



INDEPENDENT AUDITORS' REPORT

To the Members of **POWERGRID KPS3 Transmission Limited (Erstwhile KPS3 Transmission Limited)**

Report on the Standalone IND AS Financial Statements

Opinion

We have audited the Standalone Financial Statements of **POWERGRID KPS3 Transmission Limited (Erstwhile KPS3 Transmission Limited)** which comprise the Balance Sheet as at 31st March 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to 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 standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and 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 in accordance with the Standard on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. 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 Standalone financial statements under the provisions of the Companies Act,



2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone Statement.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance (including other Comprehensive Income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013, for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial statements of the current period. These matters were

addressed in the context of our audit of the Standalone Financial statements as a whole, and informing our opinion thereon, and we do not provide a separate opinion on these Key Audit Matters as per SA 701.

The company is a wholly owned subsidiary of a listed parent but is not a listed entity and there is no law or regulation requires us to report on Key Audit Matters. However, in our professional judgement and based on our detailed discussion with the management, we have determined that the key audit matters to be communicated in our report is nil.

Auditors' Responsibilities 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.

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

- Identify and assess the risk of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understating of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial control system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.



- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieve fair presentation.

Materiality is the magnitude of misstatements in the standalone Financial Statements that individually or in aggregate makes it probable that the economic decisions of a reasonable knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work and (ii) To evaluate the effect of an identified misstatements in the standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Report on Other Legal and Regulatory Requirements

1. Pursuant to the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. In terms of sub section (5) of section 143 of the Companies Act, 2013, we give in the Annexure "B" a statement on the directions issued under the aforesaid section by the Comptroller and Auditor General of India.
3. As required by Section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and records.
 - c. The Balance Sheet, the Statement of Profit and Loss, (including other comprehensive income), Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid standalone Financial Statements comply with the Accounting Standards specified under section 133 of the Act, being IND AS, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. Being a Subsidiary of a Government Company, Section 164(2) of the Act pertaining to disqualification of Directors are not applicable to the Company.
 - f. With respect to the adequacy of the Internal Financial Controls over Financial Reporting of the Company and the Operating Effectiveness of such Controls, refer to our separate report in Annexure "C".
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given and management representations provided to us:
 - i. The Company does not have any pending litigations which would impact its Financial Position;

- ii. The Company did not have any Long-Term Contracts including Derivative Contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
4. Pursuant to the Companies (Audit and Auditors) Rules, 2014, issued by the Central Government of India in terms of rule 11 of the Act, we report that,
- i) The management has represented that, to the best of it's 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;
 - ii) The management has represented, that, to the best of it's 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
 - iii) 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.
5. Based on our examination carried out in accordance with the Implementation Guidance on Reporting on Audit Trail under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (Revised 2024 Edition) issued by the Institute of Chartered Accountants of India, which included test checks performed for the company whose financial statements



3. have been audited under the Act. we report that the company has used an accounting software i.e SAP for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit. we did not come across any instance of audit trail feature being tampered with.

For and on behalf of
M N C A & Associates,
Chartered Accountants,
Firm Regn. No. 100586W



CA Ami Prajapati
Partner
Mem. No. 170303
UDIN : 24170303BKCLBJ5192
Place : Vadodara
Date : 03-05-2024



Annexure 'A' to the Independent Auditors' Report

As referred to in our Independent Auditors' Report of even date to the members of the **POWERGRID KPS3 Transmission Limited (Erstwhile KPS3 Transmission Limited)** on the Ind AS financial statements for the year ended 31st March 2024, we report that:

- (i) a) According to information and explanations given to us, the company has the capital work in progress for Establishment of Khavda Pooling Station-3 in Khavda RE park on the balance sheet date. The Company has generally maintained records, showing full particulars including quantitative details and situation of Property, Plant & Equipment including details of right-of-use assets covered under Ind AS 116, 'Leases'.
 - b) The Property, Plant & Equipment have been physically verified by the management during the year. In our opinion, frequency of verification is reasonable having regard to the size of the Company and nature of its business. No material discrepancies were noticed on such verification.
 - c) According to information and explanations given to us, the company does not hold any immovable property.
 - d) In our opinion and according to the information and explanations given to us, the company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
 - e) In our opinion and according to the information and explanations given to us, no proceedings have been initiated or are pending against the company for holding any Benami property under the "Benami Transactions (Prohibition) Act, 1988 and Rules made thereunder.
- (ii) (a) The inventories have been physically verified by the management during the year. In our opinion, frequency of verification, coverage & procedure adopted by the company for verification is reasonable having regard nature of its business. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such verification. We further note that the inventories as at 31st March 2024 are nil.
- (b) The Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets.
- (iii) (a) According to the information and explanations given to us, the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, paragraph 3(iii) is not

applicable to the company. We further report that bank guarantees given as a part of contractual obligations of the company towards its normal course of business are not considered as guarantees given in the nature of loans for the purpose of reporting under this clause.

- (iv) According to the information and explanations given to us, the company has not granted any loans or made any investments or provided any guarantee or securities to the parties as specified under section 185 and 186 of the Act. Accordingly clause 3(iv) of the Order is not applicable.
- (v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposit from the public & no amounts has been deemed to be deposits in accordance with the provisions of the sections 73 to 76 or any other relevant provisions of the Act, and the rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the company.
- (vi) The company is not required to maintain cost records under section 148 (1) of the Companies Act,2013 . Hence Paragraph 3 (vi) of the order is not applicable to the company.
- (vii) a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues with appropriate authorities including Income Tax, Goods and Services Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and other statutory dues applicable to the Company and that there are no undisputed statutory dues outstanding as at 31 March 2024 for a period of more than six months from the date they became payable. We note that the company being a subsidiary of the Powergrid group and is not having any employee on its role, the provisions of the provident fund and the provisions of the Employees State Insurance Act are not applicable to the Company.
b) According to information and explanations given to us, there are no statutory dues referred to in sub- clause (a) have not been deposited on account of dispute.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not recorded in the books of account any transaction which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (ix) In our opinion, based on our examination of the records and according to the information and explanations given to us,
 - (a) The Company has not defaulted during the year in repayment of loans & payment of Interest to its financial institutions, bankers and dues to the Bond holders.

