a href="#">27</a> | 1,945.21                          | 2,309.74                          |
| <b>Total expenses</b>                              |                    | <b>12,281.91</b>                  | <b>12,243.61</b>                  |
| <b>Profit/(loss) before tax</b>                    |                    | <b>5,370.91</b>                   | <b>5,507.45</b>                   |
| Tax expense:                                       |                    |                                   |                                   |
| Current tax  |                    | -                                 | -                                 |
| Deferred tax                                       |                    | 1,385.06                          | 1,396.83                          |
| <b>Total tax expenses</b>                          |                    | <b>1,385.06</b>                   | <b>1,396.83</b>                   |
| <b>Profit for the period</b>                       |                    | <b>3,985.85</b>                   | <b>4,110.62</b>                   |
| Other Comprehensive Income                         |                    | -                                 | -                                 |
| <b>Total Comprehensive Income for the period</b>   |                    | <b>3,985.85</b>                   | <b>4,110.62</b>                   |
| Earnings per equity share ( Par value ₹10/- each): |                    |                                   |                                   |
| Basic and Diluted                                  |                    | 1.71                              | 1.76                              |

The accompanying notes (1 to 45) form an integral part of financial statements

As per our report of even date  
**For Salarpuria Jajodia & Co**  
Chartered Accountants  
Firm Regn. No. 001862C

**For and on behalf of the Board of Directors**

**ANANTHA SARMA BOPPUDI**  
Digitally signed by ANANTHA SARMA BOPPUDI  
Date: 2024.05.02 18:01:44 +05'30'

**RAMESH KUMAR**  
Digitally signed by RAMESH KUMAR  
Date: 2024.05.02 17:59:55 +05'30'

**B. Anantha Sarma**  
Chairman  
DIN: 08742208  
Place: Gurugram  
Date: 02 May, 2024

**Ramesh Kumar**  
Director  
DIN: 09759318  
Place: Gurugram  
Date: 02 May, 2024

**MANOJ KUMAR**  
Digitally signed by MANOJ KUMAR  
Date: 2024.05.02 17:48:32 +05'30'

**Manoj Kumar**  
Chief Financial Officer  
PAN: AJUPK6726G  
Place: Patna  
Date: 02 May, 2024

**Piyush Rameshbhai Bhadreshvara**  
Digitally signed by Piyush Rameshbhai Bhadreshvara  
Date: 2024.05.02 17:57:39 +05'30'

**Piyush R. Bhadreshvara**  
Company Secretary  
Mem. No. A44551  
Place: Gurugram  
Date: 02 May, 2024

**Hari Kant Prasad Jain**  
Digitally signed by Hari Kant Prasad Jain  
Date: 2024.05.02 18:27:14 +05'30'

**CA Hari Kant Prasad Jain**  
Partner  
Mem. No. 012525  
Place: Patna  
Date: 02 May, 2024

**POWERGRID Mithilanchal Transmission Limited**  
**CIN : U40300DL2017GOI310436**  
**B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi, 110016**  
**Statement of Cash Flows For the Year ended 31 March, 2024**

(₹ In Lakh)

| Sl. No.  | Particulars  | For the Year ended 31 March, 2024 | For the Year ended 31 March, 2023 |
|----------|--|-----------------------------------|-----------------------------------|
| <b>A</b> | <b>CASH FLOW FROM OPERATING ACTIVITIES</b>   |                                   |                                   |
|          | Profit Before Tax  | 5,370.91                          | 5,507.45                          |
|          | <b>Adjustment for :</b>  |                                   |                                   |
|          | Surcharge Income   | (24.05)                           | (120.00)                          |
|          | Interest income on deposits at bank  | (70.61)                           | (74.58)                           |
|          | Fair value loss on Financial Assets  | -                                 | 98.02                             |
|          | Unwinding of discounts   | -                                 | (43.19)                           |
|          | Depreciation & amortization expenses   | 3,210.63                          | 3,200.76                          |
|          | Finance Costs  | 7,126.07                          | 6,733.11                          |
|          | Provisions for Bad debts   | -                                 | 11.61                             |
|          |  | <b>10,242.04</b>                  | <b>9,805.73</b>                   |
|          | <b>Operating profit before Changes in Assets and Liabilities</b>   | <b>15,612.95</b>                  | <b>15,313.18</b>                  |
|          | <b>Adjustment for Changes in Assets and Liabilities:</b>   |                                   |                                   |
|          | (Increase)/Decrease in Inventories   | (40.42)                           | -                                 |
|          | (Increase)/Decrease in Trade Receivables   | 100.54                            | (710.80)                          |
|          | (Increase)/Decrease in Other financial assets  | (51.32)                           | (170.21)                          |
|          | Increase/(Decrease) in Trade payables  | 143.11                            | 8.86                              |
|          | Increase/(Decrease) in Other current financial liabilities   | (829.14)                          | (2,329.29)                        |
|          | Increase/(Decrease) in Other current liabilities   | 27.43                             | (123.11)                          |
|          |  | <b>(649.80)</b>                   | <b>(3,324.55)</b>                 |
|          | <b>Cash generated from operations</b>  | <b>14,963.15</b>                  | <b>11,988.63</b>                  |
|          | Direct Taxes (paid)/refund   | (28.75)                           | (300.69)                          |
|          | <b>Net Cash from Operating Activities</b>  | <b>14,934.40</b>                  | <b>11,687.94</b>                  |
| <b>B</b> | <b>CASH FLOW FROM INVESTING ACTIVITIES</b>   |                                   |                                   |
|          | Property, Plant & Equipment, Intangible Assets and Capital Work in Progress (including Advances for Capital Expenditure) | 536.73                            | (904.46)                          |
|          | -Bank Deposits   | (1,471.64)                        | -                                 |
|          | -Interest received on deposits at bank   | 69.40                             | 74.58                             |
|          | -Surcharge received  | 100.32                            | 120.00                            |
|          | <b>Net Cash used in Investing Activities</b>   | <b>(765.19)</b>                   | <b>(709.88)</b>                   |
| <b>C</b> | <b>CASH FLOW FROM FINANCING ACTIVITIES</b>   |                                   |                                   |
|          | Proceeds from Borrowings   |                                   |                                   |
|          | Non Current  | 976.14                            | 3,024.75                          |
|          | Current  | -                                 | -                                 |
|          | Repayment of Borrowings  |                                   |                                   |
|          | Non Current  | (1,852.09)                        | (72.31)                           |
|          | Current  | (2,823.07)                        | (2,348.74)                        |
|          | Finance Costs paid   | (7,126.07)                        | (6,731.09)                        |
|          | Dividend paid  | (4,570.72)                        | (5,060.44)                        |
|          | <b>Net Cash used in Financing Activities</b>   | <b>(15,395.81)</b>                | <b>(11,187.83)</b>                |
| <b>D</b> | <b>Net change in Cash and Cash equivalents (A+B+C)</b>   | <b>(1,226.60)</b>                 | <b>(209.77)</b>                   |
| <b>E</b> | <b>Cash and Cash equivalents (Opening balance)</b>   | <b>1,226.96</b>                   | <b>1,436.73</b>                   |
| <b>F</b> | <b>Cash and Cash equivalents (Closing balance)</b>   | <b>0.36</b>                       | <b>1,226.96</b>                   |

The accompanying notes (1 to 45) form an integral part of financial statements

**Further Notes**

Note 1 - Cash and cash equivalents consist of balances with banks and deposits with original maturity of upto three months.

Note 2 - Previous Year Figures have been re-grouped/re-arranged wherever necessary.

As per our report of even date

**For Salarpuria Jajodia & Co**  
Chartered Accountants  
Firm Regn. No. 001862C

**For and on behalf of the Board of Directors**

**ANANTHA SARMA BOPPUDI**  
Digitally signed by ANANTHA SARMA BOPPUDI  
Date: 2024.05.02 18:01:59 +05'30'

**B. Anantha Sarma**  
Chairman  
DIN: 08742208  
Place: Gurugram  
Date: 02 May, 2024

**MANOJ KUMAR**  
Digitally signed by MANOJ KUMAR  
Date: 2024.05.02 17:49:16 +05'30'

**Manoj Kumar**  
Chief Financial Officer  
PAN: AJUPK6726G  
Place: Patna  
Date: 02 May, 2024

**RAMESH KUMAR**  
Digitally signed by RAMESH KUMAR  
Date: 2024.05.02 18:00:10 +05'30'

**Ramesh Kumar**  
Director  
DIN: 09759318  
Place: Gurugram  
Date: 02 May, 2024

**Piyush Rameshbhai Bhadreshvara**  
Digitally signed by Piyush Rameshbhai Bhadreshvara  
Date: 2024.05.02 17:57:55 +05'30'

**Piyush R. Bhadreshvara**  
Company Secretary  
Mem. No. A44551  
Place: Gurugram  
Date: 02 May, 2024

**Hari Kant Prasad Jain**  
Digitally signed by Hari Kant Prasad Jain  
Date: 2024.05.02 18:27:42 +05'30'

**CA Hari Kant Prasad Jain**  
Partner  
Mem. No. 012525  
Place: Patna  
Date: 02 May, 2024

**POWERGRID Mithilanchal Transmission Limited**  
**CIN : U40300DL2017GOI310436**  
**B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi, 110016**  
**Statement of Changes in Equity For the Year ended 31 March, 2024**

**A. Equity Share Capital** (₹ In Lakh)

|                                 |           |
|---------------------------------|-----------|
| As at 01 April, 2023            | 23,320.00 |
| Changes in equity share capital | -         |
| As at 31 March, 2024            | 23,320.00 |
| As at 01 April, 2022            | 23,320.00 |
| Changes in equity share capital | -         |
| As at 31 March, 2023            | 23,320.00 |

**B. Other Equity** (₹ In Lakh)

| Particulars                        | Reserves and Surplus   |                   | Total      |
|------------------------------------|------------------------|-------------------|------------|
|                                    | Self Insurance Reserve | Retained Earnings |            |
| As at 01 April, 2023               | 304.14                 | 877.15            | 1,181.29   |
| Profit/(loss) for the period       | -                      | 3,985.85          | 3,985.85   |
| Transfer to Self Insurance Reserve | 46.84                  | (46.84)           | -          |
| Interim Dividend paid              | -                      | (4,570.72)        | (4,570.72) |
| As at 31 March, 2024               | 350.98                 | 245.44            | 596.42     |

**(₹ In Lakh)**

| Particulars                        | Reserves and Surplus   |                   | Total      |
|------------------------------------|------------------------|-------------------|------------|
|                                    | Self Insurance Reserve | Retained Earnings |            |
| As at 01 April, 2022               | 162.86                 | 1,968.25          | 2,131.11   |
| Profit/(loss) for the period       | -                      | 4,110.62          | 4,110.62   |
| Transfer to Self Insurance Reserve | 141.28                 | (141.28)          | -          |
| Interim Dividend paid              | -                      | (5,060.44)        | (5,060.44) |
| As at 31 March, 2023               | 304.14                 | 877.15            | 1,181.29   |

The accompanying notes (1 to 45) form an integral part of financial statements  
Refer to Note 16 for nature and movement of Reserve and Surplus.

