



INDEPENDENT AUDITORS' REPORT

To the Members of POWERGRID Neemrana Bareilly Transmission Limited

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying Financial Statements of POWERGRID Neemrana Bareilly Transmission Limited (Erstwhile Neemrana II Bareilly Transmission Limited) ("the company"), which comprises the Balance Sheet as at 31st March 2024 and Statement of Profit and Loss, Cash Flow Statements for the period ended, Statement of change in equity for the period then ended and notes to the financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at 31st March, 2024, its loss (financial performance), changes in equity and its cash flows for the period ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). 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 (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Other Information – Board of Directors' Report

A. The company's Board of Directors is responsible for the preparation and presentation of its Board Report which comprises various information required under section 134(3) of the Companies Act 2013 but does not include the Financial Statements and our auditor's report thereon. Our Opinion on the Financial Statements does not cover the other information and we do not express any form of assurance/conclusion thereon.

B. In connection with our audit of the Financial Statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement in this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance and Cash Flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act, read with relevant rules issued there under. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibility

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going

concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure I**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent available.
2. We are enclosing our report in terms of section 143(5) of the Act, on the basis such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, in the "**Annexure-II**" on the directions and sub-directions issued 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 appears from our examination of those books;
 - c) The Balance Sheet and Statement of Profit and Loss, the Statement of changes in Equity and the Statement of Cash flow dealt with this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with relevant rules issued there under.
 - e) Being a subsidiary of 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 III**”.
- 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 to us:
- i. The Company does not have any pending litigations which will impact its financial position in its Financial Statements,
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses,
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company,
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v. During the period the Company has not declared or paid dividend under section 123 of the Companies Act, 2013; and
 - vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial period ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the period for all relevant transactions recorded in the

software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

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

For B G G & Associates
Chartered Accountants
Firm Registration No.: 016874N

Place: Gurugram

Date: 06.05.2024

CA Alok Kumar Bansal
Partner
M. No. 092854
UDIN: 24092854BKCJDK2178

Annexure-I to the Independent Auditors' Report

(Referred under 'Report on Other Legal and Regulatory Requirements' section of our report to the Member of POWERGRID Neemrana Bareilly Transmission Limited for the period ended 31st March 2024)

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

i.	(a)	In respect of the Company's Property, Plant and Equipment and Intangible Assets: The Company has no items of Property, Plant & Equipment (other than Capital work in progress) or Intangible assets. Hence reporting under clause (i)(a), (b), (c) and (d) of the Order are not applicable to the Company.
	(b)	In our opinion and according to the information and explanation given to us, no proceeding has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made there under.
ii.	(a)	The company is not having any inventory. Accordingly, paragraph 3(ii) (a) of the Order is not applicable.
	(b)	According to the information and explanation given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, at any point of time during the period, from banks or financial institutions on the basis of security of current assets and hence this clause of the Order is not applicable.
iii.		In our opinion and According to the information and explanations given to us, the Company has not made any investments in, provided any guarantee, security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties, hence reporting under clause 3(iii) of the Order is not applicable to the Company.
iv.		According to the information & Explanation given to us, the company has not given any loans, investments, guarantees and securities, therefore the reporting under clause 3(iv) of the Order for compliance of provision of section 185 and 186 of the Act are not applicable.
v.		According to the information and explanations given to us, the Company has not accepted any deposits from the public as mentioned in the directives issued by Reserve Bank of India and provisions of sections 73 to 76 of the Companies Act, 2013 or any other relevant provisions of the Act and the rules framed there under.
vi.		To the best of our knowledge and as explained to us, the Central Government has not prescribed maintenance of cost records under clause of sub section (1) of section 148 of the Companies Act, 2013 for the products of the company.
vii.	(a)	According to the information and explanation given to us and according to the books and records produced before us, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods & services tax,