- (b) the company has not been declared willful defaulter by any bank/financial institution/other lender.
 - (c) term loans (received only from the parent company) have been applied for the purpose for which the loans were obtained.
 - (d) funds raised on short term basis (received only from the parent company) have not been utilized for long term purpose.
 - (e) The Company do not have any Subsidiaries, Joint ventures or Associates. Accordingly, paragraph 3(ix)(e) and 3(ix)(f) are not applicable to the company.
- (x) (a) The company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year.
- (b) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.
- (xi) (a) According to the information and explanations given to us and as represented by the management, we have been informed that no case of fraud has been committed on or by the company during the year.
- (b) As no fraud has been noticed during the year as mentioned at xi(a) above, report under sub-Section (12) of Section 143 of the Companies Act in the Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules 2014 is not applicable.
- (c) According to the information and explanations given to us, no whistle-blower complaints has been received during the year by the Company.
- (xii) The company is not a Nidhi Company as prescribed under section 406 of the Act. Accordingly, clause 3(xii)(a), 3(xii)(b) & 3(xii)(c) of the Order is not applicable to the company.
- (xiii) According to the information and explanations given to us and as represented by the management, all transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and the details have been disclosed in the standalone Ind AS financial statements as required by the applicable Indian Accounting Standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the company, The company is not required to appoint Internal Auditor u/s Section 138 of the CO Act,2013. Accordingly, paragraph 3(xiv) is not applicable to the company.



- xv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) is not applicable to the company.
- (xvi) According to the information and explanations given to us, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Accordingly, paragraphs 3(xvi) are not applicable to the company.
- (xvii) According to the information and explanations given to us and based on our examination of the records of the company, the company has not incurred any cash losses in the current Financial Year and in the immediately preceding Financial Year.
- (xviii) There has not been any resignation of the statutory auditors during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the records of the company, in our opinion, no material uncertainty exists as on the date of the audit report and the company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- xx) The company was not having net worth of rupees five hundred crore or more or turnover of rupees one hundred crore or more or net profit of five crores or more during the immediately preceding financial period and hence provision of section 135 of the Companies Act are not applicable to the Company during the financial period. Accordingly, paragraph 3 (xx)(a) & 3 (xx) (b) are not applicable to the company.
- xxi) The Company do not have any Subsidiaries, Joint ventures or Associates. Accordingly, paragraph 3(xxi) is not applicable to the company.

For and on behalf of
M N C A & Associates,
Chartered Accountants,
Firm Regn. No. 100586W

CA Ami Prajapati

Partner

Mem. No. 170303

UDIN : 24170303BKCLBJ5192

Place : Vadodara

Date : 03-05-2024





Annexure - "B" to Independent Auditor' Report

As referred to in our Independent Auditors' Report to the Members of the **POWERGRID KPS3 Transmission Limited (Erstwhile KPS3 Transmission Limited)**, on the Financial Statements for the Year Ended 31st March 2024, we Report that:

Sl. No.	Directions u/s 143(5) of the Companies Act, 2013	Auditor's reply on action taken on the directions	Impact on financial
1	Whether the company has system in place to process all the accounting transactions through IT system? If yes, then the implications of accounting transaction outside IT system on the integrity of accounts along with the financial implications, if any, may be stated.	All accounting transactions of the company are processed through the ERP (SAP System) that has been implemented by the Company. No accounting transaction is being recorded /processed otherwise than through the ERP system in place. Hence no further disclosure is required in this regard.	NIL
2	Whether there is any restructuring of any 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).	There are no cases of restructuring of existing loan or cases of waiver/write off of debts/loans/interest etc.	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 term and conditions? List the cases of deviation.	No fund has been received from Central/State Government or its agencies.	NIL

For and on behalf of
M N C A & Associates,
Chartered Accountants,
Firm Regn. No. 100586W

CA Ami Prajapati
Partner

Mem. No. 170303

UDIN : 24170303BKCLBJ5192

Place : Vadodara

Date : 03-05-2024





Compliance Certificate

We have conducted the audit of annual accounts of **POWERGRID KPS3 Transmission Limited (Erstwhile KPS3 Transmission Limited)** for the year ended 31st March 2024 in accordance with the directions/sub-directions issued by the C&AG of India under Section 143(5) of the Companies Act, 2013 and certify that we have complied with all the Directions/Sub-directions issued to us.

For and on behalf of
M N C A & Associates,
Chartered Accountants,
Firm Regn. No. 100586W



CA Ami Prajapati

Partner

Mem. No. 170303

UDIN : 24170303BKCLBJ5192

Place : Vadodara

Date : 03-05-2024

ANNEXURE - "C"

As referred to in our Independent Auditors' Report to the members of the **POWERGRID KPS3 Transmission Limited (Erstwhile KPS3 Transmission Limited)** on the Financial Statements for the year ended 31st March 2024

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the act")

We have audited the Internal Financial Controls over Financial Reporting of the company as at 31st March 2024 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining Internal Financial Control based on "the Internal Control over Financial Reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate Internal Financial Controls 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 Companies Act, 2013.

We note that the board of the company has approved to operate and manage the financial reporting process of the company through group company employees deputed by the parent company and that the company does not have any employee on its role. The financial statements and related information and reports produced for our audit are prepared and presented under the control of corporate financial reporting team and the management of the company has confirmed

that they comply with the internal financial control over financial reporting as adopted by the parent company.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Control over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of Internal Financial Controls. 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.

Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, internal financial controls being managed through employees deputed from parent company including chief financial officer of the company, 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 controls 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 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 as at 31st March 2024, based on "the Internal Financial Controls over Financial Reporting criteria established by the Company considering the essential components of Internal Control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India."