As per our report of even date  
**For Salarpuria Jajodia & Co**  
Chartered Accountants  
Firm Regn. No. 001862C

**For and on behalf of the Board of Directors**

ANANTHA SARMA BOPPUDI  
Digitally signed by ANANTHA SARMA BOPPUDI  
Date: 2024.05.02 18:02:17 +05'30'

RAMESH KUMAR  
Digitally signed by RAMESH KUMAR  
Date: 2024.05.02 18:00:24 +05'30'

**Hari Kant Prasad Jain**  
Digitally signed by Hari Kant Prasad Jain  
Date: 2024.05.02 18:28:08 +05'30'

**B. Anantha Sarma**  
Chairman  
DIN: 08742208  
Place: Gurugram  
Date: 02 May, 2024

**Ramesh Kumar**  
Director  
DIN: 09759318  
Place: Gurugram  
Date: 02 May, 2024

MANOJ KUMAR  
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Date: 2024.05.02 17:49:44 +05'30'

Piyush Rameshbhai Bhadreshvara  
Digitally signed by Piyush Rameshbhai Bhadreshvara  
Date: 2024.05.02 17:58:11 +05'30'

**CA Hari Kant Prasad Jain**  
Partner  
Mem. No. 012525  
Place: Patna  
Date: 02 May, 2024

**Manoj Kumar**  
Chief Financial Officer  
PAN: AJUPK6726G  
Place: Patna  
Date: 02 May, 2024

**Piyush R. Bhadreshvara**  
Company Secretary  
Mem. No. A44551  
Place: Gurugram  
Date: 02 May, 2024

## Notes to Financial Statements

### Note 1 Corporate and General Information

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

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

The financial statements of the company for the year ended 31 March 2024 were approved for issue by the Board of Directors on 02 May, 2024.

### Note 2 Material Accounting Policy Information

A summary of the material accounting policy information 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 and the provisions of Electricity Act, 2003, in each case, to the extent applicable and as amended thereafter.

##### ii) Basis of Measurement

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

##### iii) Functional and presentation currency

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

#### **iv) Use of estimates**

The preparation of financial statements requires estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses during the reporting period. Although, such estimates and assumptions are made on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates. The estimates and underlying assumptions are reviewed on an 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 realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised 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 recognises twelve months period as its operating cycle.

## **2.2 Property, Plant and Equipment**

### **Initial Recognition and Measurement**

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

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

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

#### **Subsequent costs**

Subsequent expenditure is recognised 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 recognised 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 derecognised. 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.

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 derecognised on disposal or when no future economic benefits are expected from its use or disposal.

The gain or loss arising from derecognition 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 derecognition.

### **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 capitalisation.

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

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



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

## **2.4 Intangible Assets and Intangible Assets under development**

Intangible assets with finite useful life that are acquired separately are carried at cost less any accumulated amortisation and accumulated impairment losses.

Subsequent expenditure on already capitalised 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 recognised 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 capitalisation of related transmission lines.

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

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

## **2.5 Depreciation / Amortisation**

### **Property, Plant and Equipment**

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

| <b>Particulars</b>                | <b>Useful life</b> |
|-----------------------------------|--------------------|
| 1 Computers and Peripherals       | 3 Years            |
| 2 Servers and Network Components  | 5 Years            |
| 3 Buildings (RCC frame structure) | 35 Years           |
| 4 Transmission line               | 35 Years           |
| 5 Substation Equipment            | 35 Years           |

Depreciation on spares parts, standby equipment and servicing equipment which are capitalised, 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.

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

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

Where the cost of depreciable property, plant and equipment has undergone a change due to price adjustment, change in duties or similar factors, the unamortised balance of such asset is depreciated prospectively.

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

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

#### **Right of Use Assets:**

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

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

#### **Intangible Assets**

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

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

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

The amortisation period and the amortisation method for intangible assets 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".

## **2.6 Borrowing Costs**

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.

## **2.7 Impairment of non-financial assets**

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 'Impairment of Assets'. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment losses recognised in respect of CGUs are reduced from the carrying amounts of the assets of the CGU.

Impairment losses recognised 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 amortisation, if no impairment loss had been recognised.

## **2.8 Cash and cash equivalents**

Cash and cash equivalents include cash on hand and at bank, and deposits held at call with banks having a maturity of three months or less from the date of acquisition that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

## **2.9 Inventories**

Inventories are valued at lower of the cost, determined on weighted average basis and net realisable value.

Spares which do not meet the recognition criteria as Property, Plant and Equipment, including spare parts whose cost is less than ₹5,00,000/- are recorded as inventories.

Surplus materials as determined by the management are held for intended use and are included in the inventory.

The diminution in the value of obsolete, unserviceable and surplus stores and spares is ascertained on review and provided for.

## 2.10 Leases

Lease is a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves use of an identified assets,
- (ii) the customer has substantially all the economic benefits from the use of the asset through the period of the lease and
- (iii) the customer has the right to direct the use of the asset.

### i) As a Lessee

At the date of commencement of the lease, the Company recognises a right-of-use asset (ROU) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for lease with a term of twelve months or less (i.e. short-term leases) and leases for which the underlying asset is of low value. For these short-term and leases for which the underlying asset is of low value, the Company recognises the lease payments on straight-line basis over the term of the lease.

Certain lease arrangements include 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 recognised at cost, which comprises the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the inception date of the lease along with any initial direct costs, restoration obligations and lease incentives received.

Subsequently, the right-of-use assets is measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The Company applies Ind AS 36 to determine whether a ROU asset is impaired and accounts for any identified impairment loss as described in the accounting policy 2.7 on "Impairment of non-financial assets".

The lease liability is initially measured at present value of the lease payments that are not paid at that date.

The interest cost on lease liability is expensed in the Statement of Profit and Loss, unless eligible for capitalisation as per accounting policy 2.6 on "Borrowing costs".

Lease liability and ROU asset have been separately presented in the financial statements and lease payments have been classified as financing cash flows.

### ii) As a Lessor

A lease is classified at the inception date as a finance lease or an operating lease.

#### a) Finance leases

A lease that transfers substantially all the risks and rewards incidental to ownership of an asset is classified as a finance lease.

Net investment in leased assets are recorded as receivable at the lower of the fair value of the leased property and the present value of the minimum lease payments as Lease Receivables under current and non-current other financial assets.

The interest element of lease is accounted in the Statement of Profit and Loss over the lease period based on a pattern reflecting a constant periodic rate of return on the net investment.

#### **b) Operating leases**

An operating lease is a lease other than a finance lease. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

For operating leases, the asset is capitalised as property, plant and equipment and depreciated over its economic life. Rental income from operating lease is recognised over the term of the arrangement.

### **2.11 Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### **Financial Assets**

##### **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. However, trade receivables that do not contain a significant financing component are measured at transaction price.

##### **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.

#### **Derecognition of financial assets**

A financial asset is derecognised 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 recognising 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.

## **2.12 Foreign Currency Translation**

### **(a) Functional and presentation currency**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian Rupees (Rupees or ₹), which is the Company's functional and presentation currency.

### **(b) Transactions and balances**

Transactions in foreign currencies are initially recorded at the exchange rates prevailing on the date of the transaction. Foreign currency monetary items are translated with reference to the rates of exchange ruling on the date of the Balance Sheet. Non-Monetary items denominated in foreign currency are reported at the exchange rate ruling on the date of initial recognition of the non-monetary prepayment asset or deferred income liability, or the date that related item is recognised in the financial statements, whichever is earlier. In case the transaction is recognised in stages, then transaction date is established for each stage.

Foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/ (losses).

## **2.13 Income Tax**

Income tax expense represents the sum of current and deferred tax. Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income. In this case the tax is also recognised directly in equity or in other comprehensive income.

### **Current income tax**

The Current Tax is based on taxable profit for the year under the tax laws enacted and applicable to the reporting period in the 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.

## **2.14 Revenue**

Revenue is measured based on the transaction price to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control of 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.

#### **2.14.1 Revenue from Operations**

Transmission Income is accounted for based on tariff orders notified by the Electricity Regulatory Commissions.

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 Transmission Service Agreement (TSA) signed by the Company along with applicable rules and 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.

#### **2.14.2 Other Income**

Interest income is recognised, 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 recognised when no significant uncertainty as to measurability and collectability exists.

Income from Scrap is accounted for as and when sold.

Insurance claims for loss of profit are accounted for in the year of acceptance. Other insurance claims are accounted for based on certainty of realisation.

Revenue from rentals and operating leases is recognised on an accrual basis in accordance with the substance of the relevant agreement.

## **2.15 Dividends**

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividends are approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors. Dividend payable and corresponding tax on dividend distribution is recognised directly in equity.

## **2.16 Provisions and Contingencies**

### **a) Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each Balance Sheet date and are adjusted to reflect the current best estimate.

### **b) Contingencies**

Contingent liabilities are disclosed on the basis of judgment of the management / independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements.

Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are disclosed in the financial statements when inflow of economic benefits is probable on the basis of judgment of management. These are assessed continually to ensure that developments are appropriately reflected in the financial statements.

## **2.17 Share capital and Other Equity**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Self-insurance reserve is created @0.04% 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.

### **2.18 Prior Period Items**

Material prior period errors are corrected retrospectively by restating the comparative amounts for prior period presented in which the error occurred or if the error occurred before the earliest period presented, by restating the opening balance sheet.

### **2.19 Earnings per Share**

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

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

### **2.20 Statement of Cash Flows**

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

### **Note 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.

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.

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

**The areas involving critical estimates or judgments are:**

**Useful life of property, plant and equipment:**

The estimated useful life of property, plant and equipment is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

The Company reviews at the end of each reporting date the useful life of plant and equipment, and are adjusted prospectively, if appropriate.

**Provisions and contingencies:**

The assessments undertaken in recognising 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.