		<p>cess and any other statutory dues with the appropriate authority, as applicable to it.</p> <p>According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees state insurance, income tax, goods & service tax, cess were in arrears at year end for a period of more than six months from the date they become payable.</p>
	(b)	According to the books and records produced before us, there are no dues of income tax or sales tax or service tax or goods & service tax, value added tax or cess which have not been deposited on account of any dispute.
viii.		There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the period in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
ix.	a)	In our opinion and according to the information and explanations given to us and our examination of the records of the Company, the Company does not have any loans or borrowings from any banks and financial institutions except loan received from Parent Company. The Company did not have any outstanding loans or borrowings from the Government and did not have any dues to debenture holders during the period. Accordingly, the paragraph 3(ix)(a) of the Order is not applicable.
	b)	The Company has not been declared willful defaulter by any bank/financial institution/other lender.
	c)	In our opinion and according to the information and explanations given to us, term loans (received only from the parent company) have been applied for the purpose for which the loans were obtained.
	d)	According to the information and explanations given to us and our examination of the records of the Company, funds raised on short term basis (received only from the parent company) have not been utilized for long term purpose.
	e)	In our opinion and according to the information and explanations given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures; hence, reporting under clause 3(ix) (e) of the Order is not applicable.
	f)	In our opinion and according to the information and explanations given to us, the company has not raised loans during the period based on the pledge of securities held in its subsidiaries, joint ventures or associate companies, hence, reporting under clause 3(ix)(f) of the Order is not applicable.
x.	a)	According to the information and explanations given to us and our examination of the records of the Company, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the period. Accordingly, paragraph 3(x)(a) of the Order is not applicable.
	b)	According to the information and explanations given to us and our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or

		optionally convertible) during the period. Accordingly, paragraph 3(x)(b) of the Order is not applicable.
xi.	a)	According to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of our audit.
	b)	No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
	c)	According to the information and explanations given to us and our examination of the records of the Company, the Company has not received any whistle-blower complaints, during the period.
xii.		According to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, the provisions of paragraph 3 (xii) of the Order are not applicable to the Company.
xiii.		In our opinion and according to the information and explanation given to us, the Company has entered into transactions with related parties in compliance with the provision of Section 177 and Section 188 of the Companies Act, 2013. The details of such related party transactions have been disclosed in the financial statements as required by applicable Ind AS.
xiv.		In our opinion and based on our examination, the company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act 2013.
xv.		In our opinion and according to the information and explanation given to us, the company has not entered into any non-cash transaction with directors or persons under the provisions of section 192 of Companies Act-2013. Hence, reporting under clause 3 (xv) of the Order is not applicable to the Company.
xvi.	a)	The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3 (xvi) (a), (b) and (c) of the Order are not applicable to the Company.
	b)	In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and hence, reporting under clause 3 (xvi)(d) of the Order is not applicable.
xvii.		According to the information and explanations given to us and our examination of the records of the Company, the company has incurred cash loss amounting to Rs. 0.47 lacs (Previous period - Not applicable) in the current financial period.
xviii.		There has been no resignation of the statutory auditors of the Company during the period and hence reporting under clause is not applicable.
xix.		On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence

		supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
xx.		According to the information and explanations given to us and our examination of the records of the Company, the provision in section 135 of the act is not applicable. Accordingly, paragraph 3(xx) of the Order is not applicable.

For B G G & Associates
Chartered Accountants
Firm Registration No.: 016874N

Place: Gurugram

Date: 06.05.2024

CA Alok Kumar Bansal
Partner
M. No. 092854
UDIN: 24092854BKCJDK2178

ANNEXURE-II TO THE INDEPENDENT AUDITOR'S REPORT OF POWERGRID Neemrana Bareilly Transmission Limited

The Annexure referred to in our report to the members of POWERGRID Neemrana Bareilly Transmission Limited (Erstwhile Neemrana II Bareilly Transmission Limited) ('the Company') for the period ended 31st March 2024.

Replies to the Directions issued by Comptroller & Auditor General of India to the Statutory Auditors under Section 143(5) of the Companies Act, 2013 for the period ended 31st March 2024

S.No.	Particulars	Reply
1.	Whether the company has system in place to process all the accounting transaction through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes, the company has system in place to process all the accounting transactions through IT system i.e. ERP (SAP System). In our opinion and to the best of our information and According to the explanations given to us, the company has adequate control system to verify the correctness of the entries posted in ERP (SAP System).
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the Company due to the Company's inability to repay the loan? If yes, the financial impact may be stated, Whether such cases are properly accounted for? (in case, Lender is a government company, then this direction is also applicable for statutory auditors of lender company).	There is no restructuring of an existing loan or no cases of waiver/write off of debts/loans/interest etc., hence this clause is not applicable.
3.	Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/State government or its agencies were properly accounted for/ utilized as per its terms and conditioned? List the cases of deviation.	There is no funds (grants/subsidy etc.) received/receivable for specific schemes from Central/State government or its agencies, hence this clause is not applicable.

