

Dt: 6<sup>th</sup> August, 2022

To  
The General Manager (Listing),  
National Stock Exchange of India Limited,  
Exchange Plaza, C 1/G Block,  
Bandra-Kurla Complex,  
Bandra (East), Mumbai.

To  
The General Manager, (Listing)  
BSE Limited,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai.

**Reference: NSE-SCRIP ID: POWERGRID; BSE Scrip Code: 532898**  
**EQ – ISIN INE752 E01010**

**Sub: Annual Report for the Financial Year 2021-22 and Notice of 33<sup>rd</sup> Annual General Meeting.**

Dear Sir,

Please find enclosed the Annual Report for the Financial Year 2021-22 and Notice of 33<sup>rd</sup> Annual General Meeting of Power Grid Corporation of India Limited scheduled to be held on Monday, the 29<sup>th</sup> August, 2022 at 11.00 a.m. (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), in compliance with the applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Circular dated 5<sup>th</sup> May, 2022 read with circular dated 5<sup>th</sup> May, 2020 of Ministry of Corporate Affairs (MCA) and circular dated 13<sup>th</sup> May, 2022 of Securities and Exchange Board of India (SEBI).

This is being sent in terms of Regulations 29, 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Thanking You,

Yours faithfully,

(Mrinal Shrivastava)  
Company Secretary &  
Compliance Officer

मृणाल श्रीवास्तव / MRINAL SHRIVASTAVA  
कम्पनी सचिव / Company Secretary  
पावर ग्रिड कॉर्पोरेशन ऑफ इंडिया लिमिटेड  
Power Grid Corporation of India Ltd.  
(भारत सरकार का उद्यम) / (A Govt. of India Enterprise)  
प्लॉट सं-2, सेक्टर-29, गुरुगांव-122 001 (हरियाणा)  
Plot No.-2, Sector-29, Gurgaon- 122 001 (Haryana)

Encl: a/a

**Power Grid Corporation of India Limited**  
(A Government of India Enterprise) CIN: L40101DL1989GOI038121  
Regd. Office: B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi- 110 016.  
Phone No.: 011-26560112, 26560115 & 26560193  
Corp. Off.: "Saudamini", Plot No. 2, Sector-29, Gurgaon-122 001 (Haryana)  
Phone No.: 0124-2822999 & 2823999  
Website: www.powergrid.in, Email ID: investors@powergrid.co.in

## NOTICE

NOTICE is hereby given that the **33<sup>rd</sup> Annual General Meeting** of the Members of Power Grid Corporation of India Limited will be held on **Monday, 29<sup>th</sup> August, 2022 at 11.00 a.m. (IST) through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM")** to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements including Consolidated Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2022, together with the Board's Report, the Auditors' Report thereon and comments of the Comptroller and Auditor General of India.
2. To take note of payment of 1<sup>st</sup> and 2<sup>nd</sup> interim dividend and declare final dividend for the Financial Year 2021-22.
3. To appoint a Director in place of Shri Abhay Choudhary (DIN:07388432), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Dr. Vinod Kumar Singh (DIN: 08679313), who retires by rotation and being eligible, offers himself for re-appointment.
5. To authorize the Board of Directors of the Company to fix the remuneration of the Statutory Auditors for the Financial Year 2022-23.

### SPECIAL BUSINESS:

#### 6. To approve the appointment of Shri Chetan Bansilal Kankariya (DIN:09402860) as an Independent Director.

To consider and if thought fit, to pass with or without modification, the following resolution as a SPECIAL RESOLUTION:

**"RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri Chetan Bansilal Kankariya (DIN:09402860) who was appointed as an Additional Director-Independent Director w.e.f. 17.11.2021 (i.e. the date of allotment of DIN) for a period of three years w.e.f. the date of notification of appointment in terms of Ministry of Power Order No 25-12/13/2015-PG-Part (2) dt. 15.11.2021 and shall hold office up to the date of ensuing Annual General Meeting under Section 161 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation."

#### 7. To approve the appointment of Shri Onkarappa K N (DIN:09403906) as an Independent Director.

To consider and if thought fit, to pass with or without modification, the following resolution as a SPECIAL RESOLUTION:

**"RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri Onkarappa K N (DIN:09403906) who was appointed as an Additional Director-Independent Director w.e.f. 17.11.2021 (i.e. the date of allotment of DIN) for a period of three years w.e.f. the date of notification of appointment in terms of Ministry of Power Order No 25-12/13/2015-PG-Part (2) dt. 15.11.2021 and shall hold office up to the date of ensuing Annual General Meeting under Section 161 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation."

#### 8. To approve the appointment of Shri Ram Naresh Tiwari (DIN: 09405377) as an Independent Director.

To consider and if thought fit, to pass with or without modification, the following resolution as a SPECIAL RESOLUTION:

**"RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri Ram Naresh Tiwari (DIN:09405377) who was appointed as an Additional Director-Independent Director w.e.f. 18.11.2021 (i.e. the date of allotment of DIN) or a period of three years w.e.f. the date of notification of appointment in terms of Ministry of Power Order No 25-12/13/2015-PG-Part (2) dt. 15.11.2021 and shall hold office up to the date of ensuing Annual General Meeting under Section 161 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation."

#### 9. To approve appointment of Shri Dilip Nigam (DIN: 02990661) as a Government Nominee Director.

To consider and if thought fit, to pass with or without modification, the following resolution as an ORDINARY RESOLUTION:

**"RESOLVED THAT** pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies



Act, 2013, Rules made thereunder and Regulation 17(1C) and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri Dilip Nigam (DIN:02990661), who was appointed as Govt. Nominee Director, by the Govt. of India vide Ministry of Power Order No. 25-12/10/2019-PG dt. 06.06.2022 and subsequently appointed by the Board of Directors as Govt. Nominee Director w.e.f. 06.06.2022 in terms of Section 161(3) of the Companies Act, 2013, be and is hereby appointed as Govt. Nominee Director of the Company and he shall be liable to retire by rotation."