**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 Lakh)

| Particulars                  | Cost                 |                           |               |                            |                      | Accumulated depreciation |                           |              |                            | Net Book Value       |                      |                      |
|------------------------------|----------------------|---------------------------|---------------|----------------------------|----------------------|--------------------------|---------------------------|--------------|----------------------------|----------------------|----------------------|----------------------|
|                              | As at 01 April, 2023 | Additions during the year | Disposal      | Adjustment during the year | As at 31 March, 2024 | As at 01 April, 2023     | Additions during the year | Disposal     | Adjustment during the year | As at 31 March, 2024 | As at 31 March, 2024 | As at 31 March, 2023 |
| <b>Land</b>                  |                      |                           |               |                            |                      |                          |                           |              |                            |                      |                      |                      |
| b) ROU - Leasehold           | 4,123.40             | -                         | -             | -                          | 4,123.40             | -                        | -                         | -            | -                          | -                    | 4,123.40             | 4,123.40             |
| <b>Plant &amp; Equipment</b> |                      |                           |               |                            |                      |                          |                           |              |                            |                      |                      |                      |
| a) Transmission              | 56,279.44            | -                         | -             | -                          | 56,279.44            | 2,694.70                 | 1,527.57                  | -            | -                          | 4,222.27             | 52,057.17            | 53,584.74            |
| b) Substation                | 61,451.73            | 51.77                     | 828.41        | -                          | 60,675.09            | 3,071.71                 | 1,664.26                  | 60.88        | -                          | 4,675.09             | 56,000.00            | 58,380.02            |
| Office equipment             | -                    | 106.12                    | -             | -                          | 106.12               | -                        | 14.07                     | -            | -                          | 14.07                | 92.05                | -                    |
| <b>Total</b>                 | <b>1,21,854.57</b>   | <b>157.89</b>             | <b>828.41</b> | <b>-</b>                   | <b>1,21,184.05</b>   | <b>5,766.41</b>          | <b>3,205.90</b>           | <b>60.88</b> | <b>-</b>                   | <b>8,911.43</b>      | <b>1,12,272.62</b>   | <b>1,16,088.16</b>   |

(₹ In Lakh)

| Particulars                  | Cost                 |                           |          |                            |                      | Accumulated depreciation |                           |          |                            | Net Book Value       |                      |                      |
|------------------------------|----------------------|---------------------------|----------|----------------------------|----------------------|--------------------------|---------------------------|----------|----------------------------|----------------------|----------------------|----------------------|
|                              | As at 01 April, 2022 | Additions during the year | Disposal | Adjustment during the year | As at 31 March, 2023 | As at 01 April, 2022     | Additions during the year | Disposal | Adjustment during the year | As at 31 March, 2023 | As at 31 March, 2023 | As at 31 March, 2022 |
| <b>Land</b>                  |                      |                           |          |                            |                      |                          |                           |          |                            |                      |                      |                      |
| b) ROU - Leasehold           | 4,123.40             | -                         | -        | -                          | 4,123.40             | -                        | -                         | -        | -                          | -                    | 4,123.40             | 4,123.40             |
| <b>Plant &amp; Equipment</b> |                      |                           |          |                            |                      |                          |                           |          |                            |                      |                      |                      |
| a) Transmission              | 56,294.22            | -                         | -        | 14.78                      | 56,279.44            | 1,167.12                 | 1,527.58                  | -        | -                          | 2,694.70             | 53,584.74            | 55,127.10            |
| b) Substation                | 60,706.98            | 744.75                    | -        | -                          | 61,451.73            | 1,403.26                 | 1,668.45                  | -        | -                          | 3,071.71             | 58,380.02            | 59,303.72            |
| <b>Total</b>                 | <b>1,21,124.60</b>   | <b>744.75</b>             | <b>-</b> | <b>14.78</b>               | <b>1,21,854.57</b>   | <b>2,570.38</b>          | <b>3,196.03</b>           | <b>-</b> | <b>-</b>                   | <b>5,766.41</b>      | <b>1,16,088.16</b>   | <b>1,18,554.22</b>   |

Further Notes:

- Right of Use - Land includes area of 44.04 hectare (Previous Year 44.04 hectare) amounting to ₹4123.4 Lakh (Previous Year ₹4123.4 Lakh) in respect of land acquired on perpetual lease basis and hence not amortised.
- Perpetual leasehold land acquired by the company includes 3.98 hectare (Previous Year 3.98 hectare) amounting to ₹ 493.96 Lakh (Previous Year ₹ 493.96 Lakh) in respect of land acquired by the company for which mutation in revenue records is pending.
- Refer Note 34 for disclosure on Right of Use Assets as per Ind AS 116 - "Leases".
- Refer Note 29 (a) for details of immovable properties where title deeds are not in the name of the company.

Note 5 Capital work in progress

(₹ In Lakh)

| Particulars  | As at 01 April, 2023 | Additions during the year | Adjustments | Capitalised during the year | As at 31 March, 2024 |
|--|----------------------|---------------------------|-------------|-----------------------------|----------------------|
| <b>Buildings</b>   |                      |                           |             |                             |                      |
| Township   | 226.26               | 73.66                     | -           | 106.12                      | 193.80               |
| <b>Plant &amp; Equipments (including associated civil works)</b> |                      |                           |             |                             |                      |
| a) Sub-Station   | -                    | 51.77                     | -           | 51.77                       | -                    |
| <b>Grand Total</b>   | <b>226.26</b>        | <b>125.43</b>             | <b>-</b>    | <b>157.89</b>               | <b>193.80</b>        |

(₹ In Lakh)

| Particulars  | As at 01 April, 2022 | Additions during the year | Adjustments | Capitalised during the year | As at 31 March, 2023 |
|--|----------------------|---------------------------|-------------|-----------------------------|----------------------|
| <b>Buildings</b>   |                      |                           |             |                             |                      |
| Township   | 51.75                | 174.51                    | -           | -                           | 226.26               |
| <b>Plant &amp; Equipments (including associated civil works)</b> |                      |                           |             |                             |                      |
| a) Sub-Station   | -                    | 744.75                    | -           | 744.75                      | -                    |
| <b>Grand Total</b>   | <b>51.75</b>         | <b>919.26</b>             | <b>-</b>    | <b>744.75</b>               | <b>226.26</b>        |

Refer Note 29 for ageing and completion schedule for Capital work in progress (CWIP) for the Project whose completion is overdue or has exceed its cost compared to original plan.

Note 6 Intangible assets

(₹ In Lakh)

| Particulars                         | Cost                 |                           |          |                            |                      | Accumulated Amortisation |                           |          |                            |                      | Net Book Value       |                      |
|-------------------------------------|----------------------|---------------------------|----------|----------------------------|----------------------|--------------------------|---------------------------|----------|----------------------------|----------------------|----------------------|----------------------|
|                                     | As at 01 April, 2023 | Additions during the year | Disposal | Adjustment during the year | As at 31 March, 2024 | As at 01 April, 2023     | Additions during the year | Disposal | Adjustment during the year | As at 31 March, 2024 | As at 31 March, 2024 | As at 31 March, 2023 |
| Right of Way-Afforestation Expenses | 165.68               | -                         | -        | -                          | 165.68               | 8.08                     | 4.73                      | -        | -                          | 12.81                | 152.87               | 157.60               |
| <b>Total</b>                        | <b>165.68</b>        | <b>-</b>                  | <b>-</b> | <b>-</b>                   | <b>165.68</b>        | <b>8.08</b>              | <b>4.73</b>               | <b>-</b> | <b>-</b>                   | <b>12.81</b>         | <b>152.87</b>        | <b>157.60</b>        |

(₹ In Lakh)

| Particulars                         | Cost                 |                           |          |                            |                      | Accumulated Amortisation |                           |          |                            |                      | Net Book Value       |                      |
|-------------------------------------|----------------------|---------------------------|----------|----------------------------|----------------------|--------------------------|---------------------------|----------|----------------------------|----------------------|----------------------|----------------------|
|                                     | As at 01 April, 2022 | Additions during the year | Disposal | Adjustment during the year | As at 31 March, 2023 | As at 01 April, 2022     | Additions during the year | Disposal | Adjustment during the year | As at 31 March, 2023 | As at 31 March, 2023 | As at 31 March, 2022 |
| Right of Way-Afforestation Expenses | 165.68               | -                         | -        | -                          | 165.68               | 3.35                     | 4.73                      | -        | -                          | 8.08                 | 157.60               | 162.33               |
| <b>Total</b>                        | <b>165.68</b>        | <b>-</b>                  | <b>-</b> | <b>-</b>                   | <b>165.68</b>        | <b>3.35</b>              | <b>4.73</b>               | <b>-</b> | <b>-</b>                   | <b>8.08</b>          | <b>157.60</b>        | <b>162.33</b>        |

**Note 7 Trade receivables**

(₹ In Lakh)

| Particulars               | As at 31 March, 2024 | As at 31 March, 2023 |
|---------------------------|----------------------|----------------------|
| <b>Trade receivables</b>  |                      |                      |
| Unsecured Considered good | 117.97               | 355.51               |
| <b>Total</b>              | <b>117.97</b>        | <b>355.51</b>        |

**Further Notes:**

- 1 Refer Note 32 for disclosure as per Ind AS 115 'Revenue from Contracts with Customers' & Note 37. for details of trade receivables from related parties.
- 2 Electricity (late Payment Surcharge and Related Matters) Rules, 2022 as notified by Ministry of Power on 03 June 2022, provides that at the option of the Distribution licensees, the outstanding dues including the Late Payment Surcharge (LPSC) upto the date of 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.
- 3 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 ₹98.02 lakh has been charged as Other Expense (refer Note 27) in FY 2022-23 and unwinding thereon amounting to ₹36.73 lakhs accounted for as Other Income in Current Year (Previous Year ₹43.19 lakhs) (refer Note 24).

**4 Ageing of Trade Receivables is as follows:**

(₹ in lakhs)

| Particulars                         |            | Unbilled | Not Due       | 0-6M | 6M-1Y | 1Y-2Y | 2Y-3Y | >3Y | Total         |
|-------------------------------------|------------|----------|---------------|------|-------|-------|-------|-----|---------------|
| <b>As at 31 March, 2024</b>         |            |          |               |      |       |       |       |     |               |
| Considered - Good                   | Disputed   | -        | -             | -    | -     | -     | -     | -   | -             |
|                                     | Undisputed | -        | 117.97        | -    | -     | -     | -     | -   | 117.97        |
| Significant increase in Credit Risk | Disputed   | -        | -             | -    | -     | -     | -     | -   | -             |
|                                     | Undisputed | -        | -             | -    | -     | -     | -     | -   | -             |
| Credit Impaired                     | Disputed   | -        | -             | -    | -     | -     | -     | -   | -             |
|                                     | Undisputed | -        | -             | -    | -     | -     | -     | -   | -             |
| <b>Total</b>                        |            | -        | <b>117.97</b> | -    | -     | -     | -     | -   | <b>117.97</b> |
| <b>As at 31 March, 2023</b>         |            |          |               |      |       |       |       |     |               |
| Considered - Good                   | Disputed   | -        | -             | -    | -     | -     | -     | -   | -             |
|                                     | Undisputed | -        | 355.51        | -    | -     | -     | -     | -   | 355.51        |
| Significant increase in Credit Risk | Disputed   | -        | -             | -    | -     | -     | -     | -   | -             |
|                                     | Undisputed | -        | -             | -    | -     | -     | -     | -   | -             |
| Credit Impaired                     | Disputed   | -        | -             | -    | -     | -     | -     | -   | -             |
|                                     | Undisputed | -        | -             | -    | -     | -     | -     | -   | -             |
| <b>Total</b>                        |            | -        | <b>355.51</b> | -    | -     | -     | -     | -   | <b>355.51</b> |



**Note 8 Other Non-current Financial Assets**

(Unsecured considered good unless otherwise stated) (₹ In Lakh)

| <b>Particulars</b>   | <b>As at 31 March,<br/>2024</b> | <b>As at 31<br/>March, 2023</b> |
|--|---------------------------------|---------------------------------|
| Receivable from M/s Central Transmission Utility of India Limited* | 233.90                          | 305.24                          |
| <b>Total</b>   | <b>233.90</b>                   | <b>305.24</b>                   |

\*Details of Amount receivable from related parties are provided in Note 37.