For B G G & Associates
Chartered Accountants
Firm Registration No.: 016874N

Place: Gurugram

Date: 06.05.2024

CA Alok Kumar Bansal
Partner
M. No. 092854
UDIN: 24092854BKCJDK2178

“Annexure-III” to the Independent Auditor’s Report

(Referred to in paragraph 3 (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Member of POWERGRID Neemrana Bareilly Transmission Limited of even date)

Report on the Internal Financial Controls with reference to financial statements under clause (i) of Sub-section 3 of section 143 of Companies Act, 2013

We have audited the internal financial controls with reference to financial statements of POWERGRID Neemrana Bareilly Transmission Limited (Erstwhile Neemrana II Bareilly Transmission Limited) (“the Company”) as of 31st March, 2024 in conjunction with our audit of the financial statements of the Company for the period ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statement 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, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to financial statements

A company’s internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted

accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2024, based on internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B G G & Associates
Chartered Accountants
Firm Registration No.: 016874N

Place: Gurugram

Date: 06.05.2024

CA Alok Kumar Bansal
Partner
M. No. 092854
UDIN: 24092854BKCJDK2178



B G G & ASSOCIATES
Chartered Accountants

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718/21, Joshi Road
Karol Bagh, New Delhi-110005
Mobile : 9811128946
e-mail : bggassociates@gmail.com
website : www.bggassociates.in

Annexure

Compliance Certificate

We have conducted the audit of annual accounts of POWERGRID Neemrana Bareilly Transmission Limited for the period 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 B G G & Associates
Chartered Accountants
ICAI Firm Reg No: 016874N

CA Alok Kumar Bansal
(Partner)
Member No.: 092854

UDIN: 24092854BKCJDL1564

Date: 06.05.2024
Place: Gurugram

POWERGRID Neemrana Bareilly Transmission Limited
(Erstwhile Neemrana II Bareilly Transmission Limited)
CIN : U35107DL2023GOI415474
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
ASSETS		
Non-current assets		
(a) Capital work in progress	4	2,083.95
(b) Deferred Tax Assets (Net)	5	0.12
		2,084.07
Current assets		
(a) Financial assets		
(i) Cash and cash equivalents	6	1.00
(ii) Other current financial assets	7	26.75
		27.75
Total Assets		2,111.82
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share capital	8	1.00
(b) Other Equity	9	(0.35)
		0.65
Liabilities		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	10	1,872.59
		1,872.59
Current liabilities		
(a) Financial liabilities		
(i) Trade payables	11	-
(a) Total O/s dues of micro & small enterprises		-
(b) Total O/s dues of creditors other than micro & small enterprises		0.27
(ii) Other current financial liabilities	12	216.74
(b) Other current liabilities	13	21.57
		238.58
Total Equity and Liabilities		2,111.82

As per our report of even date
For B G G & Associates
Chartered Accountants
Firm Regn. No. 016874N

For and on behalf of the Board of Directors
POWERGRID Neemrana Bareilly Transmission Limited

CA Alok Kumar Bansal
Partner
Mem. No. 092854
Place: Gurugram
Date: 06 May, 2024

G Ravisankar
Chairperson
DIN: 08816101
Place: Gurugram
Date: 06 May, 2024

B K Sahoo
Director
DIN: 10371157
Place: Gurugram
Date: 06 May, 2024

POWERGRID Neemrana Bareilly Transmission Limited
(Erstwhile Neemrana II Bareilly Transmission Limited)
CIN : U35107DL2023GOI415474

B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi, 110016
Statement of Profit and Loss For the period from 08 June, 2023 to 31 March, 2024
(₹ In Lakh)

Particulars	Note	For the period from 08 June, 2023 to 31 March, 2024
Revenue From Operations		-
Other Income		-
Total Income		-
EXPENSES		
Finance costs	14	-
Depreciation and amortization expense		-
Other expenses	15	0.47
Total expenses		0.47
Tax expense:		
Current tax		-
Deferred tax		(0.12)
Total tax expenses		(0.12)
Profit for the period		(0.35)
Other Comprehensive Income		-
Total Comprehensive Income for the period		(0.35)
Earnings per equity share (Par value ₹10/- each):		
Basic and Diluted		(3.50)

The accompanying notes (1 to 34) form an integral part of financial statements

As per our report of even date
For B G G & Associates
Chartered Accountants
Firm Regn. No. 016874N

For and on behalf of the Board of Directors
POWERGRID Neemrana Bareilly Transmission Limited

CA Alok Kumar Bansal
Partner
Mem. No. 092854
Place: Gurugram
Date: 06 May, 2024

G Ravisankar
Chairperson
DIN: 08816101
Place: Gurugram
Date: 06 May, 2024

B K Sahoo
Director
DIN: 10371157
Place: Gurugram
Date: 06 May, 2024

POWERGRID Neemrana Bareilly Transmission Limited
(Erstwhile Neemrana II Bareilly Transmission Limited)