**10. To approve appointment of Shri Raghuraj Madhav Rajendran (DIN: 07772370) as a Government Nominee Director.**

To consider and if thought fit, to pass with or without modification, the following resolution as an ORDINARY RESOLUTION:

**"RESOLVED THAT** pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, Rules made thereunder and Regulation 17(1C) and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri Raghuraj Madhav Rajendran (DIN:07772370), who was appointed as Govt. Nominee Director, by the Govt. of India vide Ministry of Power Order No.25-12/10/2019-PG dated 05.08.2022 and subsequently appointed by the Board of Directors as Govt. Nominee Director w.e.f. 05.08.2022 in terms of Section 161(3) of the Companies Act, 2013, be and is hereby appointed as Govt. Nominee Director of the Company and he shall be liable to retire by rotation."

**11. Ratification of remuneration of the Cost Auditors for the Financial Year 2022-23.**

To consider and if thought fit, to pass with or without modification, the following resolution as an ORDINARY RESOLUTION:

**"RESOLVED THAT** pursuant to Section 148 and any other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration of M/s. Dhananjay V. Joshi & Associates, Cost Accountants and M/s. Bandyopadhyaya Bhaumik & Co., Cost Accountants as the joint Cost Auditors of the Company (for Transmission and Telecom business) as appointed by the Board of Directors for the Financial Year 2022-23 at a remuneration of ₹2,50,000 (Rupees Two Lakhs Fifty Thousand only) to be shared equally by both the Firms; taxes as applicable to be paid extra, travelling and out of pocket expenses to be reimbursed as per policy of the Company and an additional remuneration of ₹12,500 (Rupees Twelve Thousand Five Hundred only) plus taxes as applicable, to be paid to M/s. Dhananjay V. Joshi & Associates, Cost Accountants, the Lead Cost Auditor for consolidation and facilitation for filing of Consolidated Cost Audit Report for the Financial Year 2022-23 of the Company as a whole, be and are hereby ratified and confirmed."

**12. To raise funds up to ₹ 6,000 Crore, from domestic market through issue of secured / unsecured, non-convertible, non-cumulative/cumulative, redeemable, taxable / tax-free Debentures/Bonds under Private Placement during the Financial Year 2023-24 in upto twenty tranches/offers.**

To consider and if thought fit, to pass with or without modification, the following resolution as a SPECIAL RESOLUTION:

- (i) **"RESOLVED THAT** pursuant to Sections 23(1)(b), 42 and 71 of Companies Act, 2013 read with Rule 14(2) of Companies (Prospectus and Allotment of Securities) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 as amended, Securities and Exchange Board of India (SEBI) rules and regulations, including SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, or provisions of any other applicable law, and the Memorandum and Articles of Association of the Company, approval be and is hereby granted to raise up to ₹6,000 Crore in domestic market during the Financial year 2023-24 for financing of capital expenditure, providing Inter Corporate Loan(s) to wholly owned subsidiaries, other purposes as may be approved by Board of Directors / Committee of Directors for Bonds and for general corporate purposes, in one or more tranches but not exceeding twenty tranches / offers through issue of secured / unsecured, non-convertible, cumulative/non-cumulative, redeemable, taxable / tax-free debentures ("Bonds") under Private Placement.
- (ii) **RESOLVED FURTHER THAT** the Board of Directors / Committee of Directors for Bonds / such official(s) as may be authorized by Board of Directors / Committee of Directors for Bonds, be and are hereby authorized and it shall always be deemed to have been so authorized to finalize detailed terms and conditions of each issue / tranche of Bonds, Issue programme of Bonds, deposit / pay fees, execute and deliver / file such offer letter, document(s), deed(s) and writing(s), etc. as may be required and to do all such other acts, deeds and things as may be necessary for raising funds up to ₹ 6,000 Crore during the Financial Year 2023-24 from domestic sources through Private Placement of secured / unsecured, non-convertible, cumulative/non-cumulative, redeemable, taxable / tax-free Bonds in one or more tranches but not exceeding twenty tranches / offers.
- (iii) **RESOLVED FURTHER THAT** the Director (Finance)/Company Secretary be and is hereby authorized to carry out minor modifications, if any, and to do all such acts, deeds and things as may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution(s).

By order of the Board of Directors

(Mrinal Shrivastava)  
Company Secretary & Compliance Officer

Regd. Office: B-9, Qutab Institutional Area,  
Katwaria Sarai, New Delhi - 110016.  
(CIN: L40101DL1989GOI038121)

