

**POWERGRID SOUTHERN INTERCONNECTOR TRANSMISSION SYSTEM LIMITED**  
*(Wholly Owned Subsidiary of Power Grid Corporation of India Limited)*  
**(CIN: U40106DL2015GOI278746)**

**Annual Report (2023-24)**

# POWERGRID SOUTHERN INTERCONNECTOR TRANSMISSION SYSTEM LIMITED

(Wholly Owned Subsidiary of Power Grid Corporation of India Limited)

(CIN: U40106DL2015GOI278746)

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

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## DIRECTORS' REPORT

Dear Shareholders

I am delighted to present on behalf of the Board of Directors, the 9<sup>th</sup> Annual Report of POWERGRID Southern Interconnector Transmission System 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 Affair

POWERGRID Southern Interconnector Transmission System Limited (PSITSL) was acquired by Power Grid Corporation of India Limited (POWERGRID) on 4<sup>th</sup> December, 2015 under Tariff based Competitive bidding from REC Transmission Projects Company Limited (the Bid Process Co-Ordinator) for "Strengthening of Transmission System Beyond Vemagiri" Project on build, own operate and maintain (BOOM) basis. The transmission project comprising of 765 kV & 400 kV, D/C transmission lines is to traverse the states of Andhra Pradesh, Telangana & Karnataka and include establishment of one 765/400 kV Substation as well as 400kV bay extension at two existing sub-stations in the state of Andhra Pradesh. The Company was granted transmission license by CERC in March, 2016. PSITSL, comprising elements viz- Vemagiri-II Chilakaluripeta 765kV D/C Line, Chilakaluripeta-Cuddapah 765 kV D/C, Chilakaluripeta-Narsaraopeta (Sattenapalli) 400kV (quad) D/C Line, Cuddapah –Madhugiri 400kV (quad) D/C Line, Srikaulam Pooling Station-Garividi 400kV (quad) D/C Line and 765/400 kV substation at Chilakaluripeta on Build, own, operate and maintain (BOOM) basis, have been successfully commissioned progressively on 18th January 2020.

The Company has also received, the following projects under RTM route:

- i. 765 KV Spare (1-Ph) Reactor unit at 765 KV Chilakaluripeta substation: This project has been commissioned 31.08.2023 on with a total cost of Rs. 817.78 Lakhs
- ii. To bypass NGR to use switchable line reactor as Bus reactor at 765 KV Chilakaluripeta substation: This project has been commissioned on 12th May, 2023 with a total cost of Rs. 118.97 lakhs

### 2. Financial Performance

(Rs. in Lakhs)

Particulars	2023-24	2022-23
Revenue from Operations	47,708.21	47,609.35
Other Income	394.99	496.36
<b>Total Income</b>	<b>48,103.20</b>	<b>48,105.71</b>
<b>Total Expenses</b>	<b>30,813.67</b>	<b>30,721.30</b>
Profit before Tax	17,289.53	17,384.41
<b>Profit after Tax</b>	<b>12,893.03</b>	<b>12,991.15</b>
<b>Earnings Per Equity Share (₹)</b>	<b>1.82</b>	<b>1.83</b>

3. **Share Capital**

As on 31<sup>st</sup> March, 2024, your Company had an Authorized and Paid up Share Capital of Rs.73,100.00 Lakh and Rs.70,900.40 Lakh, respectively.

4. **Dividend**

During the Financial Year 2023-24, your Company has paid an interim dividend on four occasions as per Section 123 of Companies Act, 2013, viz. Rs. 0.29/- per share on 25<sup>th</sup> July, 2023, Rs. 0.56/- per share on 20<sup>th</sup> October, 2023, Rs. 0.46/- per share on 25<sup>th</sup> January, 2024 and Rs. 0.39/- per share on 31<sup>st</sup> March, 2024 out of profits and retained earnings of the Company for the Financial Year 2023-24.

5. **Reserves**

Out of Net Profit of Rs. 12, 893.03 Lakh in current financial year, your Company has transferred an amount of Rs.146.35 Lakh to Self-Insurance Reserve. Retained Earnings as on 31<sup>st</sup> March, 2024 stood at Rs. 1,456.62 Lakh.

6. **Deposits**

Your Company has not accepted any deposit as per Chapter V of Companies Act, 2013, for the period ended 31<sup>st</sup> March, 2024.

7. **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 or made any investment in any other entity as per Section 186 of Companies Act, 2013.

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

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

9. **Material Changes & Commitments**

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

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, 2013, 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 the 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**

### **Conservation of Energy:**

Energy conservation measures are being taken by the Company at every possible step, to develop an efficient transmission network. As per present infrastructure, minimum required lighting points are used. No solar panel is available at Sub-Station. Auto sensor is used for Street light and S/Y light switching.

### **Technology Absorption:**

As 765/400kV Sub-Station is AIS conventional Sub-Station, following items as technology absorption are used:

- a. SAS system are used for control and protection system.
- b. CSD are used for switching of Transformer and Reactor.
- c. Optical Fibre is used for Digital Protection Copular.
- d. Separate CT and CVT for metering are used in each line.

### **Foreign Exchange Earnings and out go:**

There was no Foreign Exchange Earnings and out go in the Company for the Financial Year 2023-24.

## 13. **Annual Return**

The Annual Return in Form MGT-7 as required under Section 92(3) of the Companies Act, 2013 can be accessed in the Subsidiaries section under the Investor Relations Tab on the POWERGRID's website i.e. [www.powergrid.in](http://www.powergrid.in)

## 14. **Board of Directors and Key Managerial Personnel**

As on 31<sup>st</sup> March, 2024, the Board comprised of Four (04) Directors viz. Shri B. Anantha Sarma, Shri Rajesh Srivastava, Smt. Sangeeta Saxena and Shri Ajay Kumar Shukla.

During the period under review, following changes took place in the composition of Board of Directors:

- a. Smt. Seema Gupta ceased to be Director of the Company w.e.f. 29.02.2024, consequent upon her superannuation from POWERGRID.
- b. Smt. Sangeeta Saxena and Shri Ajay Kumar Shukla was appointed as Additional Directors on the Board of the Company w.e.f. 13.03.2024 and 08.01.2024 respectively, they will hold office up to the date of ensuing Annual General Meeting.
- c. Shri Yagya Datt, ceased to be Director of the Company w.e.f. 31.12.2023.

Further, following changes took place after the closure of financial year under review till the date of Directors Report:

- a. Shri Rajesh Srivastava, ceased to be Director of the Company w.e.f. 30.06.2024.
- b. Shri Shwetank Kumar has tendered resignation form the post of Company Secretary (CS) of the Company w.e.f 02.08.2024.

The Board placed on record its appreciation for the valuable contribution, guidance & support given by Smt. Seema Gupta and Shri Yagya Datt during their tenure as Directors' of your Company.

Further, pursuant to the provisions of Section 203 of Companies Act, 2013 read with rules made thereunder, Shri B. Girish Kumar has tendered resignation from the post of Chief Financial Officer (CFO) w.e.f 30.06.2023 and Shri Srinivasarao Rajavarapu was appointed as CFO of the Company w.e.f 01.07.2023.

Your Company has also received notices under Section 160 of the Companies Act, 2013 from a member for appointment of Shri Ajay Kumar Shukla and Smt. Sangeeta Saxena as Director(s) of your Company, liable to retire by rotation, in the ensuing Annual General Meeting.

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

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

As on 31<sup>st</sup> March, 2024, Shri Srinivasarao Rajavarapu and Shri Shwetank Kumar are the CFO and CS of your Company respectively.

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

During the Financial Year 2023-24, Seven (7) meetings of Board of Directors were held on 03<sup>rd</sup> May, 2023, 30<sup>th</sup> June, 2023, 25<sup>th</sup> July, 2023, 31<sup>st</sup> August, 2023, 20<sup>th</sup> October, 2023, 25<sup>th</sup> January, 2024 and 31<sup>st</sup> March, 2024. Details 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 Financial Year 2023-24</b>	<b>No. of Board Meetings attended during Financial Year 2023-24</b>
Shri B. Anantha Sarma	Chairman	7	7
Shri Rajesh Srivastava (Ceased on 30.06.2024)	Director	7	5
Smt. Sangeeta Saxena (Appointed w.e.f. 13.03.2024)	Additional Director	1	1
Shri Ajay Kumar Shukla (Appointed w.e.f. 08.01.2024)	Additional Director	2	2
Smt. Seema Gupta (Ceased on 29.02.2024)	Director	6	5

Shri Yagya Datt (Ceased on 31.12.2023)	Director	5	5
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## 16. Committees of the Board

### Audit Committee and 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 Anantha Sarma Boppudi	Chairman & Member
2.	Shri Ajay Kumar Shukla*	Member
3.	Smt. Sangeeta Saxena**	Member

\* Shri Yagya Datt ceased to be a Member of the CSR Committee w.e.f. 31.12.2023 consequent to his superannuation from POWERGRID (Holding Company) and in his place Shri Ajay Kumar Shukla, Additional Director has been appointed as Member of CSR Committee.

\*\*\* Smt. Seema Gupta ceased to be a Member of the CSR Committee w.e.f. 29.02.2024 consequent to his superannuation from POWERGRID (Holding Company) and in his place Smt. Sangeeta Saxena, Additional Director has been appointed as Member of CSR Committee.

During the year 2023-24, CSR Committee has approved and recommended the CSR expenditure to the Board for FY 2023-24.

As per provisions of Companies Act, 2013, the Company was required to spend ₹1,79,18,800/- towards CSR activities during FY 2023-24. Keeping in view the wider coverage of CSR to the citizens, the Company has contributed for CSR Activities as per the following:

S.No.	CSR Activities	Amount
1.	Providing equipment to upgrade IRCS, Blood Bank, Vizianagaram District, Andhra Pradesh	₹64,67,875/-
2.	PM CARES deposited on 27.03.2024.	₹1,07,52,924/-
3.	PM CARES to be deposited on 28.03.2024.	₹,698,001/-
<b>TOTAL</b>		<b>₹1,79,18,800/-</b>

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

## 17. Declaration by Independent Directors

Ministry of Corporate Affairs (MCA) vide notification dated 5<sup>th</sup> July, 2017 had amended the Rule 4 of Companies (Appointment and Qualification of Directors) Rules, 2014 as per which, the unlisted public companies in the nature of wholly owned subsidiaries are not required to appoint Independent Directors on their Board. Accordingly, your Company, being a Wholly Owned Subsidiary of Power Grid Corporation of India Limited is not required to appoint Independent

Directors on their Board.

**18. Performance Evaluation**

Your Company, being wholly-owned Subsidiary of POWERGRID, is a Government Company. The Ministry of Corporate Affairs (MCA) vide Notification dated 5<sup>th</sup> June, 2015 has exempted Government Companies from the provisions of Section 178(2) of the Companies Act, 2013, which provides for manner of evaluation of performance of Board, its Committees and individual Directors. Further, the requirement of mentioning a statement on the manner of formal evaluation of annual performance in Board's Report as per Section 134(3)(p) of the Companies Act, 2013 is also not applicable for Government Companies, where the directors are evaluated by the Ministry or Department of the Central Government, which is administratively in charge of the Company, as per its own evaluation methodology.

The Whole-time Directors & senior officials of POWERGRID are nominated as Directors in your Company. POWERGRID, being a Government Company, the Directors so nominated by it in your Company, are being evaluated under a well laid down procedure of the Department of Public Enterprises ("DPE") thereby performance of CMD/Functional Directors is evaluated by Administrative Ministry and as that of senior officials by POWERGRID.

**19. Statutory Auditors**

Pursuant to Section 139(5) of the Companies Act, 2013 and Rule 4(2) of the Companies (Audit and Auditors) Rules, 2014, M/s KARA & Associates, Chartered Accountants, was appointed by Comptroller and Auditor General of India as Statutory Auditors of the Company for the Financial Year 2023-24.

**20. Statutory Auditors' Report**

M/s KARA & Associates, Chartered Accountants, Statutory Auditors for the Financial Year 2023-24 have given an unqualified report. The report is self-explanatory and does not require any further comments by the Board.