CIN : U35107DL2023GOI415474

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

Statement of Cash Flows For the period from 08 June, 2023 to 31 March, 2024

(₹ In Lakh)

Sl. No.	Particulars	For the period from 08 June, 2023 to 31 March, 2024
A	CASH FLOW FROM OPERATING ACTIVITIES	
	Profit Before Tax	(0.47)
	Adjustment for :	
	Adjustment for Changes in Assets and Liabilities:	
	(Increase)/Decrease in Other Current Assets	(26.75)
	Increase/(Decrease) in Other current liabilities	238.58
		211.83
	Cash generated from operations	211.36
B	CASH FLOW FROM INVESTING ACTIVITIES	
	Property, Plant & Equipment, Intangible Assets and Capital Work in Progress (including Advances for Capital Expenditure)	(2,083.95)
	Net Cash used in Investing Activities	(2,083.95)
C	CASH FLOW FROM FINANCING ACTIVITIES	
	Issue of Shares	1.00
	Proceeds from Borrowings	
	Non Current	1,872.59
	Current	-
	Repayment of Borrowings	
	Current	-
	Net Cash used in Financing Activities	1,873.59
D	Net change in Cash and Cash equivalents (A+B+C)	1.00
E	Cash and Cash equivalents (Opening balance)	-
F	Cash and Cash equivalents (Closing balance)	1.00

Further Notes

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

As per our report of even date

For B G G & Associates

Chartered Accountants

Firm Regn. No. 016874N

For and on behalf of the Board of Directors

CA Alok Kumar Bansal

Partner

Mem. No. 092854

Place: Gurugram

Date: 06 May, 2024

G Ravisankar

Chairperson

DIN: 08816101

Place: Gurugram

Date: 06 May, 2024

B K Sahoo

Director

DIN: 10371157

Place: Gurugram

Date: 06 May, 2024

POWERGRID Neemrana Bareilly Transmission Limited
(Erstwhile Neemrana II Bareilly Transmission Limited)
CIN : U35107DL2023GOI415474

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

Statement of Changes in Equity For the period from 08 June, 2023 to 31 March, 2024

A. Equity Share Capital		(₹ In Lakh)
As at 08 June, 2023		-
Changes in equity share capital		1.00
As at 31 March, 2024		1.00

B. Other Equity			(₹ In Lakh)
Particulars	Reserves and Surplus		Total
	Self Insurance Reserve	Retained Earnings	
As at 08 June, 2023	-	-	-
"Profit/(loss) for the period"	-	(0.35)	(0.35)
As at 31 March, 2024	-	(0.35)	(0.35)

The accompanying notes (1 to 34) form an integral part of financial statements
Refer to Note 9 for nature and movement of Reserve and Surplus.

As per our report of even date
For B G G & Associates
Chartered Accountants
Firm Regn. No. 016874N

For and on behalf of the Board of Directors

CA Alok Kumar Bansal
Partner
Mem. No. 092854
Place: Gurugram
Date: 06 May, 2024

G Ravisankar
Chairperson
DIN: 08816101
Place: Gurugram
Date: 06 May, 2024

B K Sahoo
Director
DIN: 10371157
Place: Gurugram
Date: 06 May, 2024

Notes to Financial Statements

Note 1 Corporate and General Information

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

The Company was incorporated on 08th June 2023 for establishment of Transmission System for evacuation of Power from Rajasthan REZ Ph-IV (Part-1)(Bikaner Complex) :Part D on Built, Own, Operate & Transfer (BOOT) basis. POWERGRID has acquired 100% equity shares from M/s PFC Consulting Limited (PFCCCL) on 27.12.2023. 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 period ended 31 March 2024 were approved for issue by the Board of Directors on 30 April, 2024.

Note 2 Material Accounting Policy Information

A summary of the material accounting policy information applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all periods presented in the financial statements.

2.1 Basis of Preparation

i) Compliance with Ind AS

The financial statements are prepared in compliance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act), Companies (Indian Accounting Standards) Rules, 2015, the relevant provisions of the Companies Act, 2013 and the provisions of Electricity Act, 2003, in each case, to the extent applicable and as amended thereafter.

ii) Basis of Measurement

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

iii) Functional and presentation currency

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

iv) Use of estimates

The preparation of financial statements requires estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses during the reporting period. Although, such estimates and assumptions are made on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision effects only that period or in the period of the revision and future periods if the revision affects both current and future years (refer Note no. 3 on critical accounting estimates, assumptions and judgments).

v) Current and non-current classification

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

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets/liabilities are classified as non-current.