**Date: 5<sup>th</sup> August, 2022**

**NOTES:**

1. Ministry of Corporate Affairs (MCA) vide Circular dated 5<sup>th</sup> May, 2022 read with Circular dated 5<sup>th</sup> May, 2020 has permitted to conduct Annual General Meeting (AGM) during Calendar Year 2022 through Video Conferencing (VC) or other Audio-Visual Means (OAVM). In compliance with aforesaid Circulars, the Annual General Meeting of the Company will be held through VC / OAVM. The deemed venue for the 33<sup>rd</sup> AGM shall be the Registered Office of the Company.
2. As per provisions of Clause 3A. II. of the General Circular No. 20/2020 dated 5<sup>th</sup> May, 2020 the matters of Special Business as appearing in item no. 6 to 12 of the above accompanying Notice, are considered to be unavoidable by the Board and hence, form part of this Notice.
3. Since, this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with, accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Route Map and Attendance Slip have not been sent through this Notice.
4. Pursuant to Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, the relevant details of Shri Abhay Choudhary (DIN:07388432), Director (Projects) and Dr. Vinod Kumar Singh (DIN: 08679313), Director (Personnel), retiring by rotation and seeking re-appointment under aforesaid Item Nos. 3 & 4, respectively; Shri Chetan Bansilal Kankariya (DIN: 09402860), Shri Onkarappa K N (DIN: 09403906), and Shri Ram Naresh Tiwari (DIN: 09405377), Additional Directors-Independent Directors seeking appointment under aforesaid Item Nos. 6 to 8 in accordance with applicable provisions of the Articles of Association of the Company and Shri Dilip Nigam (DIN: 02990661) and Shri Raghuraj Madhav Rajendran (DIN: 07772370), Govt. Nominee Directors seeking appointment under aforesaid Item Nos. 9 & 10 respectively, in accordance with Regulation 17 (1C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are annexed to this Notice.
5. None of the Directors of the Company is in any way related to each other.
6. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business, to be transacted at the AGM, is annexed hereto.
7. Institutional / Corporate Members (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/ JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its Representative to attend the AGM through VC / OAVM on their behalf and to vote through remote e-voting. The said Resolution/Authorization be sent to the Scrutinizer at email: savitajyoti@yahoo.com with a copy marked to einward.ris@kfintech.com.
8. The Board of Directors, in their meeting held on 15<sup>th</sup> December, 2021, had declared the Interim Dividend of ₹7 per equity share (including special dividend of ₹3.00 per equity share) of ₹10/- each i.e. 70% of the paid-up equity share capital for F.Y. 2021-22, which was paid on 11<sup>th</sup> January, 2022. The Board of Directors in their meeting held on 9<sup>th</sup> February, 2022 had declared 2<sup>nd</sup> Interim Dividend of ₹ 5.50 per equity share of ₹ 10/- each i.e. 55% of the paid-up equity share capital for the F.Y. 2021-22 which was paid on 8<sup>th</sup> March, 2022. Members who have not received or not encased their Dividend warrants may approach KFin Technologies Limited ("KFINTECH"), Registrar and Share Transfer Agents of the Company for obtaining duplicate warrant or revalidating the warrant, as the case be. The Board of Directors in their meeting held on 21<sup>st</sup> May, 2022 had further recommended final Dividend of ₹2.25 per share (i.e. @ 22.50% on the paid-up equity share capital) for the financial year 2021-22. The **Record Date** for determining the entitlement of the members for the final dividend is **22<sup>nd</sup> August, 2022**. If the final dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend, subject to deduction of tax at source, will be paid/dispatched on **Tuesday, the 20<sup>th</sup> September, 2022**.
9. As per Regulation 40 of SEBI Listing Regulations, 2015 as amended and SEBI Circular dated 25.01.2022 securities of listed companies can be transferred only in dematerialized form including Issue of duplicate securities certificate, Claim from Unclaimed Suspense Account, Renewal/ Exchange of securities certificate, Endorsement, Sub-division / Splitting of securities certificate, Consolidation of securities certificates/ folios, Transmission and Transposition. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members may contact the Company or KFINTECH (Registrars and Transfer Agents) for assistance in this regard.
10. Pursuant to provisions of Companies Act, 2013, unclaimed final dividend for the Financial Year 2013-14 and unclaimed interim dividend for the Financial Year 2014-15 have been transferred to the Investor Education and Protection Fund (IEPF) established by Central Government on 22<sup>nd</sup> November, 2021 and 27<sup>th</sup> April, 2022 respectively. Pursuant to provisions of Investor Education and Protection Fund Rules, 2016, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 24<sup>th</sup> September, 2021 (the date of last Annual General meeting) on the website of the Company ([www.powergrid.in](http://www.powergrid.in)) and also filed with the Ministry of Corporate Affairs.





11. Unclaimed final dividend for the Financial Year 2014-15 and unclaimed interim dividend for the Financial Year 2015-16 will be due for transfer to the Investor Education and Protection Fund in November, 2022 and March, 2023, respectively, pursuant to the provisions of Section 124 of the Companies Act, 2013.
12. Attention of the Members is drawn to the provisions of Section 124(6) of the Act, which require a company to transfer in the name of IEPF Authority, all shares in respect of which dividend remained unpaid or unclaimed for 07 (seven) consecutive years or more. In accordance with the aforesaid provision of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has initiated action for transfer of all shares in respect of which dividend has not been claimed or paid for seven consecutive years. Members are advised to visit the web-link: <http://www.powergrid.in/investorrelation/investorservices> to ascertain details of shares liable for transfer in the name of IEPF Authority.
13. Pursuant to Section 139 (5) of the Companies Act, 2013 the auditors of the Government Company are appointed by the Comptroller and Auditor General of India (C&AG) and in terms of Section 142 of the Companies Act, 2013, the remuneration has to be fixed by the Company in the Annual General Meeting or in such manner as the Company in General Meeting may determine. The Members of the Company, in 32<sup>nd</sup> Annual General Meeting held on 24<sup>th</sup> September, 2021, had authorized the Board of Directors to fix the remuneration of Statutory Auditors for the Financial Year 2021-22. Accordingly, the Board of Directors has fixed audit fee of ₹ 1.45 Crore plus applicable taxes towards audit fee for the Statutory Auditors for the Financial Year 2021-22 in addition to reimbursement of actual travelling and out-of-pocket expenses for visit to accounting units. The C&AG is yet to appoint Statutory Auditors of the Company for the Financial Year 2022-23. The Members may authorize the Board to fix an appropriate remuneration of Statutory Auditors as may be deemed fit by the Board for the Financial Year 2022-23.
14. Members are requested to inform changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their Depository Participants (DPs) in case the shares are held by them in demat form and to KFINTECH in case the shares are held by them in physical form.
15. Members desirous of making a nomination in respect of their shareholding in the Company, as permissible under Section 72 of the Companies Act, 2013, are required to file Form No. SH-13 of the Companies (Share Capital and Debentures) Rules, 2014 to the Registrar & Share Transfer Agents of the Company. In case of shares held in dematerialized form, the nomination has to be lodged with the respective Depository Participant.
16. Members holding shares in multiple Folios in physical mode are requested to apply for consolidation of shares to the Company or approach the Registrar & Share Transfer Agent along with relevant Share Certificates.
17. All the documents referred to in this Notice and the Registers referred to in Section 170 and in Section 189 of the Companies Act, 2013, will be available electronically for inspection by the Members during the AGM. All documents referred to in the Notice will also be available electronically for inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM. Members seeking inspection or any information with regard to the Accounts or any matter to be placed at the AGM, are requested to write to the Company on or before 27<sup>th</sup> August, 2022 through email on [investors@powergrid.co.in](mailto:investors@powergrid.co.in).
18. In compliance with the aforesaid Ministry of Corporate Affairs (MCA) Circular dated 5<sup>th</sup> May, 2022 read with circular dated 5<sup>th</sup> May, 2020 and SEBI Circular dated 13<sup>th</sup> May, 2022, Notice of the AGM along with the Annual Report 2021-22 are being sent through electronic mode only to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website i.e. [www.powergrid.in](http://www.powergrid.in); websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), respectively, and on the website of KFINTECH <https://evoting.kfintech.com/>
19. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
20. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. 1<sup>st</sup> April, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/ KFINTECH (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by uploading the same to <https://ris.kfintech.com/form15/> by 11:59 p.m. IST on or before 21<sup>st</sup> August, 2022. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by uploading the same to <https://ris.kfintech.com/form15/>. The aforesaid declarations and documents need to be submitted by the shareholders by 11:59 p.m. IST on or before 21<sup>st</sup> August, 2022.