**Note 9 Other non-current Assets**

(Unsecured considered good unless otherwise stated) (₹ In Lakh)

| <b>Particulars</b>  | <b>As at 31<br/>March, 2024</b> | <b>As at 31<br/>March, 2023</b> |
|---|---------------------------------|---------------------------------|
| <b>Advances recoverable in kind or for value to be received</b> |                                 |                                 |
| Advance tax and Tax deducted at source                          | 376.55                          | 347.81                          |
| <b>Total</b>  | <b>376.55</b>                   | <b>347.81</b>                   |

**Note 10 Inventories**

(₹ In Lakh)

| <b>Particulars</b>                     | <b>As at 31<br/>March, 2024</b> | <b>As at 31<br/>March, 2023</b> |
|--|---------------------------------|---------------------------------|
| Components, Spares & other spare parts | 40.42                           | -                               |
| <b>Total</b>                           | <b>40.42</b>                    | <b>-</b>                        |

**Note 11 Trade receivables****(₹ In Lakh)**

| Particulars               | As at 31 March,<br>2024 | As at 31 March, 2023 |
|---------------------------|-------------------------|----------------------|
| i) Trade receivables      |                         |                      |
| Unsecured Considered good | 3,344.65                | 3,283.93             |
| Credit Impaired           | 11.61                   | 11.61                |
|                           | 3,356.26                | 3,295.54             |
| Less: Loss Allowance      | 11.61                   | 11.61                |
| <b>Total</b>              | <b>3,344.65</b>         | <b>3,283.93</b>      |

**Further Notes:**

- 1 Refer Note 32 for disclosure as per Ind AS 115 'Revenue from Contracts with Customers' & Note 37. for details of trade receivables from related parties.
- 2 Trade Receivables includes Unbilled receivables represent transmission charges for the month of March 2024 including arrear bills for previous quarters, incentive and surcharge amounting to ₹2023.2 Lakhs respectively (Previous year ₹1993 lakhs) billed to beneficiaries in the subsequent month i.e. April 2024.

**3 Ageing of Trade Receivables is as follows:****(₹ in lakhs)**

| Particulars                         |            | Unbilled        | Not Due       | 0-6M          | 6M-1Y         | 1Y-2Y        | 2Y-3Y        | >3Y      | Total           |
|-------------------------------------|------------|-----------------|---------------|---------------|---------------|--------------|--------------|----------|-----------------|
| <b>As at 31 March, 2024</b>         |            |                 |               |               |               |              |              |          |                 |
| Considered – Good                   | Disputed   | -               | -             | -             | -             | -            | -            | -        | -               |
|                                     | Undisputed | 2,023.20        | 748.51        | 263.60        | 309.33        | -            | -            | -        | 3,344.65        |
| Significant increase in Credit Risk | Disputed   | -               | -             | -             | -             | -            | -            | -        | -               |
|                                     | Undisputed | -               | -             | -             | -             | -            | -            | -        | -               |
| Credit Impaired                     | Disputed   | -               | -             | -             | -             | -            | 11.61        | -        | 11.61           |
|                                     | Undisputed | -               | -             | -             | -             | -            | -            | -        | -               |
| <b>Total</b>                        |            | <b>2,023.20</b> | <b>748.51</b> | <b>263.60</b> | <b>309.33</b> | <b>-</b>     | <b>11.61</b> | <b>-</b> | <b>3,356.26</b> |
| <b>As at 31 March, 2023</b>         |            |                 |               |               |               |              |              |          |                 |
| Considered – Good                   | Disputed   | -               | -             | -             | -             | -            | -            | -        | -               |
|                                     | Undisputed | 1,993.00        | 299.14        | 991.79        | -             | -            | -            | -        | 3,283.93        |
| Significant increase in Credit Risk | Disputed   | -               | -             | -             | -             | -            | -            | -        | -               |
|                                     | Undisputed | -               | -             | -             | -             | -            | -            | -        | -               |
| Credit Impaired                     | Disputed   | -               | -             | -             | -             | 11.61        | -            | -        | 11.61           |
|                                     | Undisputed | -               | -             | -             | -             | -            | -            | -        | -               |
| <b>Total</b>                        |            | <b>1,993.00</b> | <b>299.14</b> | <b>991.79</b> | <b>-</b>      | <b>11.61</b> | <b>-</b>     | <b>-</b> | <b>3,295.54</b> |

**Note 12 Cash and Cash equivalents** (₹ In Lakh)

| Particulars  | As at 31 March,<br>2024 | As at 31 March,<br>2023 |
|--|-------------------------|-------------------------|
| <b>Balance with banks</b>                            |                         |                         |
| -In Current accounts                                 | 0.36                    | 1.05                    |
| -In term deposits (with maturity less than 3 months) | -                       | 1,225.91                |
| <b>Total</b>   | <b>0.36</b>             | <b>1,226.96</b>         |

**Note 13 Bank Balance other than Cash and Cash equivalents** (₹ In Lakh)

| Particulars   | As at 31 March,<br>2024 | As at 31 March,<br>2023 |
|---|-------------------------|-------------------------|
| In Term Deposits having maturity over 3 months but upto 12 months | 1,472.85                | -                       |
| <b>Total</b>  | <b>1,472.85</b>         | <b>-</b>                |

**Note 14 Other Current Financial Assets**

(Unsecured considered good unless otherwise stated) (₹ In Lakh)

| Particulars                                   | As at 31 March,<br>2024 | As at 31 March,<br>2023 |
|---|-------------------------|-------------------------|
| Advance to / Receivable from Related Parties* | 201.85                  | -                       |
| <b>Total</b>                                  | <b>201.85</b>           | <b>-</b>                |

\*Refer Note 32 for disclosure as per Ind AS 115 'Revenue from Contracts with Customers' & Note 37 for details of balances from related parties.

## Note 15 Equity Share capital

(₹ In Lakh)

| Particulars  | As at 31 March,<br>2024 | As at 31<br>March, 2023 |
|--|-------------------------|-------------------------|
| <b>Equity Share Capital</b>  |                         |                         |
| <b>Authorised</b>  |                         |                         |
| 245500000 (Previous Year 245500000) equity shares of ₹10/- each at par | 24,550.00               | 24,550.00               |
| <b>Issued, subscribed and paid up</b>                                  |                         |                         |
| 233200000 (Previous Year 233200000) equity shares of ₹10/- each at par | 23,320.00               | 23,320.00               |
| <b>Total</b>   | <b>23,320.00</b>        | <b>23,320.00</b>        |

### 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,<br>2024 |                     | For the Year ended 31 March,<br>2023 |                     |
|---|--------------------------------------|---------------------|--------------------------------------|---------------------|
|   | No. of Shares                        | ₹ in Lakh<br>Amount | No. of Shares                        | ₹ in Lakh<br>Amount |
| Shares outstanding at the beginning of the year | 23,32,00,000                         | 23,320.00           | 23,32,00,000                         | 23,320.00           |
| Shares Issued during the year                   | -                                    | -                   | -                                    | -                   |
| Shares brought back during the year             | -                                    | -                   | -                                    | -                   |
| Shares outstanding at the end of the year       | <b>23,32,00,000</b>                  | <b>23320.00</b>     | <b>23,32,00,000</b>                  | <b>23320.00</b>     |

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

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

4 Shareholding of Promoters and Shareholders holding more than 5% equity shares of the Company :-

| Particulars   | As at 31 March, 2024 |              | As at 31 March, 2023 |              | % Change |
|---|----------------------|--------------|----------------------|--------------|----------|
|   | No. of Shares        | % of holding | No. of Shares        | % of holding |          |
| Power Grid Corporation of India Limited (Promoter)# | 23,32,00,000         | 100%         | 23,32,00,000         | 100%         | 0%       |

#Out of 233200000 Equity shares (Previous year 233200000 Equity shares) 6 equity shares (Previous year 6 Equity Shares) are held by nominees of M/s Power Grid Corporation of India Limited on its behalf .

**Note 16 Other Equity**

(₹ In Lakh)

| Particulars                           | As at 31<br>March, 2024 | As at 31 March,<br>2023 |
|---------------------------------------|-------------------------|-------------------------|
| <b>(i) Retained Earnings</b>          |                         |                         |
| Balance at the beginning of the year  | 877.15                  | 1,968.25                |
| Add: Additions                        |                         |                         |
| Net Profit for the period             | 3,985.85                | 4,110.62                |
| Less: Appropriations                  |                         |                         |
| Self Insurance Reserve                | (46.84)                 | (141.28)                |
| Interim dividend paid                 | (4,570.72)              | (5,060.44)              |
| <b>Balance at the end of the year</b> | <b>245.44</b>           | <b>877.15</b>           |
| <b>(ii) Self-Insurance Reserve</b>    |                         |                         |
| Balance at the beginning of the year  | 304.14                  | 162.86                  |
| Addition during the year              | 46.84                   | 141.28                  |
| Deduction during the year             | -                       | -                       |
| <b>Balance at the end of the year</b> | <b>350.98</b>           | <b>304.14</b>           |
| <b>Total</b>                          | <b>596.42</b>           | <b>1,181.29</b>         |

**Further Notes:**

Self-insurance reserve is created @0.04% p.a. (Previous Year 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.

**Note 17 Borrowings (Non-current)**

(₹ In Lakh)

| Particulars  | As at 31<br>March, 2024 | As at 31 March,<br>2023 |
|--|-------------------------|-------------------------|
| <b>Unsecured</b>   |                         |                         |
| Rupee Term Loan from Power Grid Corporation of India Limited (Holding Company) | 89,642.21               | 93,341.23               |
| Less: Current maturities of Long Term Borrowing (Refer Note 19)                | (1,040.48)              | (2,823.07)              |
| <b>Total</b>   | <b>88,601.73</b>        | <b>90,518.16</b>        |

**Further Notes:**

- 1 The various sources of Loans being extended to the company by Holding Company are Fixed Interest and floating interest rate which get reset periodically. The rate of interest on the loan ranged from 7.6668% p.a. to 7.7155% p.a. during the financial year. Loan is repayable in Quarterly Installments of equal amount over the period of 35 Years from commissioning of the Project Assets with prepayment facility without any additional charges.
- 2 There has been no default in repayment of loans or payment of interest thereon as at the end of the year
- 3 Refer Note 37 for details of Loan from related parties.