For and on behalf of

M N C A & Associates,

Chartered Accountants,
Firm Regn. No. 100586W



CA Ami Prajapati

Partner

Mem. No. 170303

UDIN : 24170303BKCLBJ5192

Place : Vadodara

Date : 03-05-2024

POWERGRID KPS3 Transmission Limited

(Erstwhile KPS3 Transmission Limited)

CIN : U40109DL2022GOI397632

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
ASSETS			
Non-current assets			
(a) Property, plant & equipment	4	121.90	-
(b) Capital work in progress	5	9,395.05	1,275.52
(c) Deferred Tax Assets (Net)	6	2.28	0.15
(d) Financial assets			
(i) Other non-current financial assets	7	0.18	-
(e) Other non-current assets	8	3,828.51	-
		13,347.92	1,275.67
Current assets			
(a) Financial assets			
(i) Cash and cash equivalents	9	18.01	0.79
		18.01	0.79
Total Assets		13,365.93	1,276.46
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	10	630.00	5.00
(b) Other Equity	11	(6.77)	(0.44)
		623.23	4.56
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	12	8,177.39	-
(ii) Lease liabilities	13	81.00	-
		8,258.39	-
Current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	14	3.90	-
(ii) Trade payables	15		
(a) Total O/s dues of micro & small enterprises		0.60	0.54
(iii) Other current financial liabilities	16	4,403.01	1,261.03
(b) Other current liabilities	17	76.80	10.33
		4,484.31	1,271.90
Total Equity and Liabilities		13,365.93	1,276.46

The accompanying notes (1 to 41) form an integral part of financial statements

As per our report of even date

For M N C A & Associates

Chartered Accountants

Firm Regn. No. 100586W

Amiben
Amitkumar
r Prajapati

Digitally signed
by Amiben
Amitkumar
Prajapati
Date: 2024.05.03
14:28:14 +05'30'

CA Ami Prajapati

Partner

Mem. No. 170303

Place: Vadodara

Date: 03 May, 2024

For and on behalf of the Board of Directors
POWERGRID KPS3 Transmission Limited

SUBIR
R SEN

Digitally signed
by SUBIR SEN
Date:
2024.05.03
14:06:07 +05'30'

Dr. Subir Sen

Chairman

DIN: 09012185

Place: Gurugram

Date: 03 May, 2024

RAMESH
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KUMAR

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KUMAR
Date: 2024.05.03
14:03:30 +05'30'

Ramesh Kumar

Director

DIN: 09759318

Place: Gurugram

Date: 03 May, 2024

POWERGRID KPS3 Transmission Limited

(Erstwhile KPS3 Transmission Limited)

CIN : U40109DL2022GOI397632

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 period from 29 April, 2022 to 31 March, 2023
Revenue From Operations		-	-
Other Income	18	-	-
Total Income		-	-
EXPENSES			
Finance costs	19	-	-
Depreciation and amortization expense	20	-	-
Other expenses	21	8.46	0.59
Total expenses		8.46	0.59
Profit/(loss) before tax		(8.46)	(0.59)
Tax expense:			
Current tax		-	-
Deferred tax		(2.13)	(0.15)
Total tax expenses		(2.13)	(0.15)
Profit/(loss) for the period		(6.33)	(0.44)
Other Comprehensive Income		-	-
Total Comprehensive Income for the period		(6.33)	(0.44)
Earnings per equity share (Par value ₹10/- each):			
Basic and Diluted		(4.15)	(0.88)

The accompanying notes (1 to 41) form an integral part of financial statements

As per our report of even date

For M N C A & Associates

Chartered Accountants

Firm Regn. No. 100586W

For and on behalf of the Board of Directors

POWERGRID KPS3 Transmission Limited

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CA Ami Prajapati

Partner

Mem. No. 170303

Place: Vadodara

Date: 03 May, 2024

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Dr. Subir Sen

Chairman

DIN: 09012185

Place: Gurugram

Date: 03 May, 2024

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Ramesh Kumar

Director

DIN: 09759318

Place: Gurugram

Date: 03 May, 2024

POWERGRID KPS3 Transmission Limited

(Erstwhile KPS3 Transmission Limited)

CIN : U40109DL2022GOI397632

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 period from 29 April, 2022 to 31 March, 2023
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit Before Tax	(8.46)	(0.59)
	Share Issue expenses	7.44	-
	Operating profit before Changes in Assets and Liabilities	(1.02)	(0.59)
	Adjustment for Changes in Assets and Liabilities:		
	Increase/(Decrease) in Liabilities & Provisions	0.06	0.59
	Net Cash from Operating Activities	(0.96)	0.00
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Property, Plant & Equipment, Intangible Assets and Capital Work in Progress (including Advances for Capital Expenditure)	(8,491.77)	(4.21)
	Net Cash used in Investing Activities	(8,491.77)	(4.21)
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Issue of Shares	625.00	5.00
	Share Issue expenses	(7.44)	-
	Proceeds from Borrowings		
	Non Current	8,177.39	-
	Repayment of Lease Liabilities (Including interest)	(3.90)	-
	Finance Costs paid	(281.10)	-
	Net Cash used in Financing Activities	8,509.95	5.00
D	Net change in Cash and Cash equivalents (A+B+C)	17.22	0.79
E	Cash and Cash equivalents (Opening balance)	0.79	-
F	Cash and Cash equivalents (Closing balance)	18.01	0.79

The accompanying notes (1 to 41) form an integral part of financial statements

Further Notes

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

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

As per our report of even date

For M N C A & Associates

Chartered Accountants

Firm Regn. No. 100586W

For and on behalf of the Board of Directors

POWERGRID KPS3 Transmission Limited

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CA Ami Prajapati

Partner

Mem. No. 170303

Place: Vadodara

Date: 03 May, 2024

Dr. Subir Sen

Chairman

DIN: 09012185

Place: Gurugram

Date: 03 May, 2024

Ramesh Kumar

Director

DIN: 09759318

Place: Gurugram

Date: 03 May, 2024

POWERGRID KPS3 Transmission Limited

(Erstwhile KPS3 Transmission Limited)