21. Annual Listing fee for the year 2022-23 has been paid to the Stock Exchanges wherein securities of the Company are listed.

## 22. PROCEDURE FOR JOINING THE AGM THROUGH VC / OAVM:

1. The Company will provide VC / OAVM facility to its Members for participating in the AGM.
  - a) Members will be able to attend the AGM through VC / OAVM or view the live webcast at <https://emeetings.kfintech.com> by using their e-voting login credentials. Members are requested to follow the procedure given below:
    - i. Launch internet browser (chrome/firefox/safari) by typing the URL: <https://emeetings.kfintech.com>
    - ii. Enter the login credentials (i.e., User ID and password for e-voting).
    - iii. After logging in, click on "Video Conference" option.
    - iv. Then click on camera icon appearing in AGM event of Power Grid Corporation of India Limited, to attend the Meeting.
  - b) Members who do not have User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the procedure given in the E-voting instructions.
  - c) Members will be allowed to attend the AGM through VC / OAVM on first come, first served basis.
  - d) Facility to join the meeting shall be opened 15 minutes before the scheduled time of the AGM and shall be kept open throughout the proceedings of the AGM.
  - e) Members who need assistance before or during the AGM, can contact KFINTECH on <https://emeetings.kfintech.com> or call on toll free number 1800 309 4001. Kindly quote your name, DP ID-Client ID / Folio no. and E-voting Event Number in all your communications.
2. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the AGM.
3. Members attending the AGM through VC / OAVM shall be reckoned for the purpose of quorum under Section 103 of the Act.
4. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM.

## 23. PROCEDURE FOR REMOTE E-VOTING AND E-VOTING AT THE AGM:

- i. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI Listing Regulations and in terms of SEBI vide circular dated 9<sup>th</sup> December, 2020 in relation to E-Voting Facility Provided by Listed Entities, the Members are provided with the facility to cast their vote electronically, through the e-Voting services provided by KFINTECH, on all the resolutions set forth in this Notice. The instructions for e-Voting are given herein below.
- ii. In pursuant to SEBI circular dated 9<sup>th</sup> December, 2020 on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process.
- iii. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.
- iv. The remote e-voting facility will be available during the following voting period:
 

<b>Commencement of remote e-voting</b>	<b>:</b>	<b>9:00 AM (IST) on Friday, 26<sup>th</sup> August, 2022</b>
<b>End of remote e-voting</b>	<b>:</b>	<b>5:00 PM (IST) on Sunday, 28<sup>th</sup> August, 2022</b>



The Board of Directors of the Company has appointed Ms. Savita Jyoti (FCS 3738 & CP 1796) of M/s. Savita Jyoti Associates, Company Secretaries, as Scrutinizer to scrutinize the remote e-voting and e-voting (Insta Poll) process in a fair and transparent manner.

- v. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date i.e. **Monday, 22<sup>nd</sup> August, 2022.**
- vi. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as on the cut-off date, may obtain the login ID and password by sending a request at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com). However, if he / she is already registered with KFINTECH for remote e-Voting then he /she can use his / her existing User ID and password for casting the vote. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date i.e. **Monday, 22<sup>nd</sup> August, 2022.**
- vii. In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as on the cut-off date may follow steps mentioned below under "Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode."
- viii. The details of the process and manner for remote e-Voting and AGM are explained herein below:

Step 1: Access to Depositories e-Voting system in case of individual shareholders holding shares in demat mode.




Step 2: Access to KFINTECH e-Voting system in case of shareholders holding shares in physical and non-individual shareholders in demat mode.

Step 3: Access to join virtual meetings (AGM) of the Company on KFIN system to participate AGM and vote at the AGM.

**Details on Step 1 are mentioned below:**

**I) Login method for remote e-Voting for Individual shareholders holding securities in demat mode.**

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> <li>1. User already registered for IDeAS facility:               <ol style="list-style-type: none"> <li>i. Visit URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a></li> <li>ii. Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' section.</li> <li>iii. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting"</li> <li>iv. Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period.</li> </ol> </li> <li>2. User not registered for IDeAS e-Services               <ol style="list-style-type: none"> <li>i. To register click on link: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a></li> <li>ii. Select "Register Online for IDeAS" or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>iii. Proceed with completing the required fields.</li> <li>iv. Follow steps given in point 1.</li> </ol> </li> <li>3. Alternatively, by directly accessing the e-Voting website of NSDL               <ol style="list-style-type: none"> <li>i. Open URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a></li> <li>ii. Click on the icon "Login" which is available under 'Shareholder/Member' section.</li> <li>iii. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen.</li> </ol> </li> </ol>