**21. Comments of Comptroller and Auditor General of India**

Comptroller and Auditor General of India has conducted the supplementary audit under section 143 (6) of the Companies Act, 2013 of Financial Statements for the year ended 31<sup>st</sup> March, 2024. On the basis of supplementary audit nothing significant has come their knowledge which would give rise to any comment or supplement to Statutory Auditors' Report. Copy of letter received from C&AG is placed at **Annexure-III** to this report.

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

During the Financial Year 2023-24, the Statutory Auditors of the Company have not reported any frauds to the Board of Directors under Section 143(12) of the Companies Act, 2013, including rules made thereunder.

**23. Secretarial Audit Report**

M/s Kumar Naresh Sinha & 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 Auditor have given an unqualified report. The report is self-explanatory and does not require any further comments by the Board.

**24. Cost Auditors and Cost Records**

The Company has appointed M/s B V S & Co., Cost Accountants as Cost Auditors of your

Company for the Financial Year 2023-24 under the provisions of Section 148 of the Companies Act, 2013.

Your Company has maintained Cost records as required under the provisions of Section 148 of the Companies Act, 2013.

The Cost Audit Report for the Financial Year 2023-24 will be filed with the Cost Audit Branch, Ministry of Company Affairs within the prescribed time.

25. **Development & Implementation of Risk Management Policy**

Your Company being a wholly owned subsidiary of POWERGRID is covered under the Risk Management Framework of POWERGRID, the holding Company.

26. **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 and corresponding rules of Chapter XIII are exempted for Government Companies. As your Company is a Government Company, the information has not been included as a part of Directors' report.

27. **Compliance with Secretarial Standards**

Your Company has generally followed the Secretarial Standards (SS), 1 & 2 issued by the Institute of Company Secretaries of India.

28. **Prevention of Sexual Harassment at workplace**

POWERGRID (the holding Company) has Internal Complaint Committee (CIC) in place to redress the complaints of sexual harassment. There was no incidence of sexual harassment during the Financial Year 2023-24.

29. **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 have been passed by any authority during the Financial Year impacting the going concern status and Company's operation in future.

30. **Internal Financial Control Systems and their adequacy**

Your Company has, in all material respects, an adequate Internal Financial Controls System over Financial Reporting and such Internal Financial Controls over Financial Reporting were operating effectively during the Financial Year 2023-24.

31. **Insolvency and Bankruptcy Code, 2016**

During the Financial Year 2023-24, no application has been made under the Insolvency and Bankruptcy Code; hence the requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the year along with their status as at the end of the financial year is not applicable.

32. **Right to Information**

In compliance with 'Right to Information Act, 2005' (RTI Act), an appropriate mechanism is in place for promoting transparency and accountability, wherein POWERGRID (Holding Company) has nominated Central Public Information Officer & Appellate Authority for your Company to provide required information under the provisions of the RTI Act.

33. **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, Central Transmission Utility of India Limited, Grid Controller of India Limited, 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 Southern Interconnector Transmission System Limited**

Sd/-

**(Anantha Sarma Boppudi)  
Chairman  
DIN: 08742208**

**Date: 30.09.2024**

**Place: Gurugram**

**POWERGRID SOUTHERN INTERCONNECTOR TRANSMISSION SYSTEM 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.

<b>Sl. No.</b>	<b>Particulars</b>	<b>Details</b>
(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 material contracts or arrangements or transactions at Arm's length basis.

<b>Sl. No.</b>	<b>Particulars</b>	<b>Details</b>
<b>1.</b>		
	(a) Name (s) of the related party & nature of relationship	Power Grid Corporation of India Limited, Holding Company of POWERGRID Southern Interconnector Transmission System Limited.
	(b) Nature of contracts/arrangements/transaction	Part (A): to take 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. 2963.19 Crore from POWERGRID. Part (B): to avail all inputs and services as may be required by the Company @ 5% of the actual project cost (excl. IDC and Consultancy Fee) plus tax as applicable. Part (C): to avail Post-CoD activities including O&M consultancy as may be required by the Project. Part (D): Related Party Arrangement as per approved SOP for

		diversion of transformers, reactors and other equipment/ material/items within the Group Companies.
	(c) Duration of the contracts/arrangements/ transaction	Part (A) As mutually agreed  Part (B) Commissioning of the Project including associated reconciliation activities  Part (C) As mutually agreed  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	14.09.2020, 07.06.2022 for <b>Part A</b> 19.03.2016, 07.06.2022 for <b>Part B</b> 25.01.2021 for <b>Part C</b> 30.06.2023 for <b>Part D</b>
	(f) Amount paid as advances, if any	-
<b>2.</b>		
	(a) Name (s) of the related party & nature of relationship	Powergrid Energy Services Limited (PESL), Fellow Subsidiary Company
	(b) Nature of contracts/arrangements/ transaction	For Part (A) to avail services of PESL for undertaking all post CoD activities including O&M consultancy as may be required by the Company (effective from 01.07.2023).  For Part (B) To sell/transfer spares (i.e. O&M inventory/Mandatory Spares/Ind AS Inventory) available with the Company as on 31.12.2023.
	(c) Duration of the contracts/arrangements/ transaction	For Part (A) As mutually agreed. For Part (B) 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	30.06.2023 for <b>Part A</b> 25.01.2024 for <b>Part B</b>
(f) Amount paid as advances, if any	-

**For and on behalf of**  
**POWERGRID Southern Interconnector Transmission System Limited**

Sd/-

**(Anantha Sarma Boppudi)**  
**Chairman**  
**DIN: 08742208**

**Date: 30.09.2024**  
**Place: Gurugram**

**ANNUAL REPORT ON CSR ACTIVITIES FOR FY 2023-24****1. Brief outline on CSR Policy of the Company:**

Your Company has adopted the CSR policy of its holding company viz. Power Grid Corporation of India Limited (POWERGRID) and is undertaking CSR activities through POWERGRID or as directed by POWERGRID. CSR Policy of POWERGRID is formulated keeping in view the requirements of the Companies Act, 2013 read with rules made thereunder and the Department of Public Enterprises guidelines. The activities proposed to be undertaken under CSR shall include all the activities mentioned in Schedule VII of Section 135(3)(a) of the Companies Act, 2013. The Policy is available on <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 following directors as members:

a.	Shri Anantha Sarma Boppudi	Chairman & Member
b.	Shri Ajay Kumar Shukla*	Member
c.	Smt. Sangeeta Saxena**	Member

\* Shri Yagya Datt ceased to be a Member of the CSR Committee w.e.f. 31.12.2023 consequent to his superannuation from POWERGRID (Holding Company) and in his place Shri Ajay Kumar Shukla, Additional Director has been appointed as Member of CSR Committee.

\*\*\* Smt. Seema Gupta ceased to be a Member of the CSR Committee w.e.f. 29.02.2024 consequent to his superannuation from POWERGRID (Holding Company) and in his place Smt. Sangeeta Saxena, Additional Director has been appointed as Member of CSR Committee.

During the year 2023-24, CSR Committee has approved and recommended the CSR expenditure to the Board for FY 2023-24. Further, one committee meeting was held during the year under review on 03.05.2023.

**3. Web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company:**

The Company does not have any website, therefore, the details of Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are given in this report.

The Company has adopted the CSR policy of POWERGRID (the Holding Company), as mentioned above, detail of the same can be accessed at <https://www.powergrid.in/sites/default/files/CSR%26S%20policy.pdf>

For FY 2023-24, the Company has an obligation to spend the amount of Rs.1,79,18,800 towards CSR. Details of CSR expenditure are as follow:

<b>CSR Expenditure for FY 2023-24</b>	<b>Amount (In Rs.)</b>
Providing equipment to upgrade IRCS, Blood Bank, Vizianagaram Dist. AP	64,67,875
Towards PM CARES (Deposited on 27.03.2024)	1,07,52,924
Towards PM CARES (Deposited on 28.03.2024)	6,98,001

**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.89,59,36,652.**
- b) Two percent of average net profit of the Company as per sub-section (5) of Section 135:  
**Rs. 1,79,18,800. (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: **Nil**
- d) Amount required to be set-off for the financial year, if any: **Nil**
- e) Total CSR obligation for the financial year [(b) + (c) – (d)]: **Rs. 1,79,18,800.**
6. a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):  
**Rs. 1,79,18,800. (other than ongoing project).**
- b) Amount spent in Administrative Overheads: **N.A.**
- c) Amount spent on Impact Assessment, if applicable: **N.A.**
- d) Total amount spent for the Financial Year [(a)+(b)+(c)]: **Rs. 1,79,18,800.**
- e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (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
<b>Rs.1,79,18,800</b>	Nil	N.A.	N.A.	Nil	N.A.

f) **Excess amount for set-off:** Nil

Sl. 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	1,79,18,800
(ii)	Total amount spent for the financial year	1,79,18,800
(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. **Details of Unspent Corporate Social Responsibility 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 Financial Year (in Rs.)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any Year (in Rs.)		Amount remaining to be spent in succeeding financial years (in Rs.)	Deficiency, if any
					Amount (in Rs.)	Date of transfer		
1.	2020-21	-	-	6,68,000	6,68,000	26.03.2021	NIL	N.A.
2.	2021-22	-	-	1,03,15,000	1,03,15,000	28.03.2022	NIL	N.A.
3.	2022-23	-	-	71,39,100	71,39,100	29.03.2023	NIL	N.A.
<b>Total</b>		<b>Rs.1,81,22,100</b>						

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

If yes, enter the number of Capital Assets created/ acquired: N.A.

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

S. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
(1)	(2)	(3)	(4)	(5)	(6)		
N.A.							

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

Sd/-

(Anantha Sarma Boppudi)  
Chairman  
DIN: 08742208



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: 12.07.2024

सेवा में,

अध्यक्ष,

पावरग्रिड सदरन इंटरकनेक्टर ट्रांसमिशन सिस्टम लिमिटेड,  
नई दिल्ली।

विषय:- 31 मार्च 2024 को समाप्त वर्ष के लिए पावरग्रिड सदरन इंटरकनेक्टर ट्रांसमिशन सिस्टम लिमिटेड, नई दिल्ली के लेखाओं पर कम्पनी अधिनियम 2013 की धारा 143(6)(b) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ।

महोदय,

मैं, पावरग्रिड सदरन इंटरकनेक्टर ट्रांसमिशन सिस्टम 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 अग्रेषित कर रही हूँ।

कृपया इस पत्र की संलग्नकों सहित प्रामि की पावती भेजी जाए।

भवदीया,

संलग्नक:- यथोपरि।

रघु रं पंडा  
(एस. आह्लादिनी पंडा)  
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 SOUTHERN INTERCONNECTOR  
TRANSMISSION SYSTEM LIMITED FOR THE YEAR ENDED 31 MARCH 2024**

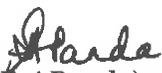
The preparation of financial statements of POWERGRID Southern Interconnector Transmission System Limited for the year ended 31 March 2024 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory 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 09 May 2024.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of POWERGRID Southern Interconnector Transmission System Limited for the year ended 31 March 2024 under Section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditor's report under section 143(6)(b) of the Act.

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

**Place: New Delhi**  
**Date:**

  
(S. Ahladini Panda)  
Director General of Audit (Energy)

**Form 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 Southern Interconnector Transmission System Limited (PSITSL),**  
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 Southern Interconnector Transmission System Limited (PSITSL) [CIN: U40106DL2015GOI278746]** (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** 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;

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 and 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; **(Not Applicable during the period under review, as the Company is not Listed)**
  - (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)**
- (v) The other law, as informed and certified by the management of the Company which, is specifically applicable to the Company based on their sector/ industry is:

**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 **14.03.2016** which is valid for a period of 25 years from the date of issue. Further, we have relied upon the representation made by the Management with respect to compliance of the terms of the Electricity Transmission License.*

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 Obligations and Disclosure Requirements) Regulations, 2015. **(Being a non-listed company during the period under review, it is 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 complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

***The company did not have a woman director on its Board as required under Section 149(1) of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 from 01.03.2024 to 31.03.2024.***



**We further report that:**

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

Adequate notice is given to all directors to schedule the Board Meetings, including Committees thereof, 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.

Date: 07.06.2024  
Place: Noida

For **Kumar Naresh Sinha & Associates**  
Company Secretaries



  
Naresh Kumar Sinha  
(Proprietor)

FCS No.: 1807; CP No.: 14984  
PR: 610/2019  
FRN: S2015UP440500  
UDIN: F001807F000545262

*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.*

**Annexure-A**

To,  
The Members  
**POWERGRID Southern Interconnector Transmission System Limited (PSITSL),**  
**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.