CIN : U40109DL2022GOI397632

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

Statement of Change in Equity For the Year ended 31 March, 2024

A. Equity Share Capital	(₹ In Lakh)
As at 01 April, 2023	5.00
Changes in equity share capital	625.00
As at 31 March, 2024	630.00
As at 29 April, 2022	-
Changes in equity share capital	5.00
As at 31 March, 2023	5.00

B. Other Equity	(₹ In Lakh)
Particulars	Retained Earnings
As at 01 April, 2023	(0.44)
Profit/(loss) for the period	(6.33)
Transfer to Self Insurance Reserve	-
As at 31 March, 2024	(6.77)
As at 29 April, 2022	-
Profit/(loss) for the period	(0.44)
Transfer to Self Insurance Reserve	-
As at 31 March, 2023	(0.44)

The accompanying notes (1 to 41) form an integral part of financial statements
Refer to Note 11 for nature and movement of Reserve and Surplus.

As per our report of even date
For M N C A & Associates
Chartered Accountants
Firm Regn. No. 100586W

For and on behalf of the Board of Directors
POWERGRID KPS3 Transmission Limited

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CA Ami Prajapati
Partner
Mem. No. 170303
Place: Vadodara
Date: 03 May, 2024

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Dr. Subir Sen
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Date: 03 May, 2024

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RAMESH KUMAR
Date: 2024.05.03
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Ramesh Kumar
Director
DIN: 09759318
Place: Gurugram
Date: 03 May, 2024

Notes to Financial Statements

1. Corporate and General Information

POWERGRID KPS3 Transmission Limited (Erstwhile KPS3 Transmission Limited) 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 29th April 2022 for Establishment of Khavda Pooling Station-3 in Khavda RE Park. POWERGRID has acquired 100% equity shares from REC Power Development and Consultancy Limited on 21.03.2023. Project is under construction.

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 3rd May, 2024.

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.

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 under development till the commissioning of 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.

S. No.	Particulars	Useful life
1	Computers and Peripherals	3 Years
2	Servers and Network Components	5 years

Depreciation on spares parts, standby equipment and servicing equipment which are capitalised, is provided on straight line method from the date they are available for use over the remaining useful life of the related assets of transmission business.

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

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

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

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

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

Right of Use Assets:

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

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

Intangible Assets

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

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.

Transmission system assets developed only for the State Transmission Utilities and Transmission system assets developed on Build, Own, Operate and Transfer (BOOT) are considered as ready for intended use after meeting the conditions for commercial operation as stipulated in Transmission Service Agreement (TSA) and transferred to lease receivables accordingly.

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.

In case, final settlement of bills with contractors is yet to be effected, Net investment is considered on provisional basis subject to necessary adjustments in the year of final settlement.

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

b) Operating leases

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

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

2.11 Financial instruments

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

Financial Assets

Classification

The Company classifies its financial assets in the following categories:

- at amortised cost,
- at fair value through other comprehensive income

The classification depends on the following:

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs, if any, that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent measurement

Debt Instruments at Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Debt Instruments at Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit and loss. Interest income from these financial assets is included in finance income using the effective interest rate method.

Debt instruments at Fair value through profit or loss (FVPL): Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. Interest income and net gain or loss on a debt instrument that is subsequently measured at FVPL are recognised in statement of profit and loss and presented within other income in the period in which it arises.

Derecognition of financial assets

A financial asset is derecognised only when

- i) The right to receive cash flows from the asset have expired, or
- ii)
 - a) The company has transferred the rights to receive cash flows from the financial asset (or) retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients and
 - b) the company has transferred substantially all the risks and rewards of the asset (or) the company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

The difference between the carrying amount and the amount of consideration received/receivable is recognised in the Statement of Profit and Loss.

Impairment of financial assets:

For trade receivables and contract assets, the company applies the simplified approach required by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For recognition of impairment loss on other financial assets and risk exposure, the company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month Expected Credit Loss (ECL) is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 -month ECL.

Financial Liabilities

Financial liabilities of the Company are contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company.

The Company's financial liabilities include loans & borrowings, trade and other payables.

Classification, initial recognition and measurement

Financial liabilities are recognised initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss, transaction costs that are directly attributable to the issue of financial liabilities.

Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate (EIR). Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the EIR. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised.

The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Derecognition of financial liability

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in Statement of Profit and Loss as other income or finance cost.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.12 Foreign Currency Translation

(a) Functional and presentation currency

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

(b) Transactions and balances

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

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

2.13 Income Tax

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

Current income tax

The Current Tax is based on taxable profit for the year under the tax laws enacted and applicable to the reporting period in the countries where the company operates and generates taxable income and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the company's financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the Balance Sheet method. Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

2.14 Revenue

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

Significant Financing Component

Where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year, the Company assesses the effects of significant financing component in the contract. As a consequence, the Company makes adjustment in the transaction prices for the effects of time value of money.

2.14.1 Revenue from Operations

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

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

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

The Transmission system incentive / disincentive is accounted for based on certification of availability by the respective Regional Power Committees (RPCs) and in accordance with the Transmission Service Agreement (TSA) signed by the Company along with applicable rules and regulations. Where certification by RPCs is not available, incentive/disincentive is accounted for on provisional basis as per estimate of availability by the company and differences, if any is accounted upon certification by RPCs.

2.14.2 Other Income

Interest income is recognised, when no significant uncertainty as to measurability or collectability exists, on a time proportion basis taking into account the amount outstanding and the applicable interest rate, using the effective interest rate method (EIR).

Surcharge recoverable from trade receivables, liquidated damages, warranty claims and interest on advances to suppliers are recognised when no significant uncertainty as to measurability and collectability exists.

Income from Scrap is accounted for as and when sold.

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

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

2.15 Dividends

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

2.16 Provisions and Contingencies

a) Provisions

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

b) Contingencies

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

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

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

2.17 Share capital and Other Equity

Ordinary shares are classified as equity.