	<ul style="list-style-type: none"> <li>iv. Post successful authentication, you will be requested to select the name of the company and the e-Voting Service Provider name, i.e. KFINTECH.</li> <li>v. On successful selection, you will be redirected to KFINTECH e-Voting page for casting your vote during the remote e-Voting period.</li> </ul> <p>4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <div style="text-align: center;"> <p><b>NSDL Mobile App is available on</b></p>    </div>
<p>Individual Shareholders holding securities in demat mode with <b>CDSL</b></p>	<ul style="list-style-type: none"> <li>1. Existing user who have opted for Easi / Easiest <ul style="list-style-type: none"> <li>i. Visit URL: <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or URL: <a href="https://www.cdslindia.com/">https://www.cdslindia.com/</a></li> <li>ii. Click on New System Myeasi</li> <li>iii. Login with your registered user id and password.</li> <li>iv. The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFINTECH e-Voting portal.</li> <li>v. Click on e-Voting service provider name to cast your vote.</li> </ul> </li> <li>2. User not registered for Easi /Easiest <ul style="list-style-type: none"> <li>i. Option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>ii. Proceed with completing the required fields.</li> <li>iii. Follow the steps given in point 1</li> </ul> </li> <li>3. Alternatively, by directly accessing the e-Voting website of CDSL <ul style="list-style-type: none"> <li>i. Visit URL: <a href="https://www.cdslindia.com/">https://www.cdslindia.com/</a></li> <li>ii. Provide your Demat Account Number and PAN No.</li> <li>iii. System will authenticate user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account.</li> <li>iv. After successful authentication, user will be provided links for the respective ESP, i.e. KFINTECH where the e- Voting is in progress.</li> </ul> </li> </ul>
<p>Individual Shareholder login through their demat accounts / Website of Depository Participant</p>	<ul style="list-style-type: none"> <li>i. You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-Voting facility.</li> <li>ii. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature.</li> <li>iii. Click on options available against company name or e-Voting service provider – KFINTECH and you will be redirected to e-Voting website of KFINTECH for casting your vote during the remote e-Voting period without any further authentication.</li> </ul>





Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and/or Forgot Password option available at respective websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43 or toll-free no. 1800 22 55 33

**Details on Step 2 are mentioned below:**

**II) Login method for e-Voting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

- (A) Members whose email IDs are registered with the Company/ Depository Participants (s), will receive an email from KFINTECH which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:
- i. Launch internet browser by typing the URL: <https://evoting.kfintech.com/>
  - ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if a shareholder is already registered with KFINTECH for e-voting, he/she can use your existing User ID and password for casting the vote.
  - iii. After entering these details appropriately, click on "LOGIN".
  - iv. Shareholder will now reach password change Menu wherein he/she would be required to mandatorily change the password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.,). The system will prompt to change password and update contact details like mobile number, email ID etc. on first login. Shareholder may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
  - v. You need to login again with the new credentials.
  - vi. On successful login, the system will prompt you to select the "EVEN" i.e., AGM" and click on "Submit".
  - vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
  - viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.
  - ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
  - x. You may then cast your vote by selecting an appropriate option and click on "Submit".
  - xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
  - xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to cast its vote through remote e-voting, together

with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email id [savitajyoti@yahoo.com](mailto:savitajyoti@yahoo.com) with a copy marked to [evoting@kfintech.com](mailto:evoting@kfintech.com). The scanned image of the above-mentioned documents should be in the naming format "Corporate Name\_Even No."

- (B) Members whose email IDs are not registered with the Company/Depository Participants(s), and consequently the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:
- Members who have not registered their email address and in consequence the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, may temporarily register their email address and mobile number with KFINTECH, by accessing the link: <https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx>. Members are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, member may write to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com).
  - Alternatively, member may send an e-mail request at the email id [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) along with scanned copy of the signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of AGM and the e-voting instructions.
  - After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.

**Details on Step 3 are mentioned below:**

**III) Instructions for all the shareholders, including Individual, other than Individual and Physical, for attending the AGM of the Company through VC/OAVM and e-Voting during the meeting.**

- Member will be provided with a facility to attend the AGM through VC / OAVM platform provided by KFINTECH. Members may access the same at <https://emeetings.kfintech.com/> by using the e-voting login credentials provided in the email received from the Company/KFINTECH. After logging in, click on the Video Conference tab and select the EVEN of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned above.
- Facility for joining AGM through VC/ OAVM shall open atleast 15 minutes before the commencement of the Meeting.
- Members are encouraged to join the Meeting through Laptops/ Desktops with Google Chrome (preferred browser), Safari, Microsoft Edge, Mozilla Firefox 22.
- Members will be required to grant access to the webcam to enable VC / OAVM. Further, Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- The Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC / OAVM platform. The Members may click on the voting icon displayed on the screen to cast their votes.
- A Member can opt for only single mode of voting i.e., through Remote e-voting or voting at the AGM. If a Member casts votes by both modes, then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.
- Facility of joining the AGM through VC / OAVM shall be available for atleast 2000 members on first come first served basis.

**1. OTHER INSTRUCTIONS**

- Speaker Registration:** The Members who wish to speak during the meeting may register themselves as speakers for the AGM to express their views. They can visit <https://emeetings.kfintech.com> and login through the user id and password provided in the mail received from KFINTECH. On successful login, select 'Speaker Registration' which will open from Friday, 26<sup>th</sup> August, 2022 to Saturday, 27<sup>th</sup> August, 2022. Members shall be provided a 'queue number' before the meeting. The Company reserves the right to restrict the speakers at the AGM to only those Members who have registered themselves, depending on the availability of time for the AGM.