Date: 07.06.2024  
Place: Noida

For **Kumar Naresh Sinha & Associates**  
Company Secretaries



  
Naresh Kumar Sinha  
(Proprietor)  
FCS No.: 1807; CP No.: 14984  
PR: 610/2019  
FRN: S2015UP440500  
UDIN: F001807F000545262

## INDEPENDENT AUDITOR'S REPORT

TO,  
THE MEMBERS OF  
M/s POWERGRID SOUTHERN INTERCONNECTOR TRANSMISSION SYSTEM LIMITED

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying Financial Statements of M/s **POWERGRID SOUTHERN INTERCONNECTOR TRANSMISSION SYSTEM LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March 2024, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity, the Statement of Cash Flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act 2013 (the Act) in the manner so required and give a true and fair view in conformity with Indian Accounting Standards Prescribed under section 133 of the Act ("Ind AS") and other accounting principles generally accepted in India, of state of affairs of the Company as at 31<sup>st</sup> March 2024, its profit including 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 Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 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 judgement, were of most Significant. We have determined that there are no key audit matters to be communicate in our report.

### **Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, and Shareholder's Information, but does not include the Financial Statements and our auditor's report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard

### **Responsibility of Managements and Those Charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act read with the relevant rules there under. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 Company's Board of Directors is also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibility for the Audit of the Financial Statements**

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.

### **Report on other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020, issued by the Central Government of India in term of sub-section (11) of section 143 of the Companies Act, 2013, we give in the '**Annexure - A**' a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, based on audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with IND AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - 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 Directors not required.
  - f) With respect to the adequacy of internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in '**Annexure - B**'
  - g) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act, in our opinion and according to the information and explanations given to us, the limit prescribed by section 197 for maximum permissible managerial remuneration is not applicable to a Government company.
  - h) With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, as amended in our opinion and to our best of our information and according to the explanations given to us:

- i. The company disclosed the impact of pending litigations on the Financial position in its financial statements of the Company-Refer Note 44 to the financial statements
- ii. The company did not have any long-term contracts including derivatives 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, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - b. The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
  - c. Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.
- v. The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Companies Act, 2013.
- vi. Based on our examination, which included test checks, the Company has used accounting software's 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's. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

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 K A R A & Associates**  
Chartered Accountants  
Firm Registration No.013975S

**KONAGANI**  
**SRINIVAS**

Digitally signed by KONAGANI SRINIVAS  
DN: cn=KONAGANI SRINIVAS, title=123,  
serialNumber=22816bc8a504446bc501476  
332987,  
2.5.4.20=20a8e4c8f712ba3f5102a0575  
817700620bc3a56118ba3a0852736041  
5328c10KONAGANI SRINIVAS  
Date: 2024.05.09 19:45:25 +05'30'

**Srinivas Konagani**

Partner

Membership Number.223074

UDIN: 24223074BKFDXC1369

Date: 09-05-2024.

Place: Hyderabad

ANEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

{Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of POWERGRID Southern Interconnector Transmission System Limited of even date}

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking in to consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.  
  
(B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Property, Plant and Equipment of the company have been physically verified by the management at reasonable intervals during the year. The company has a program of verification to cover all the items of tangible fixed assets which, in our opinion, is reasonable having regard to the size of the company. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanation given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of the land and buildings which are freehold, are held in the name of the Company as at Balance Sheet date.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanation 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 (45 of 1988) and rules made thereunder during the year.
- (ii) (a) The inventories held by the company have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable having regard to the size of the company, nature of its business and feasibility of conducting a physical verification. No material discrepancies were noticed on such verification.

- (b) The Company has not been sanctioned working capital limits in excess of five crore rupees (at any point of time during the year), in aggregate, from banks or financial institutions on the basis of security of current assets. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) During the year 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 hence clause 3(iii)(a) to 3(iii)(f) is not applicable.
- (iv) According to the information and explanation given to us, the company does not have any loans, investments, guarantees or security covered under section 185 and 186 of the companies Act, 2013 and accordingly clause 3(iv) of the order is not applicable to the company.
- (v) According to the information and explanations given to us, the Company has not accepted deposits from the public in terms of provisions of section 73 to 76 of the Companies Act, 2013 therefore reporting under this clause is not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the same with the view to determine whether they are accurate and complete.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has been generally regular in depositing undisputed statutory dues as applicable; with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) As of the year-end, according to the records of the Company and information and explanations given to us, there are no disputed statutory dues outstanding on the Company.
- (viii) According to the information and explanation given to us, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year. Hence clause 3(viii) of the order is not applicable to the Company.

- (ix)
- (a) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or in the payment of interest thereon from the financial institution;
  - (b) In our opinion according to the information and explanation given to us, Company has not been a wilful defaulter by any bank or financial institution or other lender;
  - (c) In our opinion according to the information and explanation given to us, the loans were applied for the purpose for which the loans were obtained;
  - (d) In our opinion and according to the information and explanation given to us, there are no funds raised on short-term basis which have been utilised for long-term purposes;
  - (e) The Company doesn't hold any investment in any Subsidiary, Associates or Joint ventures (as defined under the Companies Act 2013) during the year ended March 31, 2024. Hence clause 3(ix) (e) of the Order is not applicable.
  - (f) The Company does not hold any investment in any Subsidiary, Associates or Joint ventures (as defined under the Companies Act 2013) during the year ended March 31, 2024. Hence, clause 3(ix) (f) of the Order is not applicable.
- (x)
- (a) Based on the specified audit procedures followed by us and as per the information and explanations given by the management, company has not raised any monies by way of initial public offer or further public offer (including debt instruments). As per the information and explanation provided to us, the Holding company provided Inter corporate loan and the same was utilised for the purposes for which they were received.
  - (b) According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year hence the clause 3(x)(b) of the Order is not applicable.
- (xi)
- (a) According to the information and explanations given to us and on the basis of representation of the management which we have relied upon, no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
  - (b) During the year no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
  - (c) According to the information and explanations given to us, no whistle-blower complaints have been received during the year by the Company.

- (xii) Company is not a Nidhi Company, accordingly provisions of the Clause 3(xii) of the Order is not applicable to the company.
- (xiii) According to the information and explanations given to us, we are of the opinion that all transactions with related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable Indian accounting standards and the Companies Act, 2013.
- (xiv) (a) In our opinion, the company has an adequate internal audit system commensurate with the size and nature of its business.  
  
(b) We have considered the Internal Auditors reports for the year under audit, issued to the company during year and till date, in determining the nature time and extent of the audit procedure.
- (xv) According to the information and explanations given to us, we are of the opinion that the company has not entered into any non-cash transactions with directors or persons connected with him and accordingly, the provisions of clause 3(xv) of the Order is not applicable.
- (xvi) (a) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.  
  
(b) The company has not conducted any Non-Banking Financial or Housing Finance activities during the year.  
  
(c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.  
  
(d) As per the information and explanations received, the group does not have any CIC as part of the group.
- (xvii) The company has not incurred cash loss in current financial year as well in immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly, the provisions of clause 3(xviii) of the Order is not applicable. The Statutory Auditors are being appointed by the Comptroller and Auditor General of India (C&AG).
- (xix) On the basis of the financial ratios, aging and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, We are of the opinion that no material uncertainty exists as on the date of the audit report that 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.



**'Annexure B' to the Independent Auditor's report of Even Date in the Financial Statements of**

**POWERGRID SOUTHERN INTERCONNECTOR TRANSMISSION SYSTEM LIMITED**

**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 with reference to financial Statements of M/s **POWERGRIDSOUTHERN INTERCONNECTOR TRANSMISSION SYSTEM LIMITED** ("the Company") as of March 31, 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 Board of Directors of the Company is responsible for establishing and maintaining internal financial controls 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that,

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company, which is company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, 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).

Date: 09-05-2024  
Place: Hyderabad

For K A R A & Associates  
Chartered Accountants  
Firm Registration No.013975S

**KONAGAN  
I SRINIVAS**

**Srinivas Konagani**  
Partner

Membership Number.223074  
UDIN: 24223074BKFDXC1369

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778.pptx;Code=555071, c=IN, o=KONAGAN  
serialNumber=8404f4b0d0e0502ba40  
5817700602b0c0a0a10b3a0b0c07f  
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Date: 2024.05.09 19:46:22 +05'30'

**“Annexure C” to the Independent Auditor’s report of Even Date in the Financial Statements of M/s POWERGRID SOUTHERN INTERCONNECTOR TRANSMISSION SYSTEM LIMITED**

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 M/s **POWERGRID SOUTHERN INTERCONNECTOR TRANSMISSION SYSTEM 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.

Sl. No.	Directions u/s 143(5) of the Companies Act, 2013	Auditor’s reply on action taken on the directions	Impact on financial statement
1	Whether the Company has system in place to process all the accounting transactions through IT system? If yes, 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. 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).	As explained to us, there are no cases of 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.	NIL



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 terms and conditions? List the cases of deviation	As per the information and explanation given to us, no funds has been received / receivable for specific schemes from Central/ State agencies.	NIL
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For K A R A & Associates  
 Chartered Accountants  
 Firm Registration No.013975S

**KONAGANI SRINIVAS**

Srinivas Konagani  
 Partner

Membership Number.223074  
 UDIN: 24223074BKFDXC1369

Digitally signed by K A R A & Associates  
 Chartered Accountants  
 DN: cn=K A R A & Associates, o=K A R A & Associates, ou=K A R A & Associates, email=info@kara.com, c=IN  
 Date: 2024.05.09 19:45:56 +05'30'

Date: 09-05-2024  
 Place: Hyderabad

**Compliance Certificate**

We have conducted the audit of annual standalone accounts of POWERGRID SOUTHERN INTERCONNECTOR TRANSMISSION SYSTEM LIMITED for the year ended 31<sup>st</sup> March 2024 in accordance with the Directions/ Sub Directions issued by C&AG of India under Section 143(5) of the Companies Act, 2013 and certify that we have complied with all the Direction/ Sub-directions issued to us.

Date: 09-05-2024  
Place: Hyderabad

**For K A R A & Associates**  
Chartered Accountants  
Firm Registration No.013975S

Digitally signed by KONAGANI SRINIVAS  
DN: cn=KONAGANI SRINIVAS, o=PERSONAL, email=1291.pawabn@ymail.com, c=IN  
**KONAGANI SRINIVAS**

**Srinivas Konagani**  
Partner

Membership Number.223074  
UDIN: 24223074BKFDXC1369

POWERGRID Southern Interconnector Transmission System Limited

CIN : U40106DL2015GOI278746

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>	3,17,493.08	3,26,627.00
(b) Capital work in progress	<u>5</u>	160.16	954.42
(c) Intangible assets	<u>6</u>	4,359.31	4,501.44
(d) Financial assets			
(i) Trade receivables	<u>7</u>	287.77	943.21
(ii) Other non-current financial assets	<u>8</u>	744.78	947.94
(e) Other non-current assets	<u>9</u>	1,017.36	1,277.31
		<b>3,24,062.46</b>	<b>3,35,251.32</b>
<b>Current assets</b>			
(a) Inventories	<u>10</u>	27.69	66.00
(b) Financial assets			
(i) Trade receivables	<u>11</u>	9,226.97	9,280.13
(ii) Cash and cash equivalents	<u>12</u>	836.32	0.14
(iii) Other current financial assets	<u>13</u>	11,517.12	11,154.00
(c) Other current assets	<u>14</u>	3.49	7.01
		<b>21,611.59</b>	<b>20,507.28</b>
<b>Total Assets</b>		<b>3,45,674.05</b>	<b>3,55,758.60</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	<u>15</u>	70,900.40	70,900.40
(b) Other Equity	<u>16</u>	2,159.22	4,226.17
		<b>73,059.62</b>	<b>75,126.57</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	<u>17</u>	2,33,886.67	2,44,168.33
(b) Deferred tax liabilities (net)	<u>18</u>	11,458.14	7,061.64
(c) Other non-current liabilities	<u>19</u>	150.00	150.00
		<b>2,45,494.81</b>	<b>2,51,379.97</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	<u>20</u>	44.43	5,028.83
(ii) Trade payables	<u>21</u>		
(a) Total O/s dues of micro & small enterprises		-	-
(b) Total O/s dues of creditors other than micro & small enterprises		112.79	72.71
(iii) Other current financial liabilities	<u>22</u>	1,055.42	513.94
(b) Other current liabilities	<u>23</u>	2,451.28	174.59
(c) Provisions	<u>24</u>	23,455.70	23,461.99
		<b>27,119.62</b>	<b>29,252.06</b>
<b>Total Equity and Liabilities</b>		<b>3,45,674.05</b>	<b>3,55,758.60</b>