Note 18 Deferred tax liabilities (Net)

(₹ In Lakh)

| Particulars  | As at 31 March,<br>2024 | As at 31 March,<br>2023 |
|--|-------------------------|-------------------------|
| <b><u>Deferred Tax Liability</u></b>                 |                         |                         |
| Difference in book Depreciation and Tax Depreciation | 9,456.10                | 6,937.75                |
| Others   | 20.11                   | 10.85                   |
| <b>Sub-Total (A)</b>                                 | <b>9,476.21</b>         | <b>6,948.60</b>         |
| <b><u>Deferred Tax Assets</u></b>                    |                         |                         |
| Unused Tax Losses                                    | 5,353.79                | 4,211.23                |
| Others   | 27.61                   | 27.62                   |
| <b>Sub-Total (B)</b>                                 | <b>5,381.40</b>         | <b>4,238.85</b>         |
| <b>Deferred tax liabilities (Net)</b>                | <b>4,094.81</b>         | <b>2,709.75</b>         |

Movement in Deferred Tax Liabilities

(₹ in Lakh)

| Particulars                              | Difference in<br>book<br>Depreciation and<br>Tax Depreciation | Others       | Total           |
|--|---|--------------|-----------------|
| <b>As at 01 April, 2022</b>              | <b>3,706.00</b>   | -            | <b>3,706.00</b> |
| - Charged / (Credited) to Profit or Loss | 3,231.75  | 10.85        | 3,242.60        |
| <b>As at 31 March, 2023</b>              | <b>6,937.75</b>   | <b>10.85</b> | <b>6,948.60</b> |
| - Charged / (Credited) to Profit or Loss | 2,518.35  | 9.26         | 2,527.61        |
| <b>As at 31 March, 2024</b>              | <b>9,456.10</b>   | <b>20.11</b> | <b>9,476.21</b> |

Movement in Deferred Tax Assets

(₹ in Lakh)

| Particulars                              | Unused Tax<br>Losses | Others       | Total           |
|--|----------------------|--------------|-----------------|
| <b>As at 01 April, 2022</b>              | <b>2,393.08</b>      | -            | <b>2,393.08</b> |
| - (Charged) / Credited to Profit or Loss | 1,818.15             | 27.62        | 1,845.77        |
| <b>As at 31 March, 2023</b>              | <b>4,211.23</b>      | <b>27.62</b> | <b>4,238.85</b> |
| - (Charged) / Credited to Profit or Loss | 1,142.56             | (0.01)       | 1,142.55        |
| <b>As at 31 March, 2024</b>              | <b>5,353.79</b>      | <b>27.61</b> | <b>5,381.40</b> |

Amount taken to Statement of Profit and Loss

(₹ in Lakh)

| Particulars   | For the Year<br>ended 31 March,<br>2024 | For the Year ended<br>31 March, 2023 |
|---|---|--------------------------------------|
| Increase/(Decrease) in Deferred Tax Liabilities         | 2,527.61                                | 3,242.60                             |
| (Increase)/Decrease in Deferred Tax Assets              | (1,142.55)                              | (1,845.77)                           |
| <b>Net Amount taken to Statement of Profit and Loss</b> | <b>1,385.06</b>                         | <b>1,396.83</b>                      |

**Note 19 Borrowings (Current)**

(₹ In Lakh)

| <b>Particulars</b>  | <b>As at 31<br/>March, 2024</b> | <b>As at 31<br/>March, 2023</b> |
|---|---------------------------------|---------------------------------|
| <b>Current maturities of long term borrowings</b>                       |                                 |                                 |
| Rupee Term Loans (Unsecured)  |                                 |                                 |
| Loan From M/s Power Grid Corporation of<br>India Ltd. (Holding Company) | 1,040.48                        | 2,823.07                        |
| <b>Total</b>  | <b>1,040.48</b>                 | <b>2,823.07</b>                 |

**Further Notes:**

- 1 There has been no default in repayment of loans or payment of interest thereon as at the end of the year
- 2 Refer Note 37 for details of Loan from related parties.

Note 20 Trade payables

(₹ In Lakh)

| Particulars  | As at 31 March,<br>2024 | As at 31 March,<br>2023 |
|--|-------------------------|-------------------------|
| <b>For goods and services</b>  |                         |                         |
| (A) Total outstanding dues of Micro enterprises and small enterprises                      | -                       | -                       |
| (B) Total outstanding dues of creditors other than Micro enterprises and small enterprises |                         |                         |
| Related Parties  | 38.97                   | -                       |
| Others   | 123.70                  | 19.56                   |
| <b>Total</b>   | <b>162.67</b>           | <b>19.56</b>            |

**Further Notes:**

- 1 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 33.
- 2 Refer Note 37 for amount payable to related parties.
- 3 Ageing of Trade Payables is as follows:

(₹ In Lakh)

| Particulars             | Not Billed    | <1Y          | 1Y-2Y    | 2Y-3Y    | >3Y      | Total         |
|-------------------------|---------------|--------------|----------|----------|----------|---------------|
| <b>As at 31.03.2024</b> |               |              |          |          |          |               |
| <b>MSME</b>             |               |              |          |          |          |               |
| Disputed                | -             | -            | -        | -        | -        | -             |
| Undisputed              | -             | -            | -        | -        | -        | -             |
| <b>Total</b>            | <b>-</b>      | <b>-</b>     | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b>      |
| <b>Others</b>           |               |              |          |          |          |               |
| Disputed                | -             | -            | -        | -        | -        | -             |
| Undisputed              | 114.61        | 48.06        | -        | -        | -        | 162.67        |
| <b>Total</b>            | <b>114.61</b> | <b>48.06</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>162.67</b> |
| <b>Grand Total</b>      | <b>114.61</b> | <b>48.06</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>162.67</b> |
| <b>As at 31.03.2023</b> |               |              |          |          |          |               |
| <b>MSME</b>             |               |              |          |          |          |               |
| Disputed                | -             | -            | -        | -        | -        | -             |
| Undisputed              | -             | -            | -        | -        | -        | -             |
| <b>Total</b>            | <b>-</b>      | <b>-</b>     | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b>      |
| <b>Others</b>           |               |              |          |          |          |               |
| Disputed                | -             | -            | -        | -        | -        | -             |
| Undisputed              | 12.91         | 6.65         | -        | -        | -        | 19.56         |
| <b>Total</b>            | <b>12.91</b>  | <b>6.65</b>  | <b>-</b> | <b>-</b> | <b>-</b> | <b>19.56</b>  |
| <b>Grand Total</b>      | <b>12.91</b>  | <b>6.65</b>  | <b>-</b> | <b>-</b> | <b>-</b> | <b>19.56</b>  |



**Note 21 Other Current Financial Liabilities** (₹ In Lakh)

| <b>Particulars</b>                                   | <b>As at 31<br/>March, 2024</b> | <b>As at 31<br/>March, 2023</b> |
|--|---------------------------------|---------------------------------|
| <b>Others</b>  |                                 |                                 |
| Dues for capital expenditure                         | 1.20                            | 27.40                           |
| Deposits/Retention money from contractors and others | 444.71                          | 1,273.85                        |
| <b>Total</b>   | <b>445.91</b>                   | <b>1,301.25</b>                 |

**Further Note -**

- 1 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 33.

**Note 22 Other current liabilities** (₹ In Lakh)

| <b>Particulars</b> | <b>As at 31<br/>March, 2024</b> | <b>As at 31<br/>March, 2023</b> |
|--------------------|---------------------------------|---------------------------------|
| Statutory dues**   | 145.82                          | 118.39                          |
| <b>Total</b>       | <b>145.82</b>                   | <b>118.39</b>                   |

\*\* Statutory dues includes TDS & GST

**Note 23 Revenue from operations** (₹ In Lakh)

| Particulars              | For the Year<br>ended 31 March,<br>2024 | For the Year<br>ended 31 March,<br>2023 |
|--------------------------|---|---|
| <b>Operating Revenue</b> |   |   |
| <b>Sales of services</b> |   |   |
| Transmission Charges     | 17,506.17                               | 17,512.21                               |
| <b>Total</b>             | <b>17,506.17</b>                        | <b>17,512.21</b>                        |

**Further Notes:**

1. Total Unbilled Revenue (excluding surcharge, which is included in other income) of ₹ 2007.95 lakh (Previous year- ₹ 1940.17 lakh) is included in the Revenue from Operations for the F.Y. 2023-24
2. During the F.Y. 2023-24 total rebate amounting to ₹ 88.42 lakh (Previous year- ₹ 82.38 lakh) is given to customers.
3. Revenue is recognized in Powergrid Mithilanchal Transmission Limited as per CERC order 39/AT/2018, dt: 25.04.2018.
4. Refer Note 32 for disclosure as per Ind AS 115 'Revenue from Contracts with Customer'.

**Note 24 Other income** (₹ In Lakh)

| Particulars  | For the Year<br>ended 31 March,<br>2024 | For the Year<br>ended 31 March,<br>2023 |
|--|---|---|
| <b>Interest income from Financial Assets at amortised cost</b> |   |   |
| Indian Banks   | 70.61                                   | 74.58                                   |
| Others*  | 13.79                                   | 0.74                                    |
|  | <b>84.40</b>                            | <b>75.32</b>                            |
| <b>Unwinding of discount on financial assets</b>               | <b>36.73</b>                            | <b>43.19</b>                            |
| <b>Others</b>  |   |   |
| Surcharge**  | 24.05                                   | 120.00                                  |
| Miscellaneous income#  | 1.47                                    | 0.34                                    |
|  | <b>25.52</b>                            | <b>120.34</b>                           |
| <b>Total</b>   | <b>146.65</b>                           | <b>238.85</b>                           |

**Further Notes:**

\*Others include Interest from Income Tax Assessment.

\*\*Total Unbilled Surcharge of ₹ 15.26 lakh (Previous year- ₹ 52.82 lakh) is included in Other Income for the F.Y. 2023-24

#Miscellaneous income include Rebate on RLDC Fees and charges, etc.

**Note 25 Finance costs** (₹ In Lakh)

| Particulars   | For the Year<br>ended 31 March,<br>2024 | For the Year<br>ended 31 March,<br>2023 |
|---|---|---|
| <b>i) Interest and finance charges on financial liabilities at amortised cost</b> |   |   |
| Interest on Loan from Power Grid Corporation of India Limited (Holding Company)   | 7,126.03                                | 6,725.01                                |
| <b>ii) Interest-Others</b>  | -                                       | 8.06                                    |
|   | 7,126.03                                | 6,733.07                                |
| Other Finance charges*  | 0.04                                    | 0.04                                    |
| <b>Charged To Statement of Profit &amp; Loss</b>                                  | <b>7,126.07</b>                         | <b>6,733.11</b>                         |

**Further Notes:**

- 1 Refer Note 37 for Interest paid to related parties.
- 2 \*Other Finance Charges includes fee for Legal Entity identifier.