- II. **Post your Question:** The Members who wish to post their questions prior to the meeting can do the same by visiting <https://emeetings.kfintech.com>. Please login through the user id and password provided in the mail received from KFINTECH. On successful login, select 'Post Your Question' option which will be opened from Friday, 26<sup>th</sup> August, 2022 to Saturday, 27<sup>th</sup> August, 2022.
- III. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.kfintech.com> (KFINTECH Website) or contact:
- Shri S. V. Raju, Dy. Vice President  
KFin Technologies Limited  
Selenium Tower B, Plot 31-32, Gachibowli, Financial District,  
Nanakramguda, Hyderabad 500 032  
Toll-free No.: 1-800-309-4001  
E-mail: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)
- IV. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Monday, 22<sup>nd</sup> August, 2022, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.
- V. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting, he/she may obtain the User ID and Password in the manner as mentioned below:
- i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399
    1. Example for NSDL:
    2. MYEPWD <SPACE> IN12345612345678
    3. Example for CDSL:
    4. MYEPWD <SPACE> 1402345612345678
    5. Example for Physical:
    6. MYEPWD <SPACE> XXXX1234567890
  - ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.kfintech.com/>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
  - iii. Members who may require any technical assistance or support before or during the AGM are requested to contact KFINTECH at toll free number 1-800-309-4001 or write to them at [evoting@kfintech.com](mailto:evoting@kfintech.com).
- VI. The results of the electronic voting shall be submitted to the Stock Exchanges after the AGM. The results along with the Scrutinizer's Report, shall also be placed on the website of the Company.

**EXPLANATORY STATEMENT****ITEM NO. 6****Appointment of Shri Chetan Bansilal Kankariya (DIN:09402860) as an Independent Director.**

Shri Chetan Bansilal Kankariya (DIN:09402860) was appointed as an Additional Director-Independent Director w.e.f. 17.11.2021 (i.e. the date of allotment of DIN) for a period of three years w.e.f. the date of notification of appointment in terms of Ministry of Power Order No 25-12/13/2015-PG-Part (2) dt. 15.11.2021. In terms of Article 31A of the Articles of Association of the Company, the Board of Directors are empowered to appoint the directors appointed by the President of India as an Additional Director under provisions of the Companies Act, 2013 (the Act) and they will be appointed by the Shareholders at the Annual General Meeting (AGM). Accordingly, the Board vide resolution by circulation, appointed Shri Chetan Bansilal Kankariya as an Additional Director – Independent Director. Shri Chetan Bansilal Kankariya holds office up to the date of the ensuing AGM.

Shri Chetan Bansilal Kankariya fulfills the conditions specified in the Act and the Rules made thereunder and that Shri Chetan Bansilal Kankariya is independent of the Management. It is proposed to appoint him as an Independent Director for a period of three years w.e.f. the date of notification of appointment in terms of Ministry of Power Order No 25-12/13/2015-PG-Part (2) dt. 15.11.2021.

Shri Chetan Bansilal Kankariya holds NIL share in POWERGRID.

The above appointment of Shri Chetan Bansilal Kankariya as an Independent Director on the Board of the Company, not being liable to retire by rotation in terms of Sections 149 & 152 of the Act, requires approval of the Members in the General Meeting by passing a Special Resolution pursuant to Regulation 25(2A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested in the resolution financially or otherwise except to the extent that he or she is a Director and/or Shareholder of the Company.

The Board of Directors of your Company recommends passing of the resolution as set out at Item No.6 as a Special Resolution.

Brief profile of Shri Chetan Bansilal Kankariya is annexed.

**ITEM NO. 7****Appointment of Shri Onkarappa K N (DIN:09403906) as an Independent Director**

Shri Onkarappa K N (DIN:09403906) was appointed as an Additional Director-Independent Director w.e.f. 17.11.2021 (i.e. the date of allotment of DIN) for a period of three years w.e.f. the date of notification of appointment in terms of Ministry of Power Order No 25-12/13/2015-PG-Part (2) dt. 15.11.2021. In terms of Article 31A of the Articles of Association of the Company, the Board of Directors are empowered to appoint the directors appointed by the President of India as an Additional Director under provisions of the Companies Act, 2013 (the Act) and they will be appointed by the Shareholders at the Annual General Meeting (AGM) after their appointment. Accordingly, the Board vide resolution by circulation, appointed Shri Onkarappa K N as an Additional Director – Independent Director. Shri Onkarappa K N holds office up to the date of the ensuing AGM.

Shri Onkarappa K N fulfills the conditions specified in the Act and the Rules made thereunder and that Shri Onkarappa K N is independent of the Management. It is proposed to appoint him as an Independent Director for a period of three years w.e.f. the date of notification of appointment in terms of Ministry of Power Order No 25-12/13/2015-PG-Part (2) dt. 15.11.2021.

Shri Onkarappa K N holds NIL share in POWERGRID.

The above appointment of Shri Onkarappa K N as an Independent Director on the Board of the Company, not being liable to retire by rotation in terms of Sections 149 & 152 of the Act, requires approval of the Members in the General Meeting by passing a Special Resolution pursuant to Regulation 25(2A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested in the resolution financially or otherwise except to the extent that he or she is a Director and/or Shareholder of the Company.

The Board of Directors of your Company recommends passing of the resolution as set out at Item No.7 as a Special Resolution.

Brief profile of Shri Onkarappa K N is annexed.

**ITEM NO. 8****Appointment of Shri Ram Naresh Tiwari (DIN:09405377) as an Independent Director.**

Shri Ram Naresh Tiwari (DIN:09405377) was appointed as an Additional Director-Independent Director w.e.f. 18.11.2021 (i.e. the date of allotment of DIN) for a period of three years w.e.f. the date of notification of appointment in terms of Ministry of Power Order No 25-12/13/2015-PG-Part (2) dt. 15.11.2021. In terms of Article 31A of the Articles of Association of the Company, the Board of





Directors are empowered to appoint the directors appointed by the President of India as an Additional Director under provisions of the Companies Act, 2013 (the Act) and they will be appointed by the Shareholders at the Annual General Meeting (AGM) after their appointment. Accordingly, the Board vide resolution by circulation, appointed Shri Ram Naresh Tiwari as an Additional Director – Independent Director. Shri Ram Naresh Tiwari holds office up to the date of the ensuing AGM.