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

Self-insurance reserve is created @ 0.12% p.a on Original Gross Block of Property, Plant and Equipment (including considered as lease receivables) 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-covered 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 substations. 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'.

3. Critical Estimates and Judgments

The preparation of financial statements requires the use of accounting estimates which may significantly vary from the actual results. Management also needs to exercise judgment while applying the company's accounting policies.

Estimates and judgments are periodically evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the company and that are believed to be reasonable under the circumstances.

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

The areas involving critical estimates or judgments are:

Useful life of property, plant and equipment:

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

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

Provisions and contingencies:

The assessments undertaken in recognising provisions and contingencies have been made in accordance with Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets". The evaluation of the likelihood of the contingent events has required best judgment by management regarding the probability of exposure to potential loss. Should circumstances change following unforeseeable developments, this likelihood could alter.

Income Taxes:

Significant estimates are involved in determining the provision for current and deferred tax, including amount expected to be paid/recovered for uncertain tax positions.

Note 4 Property, Plant and Equipment

(₹ In Lakh)

Particulars	Cost					Accumulated depreciation					Net Book Value	
	As at 01 April, 2023	Additions during the year	Disposal	Adjustment during the year	As at 31 March, 2024	As at 01 April, 2023	Additions during the year	Disposal	Adjustment during the year	As at 31 March, 2024	As at 31 March, 2024	As at 31 March, 2023
Land												
a) ROU - Leasehold	-	122.60	-	-	122.60	-	0.70	-	-	0.70	121.90	-
Total	-	122.60	-	-	122.60	-	0.70	-	-	0.70	121.90	-

(₹ In Lakh)

Particulars	Cost					Accumulated depreciation					Net Book Value	
	As at 29 April, 2022	Additions during the year	Disposal	Adjustment during the year	As at 31 March, 2023	As at 29 April, 2022	Additions during the year	Disposal	Adjustment during the year	As at 31 March, 2023	As at 31 March, 2023	As at 29 April, 2022
Land												
a) ROU - Leasehold	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-

Further Notes:

- 1 Refer Note 30 for disclosure on Right of Use Assets as per Ind AS 116 - "Leases".
- 2 Right of Use Land includes area of 26 Hectare(previous period 0 Hectare) amounting Rs.122.60 lakhs (previous period Nil) in respect of Land acquired for term of 40 years and amortised on Straight Line Method.

Note 5 Capital work in progress

(₹ In Lakh)

Particulars	As at 01 April, 2023	Additions during the year	Consumption	Capitalised during the year	As at 31 March, 2024
Plant & Equipments (including associated civil works)					
a) Transmission	-	494.24	-	-	494.24
b) Sub-Station	-	1,711.33	-	-	1,711.33
Construction Stores (Net of Provision)	-	5,723.22	-	-	5,723.22
Expenditure pending allocation					
i) Expenditure during construction period (net) - (Note 22)	1,275.52	190.74	-	-	1,466.26
	1,275.52	8,119.53	-	-	9,395.05
Grand Total	1,275.52	8,119.53	-	-	9,395.05

(₹ In Lakh)

Particulars	As at 29 April, 2022	Additions during the year	Consumption	Capitalised during the year	As at 31 March, 2023
Expenditure pending allocation					
i) Expenditure during construction period (net) - (Note 22)	-	1,275.52	-	-	1,275.52
	-	1,275.52	-	-	1,275.52
Grand Total	-	1,275.52	-	-	1,275.52

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
Construction Stores		
Towers	1,847.80	-
Conductors	2,575.15	-
Other Line Materials	178.32	-
Sub-Station Equipments	1,084.49	-
Unified Load Despatch & Communication(ULDC) Materials	33.66	-
Others	3.80	-
Total	5,723.22	-
i) Material with Contractors	-	-
Towers	1,847.80	-
Conductors	2,575.15	-
Other Line Materials	178.32	-
Sub-Station Equipments	1,084.49	-
Unified Load Despatch & Communication(ULDC) Materials	33.66	-
Others	3.80	-
Total	5,723.22	-
Grand Total	5,723.22	-

Refer Note 24 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 Deferred tax Assets (Net)

(₹ In Lakh)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Deferred Tax Assets		
Unused Tax Losses	2.28	0.15
Deferred tax Assets (Net)	2.28	0.15

Movement in Deferred Tax Assets

(₹ in Lakh)

Particulars	Unused Tax Losses
As at 29 April, 2022	-
- (Charged) / Credited to Profit or Loss	0.15
As at 31 March, 2023	0.15
- (Charged) / Credited to Profit or Loss	2.13
As at 31 March, 2024	2.28

Amount taken to Statement of Profit and Loss

(₹ in Lakh)

Particulars	For the Year ended 31 March, 2024	For the period from 29 April, 2022 to 31 March, 2023
(Increase)/Decrease in Deferred Tax Assets	(2.13)	(0.15)
Net Amount taken to Statement of Profit and Loss	(2.13)	(0.15)

Note 7 Other Non-current Financial Assets

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

Particulars	As at 31 March, 2024	As at 31 March, 2023
Others#	0.18	-
Total	0.18	-

#Pertains to refundable security deposit paid towards Land taken on Lease.

Note 8 Other non-current Assets

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

Particulars	As at 31 March, 2024	As at 31 March, 2023
Advances for Capital Expenditure		
Unsecured		
a. Against bank guarantees	3,828.51	-
Total	3,828.51	-

Note 9 Cash and Cash equivalent

(₹ In Lakh)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Balance with banks		
-In Current accounts	18.01	0.79
Total	18.01	0.79

Note 10 Equity Share capital

(₹ In Lakh)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Equity Share Capital Authorised		
7050000 (Previous Year 50000) equity shares of ₹10/- each at par Issued, subscribed and paid up	705.00	5.00
6300000 (Previous Year 50000) equity shares of ₹10/- each at par	630.00	5.00
Total	630.00	5.00

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 period from 29 April, 2022 to 31 March, 2023	
	No. of Shares	₹ in Lakh Amount	No. of Shares	₹ in Lakh Amount
Shares outstanding at the beginning of the period	50,000	5.00	-	-
Shares Issued during the period	62,50,000	625.00	50,000	5.00
Share brought back during the year	-	-	-	-
Shares outstanding at the end of the period	63,00,000	630.00	50,000	5.00

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)#	63,00,000	100%	50,000	100%	0%

#Out of 6300000 Equity shares (Previous Period 50000 Equity shares) 6 equity shares (Previous Period 6 Equity Shares) are held by nominees of M/s Power Grid Corporation of India Limited on its behalf .