**Note 26 Depreciation and amortization expense** (₹ In Lakh)

| Particulars                                      | For the Year<br>ended 31 March,<br>2024 | For the Year<br>ended 31 March,<br>2023 |
|--|---|---|
| Depreciation of Property, Plant and Equipment    | 3,205.90                                | 3,196.03                                |
| Amortisation of Intangible assets                | 4.73                                    | 4.73                                    |
| <b>Charged To Statement of Profit &amp; Loss</b> | <b>3,210.63</b>                         | <b>3,200.76</b>                         |

Note 27 Other expenses

(₹ In Lakh)

| Particulars   | For the Year ended<br>31 March, 2024 | For the Year ended<br>31 March, 2023 |
|---|--------------------------------------|--------------------------------------|
| <b>Repair &amp; Maintenance</b>   |                                      |                                      |
| Plant & Machinery   |                                      |                                      |
| Sub-Stations  | 850.88                               | 1,597.17                             |
| Transmission lines  | 542.48                               | 348.89                               |
| Others  | 0.06                                 | 0.06                                 |
|   | 1,393.42                             | 1,946.12                             |
| System and Market Operation Charges   | 40.04                                | 31.43                                |
| Power charges   | 232.21                               | 36.74                                |
| Less: Recovery from contractors   | -                                    | -                                    |
|   | 232.21                               | 36.74                                |
| Legal expenses  | 0.18                                 | 14.61                                |
| Professional charges  | 0.96                                 | 1.03                                 |
| <b>Payments to Statutory Auditors</b>   |                                      |                                      |
| Audit Fees  | 0.47                                 | 0.47                                 |
| Tax Audit Fees  | 0.14                                 | 0.14                                 |
| In Other Capacity   | 0.28                                 | 0.23                                 |
|   | 0.89                                 | 0.84                                 |
| Cost Audit and Physical verification Fees   | 0.20                                 | 0.28                                 |
| CERC petition & Other charges   | 18.70                                | 16.38                                |
| Miscellaneous expenses  | 0.78                                 | 0.22                                 |
| Security Expenses   | 186.33                               | 117.68                               |
| Expenditure on Corporate Social Responsibility (CSR)<br>& Sustainable development | 71.50                                | 34.78                                |
|   | 277.51                               | 169.34                               |
| Fair valuation loss on financial assets   | -                                    | 98.02                                |
| <b>Provisions</b>   |                                      |                                      |
| Doubtful loans, advances, debts, claims etc.                                      | -                                    | 11.61                                |
| <b>Charged To Statement of Profit &amp; Loss</b>                                  | <b>1,945.21</b>                      | <b>2,309.74</b>                      |

**Further Notes:**

1 Refer Note 37 for Expenses paid to related parties.

**Note 28 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 The management of financial risks by the Company is summarized below: -

**(A) Credit Risk:**

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

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

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

**(i) Trade Receivables**

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.

Trade receivables consist of receivables relating to transmission services of ₹ 3474.23 Lakh as on 31 March, 2024 (₹ 3651.05 Lakh as on 31 March, 2023).

**(ii) Other Financial Assets (excluding trade receivables and unbilled revenue)****Cash and cash equivalents**

The Company held cash and cash equivalents of ₹0.36 Lakh (Previous Year ₹1226.96 Lakh). The cash and cash equivalents are held with public 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 ₹1472.85 Lakh (Previous Year ₹0 Lakh). Term deposits are placed with public sector banks and have negligible credit risk.

**(iii) Exposure to credit risk**

(₹ In Lakh)

| Particulars   | As at 31 March, 2024 | As at 31 March, 2023 |
|---|----------------------|----------------------|
| <b>Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)</b> |                      |                      |
| Other non-current financial assets  | 233.90               | 305.24               |
| Cash and cash equivalents   | 0.36                 | 1,226.96             |
| Deposits with banks and financial institutions  | 1,472.85             | -                    |
| Other current financial assets  | 201.85               | -                    |
| <b>Total</b>  | <b>1,908.96</b>      | <b>1,532.20</b>      |
| <b>Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)</b> |                      |                      |
| Trade receivables   | 3,474.23             | 3,651.05             |

**(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**

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 lakh)

| Ageing                                     | Not Billed | 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 March, 2024 | 2,023.20   | 748.51  | 187.20             | 26.97               | 21.33               | 11.16                | 455.86                      | 3,474.23 |
| Gross carrying amount as on 31 March, 2023 | 1,993.00   | 654.65  | 781.45             | 131.76              | 30.98               | 2.17                 | 57.04                       | 3,651.05 |

(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 lakh)

| Particulars                            | Trade receivables |
|--|-------------------|
| <b>Balance as at 01 April, 2022</b>    | -                 |
| Impairment loss recognised/ (reversed) | 11.61             |
| Amounts written off                    | -                 |
| <b>Balance as at 31 March, 2023</b>    | <b>11.61</b>      |
| Impairment loss recognised/ (reversed) | -                 |
| Amounts written off                    | -                 |
| <b>Balance as at 31 March, 2024</b>    | <b>11.61</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 has entered into Inter-Corporate Loan Agreement for Funding of its obligations. For this, Company provided quarterly cashflows in advance to Holding Company with Monthly The Company depends on both internal and external sources of liquidity to provide working capital and to fund capital expenditure.

**Maturities of financial liabilities**

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

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

(₹ in lakh)

| Contractual maturities of financial liabilities | Within a year    | Between 1-5 years | Beyond 5 years     | Total              |
|---|------------------|-------------------|--------------------|--------------------|
| <b>As at 31 March, 2024</b>                     |                  |                   |                    |                    |
| Borrowings (including interest outflows)        | 7,965.30         | 45,824.00         | 1,50,663.75        | 2,04,453.05        |
| Trade payables                                  | 162.67           | -                 | -                  | 162.67             |
| <u>Other financial liabilities</u>              |                  |                   |                    |                    |
| Lease liabilities                               | -                | -                 | -                  | -                  |
| Others  | 445.91           | -                 | -                  | 445.91             |
| <b>Total</b>                                    | <b>8,573.88</b>  | <b>45,824.00</b>  | <b>1,50,663.75</b> | <b>2,05,061.63</b> |
| <b>As at 31 March, 2023</b>                     |                  |                   |                    |                    |
| Borrowings (including interest outflows)        | 17,068.56        | 46,165.89         | 1,57,107.10        | 2,20,341.55        |
| Trade payables                                  | 19.56            | -                 | -                  | 19.56              |
| <u>Other financial liabilities</u>              |                  |                   |                    |                    |
| Lease liabilities                               | -                | -                 | -                  | -                  |
| Others  | 1,301.25         | -                 | -                  | 1,301.25           |
| <b>Total</b>                                    | <b>18,389.37</b> | <b>46,165.89</b>  | <b>1,57,107.10</b> | <b>2,21,662.36</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 two types of risk:

- (i) Currency risk  
(ii) Interest rate risk

(i) **Currency risk**

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

(ii) **Interest rate risk**

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

**Note 29 Additional Regulatory Information as per Schedule III to the Companies Act, 2013**

- a) There are no cases of immovable properties where title deeds are not in the name of the company.  
b) Aging of Capital Work in Progress is as follows:

(₹ in lakh)

| Particulars as at 31 March, 2024 | <1 Year       | 1-2 Years     | 2-3 Years | >3 Years | Total         |
|----------------------------------|---------------|---------------|-----------|----------|---------------|
| Projects in progress- ERSS XXI   | 56.98         | 136.82        | -         | -        | 193.80        |
| <b>Total</b>                     | <b>56.98</b>  | <b>136.82</b> | <b>-</b>  | <b>-</b> | <b>193.80</b> |
| Particulars as at 31 March, 2023 |               |               |           |          |               |
| Projects in progress- ERSS XXI   | 174.51        | 51.75         | -         | -        | 226.26        |
| <b>Total</b>                     | <b>174.51</b> | <b>51.75</b>  | <b>-</b>  | <b>-</b> | <b>226.26</b> |

- c) Completion of capital-work-in progress (CWIP) is neither overdue nor has exceeded its cost compared to its original plan.
- d) The company has no Intangible assets under development, hence disclosure of ageing of Intangible assets under development is not applicable.
- e) The company has no Intangible assets under development, hence disclosure of development completion schedule is not applicable.
- e) Completion of Intangible assets under development (IAUD) is neither overdue nor has exceeded its cost compared to its original plan.
- f) No proceeding has been initiated or pending against the company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder as at the end of the financial year.
- g) The Company is not sanctioned any working capital limit secured against current assets by any Finance Institutions.
- h) The company was not declared as a wilful defaulter by any bank or financial Institution or other lender during the financial year.
- i) The Company does not have any transactions, balances or relationship with Struck off companies.
- j) The Company does not have any Charges on the Assets of the Company.
- k) The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017 during the financial year.

## l) Ratios

| Ratio                          | Numerator   | Denominator                                      | Current Year | Previous Year | Variance | Reason for variance >25%   |
|--------------------------------|---|--|--------------|---------------|----------|--|
| a) Current Ratio               | Current Assets  | Current Liabilities                              | 2.82         | 1.13          | 150%     | Due to decrease in Current Liabilities towards borrowings & retention amount payable |
| b) Debt Equity Ratio           | Total Debt  | Shareholder's Equity                             | 3.75         | 3.81          | -2%      |  |
| c) Debt Service Coverage Ratio | Profit for the period + Depreciation and amortization expense + Finance costs | Interest & Lease Payments + Principal Repayments | 1.21         | 1.53          | -21%     |  |
| d) Return on Equity Ratio      | Profit for the period   | Average Shareholder's Equity                     | 16.46%       | 16.46%        | 0%       |  |
| e) Inventory turnover ratio    | Revenue from Operations   | Average Inventory                                | 866.21       | NA            | NA       |  |

|                                    |   |  |        |        |      |  |
|------------------------------------|---|--|--------|--------|------|--|
| f) Trade Receivable Turnover Ratio | Revenue from Operations   | Average Trade Receivables (before deducting provision)   | 4.45   | 5.05   | -12% |  |
| g) Trade payable turnover ratio    | Gross Other Expense (-) FERV, Provisions, Loss on disposal of PPE | Average Trade payables                                   | 21.35  | 151.89 | -86% | Due to decrease in Repair & Maintenance expenses & increase in trade payable         |
| h) Net capital turnover ratio      | Revenue from Operations   | Current Assets - Current Liabilities                     | 5.36   | 31.62  | -83% | Due to decrease in Current Liabilities towards borrowings & retention amount payable |
| i) Net profit ratio                | Profit for the period   | Revenue from Operations                                  | 22.77% | 23.47% | -3%  |  |
| j) Return on Capital employed      | Earnings before interest and taxes                                | Tangible Net Worth + Total Debt + Deferred Tax Liability | 10.64% | 10.17% | 5%   |  |
| k) Return on investment            | $\frac{MV(T1) - MV(T0) - \text{Sum } [C(t)]}{MV(T0)}$             | $\frac{MV(T0) + \text{Sum } [W(t) * C(t)]}{MV(T0)}$      | NA     | NA     | NA   |  |

- 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.



**Note 30** a) Some balances of Trade Receivables, Recoverable shown under Assets, Trade payables 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 on realization in the ordinary course of business will not be less than the value at which they are stated in the Balance Sheet.

**Note 31** Central Transmission Utility of India Limited (CTUIL) (Fellow Subsidiary Company) was notified as CTU w.e.f. 01.04.2021 by GOI vide Notification No. CG-DL-E-09032021-225743 and is entrusted with the job of centralized Billing, Collection and Disbursement (BCD) of transmission charges on behalf of all the IST licensees. Accordingly, CTUIL is raising bills for transmission charges to DICs on behalf of IST licensees. The debtors and their recovery are accounted based on the list of DICs given by CTUIL.