Shri Ram Naresh Tiwari fulfills the conditions specified in the Act and the Rules made thereunder and that Shri Ram Naresh Tiwari is independent of the Management. It is proposed to appoint him as an Independent Director for a period of three years w.e.f. the date of notification of appointment in terms of Ministry of Power Order No 25-12/13/2015-PG-Part (2) dt. 15.11.2021.

Shri Ram Naresh Tiwari holds NIL share in POWERGRID.

The above appointment of Shri Ram Naresh Tiwari as an Independent Director on the Board of the Company, not being liable to retire by rotation in terms of Sections 149 & 152 of the Act, requires approval of the Members in the General Meeting by passing a Special Resolution pursuant to Regulation 25(2A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested in the resolution financially or otherwise except to the extent that he or she is a Director and/or Shareholder of the Company.

The Board of Directors of your Company recommends passing of the resolution as set out at Item No.8 as a Special Resolution.

Brief profile of Shri Ram Naresh Tiwari is annexed.

#### **ITEM NO. 9**

##### **Appointment of Shri Dilip Nigam (DIN:02990661) as a Government Nominee Director**

Shri Dilip Nigam (DIN:02990661) was appointed as a Govt. Nominee Director by the Govt. of India vide Ministry of Power Order No. 25-12/10/2019-PG dt. 06.06.2022 and subsequently appointed by the Board of Directors as Govt. Nominee Director of the Company w.e.f. 06.06.2022. The Board has approved his appointment subject to the approval of shareholders pursuant to Regulation 17(1C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Therefore, the appointment of Shri Dilip Nigam has to be approved by the members in the Annual General Meeting of the Company.

Shri Dilip Nigam holds Nil share in POWERGRID.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested in the resolution financially or otherwise except to the extent that he or she is a Director and/or Shareholder of the Company.

The Board of Directors of your Company recommends passing of the resolution as set out at Item No. 9 as an Ordinary Resolution.

Brief profile of Shri Dilip Nigam is annexed to this Notice.

#### **ITEM NO. 10**

##### **Appointment of Shri Raghuraj Madhav Rajendran (DIN: 07772370) as a Government Nominee Director**

Shri Raghuraj Madhav Rajendran (DIN:07772370) was appointed as a Govt. Nominee Director by the Govt. of India vide Ministry of Power Order No. 25-12/10/2019-PG dt. 05.08.2022 and subsequently appointed by the Board of Directors as Govt. Nominee Director of the Company w.e.f. 05.08.2022. The Board has approved his appointment subject to the approval of shareholders pursuant to Regulation 17(1C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Therefore, the appointment of Shri Raghuraj Madhav Rajendran has to be approved by the members in the Annual General Meeting of the Company.

Shri Raghuraj Madhav Rajendran holds Nil share in POWERGRID.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested in the resolution financially or otherwise except to the extent that he or she is a Director and/or Shareholder of the Company.

The Board of Directors of your Company recommends passing of the resolution as set out at Item No.10 as an Ordinary Resolution

Brief profile of Shri Raghuraj Madhav Rajendran is annexed to this Notice.

#### **ITEM NO. 11**

##### **Ratification of remuneration of the Cost Auditors for the Financial Year 2022-23**

As per Section 148 (3) of the Companies Act, 2013, the appointment of Cost Auditor shall be made by the Board of Directors on such remuneration as may be determined by the Members. Under the Companies (Audit and Auditors) Rules, 2014, the Board while appointing the cost auditors has to approve the remuneration payable to them and the remuneration so approved by the Board has to be ratified by the general meeting. Accordingly, as recommended by the Audit Committee, the Board appointed (i) M/s. Dhananjay V. Joshi & Associates, Cost Accountants and M/s. Bandyopadhyaya Bhaumik & Co., Cost Accountants as joint Cost Auditors of the Company for the FY 2022-23 at a remuneration of ₹ 2,50,000 (Rupees Two Lakhs Fifty Thousand only) plus applicable

taxes to be shared equally by each Auditor. The above remuneration is exclusive of travelling and out of pocket expenses, which shall be reimbursed as per policy of the Company and; (ii) M/s Dhananjay V. Joshi & Associates, Cost Accountants, as the Lead Cost Auditor for the work of consolidation and facilitation for filing of consolidated Cost Audit Report of the Company for the financial year 2022-23 at an additional remuneration of ₹ 12,500 (Rupees Twelve Thousand Five Hundred only) excluding taxes and out of pocket expenses.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested in the resolution financially or otherwise except to the extent that he or she is a Director and/or Shareholder of the Company.

The Board of Directors of your Company recommends passing of the resolution as set out at Item No.11 as an Ordinary Resolution.

#### ITEM NO. 12

**To raise funds up to ₹ 6,000 Crore from domestic market through issue of secured / unsecured, non-convertible, non-cumulative/cumulative, redeemable, taxable / tax-free Debentures/Bonds under Private Placement during the Financial Year 2023-24 in up to twenty tranches/offers.**

"POWERGRID Board of Directors, in their 405<sup>th</sup> meeting held on 6<sup>th</sup> July, 2022, approved raising of secured / unsecured, non-convertible, non-cumulative, redeemable, taxable / tax-free, Rupee Linked Bonds/Bonds under private placement from domestic / external / overseas sources up to ₹ 6,000 Crore in one or more tranches but not exceeding twenty tranches depending upon the requirement of funds during the Financial Year 2023-24 for financing of POWERGRID Capital expenditure requirement, providing inter corporate loans to wholly owned subsidiaries, other purposes as may be approved by the Board of Directors / Committee of Directors for Bonds and for general corporate purposes.

An amount of ₹ 8,500 Crore is being considered as expected Capital Expenditure (CAPEX) during the Financial Year 2023-24. In order to have a debt equity mix of 70:30, an amount of ₹ 6,000 Crore is estimated to be mobilized as debt and balance from internal resources during the Financial Year 2023-24.