Note 11 Other Equity		(₹ In Lakh)	
Particulars	As at 31 March, 2024	As at 31 March, 2023	
(i) Retained Earnings			
Balance at the beginning of the year	(0.44)	-	
Add: Additions			
Net Profit for the period	(6.33)	(0.44)	
Balance at the end of the year	(6.77)	(0.44)	
Total	(6.77)	(0.44)	

Note 12 Borrowings (Non-current)		(₹ In Lakh)	
Particulars	As at 31 March, 2024	As at 31 March, 2023	
Unsecured			
Rupee Term Loan from Power Grid Corporation of India Limited (Holding Company)	8,303.42	-	
Less: Interest accrued on borrowings	126.03	-	
Total	8,177.39	-	

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 7.4% p.a. to 8.2% p.a. during the financial year. Loan is repayable in Quarterly Installments of equal amount over the period of 35 Years from commissioning of the Project Assets with prepayment facility without any additional charges.
- 2 There has been no default in repayment of loans or payment of interest thereon as at the end of the year
- 3 Refer Note 33 for details of Loan from related parties.

Note 13 Lease liabilities (Non-current)		(₹ In Lakh)	
Particulars	As at 31 March, 2024	As at 31 March, 2023	
Lease liabilities on ROU Assets	81.00	-	
Total	81.00	-	

Refer Note 30 for disclosure on Right of Use Assets as per Ind AS 116 - "Leases".

Note 14 Lease liabilities (Current)

(₹ In Lakh)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Lease liabilities on ROU Assets	3.90	-
Total	3.90	-

Refer Note 30 for disclosure on Right of Use Assets as per Ind AS 116 - "Leases".

Note 15 Trade payables

(₹ In Lakh)

Particulars	As at 31 March, 2024	As at 31 March, 2023
For goods and services		
(A) Total outstanding dues of Micro enterprises and small enterprises	0.60	0.54
(B) Total outstanding dues of creditors other than Micro enterprises and small enterprises		
Others	-	-
Total	0.60	0.54

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 29.

2 Ageing of Trade Payables is as follows:

(₹ In Lakh)

Particulars	Not Billed	<1Y	1Y-2Y	2Y-3Y	>3Y	Total
As at 31.03.2024						
MSME						
Disputed	-	-	-	-	-	-
Undisputed	0.60	-	-	-	-	0.60
Total	0.60	-	-	-	-	0.60
Others						
Disputed	-	-	-	-	-	-
Undisputed	-	-	-	-	-	-
Total	-	-	-	-	-	-
Grand Total	0.60	-	-	-	-	0.60
As at 31.03.2023						
MSME						
Disputed	-	-	-	-	-	-
Undisputed	0.54	-	-	-	-	0.54
Total	0.54	-	-	-	-	0.54
Others						
Disputed	-	-	-	-	-	-
Undisputed	-	-	-	-	-	-
Total	-	-	-	-	-	-
Grand Total	0.54	-	-	-	-	0.54

Note 16 Other Current Financial Liabilities

(₹ In Lakh)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Interest accrued on borrowings from		
Power Grid Corporation of India Limited (Holding Company)	126.03	-
Others		
Dues for capital expenditure	3,486.19	-
Deposits/Retention money from contractors and others	738.24	-
Related parties	52.55	1,261.03
	<u>4,276.98</u>	<u>1,261.03</u>
Total	4,403.01	1,261.03

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 29.

2 Refer Note 33. for amount payable to related parties.

Note 17 Other current liabilities

(₹ In Lakh)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Statutory dues	76.80	10.33
Total	76.80	10.33

Note 18 Other income (₹ In Lakh)

Particulars	For the Year ended 31 March, 2024	For the period from 29 April, 2022 to 31 March, 2023
Interest income from Financial Assets at amortised cost		
Advances to contractors	292.52	-
Unwinding of discount on financial assets*	0.00	-
Less: Transferred to expenditure during construction (Net) - Note 22	(292.52)	-
Total	-	-

*Unwinding of discount on financial assets amounts to ₹345.00

Note 19 Finance costs (₹ In Lakh)

Particulars	For the Year ended 31 March, 2024	For the period from 29 April, 2022 to 31 March, 2023
i) Interest and finance charges on financial liabilities at amortised cost		
Power Grid Corporation of India Limited (Holding Company)	407.14	-
ii) Interest on Lease Liability	1.63	-
Total	408.77	-
Less: Transferred to expenditure during construction (Net) - Note 22	408.77	-
Charged To Statement of Profit & Loss	-	-

Further Notes:

1 Refer Note 33 for Interest paid to related parties.

Note 20 Depreciation and amortization expense (₹ In Lakh)

Particulars	For the Year ended 31 March, 2024	For the period from 29 April, 2022 to 31 March, 2023
Depreciation on ROU Assets	0.70	-
Less: Transferred to expenditure during construction (Net) - Note 22	(0.70)	-
Charged To Statement of Profit & Loss	-	-

Note 21

Other expenses

(₹ In Lakh)

Particulars	For the Year ended 31 March, 2024	For the period from 29 April, 2022 to 31 March, 2023
Professional charges	-	1,048.42
Consultancy expenses*	65.95	135.59
Payments to Statutory Auditors		
Audit Fees	0.59	0.59
In Other Capacity	0.35	-
	0.94	0.59
Physical verification Fees	0.08	-
CERC License Fees	3.92	1.00
Transmission Adoption Charges	-	25.00
Miscellaneous expenses	-	65.51
Bank charges*	3.92	-
Rates and taxes	7.44	-
	15.36	91.51
	82.25	1,276.11
Less: Transferred to expenditure during construction (Net) - Note 22	73.79	1,275.52
	8.46	0.59
Charged To Statement of Profit & Loss	8.46	0.59

Further Notes:

- 1 *Refer Note 33 for Expenses paid to related parties.
- 2 Miscellaneous expenses towards acquisition price paid to M/s RECPDCL, Bid Processing Coordinator .