**Note 32 Disclosure as per Ind AS 115 - "Revenue from Contracts with Customer"**

- a) The company does not have any contract assets or contract liability as at 31 March, 2024 and 31 March, 2023.
- b) 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 Lakh)

| Particulars  | For the Year ended 31 March, 2024 | For the Year ended 31 March, 2023 |
|--|-----------------------------------|-----------------------------------|
| Contracted price                                     | 16999.60                          | 16,999.60                         |
| Add/ (Less)- Discounts/ rebates provided to customer | (88.42)                           | (82.38)                           |
| Add/ (Less)- Performance bonus                       | 594.99                            | 594.99                            |
| Add/ (Less)- Adjustment for significant financing    | -                                 | -                                 |
| Add/ (Less)- Other adjustments                       | -                                 | -                                 |
| Revenue recognised in profit or loss statement       | 17,506.17                         | 17,512.21                         |

**Note 33** Based on information available with the company, there are few suppliers/service providers who are registered as micro, small or medium enterprise under The Micro, Small and Medium Enterprises Development Act,2006 (MSMED Act, 2006). Information in respect of micro and small enterprises as required by Companies Act 2013 and MSMED Act, 2006 is given as under:

(₹ In Lakh)

| Sr. No | Particulars   | Trade Payables       |                      | Others               |                      |
|--------|---|----------------------|----------------------|----------------------|----------------------|
|        |   | As at 31 March, 2024 | As at 31 March, 2023 | As at 31 March, 2024 | As at 31 March, 2023 |
| 1      | Principal amount and interest due thereon remaining unpaid to any supplier as at end of each accounting year:   |                      |                      |                      |                      |
|        | Principal   | Nil                  | Nil                  | Nil                  | Nil                  |
|        | Interest  | Nil                  | Nil                  | Nil                  | Nil                  |
| 2      | The amount of Interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year   | Nil                  | Nil                  | Nil                  | Nil                  |
| 3      | The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006  | Nil                  | Nil                  | Nil                  | Nil                  |
| 4      | The amount of interest accrued and remaining unpaid at the end of each accounting year  | Nil                  | Nil                  | Nil                  | Nil                  |
| 5      | The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006 | Nil                  | Nil                  | Nil                  | Nil                  |

**Note 34 Disclosure as per Ind AS 116 - "Leases"****a) As a Lessor - Finance Leases:**

The company does not have any lease arrangements as a lessor.

**b) As a Lessee:**

The company only has leasehold land which has been assessed and accounted as per the requirements of Ind AS 116 - "Leases" and required disclosures as per the said Ind AS are as follows:

**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 4 as a separate line item.

**Lease Liabilities:**

As the amount has been prepaid before the date of initial application, therefore no lease liability has been recognized.

**Short term leases:**

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

**Note 35 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 lakh)                       |                                   |
|--------|---|-----------------------------------|-----------------------------------|
| S. No. | PARTICULARS   | For the Year ended 31 March, 2024 | For the Year ended 31 March, 2023 |
| A      | Amount required to be spent during the year   | 71.50                             | 34.78                             |
| B      | Amount approved by the Board to be spent during the year  | 71.50                             | 34.78                             |
| C      | <u>Amount spent on CSR –</u>  |                                   |                                   |
| (i)    | Construction or acquisition of any asset  | -                                 | -                                 |
| (ii)   | on Purpose other than (i) above   | 71.50                             | 34.78                             |
| D      | Total Shortfall/(Excess) amount   | -                                 | -                                 |
| E      | Break-up of the amount spent on CSR   |                                   |                                   |
| (i)    | Education and Skill Development expenses  | -                                 | -                                 |
| (ii)   | Ecology and Environment Expenses  | -                                 | -                                 |
| (iii)  | Health and Sanitation expenses  | -                                 | -                                 |
| (iv)   | Sports, Art and Culture expenses  | -                                 | -                                 |
| (v)    | Protection of national heritage, art and culture including restoration of building and sites of historical importance | -                                 | -                                 |
| (vi)   | Other CSR activities  | 71.50                             | 34.78                             |
|        | <b>Total Amount spent on CSR</b>  | <b>71.50</b>                      | <b>34.78</b>                      |
|        | Amount spent in Cash out of above   | 71.50                             | 34.78                             |
|        | Amount yet to be spent in Cash  | -                                 | -                                 |

**Note 36 Fair Value Measurement**

|  |                      | (₹ in lakh)          |  |
|--|----------------------|----------------------|--|
| Financial Instruments by category                | As at 31 March, 2024 | As at 31 March, 2023 |  |
|  | Amortised cost       | Amortised cost       |  |
| <b><u>Financial Assets</u></b>                   |                      |                      |  |
| Trade Receivables                                | 3,462.62             | 3,639.44             |  |
| Cash & cash Equivalents                          | 0.36                 | 1,226.96             |  |
| Bank Balances other than cash & cash equivalents | 1,472.85             | -                    |  |
| <b><u>Other Financial Assets</u></b>             |                      |                      |  |
| Current  | 201.85               | -                    |  |
| Non-Current                                      | 233.90               | 305.24               |  |
| <b>Total Financial assets</b>                    | <b>5,371.58</b>      | <b>5,171.64</b>      |  |
| <b><u>Financial Liabilities</u></b>              |                      |                      |  |
| Borrowings                                       | 89,642.21            | 93,341.23            |  |
| Trade Payables                                   | 162.67               | 19.56                |  |
| <b><u>Other Financial Liabilities</u></b>        |                      |                      |  |
| Other Current Financial Liabilities              | 445.91               | 1,301.25             |  |
| Non-Current                                      | -                    | -                    |  |
| <b>Total financial liabilities</b>               | <b>90,250.79</b>     | <b>94,662.04</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 Amortised Cost:

(₹ in lakh)

| Particulars                        | Level | As at 31 March, 2024 |                  | As at 31 March, 2023 |                  |
|------------------------------------|-------|----------------------|------------------|----------------------|------------------|
|                                    |       | Carrying Amount      | Fair value       | Carrying Amount      | Fair value       |
| <b>Financial Assets</b>            |       |                      |                  |                      |                  |
| Non-Current Trade Receivables      | 2     | 117.97               | 113.70           | 355.51               | 319.00           |
| <b>Total Financial Assets</b>      |       | <b>117.97</b>        | <b>113.70</b>    | <b>355.51</b>        | <b>319.00</b>    |
| <b>Financial Liabilities</b>       |       |                      |                  |                      |                  |
| Borrowings                         | 2     | 89,642.21            | 91,669.99        | 93,341.23            | 92,683.14        |
| <b>Total financial liabilities</b> |       | <b>89,642.21</b>     | <b>91,669.99</b> | <b>93,341.23</b>     | <b>92,683.14</b> |

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

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

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

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

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

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

**Valuation technique used to determine fair value:**

Specific valuation techniques used to value financial instruments includes:

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

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

**Note 37 Disclosure as per Ind AS 24 - "Related Party Disclosures"**

**(a) Holding Company**

| Name of entity                          | Place of business/<br>Country of incorporation | Proportion of Ownership Interest |                      |
|---|--|----------------------------------|----------------------|
|   |  | As at 31 March, 2024             | As at 31 March, 2023 |
| Power Grid Corporation of India Limited | India  | 100%                             | 100%                 |

**(b) Subsidiaries of Holding Company**

| Name of entity  | Place of business /<br>Country of incorporation |
|---|---|
| POWERGRID Vemagiri Transmission Limited   | India   |
| POWERGRID NM Transmission Limited   | India   |
| POWERGRID Unchahar Transmission Limited   | India   |
| POWERGRID Southern Interconnector Transmission System Limited                           | India   |
| POWERGRID Medinipur Jeerat Transmission Limited   | India   |
| POWERGRID Varanasi Transmission System Limited  | India   |
| POWERGRID Jawaharpur Firozabad Transmission Limited                                     | India   |
| POWERGRID Khetri Transmission System Limited  | India   |
| POWERGRID Bhuj Transmission Limited   | India   |
| POWERGRID Bhind Guna Transmission Limited   | India   |
| POWERGRID Ajmer Phagi Transmission Limited  | India   |
| POWERGRID Fatehgarh Transmission Limited  | India   |
| POWERGRID Rampur Sambhal Transmission Limited   | India   |
| POWERGRID Meerut Simbhavali Transmission Limited  | India   |
| Central Transmission Utility of India Limited   | India   |
| POWERGRID Ramgarh Transmission Limited  | India   |
| POWERGRID Himachal Transmission Limited   | India   |
| POWERGRID Bikaner Transmission System Limited   | India   |
| POWERGRID Sikar Transmission Limited  | India   |
| POWERGRID Bhadla Transmission Limited   | India   |
| POWERGRID Aligarh Sikar Transmission Limited  | India   |
| POWERGRID Energy Services Limited   | India   |
| POWERGRID Teleservices Limited  | India   |
| POWERGRID Narela Transmission Limited<br>(Erstwhile Khetri Narela Transmission Limited) | India   |

|  |       |
|--|-------|
| POWERGRID Gomti Yamuna Transmission Limited<br>(Erstwhile Mohanlalganj Transmission Limited)                   | India |
| POWERGRID Neemuch Transmission System Limited<br>(Erstwhile Neemuch Transmission Limited)                      | India |
| POWERGRID ER NER Transmission Limited<br>(Erstwhile ER NER Transmission Limited)                               | India |
| POWERGRID Khavda II-B Transmission Limited<br>(Erstwhile Khavda II-B Transmission Limited)                     | India |
| POWERGRID Khavda II-C Transmission Limited<br>(Erstwhile Khavda II-C Transmission Limited)                     | India |
| POWERGRID Khavda RE Transmission System Limited<br>(Erstwhile Khavda II-RE Transmission Limited)               | India |
| POWERGRID KPS2 Transmission System Limited<br>(Erstwhile KPS2 Transmission Limited)                            | India |
| POWERGRID KPS3 Transmission Limited<br>(Erstwhile KPS3 Transmission Limited)                                   | India |
| POWERGRID ERWR Power Transmission Limited<br>(Erstwhile ERWR Power Transmission Limited)                       | India |
| POWERGRID Raipur Pool Dhamtari Transmission Limited<br>(Erstwhile Raipur Pool Dhamtari Transmission Limited)   | India |
| POWERGRID Dharamjaigarh Transmission Limited<br>(Erstwhile Dharamjaigarh Transmission Limited)                 | India |
| POWERGRID Bhadla Sikar Transmission Limited<br>(Erstwhile Bhadla Sikar Transmission Limited)                   | India |
| POWERGRID Ananthpuram Kurnool Transmission Limited<br>(Erstwhile Ananthpuram Kurnool Transmission Limited)*    | India |
| POWERGRID Bhadla III Transmission Limited<br>(Erstwhile Bhadla III Transmission Limited)*                      | India |
| POWERGRID Ramgarh II Transmission Limited<br>(Erstwhile Ramgarh II Transmission Limited)**                     | India |
| POWERGRID Beawar Dausa Transmission Limited<br>(Erstwhile Beawar Dausa Transmission Limited)\$                 | India |
| POWERGRID Bikaner Neemrana Transmission Limited<br>(Erstwhile Bikaner III Neemrana Transmission Limited)\$     | India |
| POWERGRID Neemrana II Bareilly Transmission Limited<br>(Erstwhile Neemrana II Bareilly Transmission Limited)\$ | India |
| POWERGRID Vataman Transmission Limited (Erstwhile Vataman Transmission Limited)#                               | India |
| POWERGRID Koppal Gadag Transmission Limited<br>(Erstwhile Koppal II Gadag II Transmission Limited)#            | India |
| Sikar Khetri Transmission Limited ##   | India |
| Bidar Transmission limited ##  | India |

\*100% equity acquired by POWERGRID from PFC Consulting Limited on 27.09.2023.