The accompanying notes (1 to 50) form an integral part of financial statements

As per our report of even date

For K A R A & Associates  
Chartered Accountants  
Firm Regn. No. 013975S

**KONAGA**  
**NI**  
**SRINIVAS**

**Srinivas Konagani**  
Partner  
Mem. No. 223074  
Place: Hyderabad  
Date: 09 May, 2024

For and on behalf of the Board of Directors

**ANANTHA SARMA**  
BOPPUDI  
Date: 2024.05.09  
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**B Anantha Sarma**  
Chairperson  
DIN: 08742208  
Place: Gurugram  
Date: 09 May, 2024

**RAJAVARAPU SRINIVASARA**  
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Date: 2024.05.09  
16:54:54 +05'30'

**R Srinivasa Rao**  
Chief Financial Officer  
PAN: AKPPR7028A  
Place: Hyderabad  
Date: 09 May, 2024

**AJAY KUMAR SHUKLA**  
Date: 2024.05.09  
17:12:47 +05'30'

**A K Shukla**  
Director  
DIN: 09631803  
Place: Gurugram  
Date: 09 May, 2024

**Shwetank Kumar**  
Date: 2024.05.09  
17:06:53 +05'30'

**Shwetank Kumar**  
Company Secretary  
Mem. No. A17887  
Place: Gurugram  
Date: 09 May, 2024

**POWERGRID Southern Interconnector Transmission System Limited**  
**CIN : U40106DL2015GOI278746**  
**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="#">25</a>	47,708.21	47,609.35
Other Income	<a href="#">26</a>	394.99	496.36
<b>Total Income</b>		<b>48,103.20</b>	<b>48,105.71</b>
<b>EXPENSES</b>			
Finance costs	<a href="#">27</a>	19,249.76	18,733.00
Depreciation and amortization expense	<a href="#">28</a>	9,970.99	9,939.12
Other expenses	<a href="#">29</a>	1,592.92	2,049.18
<b>Total expenses</b>		<b>30,813.67</b>	<b>30,721.30</b>
<b>Profit/(loss) before tax</b>		<b>17,289.53</b>	<b>17,384.41</b>
Tax expense:			
Current tax		-	-
Deferred tax		4,396.50	4,393.26
<b>Total tax expenses</b>		<b>4,396.50</b>	<b>4,393.26</b>
<b>Profit for the period</b>		<b>12,893.03</b>	<b>12,991.15</b>
Other Comprehensive Income		-	-
<b>Total Comprehensive Income for the period</b>		<b>12,893.03</b>	<b>12,991.15</b>
Earnings per equity share ( Par value ₹10/- each):			
Basic and Diluted		1.82	1.83

The accompanying notes (1 to 50) form an integral part of financial statements

As per our report of even date

For K A R A & Associates  
Chartered Accountants  
Firm Regn. No. 013975S

For and on behalf of the Board of Directors

**ANANTHA SARMA BOPPUDI**  
Digitally signed  
by ANANTHA  
SARMA BOPPUDI  
Date: 2024.05.09  
17:16:36 +05'30'

**B Anantha Sarma**  
Chairperson  
DIN: 08742208  
Place: Gurugram  
Date: 09 May, 2024

**AJAY KUMAR SHUKLA**  
Digitally signed  
by AJAY KUMAR  
SHUKLA  
Date: 2024.05.09  
17:13:15 +05'30'

**A K Shukla**  
Director  
DIN: 09631803  
Place: Gurugram  
Date: 09 May, 2024

**KONAGANI SRINIVAS**  
Digitally signed by KONAGANI SRINIVAS  
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serialNumber=4404f4b6d4e055268aa40  
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Date: 2024.05.09 19:11:58 +05'30'

**Srinivas Konagani**  
Partner  
Mem. No. 223074  
Place: Hyderabad  
Date: 09 May, 2024

**RAJAVARAPU SRINIVASARAO**  
Digitally signed  
by RAJAVARAPU  
SRINIVASARAO  
Date: 2024.05.09  
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**R Srinivasa Rao**  
Chief Financial Officer  
PAN: AKPPR7028A  
Place: Hyderabad  
Date: 09 May, 2024

**Shwetaank Kumar**  
Digitally signed  
by Shwetaank  
Kumar  
Date: 2024.05.09  
17:07:17 +05'30'

**Shwetaank Kumar**  
Company Secretary  
Mem. No. A17887  
Place: Gurugram  
Date: 09 May, 2024

## POWERGRID Southern Interconnector Transmission System Limited

CIN : U40106DL2015GOI278746

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	17,289.53	17,384.41
	Adjustment for :		
	Surcharge Income	(19.73)	(277.28)
	Interest income on deposits at bank	(146.26)	(57.43)
	Interest income from Others	(0.75)	-
	Depreciation & amortization expenses	9,970.99	9,939.12
	Finance Costs	19,249.76	18,733.00
	Provisions	7.09	3.78
	Provisions Written Back	(0.21)	-
		<b>29,060.89</b>	<b>28,341.19</b>
	Operating profit before Changes in Assets and Liabilities	<b>46,350.42</b>	<b>45,725.60</b>
	Adjustment for Changes in Assets and Liabilities:		
	(Increase)/Decrease in Inventories	38.31	(3.03)
	(Increase)/Decrease in Trade Receivables	689.74	1,687.38
	(Increase)/Decrease in Other Current Assets	3.52	173.14
	Increase/(Decrease) in Liabilities & Provisions	2,301.59	138.48
	(Increase)/Decrease in Other financial assets	(140.14)	(11,606.53)
	(Increase)/Decrease in Other Non-current Assets	(2.18)	-
		<b>2,890.84</b>	<b>(9,610.56)</b>
	Cash generated from operations	<b>49,241.26</b>	<b>36,115.04</b>
	Direct Taxes (paid)/refund	262.13	(948.18)
	<b>Net Cash from Operating Activities</b>	<b>49,503.39</b>	<b>35,166.86</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)	(109.54)	(1,177.17)
	-Bank Deposits	-	3.85
	-Interest received on deposits at bank	147.01	57.43
	-Surcharge received	31.71	292.58
	<b>Net Cash used in Investing Activities</b>	<b>69.18</b>	<b>(823.31)</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds from Borrowings		
	Non Current	217.26	589.04
	Current	-	5,471.84
	Repayment of Borrowings		
	Non Current	(10,483.32)	(21,524.40)
	Current	(5,000.00)	(471.84)
	Finance Costs paid	(18,510.35)	(18,740.69)
	Dividend paid	(14,959.98)	(1,843.41)
	<b>Net Cash used in Financing Activities</b>	<b>(48,736.39)</b>	<b>(36,519.46)</b>
<b>D</b>	<b>Net change in Cash and Cash equivalents (A+B+C)</b>	<b>836.18</b>	<b>(2,175.91)</b>
<b>E</b>	<b>Cash and Cash equivalents (Opening balance)</b>	<b>0.14</b>	<b>2,176.05</b>
<b>F</b>	<b>Cash and Cash equivalents (Closing balance)</b>	<b>836.32</b>	<b>0.14</b>

The accompanying notes (1 to 50) form an integral part of financial statements

## Further Notes

Note 1 - Cash and cash equivalents consist of balances with banks.

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

As per our report of even date

For K A R A &amp; Associates

Chartered Accountants

Firm Regn. No. 0139755

For and on behalf of the Board of Directors

**ANANTH A SARMA BOPPUDI**  
Digitally signed by ANANTH A SARMA BOPPUDI  
Date: 2024.05.09 17:17:01 +05'30'

**B Anantha Sarma**  
Chairperson  
DIN: 08742208  
Place: Gurugram  
Date: 09 May, 2024

**AJAY KUMAR SHUKLA**  
Digitally signed by AJAY KUMAR SHUKLA  
Date: 2024.05.09 17:13:51 +05'30'

**A K Shukla**  
Director  
DIN: 09631803  
Place: Gurugram  
Date: 09 May, 2024

**KONAGANI SRINIVAS**  
Digitally signed by KONAGANI SRINIVAS  
Date: 2024.05.09 19:13:44 +05'30'

**Srinivas Konagani**  
Partner  
Mem. No. 223074  
Place: Hyderabad  
Date: 09 May, 2024

**RAJAVARAPU SRINIVASARAO**  
Digitally signed by RAJAVARAPU SRINIVASARAO  
Date: 2024.05.09 16:55:45 +05'30'

**R Srinivasa Rao**  
Chief Financial Officer  
PAN: AKPPR7028A  
Place: Hyderabad  
Date: 09 May, 2024

**Shwetank Kumar**  
Digitally signed by Shwetank Kumar  
Date: 2024.05.09 17:07:36 +05'30'

**Shwetank Kumar**  
Company Secretary  
Mem. No. A17887  
Place: Gurugram  
Date: 09 May, 2024

**POWERGRID Southern Interconnector Transmission System Limited**  
**CIN : U40106DL2015GOI278746**  
**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	70,900.40
Changes in equity share capital	-
As at 31 March, 2024	70,900.40
As at 01 April, 2022	70,900.40
Changes in equity share capital	-
As at 31 March, 2023	70,900.40

Particulars	Reserves and Surplus		Total
	Self Insurance Reserve	Retained Earnings	
As at 01 April, 2023	1,310.27	2,915.90	4,226.17
Profit/(Loss) for the period	-	12,893.03	12,893.03
Transfer to Self Insurance Reserve	146.35	(146.35)	-
Interim Dividend paid	-	(14,959.98)	(14,959.98)
As at 31 March, 2024	1,456.62	702.60	2,159.22

Particulars	Reserves and Surplus		Total
	Self Insurance Reserve	Retained Earnings	
As at 01 April, 2022	871.97	(7,793.54)	(6,921.57)
Profit/(Loss) for the period	-	12,991.15	12,991.15
Transfer to Self Insurance Reserve	438.30	(438.30)	-
Interim Dividend paid	-	(1,843.41)	(1,843.41)
As at 31 March, 2023	1,310.27	2,915.90	4,226.17

The accompanying notes (1 to 50) 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 K A R A & Associates  
Chartered Accountants  
Firm Regn. No. 013975S

For and on behalf of the Board of Directors

ANANTHA SARMA  
BOPPUDI

Digitally signed by ANANTHA SARMA BOPPUDI  
Date: 2024.05.09 17:17:28 +05'30'

B Anantha Sarma  
Chairperson  
DIN: 08742208  
Place: Gurugram  
Date: 09 May, 2024

AJAY KUMAR SHUKLA

Digitally signed by AJAY KUMAR SHUKLA  
Date: 2024.05.09 17:14:19 +05'30'

A K Shukla  
Director  
DIN: 09631803  
Place: Gurugram  
Date: 09 May, 2024

KONAGANI SRINIVAS

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Srinivas Konagani  
Partner  
Mem. No. 223074  
Place: Hyderabad  
Date: 09 May, 2024

RAJAVARAPU SRINIVASARA O

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Date: 2024.05.09 16:56:06 +05'30'

R Srinivasa Rao  
Chief Financial Officer  
PAN: AKPPR7028A  
Place: Hyderabad  
Date: 09 May, 2024

Shwetank Kumar

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Shwetank Kumar  
Company Secretary  
Mem. No. A17887  
Place: Gurugram  
Date: 09 May, 2024

## Notes to Financial Statements

### Note 1 Corporate and General Information

POWERGRID Southern Interconnector Transmission System 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 was incorporated on 06 April 2015 for establishing the transmission system for "Strengthening of Transmission System beyond Vemagiri" on Built, Own, Operate & Maintain (BOOM) basis. POWERGRID has acquired 100% equity shares from REC Power Development and Consultancy Limited on 04 December 2015. Project is fully commissioned on 18 January 2020.