The Company recognises twelve months period as its operating cycle.

2.2 Property, Plant and Equipment

Initial Recognition and Measurement

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

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.

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 .

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 based on technical estimate by appropriation of current year profit to mitigate future losses from un-covered risks on Property, Plant and Equipment and value of Inventory except ROU assets and for taking care of contingencies. The Reserve created as above is shown as "Self-Insurance Reserve" under 'Other Equity'.

2.18 Prior Period Items

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

2.19 Earnings per Share

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

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

2.20 Statement of Cash Flows

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

Note 3 Critical Estimates and Judgments

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

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

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

The areas involving critical estimates or judgments are:

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 Capital work in progress**(₹ In Lakh)**

Particulars	As at 08 June, 2023	Additions during the period	Adjustments	Capitalised during the period	As at 31 March, 2024
Expenditure pending allocation					
i) Expenditure during construction period (net) - (Note 16)	-	2,083.95	-	-	2,083.95
Grand Total	-	2,083.95	-	-	2,083.95

Refer Note 18 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 Cash and Cash equivalents

(₹ In Lakh)

Particulars	As at 31 March, 2024
Balance with banks	
-In Current accounts	1.00
Total	1.00

Note 7 Other Current Financial Assets

(₹ In Lakh)

(Unsecured considered good unless otherwise stated)

Particulars	
Others#	26.75
Total	26.75

#Others includes Rs 26.75 Lakhs Recoverable from M/s PFC Consulting Ltd.

Note 8 Equity Share capital

(₹ In Lakh)

Particulars	As at 31 March, 2024
Equity Share Capital	
Authorised	
10000 (Previous Year 0) equity shares of ₹10/- each at par	1.00
Issued, subscribed and paid up	
10000 (Previous Year 0) equity shares of ₹10/- each at par	1.00
Total	1.00

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 period from 08 June, 2023 to 31 March, 2024	
	No. of Shares	₹ in Lakh Amount
Shares outstanding at the beginning of the year	-	-
Shares Issued during the Period	10,000	1.00
Share brought back during the Period		
Shares outstanding at the end of the Period	10,000	1.00

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	
	No. of Shares	% of holding
Power Grid Corporation of India Limited (Promoter)#	10,000	100%
PFC Consulting Limited*	-	-

#Out of 10000 Equity shares 600 equity shares are held by nominees of M/s Power Grid Corporation of India Limited on its behalf .

*100% equity acquired by POWERGRID from PFC Consulting Limited on 27 December, 2023. Therefore, PFC Consulting Limited ceased to be holding company w.e.f.27 December, 2023.

Note 9 Other Equity

(₹ In Lakh)

Particulars	As at 31 March, 2024
(i) Retained Earnings	
Add: Additions	
Net Profit for the period	(0.35)
Balance at the end of the period	(0.35)
Total	(0.35)

Note 10 Borrowings (Non-current)

(₹ In Lakh)

Particulars	As at 31 March, 2024
Unsecured	
Rupee Term Loan from Power Grid Corporation of India Limited (Holding Company)	1,906.60
Less: Interest accrued on borrowings	(34.01)
Total	1,872.59

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 7.65% p.a. to 7.7% p.a. during the financial period. Loan is repayable in Quarterly Installments of equal amount over the period of 35 Years after the end of 2nd Quarter post 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 period from being due.
- 3 Refer Note 26 for details of Loan from related parties.

Note 5 Deferred tax Assets (Net)

(₹ In Lakh)

Particulars	As at 31 March, 2024
Deferred Tax Assets	
Unused Tax Losses	0.12
Deferred tax Assets (Net)	0.12

Movement in Deferred Tax Assets

	Unused Tax Losses
As at Beginning of the Period	-
- (Charged) / Credited to Profit or Loss	0.12
As at 31 March, 2024	0.12

Amount taken to Statement of Profit and Loss

Particulars	For the period from 08 June, 2023 to 31 March, 2024
Increase/ (Decrease) in Deferred Tax Liabilities	-
(Increase)/Decrease in Deferred Tax Assets	(0.12)
Net Amount taken to Statement of Profit and Loss	(0.12)

Note 11 Trade payables

(₹ In Lakh)

Particulars	As at 31 March, 2024
For goods and services	
(A) Total outstanding dues of Micro enterprises and small enterprises	-
(B) Total outstanding dues of creditors other than Micro enterprises and small enterprises	
Related Parties	-
Others	0.27
Total	0.27

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 22.
- 2 Refer Note 26 for amount payable to related parties.
- 3 **Ageing of Trade Payables is as follows:**