Note 22 Expenditure during Construction (Net)

(₹ In Lakh)

Particulars	For the Year ended 31 March, 2024	For the period from 29 April, 2022 to 31 March, 2023
A. Other Expenses		
Professional charges	-	1,048.42
Consultancy expenses	65.95	135.59
CERC petition & Other charges	3.92	26.00
Miscellaneous expenses	-	65.51
Bank Charges	3.92	-
Total (A)	73.79	1,275.52
B. Depreciation/Amortisation	0.70	-
C. Finance Costs		
a) Interest and finance charges on financial liabilities at amortised cost	-	-
Power Grid Corporation of India Limited (Holding Company)	407.14	-
b) Interest on Lease Liability	1.63	-
Total (C)	408.77	-
D. Less: Other Income		
Interest from Advance to Contractors	292.52	-
Unwinding of discount on financial assets	0.00	-
Total (D)	292.52	-
GRAND Total (A+B+C-D)	190.74	1,275.52

Note 23 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 advances 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

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

The Company held cash and cash equivalents of ₹18.01 Lakh (Previous Period ₹0.79 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.

(ii) Exposure to credit risk

(₹ In Lakh)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Other non-current financial assets	0.18	-
Cash and cash equivalents	18.01	0.79
Total	18.19	0.79

(iii) 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.

(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
As at 31 March, 2024				
Borrowings (including interest outflows)	126.03	955.12	7,222.27	8,303.42
Trade payables	0.60			0.60
<u>Other financial liabilities</u>				
Lease liabilities	3.90	17.36	63.64	84.90
Other Current Financial Liabilities	4,276.98			4,276.98
Total	4,407.51	972.48	7,285.91	12,581.00
As at 31 March, 2023				
Borrowings (including interest outflows)	-			-
Trade payables	0.54			0.54
<u>Other financial liabilities</u>				
Other Current Financial Liabilities	1,261.03			1,261.03
Total	1,261.57	-	-	1,261.57

(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

(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 24 Additional Regulatory Information as per Schedule III to the Companies

a) There are no cases of immovable properties where title deeds are not in the name of the company.

b) Aging of Capital Work in Progress is as follows:

(₹ in lakh)

Particulars as at 31 March, 2024	<1 Year	1-2 Years	2-3 Years	>3 Years	Total
Projects in progress-Establishment of Khavda Pooling Station-3 in Khavda RE Park	8,119.53	1,275.52	-	-	9,395.05
Total	8,119.53	1,275.52	-	-	9,395.05
Particulars as at 31 March, 2023					
Projects in progress-Establishment of Khavda Pooling Station-3 in Khavda RE Park	1,275.52	-	-	-	1,275.52
Total	1,275.52	-	-	-	1,275.52

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.

l) Ratios

Ratio	Numerator	Denominator	Current Year	previous period	Variance	Reason for variance >25%
a) Current Ratio	Current Assets	Current Liabilities	NA	NA		
b) Debt Equity Ratio	Total Debt	Shareholder's Equity	13.12	0.00		
c) Debt Service Coverage Ratio	Profit for the period + Depreciation and amortization expense + Finance costs	Interest & Lease Payments + Principal Repayments	0.03	0.00		

d) Return on Equity Ratio	Profit for the period	Average Shareholder's Equity	-2%	-19.30%	-90%	Increase in Share Capital
e) Inventory turnover ratio	Revenue from Operations	Average Inventory	0.00	0.00		
f) Trade Receivable Turnover Ratio	Revenue from Operations	Average Trade Receivables (before deducting provision)	0.00	0.00		
g) Trade payable turnover ratio	Gross Other Expense (-) FERV, Provisions, Loss on disposal of PPE	Average Trade payables	144.36	NA		
h) Net capital turnover ratio	Revenue from Operations	Current Assets - Current Liabilities	NA	NA		
i) Net profit ratio	Profit for the period	Revenue from Operations	NA	NA		
j) Return on Capital employed	Earnings before interest and taxes	Tangible Net Worth + Total Debt + Deferred Tax Liability	0%	-13%	-100%	Increase in Total Debt
k) Return on investment	Income from Investment +Capital Appreciation	Average Investments	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 25 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 26 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 27 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.

Note 28 Borrowing cost capitalised during the year is ₹408.77 Lakh (previous period ₹0 Lakh) in the respective carrying amount of Property, Plant and Equipment/Capital work in Progress (CWIP) as per Ind AS 23 'Borrowing Costs'.

Note 29 Based on information available with the company, there are few suppliers/service providers who are registered as micro, small or medium enterprise under The Micro, Small and Medium Enterprises Development Act,2006 (MSMED Act, 2006). Information in respect of micro and small enterprises as required by Companies Act 2013 and MSMED Act, 2006 is given as under:

(₹ in lakh)

Sr. No	Particulars	Trade Payables		Others	
		As at 31 March, 2024	As at 31 March, 2023	As at 31 March, 2024	As at 31 March, 2023
1	Principal amount and interest due thereon remaining unpaid to any supplier as at end of each accounting year:				
	Principal	0.60	0.54	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 30 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 has taken assets on lease i.e Land for 40 years which is assessed and accounted as per the requirements of Ind AS 116 - "Leases" and required disclosures as per the said Ind AS are as follows:

ROU Assets:

Additions, termination/disposal and depreciation charge on right of use assets for the year and carrying amount of the same as at the end of the financial year by class of underlying asset has been disclosed in Note 4 as a separate line item.