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 09 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 affects only that period or in the period of the revision and future periods if the revision affects both current and future years (refer Note no. 3 on critical accounting estimates, assumptions and judgments).

#### **v) Current and non-current classification**

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

An asset is current when it is:

- Expected to be 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) or from date of commercial operation declared as per terms of Central Electricity Regulatory Commission (CERC) Tariff Regulation 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 and for items covered under Regulated Tariff Mechanism.

	Particulars	Useful life
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.

Depreciation/amortisation on the items of property, plant and equipment covered under Regulated Tariff Mechanism is provided on straight line method following the rates, methodology and residual value notified by the CERC for the purpose of recovery of tariff.

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.

In case of transmission projects covered under Regulated Tariff Mechanism where final tariff orders are yet to be notified, transmission income is accounted for on provisional basis as per tariff regulations and orders of the CERC in similar cases. Difference, if any, is accounted on issuance of final tariff orders by the CERC. Transmission Income in respect of additional capital expenditure incurred after the date of commercial operation is accounted for based on expenditure incurred on year-to-year basis as per CERC tariff regulations.

As at each reporting date, transmission income includes an accrual for services rendered to the customers but not yet billed.

Rebates allowed to beneficiaries as early payment incentives are deducted from the amount of revenue.

The Transmission system incentive / disincentive is accounted for based on certification of availability by the respective Regional Power Committees (RPCs) and in accordance with the 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 . The Reserve created as above is shown as "Self-Insurance Reserve" under 'Other Equity'.

### **2.18 Prior Period Items**

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

##### **Revenue Recognition:**

In case of transmission projects covered under Regulated Tariff Mechanism where final tariff orders are yet to be notified, transmission income is accounted for as per tariff regulations and other orders of the CERC in similar cases. Differences, if any, are accounted on issuance of final tariff orders by the CERC. Transmission income in respect of additional capital expenditure incurred after the date of commercial operation is accounted for based on expenditure incurred on year-to-year basis as per CERC tariff regulations.

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

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

The Company reviews at the end of each reporting date the useful life of plant and equipment, other than the assets which are governed by CERC Regulations, 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	Sale/ Disposal	Adjustment during the year	As at 31 March, 2024	As at 01 April, 2023	Additions during the year	Sale/ Disposal	Adjustment during the year	As at 31 March, 2024	As at 31 March, 2024	As at 31 March, 2023
<b>Land</b>												
a) Freehold	2,473.28	-	-	-	2,473.28	-	-	-	-	-	2,473.28	2,473.28
<b>Buildings</b>												
a) Sub-Stations & Office	208.31	-	-	(1.52)	209.83	10.82	5.70	-	-	16.52	193.31	197.49
b) Township	509.77	-	-	(0.80)	510.57	16.87	13.86	-	-	30.73	479.84	492.90
Roads & Bridges	232.05	-	-	-	232.05	7.00	6.29	-	-	13.29	218.76	225.05
<b>Plant &amp; Equipment</b>												
a) Transmission	3,17,455.21	-	-	(12.24)	3,17,467.45	34,020.75	8,496.37	-	-	42,517.12	2,74,950.33	2,83,434.46
b) Substation	41,926.96	946.84	297.13	-	42,576.67	4,018.18	1,157.48	30.34	-	5,145.32	37,431.35	37,908.78
c) Unified Load Despatch & Communication	2,324.68	-	-	-	2,324.68	461.08	143.25	-	-	604.33	1,720.35	1,863.60
Furniture Fixtures	29.77	-	-	-	29.77	14.55	3.41	-	-	17.96	11.81	15.22
Office equipment	2.50	0.33	-	-	2.83	2.31	0.02	-	-	2.33	0.50	0.19
Electronic Data Processing & Word Processing Machines	2.57	-	-	-	2.57	1.26	0.86	-	-	2.12	0.45	1.31
Electrical Installation	16.44	-	-	-	16.44	3.12	1.57	-	-	4.69	11.75	13.32
Workshop & Testing Equipments	2.09	-	-	-	2.09	0.69	0.05	-	-	0.74	1.35	1.40
<b>Total</b>	<b>3,65,183.63</b>	<b>947.17</b>	<b>297.13</b>	<b>(14.56)</b>	<b>3,65,848.23</b>	<b>38,556.63</b>	<b>9,828.86</b>	<b>30.34</b>	<b>-</b>	<b>48,355.15</b>	<b>3,17,493.08</b>	<b>3,26,627.00</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>												
a) Freehold	2,473.28	-	-	-	2,473.28	-	-	-	-	-	2,473.28	2,473.28
<b>Buildings</b>												
a) Sub-Stations & Office	211.13	-	-	2.82	208.31	5.17	5.65	-	-	10.82	197.49	205.96
b) Township	502.69	-	-	(7.08)	509.77	3.03	13.84	-	-	16.87	492.90	499.66
Roads & Bridges	229.58	-	-	(2.47)	232.05	0.70	6.30	-	-	7.00	225.05	228.88
<b>Plant &amp; Equipment</b>												
a) Transmission	3,17,272.97	-	-	(182.24)	3,17,455.21	25,527.73	8,493.02	-	-	34,020.75	2,83,434.46	2,91,745.24
b) Substation	41,675.42	-	-	(251.54)	41,926.96	2,888.89	1,129.29	-	-	4,018.18	37,908.78	38,786.53
c) Unified Load Despatch & Communication	2,324.68	-	-	-	2,324.68	317.84	143.24	-	-	461.08	1,863.60	2,006.84
Furniture Fixtures	29.77	-	-	-	29.77	11.38	3.17	-	-	14.55	15.22	18.39
Office equipment	2.50	-	-	-	2.50	2.29	0.02	-	-	2.31	0.19	0.21
Electronic Data Processing & Word Processing Machines	2.57	-	-	-	2.57	0.40	0.86	-	-	1.26	1.31	2.17
Electrical Installation	16.44	-	-	-	16.44	1.56	1.56	-	-	3.12	13.32	14.88
Workshop & Testing Equipments	2.09	-	-	-	2.09	0.64	0.05	-	-	0.69	1.40	1.45
<b>Total</b>	<b>3,64,743.12</b>	<b>-</b>	<b>-</b>	<b>(440.51)</b>	<b>3,65,183.63</b>	<b>28,759.63</b>	<b>9,797.00</b>	<b>-</b>	<b>-</b>	<b>38,556.63</b>	<b>3,26,627.00</b>	<b>3,35,983.49</b>

Further Notes:

- 1 The Company owns Freehold Land of 39.03 hectare (Previous Year 39.03 hectare) of land amounting to ₹2473.28 Lakh (Previous Year ₹2473.28 Lakh) based on available documentation.
- 2 Refer Note 32 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>Plant &amp; Equipments (including associated civil works)</b>					
a) Sub-Station	176.33	815.41	-	831.58	160.16
Construction Stores (Net of Provision)	726.05	27.37	753.42	-	-
<b>Expenditure pending allocation</b>					
i) Expenditure during construction period (net) - (Note 30)	52.04	18.99	-	71.03	-
<b>Grand Total</b>	<b>954.42</b>	<b>861.77</b>	<b>753.42</b>	<b>902.61</b>	<b>160.16</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>					
Sub-Stations & Office	204.44	-	204.44	-	-
<b>Plant &amp; Equipments (including associated civil works)</b>					
a) Transmission	-	214.92	214.92	-	-
b) Sub-Station	5.61	170.72	-	-	176.33
Construction Stores (Net of Provision)	-	726.05	-	-	726.05
<b>Expenditure pending allocation</b>					
i) Expenditure during construction period (net) - (Note 30)	-	52.04	-	-	52.04
<b>Grand Total</b>	<b>210.05</b>	<b>1,163.73</b>	<b>419.36</b>	<b>-</b>	<b>954.42</b>

Note 5/Capital work in progress (Details of Construction stores) (at cost)

(₹ In Lakh)

Particulars	As at 31 March, 2024	As at 31 March, 2023
<b>Construction Stores</b>		
Sub-Station Equipments	-	665.72
Unified Load Despatch & Communication(ULDC) Materials	-	55.69
Others	-	4.64
<b>Total</b>	<b>-</b>	<b>726.05</b>
<b>Construction Stores include:</b>		
<b>i) Material with Contractors</b>		
Sub-Station Equipments	-	665.72
Unified Load Despatch & Communication(ULDC) Materials	-	55.69
Others	-	4.64
<b>Total</b>	<b>-</b>	<b>726.05</b>

Refer Note 32 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	5,015.12	-	-	-	5,015.12	513.68	142.13	-	-	655.81	4,359.31	4,501.44
<b>Total</b>	<b>5,015.12</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,015.12</b>	<b>513.68</b>	<b>142.13</b>	<b>-</b>	<b>-</b>	<b>655.81</b>	<b>4,359.31</b>	<b>4,501.44</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	5,015.12	-	-	-	5,015.12	371.56	142.12	-	-	513.68	4,501.44	4,643.56
<b>Total</b>	<b>5,015.12</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,015.12</b>	<b>371.56</b>	<b>142.12</b>	<b>-</b>	<b>-</b>	<b>513.68</b>	<b>4,501.44</b>	<b>4,643.56</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	287.77	943.21
<b>Total</b>	<b>287.77</b>	<b>943.21</b>

**Further Notes:**

- 1 Refer Note 35 for disclosure as per Ind AS 115 'Revenue from Contracts with Customers' & Note 41 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 ₹317.58 lakh has been charged as Other Expense (refer Note 29) in FY 2022-23 and unwinding thereon amounting to ₹104.48 lakhs accounted for as Other Income in Current Year (Previous Year ₹159.74 lakhs) (refer Note 26).

**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	-	287.77	-	-	-	-	-	287.77
Significant increase in Credit Risk	Disputed	-	-	-	-	-	-	-	-
	Undisputed	-	-	-	-	-	-	-	-
Credit Impaired	Disputed	-	-	-	-	-	-	-	-
	Undisputed	-	-	-	-	-	-	-	-
<b>Total</b>		-	<b>287.77</b>	-	-	-	-	-	<b>287.77</b>
<b>As at 31 March, 2023</b>									
Considered – Good	Disputed	-	-	-	-	-	-	-	-
	Undisputed	-	943.21	-	-	-	-	-	943.21
Significant increase in Credit Risk	Disputed	-	-	-	-	-	-	-	-
	Undisputed	-	-	-	-	-	-	-	-
Credit Impaired	Disputed	-	-	-	-	-	-	-	-
	Undisputed	-	-	-	-	-	-	-	-
<b>Total</b>		-	<b>943.21</b>	-	-	-	-	-	<b>943.21</b>

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

(Unsecured considered good unless otherwise stated)

(₹ In Lakh)

<b>Particulars</b>	<b>As at 31 March, 2024</b>	<b>As at 31 March, 2023</b>
Receivable from M/s Central Transmission Utility of India Limited*	744.78	947.94
<b>Total</b>	<b>744.78</b>	<b>947.94</b>

**Further Notes**

- 1 \*Details of Amount receivable from related parties are provided in Note 41.