\*\*100% equity acquired by POWERGRID from REC Power Development and Consultancy Limited on 26.10.2023.

\$100% equity acquired by POWERGRID from PFC Consulting Limited on 30.10.2023.

#100% equity acquired by POWERGRID from PFC Consulting Limited on 26.12.2023.

\$\$100% equity acquired by POWERGRID from PFC Consulting Limited on 27.12.2023.

##100% equity acquired by POWERGRID from REC Power Development and Consultancy Limited on 09.02.2024.

**(c) Joint Ventures of Holding company**

| Name of entity   | Place of business / Country of incorporation |
|--|--|
| Powerlinks Transmission Limited  | India  |
| Torrent POWERGRID Limited  | India  |
| Parbati Koldam Transmission Company Limited  | India  |
| Sikkim Power Transmission Limited<br>(Erstwhile Teestavalley Power Transmission Limited) | India  |
| North East Transmission Company Limited  | India  |
| National High Power Test Laboratory Private Limited                                      | India  |
| Bihar Grid Company Limited   | India  |
| Energy Efficiency Services Limited   | India  |
| Cross Border Power Transmission Company Limited  | India  |
| RINL POWERGRID TLT Private Limited (under process of liquidation)                        | India  |
| Butwal-Gorakhpur Cross Border Power Transmission Limited                                 | India  |
| Power Transmission Company Nepal Limited   | Nepal  |

**(d) Associates of Holding Company**

| Name of entity                          | Place of business/ Country of incorporation |
|---|---|
| POWERGRID Kala Amb Transmission Limited | India                                       |
| POWERGRID Jabalpur Transmission Limited | India                                       |
| POWERGRID Warora Transmission Limited   | India                                       |
| POWERGRID Parli Transmission Limited    | India                                       |

**(e) Key Managerial Personnel**

| Name                        | Designation             | Date of Appointment | Date of Cessation / Separation |
|-----------------------------|-------------------------|---------------------|--------------------------------|
| Shri B. Anantha Sarma       | Chairman & Director     | 01-06-2022          | Continuing                     |
| Shri Rajil Srivastava       | Director                | 01-06-2021          | Continuing                     |
| Shri Ramesh Kumar           | Director                | 10-10-2022          | Continuing                     |
| Smt.Vineeta Agarwal         | Director                | 30-06-2023          | Continuing                     |
| Shri Manoj Kumar            | Chief Financial Officer | 26-09-2022          | Continuing                     |
| Shri Piyush R. Bhadreshvara | Company Secretary       | 31-01-2020          | Continuing                     |
| Smt. Dipti Doley Basumatary | Director                | 28-01-2021          | 31-05-2023                     |
| Shri Utpal Sharma           | Director                | 24-01-2023          | 31-01-2024                     |

**(f) Government Related Entities**

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

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

The above transactions are in the course of normal day-to-day business operations and are not considered to be significant keeping in view the size, either individually or collectively.

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

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

(₹ in lakh)

| Particulars  | As at 31 March, 2024 | As at 31 March, 2023 |
|--|----------------------|----------------------|
| <b>Amounts payable</b>   |                      |                      |
| <b>Power Grid Corporation of India Ltd. (Holding Company)</b>  |                      |                      |
| Purchases of goods and services – O&M Maintenance  | 15.44                | -                    |
| Loans from Holding Company   | 89,642.21            | 93,341.23            |
| <b>POWERGRID Energy Services Limited (Fellow Subsidiary Company)</b>   |                      |                      |
| Purchases of goods and services – O&M Maintenance  | 23.52                | -                    |
| <b>Amounts Receivable</b>  |                      |                      |
| <b>POWERGRID Energy Services Limited (Fellow Subsidiary Company)</b>   |                      |                      |
| Sales of Goods and Services - Spares & Inventories   | 79.18                | -                    |
| <b>Central Transmission Utility of India Ltd. (Fellow Subsidiary Company)</b>  |                      |                      |
| Outstanding Balance in capacity of CTU(including amount withheld by CTUIL from Transmission Charges billed on behalf of the Company) | 3,819.19             | 3,944.68             |

**(h) Transactions with related parties**

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

(₹ in lakh)

| Particulars  | For the Year ended 31 March, 2024 | For the Year ended 31 March, 2023 |
|--|-----------------------------------|-----------------------------------|
| <b>Power Grid Corporation of India Ltd. (Holding Company)</b>        |                                   |                                   |
| Purchase of Goods or Services – O&M Maintenance                      | 445.16                            | 1,511.03                          |
| Reimbursement of Expenses  | 0.77                              | 0.21                              |
| Repayment of Loan  | 4,675.16                          | 2,421.05                          |
| Additional Loan obtained during the year                             | 976.14                            | 3,024.75                          |
| Interest paid on Loan  | 7,126.03                          | 6,725.01                          |
| Dividend Paid  | 4,570.72                          | 5,060.44                          |
| <b>POWERGRID Energy Services Limited (Fellow Subsidiary Company)</b> |                                   |                                   |
| Purchases of goods and services – O&M Maintenance                    | 570.03                            | -                                 |

|   |           |           |
|---|-----------|-----------|
| Sales of Goods and Services - Spares & Inventories                            | 828.96    | -         |
| <b>Central Transmission Utility of India Ltd. (Fellow Subsidiary Company)</b> |           |           |
| Transactions in capacity of CTU   | 17,506.17 | 17,512.21 |

**Note 38 Segment Information**

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

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

**Note 39 Capital and other Commitments**

| Particulars  | (₹ in lakh)          |                      |
|--|----------------------|----------------------|
|  | As at 31 March, 2024 | As at 31 March, 2023 |
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | 85.98                | 374.92               |

**Note 40 Contingent Liabilities and contingent assets**

**A. Contingent Liabilities**

**Income Tax Matter**

Income Tax Matter amounting to ₹ 2,897.27 lakhs (Previous Year ₹ Nil) is being contested before Appellate Authorities. Management expect that matter will not be upheld by the authorities.

**B. Contingent Assets**

There are no contingent assets as on reporting date.

**Note 41 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 and all other equity reserves attributable to the equity holders of the company. The company manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, regulate investments in its projects, return capital to shareholders or issue new shares. The company monitors capital using debt-equity ratio, which is the ratio of long term debt to Total net worth. The company includes within long term debt, interest bearing loans and borrowings and current maturities of long-term debt.

The debt -equity ratio of the Company was as follows: -

| Particulars                    | As at 31 March, 2024 | As at 31 March, 2023 |
|--------------------------------|----------------------|----------------------|
| Total debt (₹ in lakh)         | 89,642.21            | 93,341.23            |
| Equity (₹ in lakh)             | 23,916.42            | 24,501.29            |
| Long term debt to Equity ratio | 3.75                 | 3.81                 |

No changes were made in the objectives, policies or processes for managing capital during the years ended 31.03.2024 and 31.03.2023.

**b) Dividends**

| Particulars   | (₹ in lakh)                       |                                   |
|---|-----------------------------------|-----------------------------------|
|   | For the Year ended 31 March, 2024 | For the Year ended 31 March, 2023 |
| Interim dividend for the year ended 31.03.2024 of ₹1.96(31.03.2023 - ₹2.17) per fully paid up share | 4,570.72                          | 5,060.44                          |

**Dividend not recognized at the end of the reporting period:**

In addition to above dividend, the Board of Directors on 02 May, 2024 declared the interim dividend of ₹ 0.10 per fully paid up equity share.

**Note 42 Earnings per share**

| Particulars   | For the Year ended 31 March, 2024 | For the Year ended 31 March, 2023 |
|---|-----------------------------------|-----------------------------------|
| Basic and diluted earnings per share attributable to the equity holders of the company (in ₹) | 1.71                              | 1.76                              |
| Total Earnings attributable to the equity holders of the company (₹ in lakh)                  | 3,985.85                          | 4,110.62                          |
| Weighted average number of shares used as the denominator                                     | 23,32,00,000                      | 23,32,00,000                      |

**Note 43 Income Tax expense**

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

**(a) Income tax expense**

(₹ in lakh)

| Particulars                                       | For the Year ended 31 March, 2024 | For the Year ended 31 March, 2023 |
|---|-----------------------------------|-----------------------------------|
| <u>Current Tax</u>                                |                                   |                                   |
| Current tax on profits for the year               | -                                 | -                                 |
| <u>Deferred Tax expense</u>                       |                                   |                                   |
| Origination and reversal of temporary differences | 1,385.06                          | 1,396.83                          |
| <b>Total deferred tax expense/benefit</b>         | <b>1,385.06</b>                   | <b>1,396.83</b>                   |
| <b>Income tax expense (A+B)</b>                   | <b>1,385.06</b>                   | <b>1,396.83</b>                   |

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

(₹ in lakh)

| Particulars   | For the Year ended 31 March, 2024 | For the Year ended 31 March, 2023 |
|---|-----------------------------------|-----------------------------------|
| Profit before income tax expense including movement in Regulatory Deferral Account Balances | 5,370.91                          | 5,507.45                          |
| <b>Tax at the Company's domestic tax rate of 25.168 %</b>                                   | <b>1,351.75</b>                   | <b>1,386.12</b>                   |
| Tax effect of:  |                                   |                                   |
| Non-Deductible tax items  | 17.99                             | 10.77                             |
| Unabsorbed tax losses   | (15.32)                           | 0.06                              |
| <b>Income tax expense</b>   | <b>1,385.06</b>                   | <b>1,396.83</b>                   |

**Note 44 Employee Benefits**

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

**Note 45** a) Figures have been rounded off to nearest rupees in lakh up to two decimals.

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

As per our report of even date

For Salarpuria Jajodia & Co

Chartered Accountants

Firm Regn. No. 001862C

**Hari Kant Prasad Jain**

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Hari Kant Prasad Jain  
Date: 2024.05.02  
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CA Hari Kant Prasad Jain

Partner

Mem. No. 012525

Place: Patna

Date: 02 May, 2024

For and on behalf of the Board of Directors

ANANTHA SARMA  
BOPPUDI

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ANANTHA SARMA  
BOPPUDI  
Date: 2024.05.02  
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**B. Anantha Sarma**  
Chairman  
DIN: 08742208  
Place: Gurugram  
Date: 02 May, 2024

MANOJ KUMAR

Digitally signed by  
MANOJ KUMAR  
Date: 2024.05.02  
17:50:09 +05'30'

**Manoj Kumar**  
Chief Financial Officer  
PAN: AJUPK6726G  
Place: Patna  
Date: 02 May, 2024

RAMESH KUMAR

Digitally signed by  
RAMESH KUMAR  
Date: 2024.05.02  
18:00:42 +05'30'

**Ramesh Kumar**  
Director  
DIN: 09759318  
Place: Gurugram  
Date: 02 May, 2024

Piyush Rameshbhai Bhadreshvara

Digitally signed by Piyush  
Rameshbhai Bhadreshvara  
Date: 2024.05.02 17:58:37 +05'30'

**Piyush R. Bhadreshvara**  
Company Secretary  
Mem. No. A44551  
Place: Gurugram  
Date: 02 May, 2024