(₹ In Lakh)

Particulars	Not Billed	<1Y	1Y-2Y	2Y-3Y	>3Y	Total
As at 31.03.2024						
MSME						
Disputed	-	-	-	-	-	-
Undisputed	-	-	-	-	-	-
Total	-	-	-	-	-	-
Others						
Disputed	-	-	-	-	-	-
Undisputed	-	0.27	-	-	-	0.27
Total	-	0.27	-	-	-	0.27
Grand Total	-	0.27	-	-	-	0.27

Note 12 Other Current Financial Liabilities

(₹ In Lakh)

Particulars	As at 31 March, 2024
Interest accrued on borrowings from	
Power Grid Corporation of India Limited (Holding Company)	34.01
Related parties	182.73
Total	216.74

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 22.

2 Refer Note 26. for amount payable to related parties.

Note 13 Other current liabilities

(₹ In Lakh)

Particulars	As at 31 March, 2024
Statutory dues	21.57
Total	21.57

Note 14 Finance costs

(₹ In Lakh)

Particulars	For the period from 08 June, 2023 to 31 March, 2024
i) Interest and finance charges on financial liabilities at amortised cost	
Power Grid Corporation of India Limited (Holding Company)	39.42
Total	39.42
Less: Transferred to expenditure during construction (Net) - Note 16	39.42
Charged To Statement of Profit & Loss	-

Further Notes:

1 Refer Note 26 for Interest paid to related parties.

Note 15 Other expenses

(₹ In Lakh)

Particulars	For the period from 08 June, 2023 to 31 March, 2024
Consultancy expenses (Including TA/DA)	1,923.09
Payments to Statutory Auditors	
Audit Fees	0.30
CERC petition & Other charges	26.00
Miscellaneous expenses	95.61
	121.61
	2,045.00
Less: Transferred to expenditure during construction (Net) - Note 16	2,044.53
	0.47
Charged To Statement of Profit & Loss	0.47

Further Notes:

1 Refer Note 26 for Expenses paid to related parties.

Note 16 Expenditure during Construction (Net)

(₹ In Lakh)

Particulars	For the period from 08 June, 2023 to 31 March, 2024
A. Other Expenses	
Consultancy expenses (Including TA/DA)	1,923.09
CERC petition & Other charges	26.00
Miscellaneous expenses	95.44
Total (A)	2,044.53
B. Finance Costs	
a) Interest and finance charges on financial liabilities at amortised cost	
Power Grid Corporation of India Limited (Holding Company)	39.42
Total (B)	39.42
GRAND Total	2,083.95

Note 17 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 other receivables, and cash and cash equivalents that are generated from its operations.

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

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

This note presents information regarding the company's exposure, objectives, policies and processes for measuring 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 ₹1 Lakh (Previous Period ₹0 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	
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Other current financial assets	26.75	
Total	27.75	

(iii) Provision for expected credit losses

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) 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 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)	178.10	907.80	3,592.30	4,678.20
Trade payables	0.27			-
<u>Other financial liabilities</u>				
Lease liabilities				-
Others	204.30			-
Total	-	-	-	-

(C) **MARKET RISK**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk:

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

(i) **Currency risk**

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

(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 18 Additional Regulatory Information as per Schedule III to the Companies Act, 2013

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

(₹ in lakh)

Particulars as at 31 March, 2024	<1 Year	1-2 Years	2-3 Years	>3 Years	Total
Projects in progress- Transmission system for evacuation of power from Rajasthan REZ Ph-IV (Part-I) (Bikaner Complex): PART-D	2,083.95	-	-	-	2,083.95
Total	2,083.95	-	-	-	2,083.95

- c) Completion of capital-work-in progress (CWIP) is neither overdue nor has exceeded its cost compared to its original plan.
- d) The company has no Intangible assets under development, hence disclosure of ageing of Intangible assets under development is not applicable.
- e) The company has no Intangible assets under development, hence disclosure of development completion schedule is not applicable
- e) Completion of Intangible assets under development (IAUD) is neither overdue nor has exceeded its cost compared to its original plan.
- f) No proceeding has been initiated or pending against the company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder as at the end of the financial period.
- 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 period.
- 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 period.