**Note 9 Other Non-current Assets**

(Unsecured considered good unless otherwise stated)

(₹ In Lakh)

<b>Particulars</b>	<b>As at 31 March, 2024</b>	<b>As at 31 March, 2023</b>
Advances for Capital Expenditure <sup>^</sup>	10.56	10.56
<b>Advances other than for Capital Expenditure</b>		
Security Deposits	13.40	11.22
<b>Advances recoverable in kind or for value to be received</b>		
Advance tax and Tax deducted at source	993.40	1,255.53
<b>Total</b>	<b>1,017.36</b>	<b>1,277.31</b>

**Further Notes**

- 1 <sup>^</sup> Rs.215 lakhs deposited at R & B Department, Narasaraopet, Govt of AP towards road construction work from Annavaram village to main substation. Out of Rs.215 lakhs, work completed for Rs.204.44 lakhs (Previous year Rs.204.44 lakhs). Utilisation certificate is pending for balance Rs.10.56 lakhs (Previous year Rs.10.56 lakhs)

**Note 10 Inventories**

(₹ In Lakh)

<b>Particulars</b>	<b>As at 31 March, 2024</b>	<b>As at 31 March, 2023</b>
Components, Spares & other spare parts	27.69	66.00
<b>Total</b>	<b>27.69</b>	<b>66.00</b>

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

Particulars	As at 31 March, 2024	As at 31 March, 2023
i) Trade receivables		
Unsecured Considered good	9,226.97	9,280.13
Credit Impaired	11.00	4.11
	9,237.97	9,284.24
Less: Loss Allowance	11.00	4.11
<b>Total</b>	9,226.97	9,280.13

**Further Notes:**

- 1 Refer Note 35 for disclosure as per Ind AS 115 'Revenue from Contracts with Customers' & Note 41 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 ₹5480.66 Lakhs respectively (Previous year ₹5420.8 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	5,480.66	2,791.46	756.37	171.58	10.30	6.23	10.37	9,226.97
Significant increase in Credit Risk	Disputed	-	-	-	-	-	-	-	-
	Undisputed	-	-	-	-	-	-	-	-
Credit Impaired	Disputed	-	-	-	-	-	-	-	-
	Undisputed	-	-	-	-	-	3.48	7.52	11.00
<b>Total</b>		<b>5,480.66</b>	<b>2,791.46</b>	<b>756.37</b>	<b>171.58</b>	<b>10.30</b>	<b>9.71</b>	<b>17.89</b>	<b>9,237.97</b>
<b>As at 31 March, 2023</b>									
Considered - Good	Disputed	-	-	-	-	-	-	-	-
	Undisputed	5,420.80	3,250.29	514.81	21.41	45.05	26.70	1.07	9,280.13
Significant increase in Credit Risk	Disputed	-	-	-	-	-	-	-	-
	Undisputed	-	-	-	-	-	-	-	-
Credit Impaired	Disputed	-	-	-	-	-	-	-	-
	Undisputed	-	-	-	-	3.48	0.30	0.33	4.11
<b>Total</b>		<b>5,420.80</b>	<b>3,250.29</b>	<b>514.81</b>	<b>21.41</b>	<b>48.53</b>	<b>27.00</b>	<b>1.40</b>	<b>9,284.24</b>

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

<b>Particulars</b>	<b>As at 31 March, 2024</b>	<b>As at 31 March, 2023</b>
<b>Balance with banks</b>		
-In Current accounts	836.32	0.14
<b>Total</b>	<b>836.32</b>	<b>0.14</b>

**Note 13 Other Current Financial Assets**

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

<b>Particulars</b>	<b>As at 31 March, 2024</b>	<b>As at 31 March, 2023</b>
Advance to / Receivable from Related Parties*	363.12	-
Others#	11,154.00	11,154.00
<b>Total</b>	<b>11,517.12</b>	<b>11,154.00</b>

**Further Notes**

- \*Details of Amount receivable from related parties are provided in Note 41.
- #Others includes the amount of Rs.150 lakhs (Previous year Rs.150 lakhs) recovered towards safety corpus fund, to be utilised for working personnel work place safety improvement activities, deposited with Power Grid Corporation of India Ltd (Refer Note no.19 and 41)  
#Others includes the amount of Rs.11004 lakhs (Previous year Rs.11004 lakhs) deposited with the LTTCS on account of CERC order (Refer Note no. 49)

**Note 14 Other current Assets**

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

<b>Particulars</b>	<b>As at 31 March, 2024</b>	<b>As at 31 March, 2023</b>
<b>Others#</b>		
Considered Good	3.49	7.01
<b>Total</b>	<b>3.49</b>	<b>7.01</b>

**Further Notes**

- #Others includes advance towards CSR activities given to District Collector, Vizianagaram. (50% of Total cost as per signed MoU) (Previous year 10% of Total Cost as per signed MoU)

**Note 15 Equity Share capital**

(₹ In Lakh)

Particulars	As at 31 March, 2024	As at 31 March, 2023
<b>Equity Share Capital</b>		
<b>Authorised</b>		
731000000 (Previous Year 731000000) equity shares of ₹10/- each at par	73,100.00	73,100.00
<b>Issued, subscribed and paid up</b>		
709004000 (Previous Year 709004000) equity shares of ₹10/- each at par	70,900.40	70,900.40
<b>Total</b>	<b>70,900.40</b>	<b>70,900.40</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, 2024		For the Year ended 31 March, 2023	
	No. of Shares	₹ in Lakh Amount	No. of Shares	₹ in Lakh Amount
Shares outstanding at the beginning of the year	70,90,04,000	70,900.40	70,90,04,000	70,900.40
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	<b>70,90,04,000</b>	<b>70,900.40</b>	<b>70,90,04,000</b>	<b>70,900.40</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)#	70,90,04,000	100%	70,90,04,000	100%	0%

#Out of 709004000 Equity shares (Previous year 709004000 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 March, 2024	As at 31 March, 2023
<b>(i) Retained Earnings</b>		
Balance at the beginning of the year	2,915.90	(7,793.54)
Add: Additions		
Net Profit for the period	12,893.03	12,991.15
Less: Appropriations		
Self Insurance Reserve	(146.35)	(438.30)
Interim dividend paid	(14,959.98)	(1,843.41)
<b>Balance at the end of the year</b>	<b>702.60</b>	<b>2,915.90</b>
<b>(ii) Self-Insurance Reserve</b>		
Balance at the beginning of the year	1,310.27	871.97
Addition during the year	146.35	438.30
Deduction during the year	-	-
<b>Balance at the end of the year</b>	<b>1,456.62</b>	<b>1,310.27</b>
<b>Total</b>	<b>2,159.22</b>	<b>4,226.17</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 March, 2024	As at 31 March, 2023
<b>Unsecured</b>		
Rupee Term Loan from Power Grid Corporation of India Limited (Holding Company)	2,34,759.24	2,44,271.36
Less: Current maturities of Long Term Borrowing (Refer Note 20)	(44.43)	(28.83)
Less: Interest accrued on borrowings (Refer Note 22)	(828.14)	(74.20)
<b>Total</b>	<b>2,33,886.67</b>	<b>2,44,168.33</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 7.11% p.a. to 8.15% p.a. during the financial year.
- 2 Loan of Rs.498.12 lakhs (including current maturities of Rs.44.43 lakhs) is repayable in 48 equal quarterly instalments starting from Q2 of 2023-24, balance 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.
- 3 There has been no default in repayment of loans or payment of interest thereon as at the end of the year.
- 4 Refer Note 41 for details of Loan from related parties.

Note 18 **Deferred tax liabilities (Net)**

(₹ In Lakh)

Particulars	As at 31 March, 2024	As at 31 March, 2023
<b>Deferred Tax Liability</b>		
Difference in book Depreciation and Tax Depreciation	37,786.61	32,750.29
<b>Sub-Total (A)</b>	<b>37,786.61</b>	<b>32,750.29</b>
<b>Deferred Tax Assets</b>		
Unused Tax Losses	26,312.27	25,647.89
On Fair value of Financial Assets	13.43	39.73
Credit Impaired	2.77	1.03
<b>Sub-Total (B)</b>	<b>26,328.47</b>	<b>25,688.65</b>
<b>Deferred tax liabilities (Net)</b>	<b>11,458.14</b>	<b>7,061.64</b>

**Movement in Deferred Tax Liabilities**

(₹ in Lakh)

Particulars	Difference in book Depreciation and Tax Depreciation	Total
<b>As at 01 April, 2022</b>	<b>26,387.73</b>	<b>26,387.73</b>
- Charged / (Credited) to Profit or Loss	6,362.56	6,362.56
<b>As at 31 March, 2023</b>	<b>32,750.29</b>	<b>32,750.29</b>
- Charged / (Credited) to Profit or Loss	5,036.32	5,036.32
<b>As at 31 March, 2024</b>	<b>37,786.61</b>	<b>37,786.61</b>

**Movement in Deferred Tax Assets**

(₹ in Lakh)

	On Fair valuation of Financial Assets	Credit Impaired	Unused Tax Losses	Total
<b>As at 01 April, 2022</b>	-	0.08	23,719.27	23,719.35
- (Charged) / Credited to Profit or Loss	39.73	0.95	1,928.62	1,969.30
<b>As at 31 March, 2023</b>	<b>39.73</b>	<b>1.03</b>	<b>25,647.89</b>	<b>25,688.65</b>
- (Charged) / Credited to Profit or Loss	(26.30)	1.74	664.38	639.82
<b>As at 31 March, 2024</b>	<b>13.43</b>	<b>2.77</b>	<b>26,312.27</b>	<b>26,328.47</b>

**Amount taken to Statement of Profit and Loss**

(₹ in Lakh)

Particulars	For the Year ended 31 March, 2024	For the Year ended 31 March, 2023
Increase/(Decrease) in Deferred Tax Liabilities	5,036.32	6,362.56
(Increase)/Decrease in Deferred Tax Assets	(639.82)	(1,969.30)
<b>Net Amount taken to Statement of Profit and Loss</b>	<b>4,396.50</b>	<b>4,393.26</b>

**Note 19 Other non-current liabilities**

(₹ In Lakh)

<b>Particulars</b>	<b>As at 31 March, 2024</b>	<b>As at 31 March, 2023</b>
Safety Corpus Fund	150.00	150.00
<b>Total</b>	<b>150.00</b>	<b>150.00</b>

**Further Notes:**

Recovery towards safety corpus fund, to be utilised for working personnel work place safety improvement activities. The amount is deposited with Power Grid Corporation of India Ltd. for utilisation towards above purpose (Refer Note no.13 and 41)

**Note 20 Borrowings (Current)**

(₹ In Lakh)

<b>Particulars</b>	<b>As at 31 March, 2024</b>	<b>As at 31 March, 2023</b>
<b>Short term Working Capital Loan</b>		
Rupee Term Loans (Unsecured)		
Loan From M/s Power Grid Corporation of India Ltd. (Holding Company)	-	5,000.00
<b>Current maturities of long term borrowings</b>		
Rupee Term Loans (Unsecured)		
Loan From M/s Power Grid Corporation of India Ltd. (Holding Company)	44.43	28.83
<b>Total</b>	<b>44.43</b>	<b>5,028.83</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 41 for details of Loan from related parties.
- 3 The Short term Working Capital Loan of Nil (Previous year Rs.5000 Lakhs) was due for repayment at the end of 12 months from the date of first drawl i.e. drawn in the month of March 2023 with prepayment facility without any additional charges. The loan was fully repaid during the financial year 2023-24. The rate of interest on the loan was 8.10% during the current & previous financial year.

**Note 21 Trade payables**

(₹ In Lakh)

Particulars	As at 31 March, 2024	As at 31 March, 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	66.76	-
Others	46.03	72.71
<b>Total</b>	<b>112.79</b>	<b>72.71</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 37.

2 Refer Note 41 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>Others</b>						
Disputed	-	-	-	-	-	-
Undisputed	10.73	102.06	-	-	-	112.79
<b>Total</b>	<b>10.73</b>	<b>102.06</b>	-	-	-	<b>112.79</b>
<b>Grand Total</b>	<b>10.73</b>	<b>102.06</b>	-	-	-	<b>112.79</b>
<b>As at 31.03.2023</b>						
<b>MSME</b>						
Disputed	-	-	-	-	-	-
Undisputed	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-
<b>Others</b>						
Disputed	-	-	-	-	-	-
Undisputed	72.71	-	-	-	-	72.71
<b>Total</b>	<b>72.71</b>	-	-	-	-	<b>72.71</b>
<b>Grand Total</b>	<b>72.71</b>	-	-	-	-	<b>72.71</b>

**Note 22 Other Current Financial Liabilities** (₹ In Lakh)

Particulars	As at 31 March, 2024	As at 31 March, 2023
<b>Interest accrued on borrowings from</b>		
Power Grid Corporation of India Limited (Holding Company)	828.14	74.20
<b>Others</b>	-	-
Dues for capital expenditure	16.56	220.13
Deposits/Retention money from contractors and others	207.46	219.61
Related parties	3.26	-
	227.28	439.74
<b>Total</b>	1,055.42	513.94

**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 37.
- 2 Refer Note 41. for amount payable to related parties.

**Note 23 Other current liabilities** (₹ In Lakh)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Advances from customers	2,003.97	-
Statutory dues	447.31	174.59
<b>Total</b>	2,451.28	174.59

**Note 24 Provisions** (₹ In Lakh)

Particulars	As at 31 March, 2024	As at 31 March, 2023
<b>Provision for Liquidated Damages</b>		
As per last balance sheet	23,455.02	23,455.02
Additions/(Adjustments) during the year	-	-
Closing Balance	23,455.02	23,455.02
<b>Provision-Others</b>		
As per last balance sheet	6.97	3.79
Add: Additions during the year	0.68	6.97
Less: Adjustments during the year	(6.97)	(3.79)
Closing Balance	0.68	6.97
<b>Total</b>	23,455.70	23,461.99

**Further Notes:**

- 1 Provision for Liquidated Damages is provided on the basis of CERC's order dtd 07.05.2022 on Petition No.13/MP/2021. Refer Note No.49 for details.
- 2 Provision-Others includes provision for expenses



**Note 25 Revenue from operations** (₹ In Lakh)

<b>Particulars</b>	<b>For the Year ended 31 March, 2024</b>	<b>For the Year ended 31 March, 2023</b>
<b>Operating Revenue</b>		
<b>Sales of services</b>		
Transmission Charges	47,673.13	47,609.35
Income from Operation and Maintenance of Transmission Assets	35.08	-
<b>Total</b>	<b>47,708.21</b>	<b>47,609.35</b>

**Further Notes:**

Refer Note 35 for disclosure as per Ind AS 115 'Revenue from Contracts with Customer'.