Lease Liabilities:

Interest expense on lease liabilities for the year is shown under Note 19 and Total cash outflow for leases for the year has been disclosed in statement of cash flow under financing activities as separate line item and maturity analysis of lease liabilities has been disclosed in Note 23.

Note 31 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.

Since, Company has not satisfied any of the criteria provided in Section 135 of the Companies Act, 2013, the Company is not required to spend any amount for CSR activities.

Note 32 Fair Value Measurement

(₹ in lakh)

Financial Instruments by category	As at 31 March, 2024	As at 31 March, 2023
	Amortised cost	Amortised cost
Financial Assets		
Cash & cash Equivalents	18.01	0.79
Other Financial Assets		
Non-Current	0.18	-
Total Financial assets	18.19	0.79
Financial Liabilities		
Borrowings	8,303.42	-
Trade Payables	0.60	0.54
Other Financial Liabilities		
Other Current Financial Liabilities	4,276.98	1,261.03
Total financial liabilities	12,581.00	1,261.57

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
Financial Liabilities					
Borrowings	2	8,303.42	8291.41	-	-
Total financial liabilities		8,303.42	8,291.41	-	-

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

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

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

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

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

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

Valuation technique used to determine fair value:

Specific valuation techniques used to value financial instruments 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 33 Disclosure as per Ind AS 24 - "Related Party Disclosures"

(a) Holding Company

Name of entity	Place of business/ Country of incorporation	Proportion of Ownership Interest	
		As at 31 March, 2024	As at 31 March, 2023
Power Grid Corporation of India Limited	India	100%	100%
REC Power Development Consultancy Limited*	India	0%	0%

*100% equity acquired by POWERGRID from REC Power Development Consultancy Limited on 21 March, 2023. Therefore, M/s REC Power Development Consultancy Limited ceased to be the holding company w.e.f 21 March 2023.

(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 Southern Interconnector Transmission System 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)	India
POWERGRID Gomti Yamuna Transmission Limited (Erstwhile Mohanalganj Transmission Limited)	India
POWERGRID Neemuch Transmission System Limited (Erstwhile Neemuch Transmission Limited)	India
POWERGRID ER NER Transmission Limited (Erstwhile ER NER Transmission)	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 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 Ravindra Tyagi	Chairperson	21-03-2023	07-01-2024
Dr. Subir Sen	Chairperson	08-01-2024	
Sh Krishna Kumar T R	Director	21-03-2024	
Shri Ramesh Kumar	Director	21-03-2024	
Shri Sanjeev Kumar Singh	Director	21-03-2023	

(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
Amounts payable		
Power Grid Corporation of India Ltd. (Holding Company)		
Purchases of goods and services - Consultancy	52.55	110.97
Loans from Holding Company	8,177.39	-
Interest Accrued on Loan	126.03	-
Other Payables	-	1,150.06

(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 period from 29 April, 2022 to 31 March, 2023
Power Grid Corporation of India Ltd. (Holding Company)		
Purchase of Goods or Services - Consultancy Expense	55.89	102.75
Reimbursement of Expenses	3.32	1,150.06
Additional Loan obtained during the year	8,177.39	-
Investments Received during the year (Equity)	625.00	5.00
Interest paid on Loan	407.14	-
REC Power Development Consultancy Limited (Holding Company till 21 March, 2023)		
BPC Professional Fees	-	1,048.42
Reimbursement of Expenses	-	79.86

Note 34 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 35 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)	85,488.92	60,973.04

Note 36 Contingent Liabilities and contingent assets**A. Contingent Liabilities**

Claims against the Company not acknowledged as debts are NIL.

B. Contingent Assets

There are no contingent assets as on the reporting date.

Note 37 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)	8,177.39	-
Equity (₹ in lakh)	623.23	4.56
Long term debt to Equity ratio	93:7	0:100

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

Note 38 Earnings per share

Particulars	For the Year ended 31 March, 2024	For the period from 29 April, 2022 to 31 March, 2023
Basic and diluted earnings per share attributable to the equity holders of the company (in ₹)	(4.15)	(0.88)
Total Earnings attributable to the equity holders of the company (₹ in lakh)	(6.33)	(0.44)
Weighted average number of shares used as the denominator	1,52,459	50,000.00

Note 39 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 period from 29 April, 2022 to 31 March, 2023
<u>Deferred Tax expense</u>		
Origination and reversal of temporary differences	(2.13)	(0.15)
Total deferred tax expense /benefit	(2.13)	(0.15)

(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 period from 29 April, 2022 to 31 March, 2023
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Profit before income tax expense including movement in Regulatory Deferral Account Balances	(8.46)	(0.59)
Tax at the Company's domestic tax rate of 25.168 %	(2.13)	(0.15)
Income tax expense	(2.13)	(0.15)

Note 40 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 41** a) Figures have been rounded off to nearest rupees in lakh up to two decimals.
b) previous period figures have been regrouped/ rearranged wherever considered necessary.

As per our report of even date
For M N C A & Associates
Chartered Accountants
Firm Regn. No. 100586W

For and on behalf of the Board of Directors
POWERGRID KPS3 Transmission Limited

Amiben
Amitkumar
r Prajapati
Digitally signed
by Amiben
Amitkumar
Prajapati
Date: 2024.05.03
14:33:42 +05'30'

CA Ami Prajapati
Partner
Mem. No. 170303
Place: Vadodara
Date: 03 May, 2024

SUBIR
SEN
Digitally signed
by SUBIR SEN
Date:
2024.05.03
14:05:32 +05'30'

Dr. Subir Sen
Chairman
DIN: 09012185
Place: Gurugram
Date: 03 May, 2024

RAMESH
KUMAR
Digitally signed
by RAMESH
KUMAR
Date: 2024.05.03
14:05:04 +05'30'

Ramesh Kumar
Director
DIN: 09759318
Place: Gurugram
Date: 03 May, 2024