l) Ratios

Ratio	Numerator	Denominator	Current Year	Previous Year	Variance	Reason for variance >25%
a) Current Ratio	Current Assets	Current Liabilities	0.12	-		
b) Debt Equity Ratio	Total Debt	Shareholder's Equity	2880.69	-		
c) Debt Service Coverage Ratio	Profit for the period + Depreciation and amortization expense + Finance costs	Interest & Lease Payments + Principal Repayments	NOT APPLICABLE	-		
d) Return on Equity Ratio	Profit for the period	Average Shareholder's Equity	-0.54	-		
e) Inventory turnover ratio	Revenue from Operations	Average Inventory	0.00	-		

f) Trade Receivable Turnover Ratio	Revenue from Operations	Average Trade Receivables (before deducting provision)	0.00	-		
g) Trade payable turnover ratio	Gross Other Expense (-) FERV, Provisions, Loss on disposal of PPE	Average Trade payables	7574.07	-		
h) Net capital turnover ratio	Revenue from Operations	Current Assets - Current Liabilities	0.00	-		
i) Net profit ratio	Profit for the period	Revenue from Operations	0.00	-		
j) Return on Capital employed	Earnings before interest and taxes	Tangible Net Worth + Total Debt + Deferred Tax Liability	0.00	-		
k) Return on investment	$\{MV(T1) - MV(T0) - \text{Sum}[C(t)]\}$	$\{MV(T0) + \text{Sum}[W(t) * C(t)]\}$	NOT APPLICABLE	-		

- 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 period.
- 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 period 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 period.
- p) The Company has not taken any borrowings from Banks during the Financial Period.

Note 19 a) Some balances of 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 20 Disclosure as per Ind AS 115 - "Revenue from Contracts with Customer"

The company does not have any contract assets or contract liability as at 31 March, 2024.

Note 21 Borrowing cost capitalised during the period is ₹39.42 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 22 Based on information available with the company, there are no 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:

Particulars	As at 31 March, 2024	
	Trade Payables (₹ in lakh)	Others (₹ in lakh)
Principal amount and interest due thereon remaining unpaid to any supplier as at end of each accounting year:		
Principal	Nil	Nil
Interest	Nil	Nil
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
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 period) but without adding the interest specified under MSMED Act, 2006	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting period	Nil	Nil
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

Note 23 Disclosure as per Ind AS 116 - "Leases"

a) As a Lessor - Finance Leases:

The company does not have any lease arrangements as a lessor

b) As a Lessee:

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

Note 24 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 25 Fair Value Measurement

(₹ in lakh)

Financial Instruments by category	As at 31 March, 2024	
	Amortised cost	
Financial Assets		
Cash & cash Equivalents	1.00	
Other Financial Assets		
Current	26.75	
Non-Current	-	
Total Financial assets	27.75	
Financial Liabilities		
Borrowings	1,906.60	
Trade Payables	0.27	
Other Financial Liabilities		
Other Current Financial Liabilities	182.73	
Non-Current	-	
Total financial liabilities	2,089.60	

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	
		Carrying Amount	Fair value
Financial Liabilities			
Borrowings	2	1,906.60	1,912.89
Total financial liabilities		1,906.60	1,912.89

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

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

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

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

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

There are no transfers between levels 1 and 2 during the period. 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 26 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
Power Grid Corporation of India Limited	India	100%
PFC Consulting Limited*	India	0%

*100% equity acquired by POWERGRID from PFC Consulting Limited on 27 December, 2023. Therefore, PFC Consulting Limited ceased to be holding company w.e.f. 27 December, 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 Limited)	India
POWERGRID Gomti Yamuna Transmission Limited (Erstwhile Mohanlalganj Transmission Limited)	India
POWERGRID Neemuch Transmission System Limited (Erstwhile Neemuch Transmission Limited)	India
POWERGRID ER NER Transmission Limited (Erstwhile ER NER Transmission Limited)	India
POWERGRID Khavda II-B Transmission Limited (Erstwhile Khavda II-B Transmission Limited)	India
POWERGRID Khavda II-C Transmission Limited (Erstwhile Khavda II-C Transmission Limited)	India
POWERGRID Khavda RE Transmission System Limited (Erstwhile Khavda II-RE Transmission Limited)	India
POWERGRID KPS2 Transmission System Limited (Erstwhile KPS2 Transmission Limited)	India