**Note 26 Other income** (₹ In Lakh)

<b>Particulars</b>	<b>For the Year ended 31 March, 2024</b>	<b>For the Year ended 31 March, 2023</b>
<b>Interest income from</b>		
Indian Banks	146.26	57.43
Others*	87.21	0.07
	<u>233.47</u>	<u>57.50</u>
Unwinding of discount on financial assets	104.48	159.74
<b>Others</b>		
Surcharge**	19.73	277.28
Provisions written back	0.21	-
Miscellaneous income#	37.10	1.84
	<u>57.04</u>	<u>279.12</u>
<b>Total</b>	<b>394.99</b>	<b>496.36</b>

**Further Notes:**

\*Others include interest from income tax refund, interest on security deposits etc.

\*\* Surcharge includes unbilled surcharge of Rs.41.47 lakhs (Previous year Rs.171.32 lakhs)

#Miscellaneous income include Rebate on RLDC fees, recoveries from contractors etc.

**Note 27 Finance costs** (₹ In Lakh)

Particulars	For the Year ended 31 March, 2024	For the Year ended 31 March, 2023
<b>i) Interest and finance charges on financial liabilities at amortised cost</b>		
Power Grid Corporation of India Limited (Holding Company)	19,264.29	18,735.87
<b>ii) Unwinding of discount on financial liabilities</b>	-	4.82
Total	19,264.29	18,740.69
Less: Transferred to expenditure during construction (Net) - Note 30	14.53	7.69
<b>Charged To Statement of Profit &amp; Loss</b>	<b>19,249.76</b>	<b>18,733.00</b>

**Further Notes:**

1 Refer Note 41 for Interest paid to related parties.

**Note 28 Depreciation and amortization expense** (₹ In Lakh)

Particulars	For the Year ended 31 March, 2024	For the Year ended 31 March, 2023
Depreciation of Property, Plant and Equipment	9,828.86	9,797.00
Amortisation of Intangible assets	142.13	142.12
<b>Charged To Statement of Profit &amp; Loss</b>	<b>9,970.99</b>	<b>9,939.12</b>

**Note 29 Other expenses****(₹ In Lakh)**

<b>Particulars</b>	<b>For the Year ended 31 March, 2024</b>	<b>For the Year ended 31 March, 2023</b>
<b>Repair &amp; Maintenance</b>		
Plant & Machinery		
Sub-Stations	209.80	219.08
Transmission lines	818.20	1,111.77
Others	0.21	0.82
	<b>1,028.21</b>	<b>1,331.67</b>
System and Market Operation Charges	173.48	124.49
Power charges	56.68	44.58
Less: Recovery from contractors	-	(0.01)
	<b>56.68</b>	<b>44.57</b>
Expenses on Diesel Generating sets	-	1.89
Legal expenses	13.39	15.19
Professional charges	2.34	2.40
Consultancy Charges	4.46	44.36
<b>Payments to Statutory Auditors</b>		
Audit Fees	0.83	0.83
Tax Audit Fees	0.30	0.30
In Other Capacity	0.53	0.47
Out of pocket Expenses	0.11	0.04
	<b>1.77</b>	<b>1.64</b>
Printing and stationery	0.01	-
Cost Audit and Physical verification Fees	0.36	0.36
CERC petition & Other charges	60.35	50.84
Miscellaneous expenses	6.10	14.32
Security Expenses	63.79	69.05
Rates and taxes	0.15	-
Expenditure on Corporate Social Responsibility (CSR) & Sustainable development	<b>179.19</b>	<b>71.39</b>
	<b>309.95</b>	<b>205.96</b>
Fair valuation loss on financial assets	-	317.58
<b>Provisions</b>		
Doubtful loans, advances, debts, claims etc.	7.10	3.78
	<b>1,597.38</b>	<b>2,093.53</b>
Less: Transferred to expenditure during construction (Net) - Note 30	4.46	44.35
<b>Charged To Statement of Profit &amp; Loss</b>	<b>1,592.92</b>	<b>2,049.18</b>

**Further Notes:**

1 Refer Note 41 for Expenses paid to related parties.

**Note 30 Expenditure during Construction (Net)****(₹ In Lakh)**

<b>Particulars</b>	<b>For the Year ended 31 March, 2024</b>	<b>For the Year ended 31 March, 2023</b>
<b>A. Other Expenses</b>		
Power charges	-	-
Less: Recovery from contractors	-	0.01
	-	(0.01)
Consultancy expenses	4.46	44.36
<b>Total (A)</b>	<b>4.46</b>	<b>44.35</b>
<b>B. Finance Costs</b>		
a) Interest and finance charges on financial liabilities at amortised cost		
Power Grid Corporation of India Limited (Holding Company)	14.53	7.69
<b>Total (B)</b>	<b>14.53</b>	<b>7.69</b>
<b>GRAND Total (A+B)</b>	<b>18.99</b>	<b>52.04</b>

**Note 31 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 trade and other receivables, and cash and cash equivalents that are generated from its operations.

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

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

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

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

**(A) Credit Risk:**

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

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

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

**(i) Trade Receivables**

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 ₹ 9525.74 Lakh as on 31 March, 2024 (₹ 10227.45 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 ₹836.32 Lakh (Previous Year ₹0.14 Lakh). The cash and cash equivalents are held with public sector banks and high rated private sector banks and do not have any significant credit risk.

**(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	744.78	947.94
Cash and cash equivalents	836.32	0.14
Other current financial assets	11,517.12	11,154.00
<b>Total</b>	<b>13,098.22</b>	<b>12,102.08</b>
<b>Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)</b>		
Trade receivables	9,525.74	10,227.45

**(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	5,480.66	3,079.23	550.30	71.69	57.96	30.34	255.56	9,525.74
Gross carrying amount as on 31 March, 2023	5,420.80	4,193.50	358.46	84.20	5.88	12.33	152.28	10,227.45

(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>	<b>0.33</b>
Impairment loss recognised/ (reversed)	3.78
<b>Balance as at 31 March, 2023</b>	<b>4.11</b>
Impairment loss recognised/ (reversed)	6.89
<b>Balance as at 31 March, 2024</b>	<b>11.00</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 requirement.

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

**Maturities of financial liabilities**

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

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

(₹ in lakh)

Contractual maturities of financial liabilities	Within a year	Between 1-5 years	Beyond 5 years	Total
<b>As at 31 March, 2024</b>				
Borrowings (including interest outflows)	18,372.37	89,649.49	4,25,021.08	<b>5,33,042.94</b>
Trade payables	112.79	-	-	<b>112.79</b>
<u>Other financial liabilities</u>				
Lease liabilities	-	-	-	-
Others	1,055.42	-	-	<b>1,055.42</b>
<b>Total</b>	<b>19,540.58</b>	<b>89,649.49</b>	<b>4,25,021.08</b>	<b>5,34,211.15</b>
<b>As at 31 March, 2023</b>				
Borrowings (including interest outflows)	24,104.40	93,306.65	4,47,506.78	<b>5,64,917.83</b>
Trade payables	72.71	-	-	<b>72.71</b>
<u>Other financial liabilities</u>				
Lease liabilities	-	-	-	-
Others	513.94	-	-	<b>513.94</b>
<b>Total</b>	<b>24,691.05</b>	<b>93,306.65</b>	<b>4,47,506.78</b>	<b>5,65,504.48</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 32 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)

<b>Particulars as at 31 March, 2024</b>	<b>&lt;1 Year</b>	<b>1-2 Years</b>	<b>2-3 Years</b>	<b>&gt;3 Years</b>	<b>Total</b>
Projects in progress	13.33	146.83	-	-	<b>160.16</b>
<b>Total</b>	<b>13.33</b>	<b>146.83</b>	<b>-</b>	<b>-</b>	<b>160.16</b>
<b>Particulars as at 31 March, 2023</b>					
Projects in progress	948.81	5.61	-	-	<b>954.42</b>
<b>Total</b>	<b>948.81</b>	<b>5.61</b>	<b>-</b>	<b>-</b>	<b>954.42</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
- 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.

1) Ratios

Ratio	Numerator	Denominator	Current Year	Previous Year	Variance	Reason for variance >25%
a) Current Ratio	Current Assets	Current Liabilities	0.80	0.70	14%	-
b) Debt Equity Ratio	Total Debt	Shareholder's Equity	3.20	3.32	-4%	-
c) Debt Service Coverage Ratio	Profit for the period + Depreciation and amortization expense + Finance costs	Interest & Lease Payments + Principal Repayments	1.21	1.02	19%	
d) Return on Equity Ratio	Profit for the period	Average Shareholder's Equity	17%	19%	-11%	
e) Inventory turnover ratio	Revenue from Operations	Average Inventory	1018.43	738.30	38%	Reduction in inventory
f) Trade Receivable Turnover Ratio	Revenue from Operations	Average Trade Receivables (before deducting provision)	4.83	4.30	12%	
g) Trade payable turnover ratio	Gross Other Expense (-) FERV, Provisions, Loss on disposal of PPE	Average Trade payables	17.15	43.78	-61%	Reduction in gross expenses
h) Net capital turnover ratio	Revenue from Operations	Current Assets - Current Liabilities	-8.66	-5.44	59%	Increase in current liabilities
i) Net profit ratio	Profit for the period	Revenue from Operations	27%	27%	0%	-
j) Return on Capital employed	Earnings before interest and taxes	Tangible Net Worth + Total Debt + Deferred Tax Liability	12%	11%	9%	-
k) Return on investment	$\frac{MV(T1) - MV(T0) - \text{Sum } [C(t)]}{\text{Sum } [C(t)]}$	$\frac{MV(T0) + \text{Sum } [W(t) * C(t)]}{\text{Sum } [C(t)]}$	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 33** 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 34** 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 35 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	46,326.08	46,209.92
Add/ (Less)- Discounts/ rebates provided to customer	(244.77)	(217.91)
Add/ (Less)- Performance bonus	1,618.38	1,617.34
Add/ (Less)- Adjustment for significant financing	-	-
Add/ (Less)- Other adjustments	8.52	-
Revenue recognised in profit or loss statement	47,708.21	47,609.35

**Note 36** Borrowing cost capitalised during the year is ₹14.53 Lakh (Previous Year ₹7.69 Lakh) in the respective carrying amount of Property, Plant and Equipment/Capital work in Progress (CWIP) as per Ind AS 23 'Borrowing Costs'.

**Note 37** 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:

		Rs. 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 38 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 does not have any lease arrangements as a lessee.

**Note 39 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	179.19	71.39
B	Amount approved by the Board to be spent during the year	179.19	71.39
C	<u>Amount spent on CSR -</u>		
(i)	Construction or acquisition of any asset	-	-
(ii)	on Purpose other than (i) above	179.19	71.39
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	179.19	71.39
(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	-	-
	<b>Total Amount spent on CSR</b>	<b>179.19</b>	<b>71.39</b>
	Amount spent in Cash out of above	179.19	71.39
	Amount yet to be spent in Cash	-	-

**Note 40 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	9,514.74	10,223.34
Cash & cash Equivalents	836.32	0.14
<b><u>Other Financial Assets</u></b>		
Current	11,517.12	11,154.00
Non-Current	744.78	947.94
<b>Total Financial assets</b>	<b>22,612.96</b>	<b>22,325.42</b>
<b><u>Financial Liabilities</u></b>		
Borrowings	2,34,759.24	2,49,271.36
Trade Payables	112.79	72.71
<b><u>Other Financial Liabilities</u></b>		
Other Current Financial Liabilities	227.28	439.74
Non-Current	-	-
<b>Total financial liabilities</b>	<b>2,35,099.31</b>	<b>2,49,783.81</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	287.77	244.97	943.21	858.77
<b>Total Financial Assets</b>		<b>287.77</b>	<b>244.97</b>	<b>943.21</b>	<b>858.77</b>
<b>Financial Liabilities</b>					
Long term borrowings	2	2,34,759.24	2,41,546.55	2,44,271.36	2,45,170.85
<b>Total financial liabilities</b>		<b>2,34,759.24</b>	<b>2,41,546.55</b>	<b>2,44,271.36</b>	<b>2,45,170.85</b>

The carrying amounts of current 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 41 Disclosure as per Ind AS 24 - "Related Party Disclosures"**

**(a) Holding Company**

Name of entity	Place of business/ Country of incorporation	Proportion of Ownership	
		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 / Country of incorporation
POWERGRID Vemagiri Transmission Limited	India
POWERGRID NM Transmission Limited	India
POWERGRID Unchahar Transmission Limited	India
POWERGRID Medinipur Jeerat Transmission Limited	India
POWERGRID Mithilanchal 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 (Erstwhile Khetri Narela Transmission Limited)	India
POWERGRID Gomti Yamuna Transmission Limited (Erstwhile Mohanlalganj Transmission Limited)	India
POWERGRID Neemuch Transmission System Limited (Erstwhile Neemuch Transmission Limited)	India
POWERGRID ER NER Transmission Limited (Erstwhile ER NER Transmission Limited)	India
POWERGRID Khavda II-B Transmission Limited (Erstwhile Khavda II-B Transmission Limited)	India
POWERGRID Khavda II-C Transmission Limited (Erstwhile Khavda II-C Transmission Limited)	India
POWERGRID Khavda RE Transmission System Limited (Erstwhile Khavda II-RE Transmission Limited)	India
POWERGRID KPS2 Transmission System Limited (Erstwhile KPS2 Transmission Limited)	India
POWERGRID KPS3 Transmission Limited (Erstwhile KPS3 Transmission Limited)	India
POWERGRID ERWR Power Transmission Limited (Erstwhile ERWR Power Transmission Limited)	India
POWERGRID Raipur Pool Dhamtari Transmission Limited (Erstwhile Raipur Pool Dhamtari Transmission Limited)	India
POWERGRID Dharamjaigarh Transmission Limited (Erstwhile Dharamjaigarh Transmission Limited)	India
POWERGRID Bhadla Sikar Transmission Limited (Erstwhile Bhadla Sikar Transmission Limited)	India
POWERGRID Ananthpuram Kurnool Transmission Limited (Erstwhile Ananthpuram Kurnool Transmission Limited)*	India
POWERGRID Bhadla III Transmission Limited (Erstwhile Bhadla III Transmission Limited)*	India
POWERGRID Ramgarh II Transmission Limited (Erstwhile Ramgarh II Transmission Limited)**	India

POWERGRID Beawar Dausa Transmission Limited (Erstwhile Beawar Dausa Transmission Limited)\$	India
POWERGRID Bikaner Neemrana Transmission Limited (Erstwhile Bikaner III Neemrana Transmission Limited)\$	India
POWERGRID Neemrana II Bareilly Transmission Limited (Erstwhile Neemrana II Bareilly Transmission Limited)\$	India
POWERGRID Vataman Transmission Limited (Erstwhile Vataman Transmission Limited)#	India
POWERGRID Koppal Gadag Transmission Limited (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 (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	Chairperson	16-11-2020	Continuing
Shri Rajesh Srivastava	Director	04-08-2022	Continuing
Smt Sangeeta Saxena	Additional Director	13-03-2024	Continuing
Shri A K Shukla	Additional Director	08-01-2024	Continuing
Shri Yagya Datt	Director	17-10-2022	31-12-2023
Smt Seema Gupta	Director	06-06-2022	29-02-2024
Shri Srinivasarao Rajavarappu	Chief Financial Officer	01-07-2023	Continuing
Shri B Girish Kumar	Chief Financial Officer	09-04-2019	30-06-2023
Shri Shwetank Kumar	Company Secretary	28-05-2021	Continuing

**(f) Government Related Entities**

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

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

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

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

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

(₹ in lakh)

Particulars	As at 31 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 - Consultancy	3.26	17.09
Purchases of goods and services - O&M Maintenance	10.98	-
Loans from Holding Company	2,33,931.10	2,49,197.16
Interest Accrued on Loan	828.14	74.20
<b>POWERGRID Energy Services Limited (Fellow Subsidiary Company)</b>		
Purchases of goods and services - O&M Maintenance	55.78	-
<b>Amounts Receivable</b>		
<b>Power Grid Corporation of India Ltd. (Holding Company)</b>		
Other Receivables (Safety Corpus Deposit)	150.00	150.00
<b>POWERGRID Energy Services Limited (Fellow Subsidiary Company)</b>		
Sales of Goods and Services - Spares & Inventories	19.82	-
<b>Central Transmission Utility of India Ltd. (Fellow Subsidiary Company)</b>		
Outstanding Balance in capacity of CTU	10,613.82	11,175.39

**(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 - Consultancy Expense	7.29	58.68
Purchase of Goods or Services - O&M Maintenance	279.97	1,087.86
Reimbursement of Expenses - BG charges	4.20	11.17
Repayment of Loan	15,483.32	21,996.24
Additional Loan obtained during the year	217.26	6,060.88
Interest paid on Loan	19,264.29	18,735.87
Dividend Paid	14,959.98	1,843.41
Safety Corpus Fund deposited	-	150.00
<b>POWERGRID Energy Services Limited (Fellow Subsidiary Company)</b>		
Purchases of goods and services - O&M Maintenance	553.78	-
Sales of Goods and Services - Spares & Inventories	332.79	-
<b>Central Transmission Utility of India Ltd. (Fellow Subsidiary Company)</b>		
Transactions in capacity of CTU	47,692.86	47,886.63

**Note 42 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 43 Capital and other Commitments**

(₹ in lakh)

Particulars	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)	113.49	246.25

**Note 44 Contingent Liabilities and contingent assets****A. Contingent Liabilities**

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

**1 Capital Works**

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

The company is pursuing various options under the dispute resolution mechanism available in the contract for settlement of these claims. In such cases, contingent liability of ₹ 191.91 lakh (Previous Year Nil) has been estimated.

**2 Additional/Enhanced compensation cases**

298 nos of civil cases (previous year 311 cases) are pending in the District court Tumkur before Hon'ble VI Addl. District & Sessions Judge, Tumkur at Madhugiri, filed by the parties for enhanced crop & tree compensation in Kadapa-Madhugiri line which is already completed and into operation on 28.02.2019 are for Rs.15,744.77 lakhs (Previous year Rs.17,075.15 lakhs)

Contingent liability for 25% of the claim amount along with the interest @ 9% p.a. from the date of admission to 31.03.2024 amounting to Rs.5,547.16 lakhs (Previous year Rs.5,643.52 lakhs) is considered. The company believes that a favourable outcome is probable.

**Note 45 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)	2,33,931.10	2,49,197.16
Equity (₹ in lakh)	73,059.62	75,126.57
Debt to Equity ratio	3.20	3.32

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**

(₹ in lakh)

Particulars	For the Year ended 31 March, 2024	For the Year ended 31 March, 2023
Interim dividend for the year ended 31.03.2024 of ₹ 1.70 (31.03.2023 - ₹ 0.26) per fully paid up share	12,053.06	1,843.41
Interim dividend for the year ended 31.03.2023 of ₹ 0.41 (31.03.2022 - Nil) per fully paid up share declared in FY 2023-24 (FY 2022-23)	2,906.92	-

**Note 46 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 ₹)	1.82	1.83
Total Earnings attributable to the equity holders of the company (₹ in lakh)	12,893.03	12,991.15
Weighted average number of shares used as the denominator	70,90,04,000	70,90,04,000

**Note 47 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	4,396.50	4,393.26
<b>Total deferred tax expense/benefit</b>	<b>4,396.50</b>	<b>4,393.26</b>
<b>Income tax expense (A+B)</b>	<b>4,396.50</b>	<b>4,393.26</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	17,289.53	17,384.41
<b>Tax at the Company's domestic tax rate of 25.168 %</b>	<b>4,351.43</b>	<b>4,375.31</b>
Tax effect of:		
Non-Deductible tax items	45.10	17.97
Deferred Tax expense/(income)	(0.03)	(0.02)
<b>Income tax expense</b>	<b>4,396.50</b>	<b>4,393.26</b>

**Note 48 Employee Benefits**

The Company does not have any permanent employees. The personnel working for the company are from holding company on secondment basis 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 49** The Company vide Petition no - 13/MP/2021 filed a petition to seek relief for time extension on Account of Force Majeure events and compensation in form of increase in transmission charges Change in Law events under Article 11 and Article 12 respectively of Transmission Service Agreement (TSA) dated 31.08.2015 signed by the Company with LTTCs for execution of Transmission Project. CERC vide its order dated 07.05.2022 has allowed partial increase in transmission Charges on account of Change in Law events. However, CERC has denied time extension on account of Force Majeure events, which may result in action by LTTCs to claim Liquidated Damages (LD) as per the provisions of TSA. The Company has filed an Appeal with Appellate Tribunal for Electricity (APTEL) (Appeal No.194 of 2022) to set aside CERC order dated 07.05.2022 in petition 13/MP/2021. The appeal is currently reserved for judgement. However, provision for the amount of Rs 23,455.02 lakhs towards LD has been made in FY 2021-22. (Refer Note No. 24)

The Company has deposited the amount of Rs.11,004.00 lakhs to the LTTCs on 28.03.2023 in exchange for bank guarantees issued earlier as per the CERC order dated 17.03.2023 in Appeal No. 194 of 2022 & IA No. 724 of 2022. Since the company has filed an appeal and the same is sub judice, the amount paid to LTTCs is considered as Other current financial assets (Note no.13).

**Note 50** 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 K A R A & Associates**  
Chartered Accountants  
Firm Regn. No. 013975S

**KONAGANI SRINIVAS**  
Digitally signed by KONAGANI SRINIVAS  
DN: c=IN, o=PERSONAL, title=123, pseudonym=s2816bc3a65444ebbcfd14f76b32987f, 2.5.4.20=20adeadab77f32ba5fb5502ab05754120e88fca990a113e4047e53279d779, postalCode=505001, st=Telangana, serialNumber=9404f4b8bdcd502dbaa405481f770060bb9c9ef1e18e3ad0bb5273604153230, cn=KONAGANI SRINIVAS  
Date: 2024.05.09 19:12:54 +05'30'

**Srinivas Konagani**  
Partner  
Mem. No. 223074  
Place: Hyderabad  
Date: 09 May, 2024

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

**ANANTHA SARMA BOPPUDI**  
Digitally signed by ANANTHA SARMA BOPPUDI  
Date: 2024.05.09 17:15:28 +05'30'

**B Anantha Sarma**  
Chairperson  
DIN: 08742208  
Place: Gurugram  
Date: 09 May, 2024

**RAJAVARAPU SRINIVASARAO**  
Digitally signed by RAJAVARAPU SRINIVASARAO  
Date: 2024.05.09 16:56:45 +05'30'

**R Srinivasa Rao**  
Chief Financial Officer  
PAN: AKPPR7028A  
Place: Hyderabad  
Date: 09 May, 2024

**AJAY KUMAR SHUKLA**  
Digitally signed by AJAY KUMAR SHUKLA  
Date: 2024.05.09 17:14:56 +05'30'

**A K Shukla**  
Director  
DIN: 09631803  
Place: Gurugram  
Date: 09 May, 2024

**Shwetaank Kumar**  
Digitally signed by Shwetaank Kumar  
Date: 2024.05.09 17:08:41 +05'30'

**Shwetaank Kumar**  
Company Secretary  
Mem. No. A17887  
Place: Gurugram  
Date: 09 May, 2024