POWERGRID KPS3 Transmission Limited (Erstwhile KPS3 Transmission Limited)	India
POWERGRID ERWR Power Transmission Limited (Erstwhile ERWR Power Transmission Limited)	India
POWERGRID Raipur Pool Dhamtari Transmission Limited (Erstwhile Raipur Pool Dhamtari Transmission Limited)	India
POWERGRID Dharamjaigarh Transmission Limited (Erstwhile Dharamjaigarh Transmission Limited)	India
POWERGRID Bhadla Sikar Transmission Limited (Erstwhile Bhadla Sikar Transmission Limited)	India
POWERGRID Ananthpuram Kurnool Transmission Limited (Erstwhile Ananthpuram Kurnool Transmission Limited)*	India
POWERGRID Bhadla III Transmission Limited (Erstwhile Bhadla III Transmission Limited)*	India
POWERGRID Ramgarh II Transmission Limited (Erstwhile Ramgarh II Transmission Limited)**	India
POWERGRID Bewar Dausa Transmission Limited (Erstwhile Bewar 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 Neeraj Singh	Chairperson	08-06-2023	12-01-2024
Shri Milind M. Dafade	Director	08-06-2023	21-11-2023
Shri Sachin Shukla	Director	08-06-2023	27-12-2023
Shri Rishab Jain	Director	21-11-2023	27-12-2023
Shri Ravisankar Ganesan	Chairperson	27-12-2023	Continuing
Shri Bira Kishore Sahoo	Director	27-12-2023	Continuing
Shri Awadhesh Kumar Mishra	Director	27-12-2023	Continuing
Shri Naveen Srivastava	Director	27-12-2023	Continuing
Shri Rajiv Kumar Rohilla	Director	27-12-2023	Continuing

(f) Government Related Entities

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

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

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

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

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

(₹ in lakh)	
Particulars	As at 31 March, 2024
Amounts payable	
Power Grid Corporation of India Ltd. (Holding Company)	
Purchases of goods and services - Consultancy	137.28
Loans from Holding Company	1,872.59
Interest Accrued on Loan	34.01
Other Payables- Route Survey Charges	45.45

(h) Transactions with related parties

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

(₹ in lakh)	
Particulars	For the period from 08 June, 2023 to 31 March, 2024
Power Grid Corporation of India Ltd. (Holding Company)	
Purchase of Goods or Services - Consultancy & Route Survey Expenses	200.50
Loan obtained during the Period	1,872.59

Interest paid on Loan	37.78
Other misc. recoveries	-
Material received on replenishment basis	
Material sent/issued for replenishment	
Reimbursement of Expenses made on Material	
PFC Consulting Limited Holding Company till 27 December 2023	
Purchase of Goods or Services – Consultancy and other Administrative Expenses	1,818.21
Repayment of Loan	1,661.08
Additional Loan obtained during the year	1,661.08
Investments Received during the Period (Equity/Share application Money)	1.00
Interest paid on Loan	1.64

Note 27 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 28 Capital and other Commitments

(₹ in lakh)

Particulars	As at 31 March, 2024
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	186,127.73

Note 29 Contingent Liabilities and contingent assets

A. Contingent Liabilities- NIL

B. Contingent Assets- NIL

Note 30 Capital management

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
Total debt (₹ in lakh)	1,906.60
Equity (₹ in lakh)	0.65
Long term debt to Equity ratio	2,933.23

No changes were made in the objectives, policies or processes for managing capital for the period ended 31.03.2024 .

Note 31 Earnings per share

Particulars	As at 31 March, 2024
Basic and diluted earnings per share attributable to the equity holders of the company (in ₹)	(3.50)
Total Earnings attributable to the equity holders of the company (₹ in lakh)	(0.35)
Weighted average number of shares used as the denominator	10,000

Note 32 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 period from 08 June, 2023 to 31 March, 2024
<u>Current Tax</u>	
Current tax on profits for the Period	-
<u>Deferred Tax expense</u>	
Origination and reversal of temporary differences	(0.12)
Total deferred tax expense/benefit	(0.12)
Income tax expense	(0.12)

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

(₹ in lakh)

Particulars	For the period from 08 June, 2023 to 31 March, 2024
Profit before income tax expense including movement in Regulatory Deferral Account Balances	(0.47)
Tax at the Company's domestic tax rate of 25.168 %	-
Tax effect of:	
Deferred Tax expense/(income)	(0.12)
Income tax expense	(0.12)

Note 33 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 34 a) Figures have been rounded off to nearest rupees in lakh up to two decimals.

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

c) The financial statement have been prepared from the date of incorporation of company on 08th June 2023 to 31st March, 2024. This being the first year of its operation, hence previous period figures are not applicable.

As per our report of even date

For B G G & Associates

Chartered Accountants

Firm Regn. No. 016874N

For and on behalf of the Board of Directors

CA Alok Kumar Bansal

Partner

Mem. No. 092854

Place: Gurugram

Date: 06 May, 2024

G Ravisankar

Chairperson

DIN: 08816101

Place: Gurugram

Date: 06 May, 2024

B K Sahoo

Director

DIN: 10371157

Place: Gurugram

Date: 06 May, 2024