Presently, POWERGRID domestic Bonds have been rated at highest credit rating (AAA) by various domestic Rating Agencies i.e. CRISIL, ICRA & CARE. The rates of interest are determined on the market conditions prevailing at the time of entering the market for a particular offer of bonds on private placement (including offer to Qualified Institutional Buyer/s). At present, borrowing through domestic bonds was being done by the Company at a cost which is comparable to prevailing interest rates applicable to AAA rated corporate bonds. In line with the past practice, the interest yield on the proposed borrowings is also envisaged to be comparable to the interest rates of prevailing interest rates of AAA rated corporate bonds.

The proposed borrowing for FY 2023-24 will be within overall borrowing limits of ₹ 1,80,000 Crore."

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested in the resolution financially or otherwise except to the extent that he or she is a Director and/or Shareholder of the Company.

The Board of Directors of your Company recommends passing of the resolution as set out at Item No. 12 as a Special Resolution.

**By the Board of Directors**



**(Mrinal Shrivastava)  
Company Secretary & Compliance Officer**

**Regd. Office:** B-9, Qutab Institutional Area,  
Katwaria Sarai, New Delhi - 110 016  
(CIN: L40101DL1989GOI038121)

**Date: 5<sup>th</sup> August, 2022**



## BRIEF RESUME OF THE DIRECTORS SEEKING RE-ELECTION

### 1. Directors seeking re-election at the 33<sup>rd</sup> Annual General Meeting:

I)

Name	<b>Shri Abhay Choudhary</b>
DIN	07388432
Date of Birth and Age	1 <sup>st</sup> July, 1964 /58 Years
Date of Appointment	1 <sup>st</sup> November, 2020
Qualification	Electrical engineering graduate from NIT Durgapur and also holds a Post Graduate Diploma in Management from IMT Ghaziabad.
Expertise in specific functional Area	Prior to taking up this assignment, he was Executive Director (Commercial & Regulatory Cell) along with charge of CMD Coordination Cell in the company. During his career spanning around 36 years in Power Sector, he has worked in various capacities in EHV Sub Stations and Transmission lines, both as an Operation & Maintenance executive as well as a construction engineer. He also served as Executive Director of the North-Eastern from 2015-17. Before joining POWERGRID in 1991, he was in NTPC for about 6 years.
Directorship held in other Companies (Part-time) along with listed entities from which he/she resigned in the past three years	<ol style="list-style-type: none"> <li>1. POWERGRID Unchahar Transmission Limited</li> <li>2. Central Transmission Utility of India Limited</li> <li>3. Energy Efficiency Services Limited</li> <li>4. POWERGRID Aligarh Sikar Transmission Limited</li> <li>5. POWERGRID Sikar Transmission Limited</li> <li>6. POWERGRID Ramgarh Transmission Limited</li> <li>7. POWERGRID Narela Transmission Limited</li> <li>8. POWERGRID Gomti Yamuna Transmission Limited</li> <li>9. RINL POWERGRID TLT Private Limited</li> </ol>
Membership/ Chairmanship of Committees in other Companies	<ol style="list-style-type: none"> <li>1. POWERGRID Unchahar Transmission Limited               <ol style="list-style-type: none"> <li>i) Chairman- Corporate Social Responsibility Committee</li> <li>ii) Chairman- Stakeholders Relationship Committee</li> </ol> </li> <li>2. Energy Efficiency Services Limited               <ol style="list-style-type: none"> <li>i) Chairman- Corporate Social Responsibility Committee</li> <li>ii) Member- Audit Committee</li> <li>iii) Member- Risk Management Committee</li> </ol> </li> </ol>
Relationship between Directors inter se	NIL
No. of Shares held	1069

**II)**

Name	<b>Dr. Vinod Kumar Singh</b>
DIN	08679313
Date of Birth and Age	1 <sup>st</sup> June, 1963 / 59 Years
Date of Appointment	1 <sup>st</sup> February, 2020
Qualification	B. Com (Hons) from Delhi University and a Post Graduate Management from Xavier Institute of Social Services (XISS), Ranchi.
Expertise in specific functional Area	Dr. Vinod Kumar Singh started his professional career in 1985 with an MNC followed by leading PSU NHPC. Since joining POWERGRID in 1992, he has worked in all facets of HR including Amalgamation, Turnaround & Culture Building. Prior to his joining as Director (Personnel), he has worked as Senior General Manager (Human Resource Development) handling flagship projects such as Capacity Building, restructuring policies & procedures for NER States, strategic alliances pertaining to Learning & Development for employees as well as external customers.
Directorship held in other Companies (Part-time) along with listed entities from which he/she resigned in the past three years	<ol style="list-style-type: none"> <li>1. PTC India Limited</li> <li>2. POWERGRID Energy Services Limited</li> <li>3. POWERGRID Bhadla Transmission Limited</li> <li>4. POWERGRID Medinipur Jeerat Transmission Limited</li> <li>5. Parbati Koldam Transmission Company Limited</li> <li>6. Torrent Power Grid Limited</li> <li>7. POWERGRID Bikaner Transmission System Limited</li> </ol>
Membership/ Chairmanship of Committees in other Companies	PTC India Limited Member- Nomination and Remuneration Committee
Relationship between Directors inter se	NIL
No. of Shares held	25





## 2. Director being appointed at the 33<sup>rd</sup> Annual General Meeting

I)

<b>Name</b>	<b>Shri Chetan Bansilal Kankariya</b>
DIN	09402860
Date of Birth and Age	29 <sup>th</sup> July, 1976 /46 Years
Qualification	Graduate in Chemical Engineering from University of Pune, Loni, Maharashtra.
Skills/ Expertise in specific functional Area	He is associated with business of land development & building construction having work experience of 23 years in the related field. He has been closely associated with municipal corporation for river conservation through plastic pollution control. His area of interest includes management & organization, financial management, CSR activities, etc.
Directorship held in other Companies (Part-time) along with listed entities from which he/she resigned in the past three years	NIL
Membership / Chairmanship of Committees in other Companies	NIL
No. of Shares Held	NIL
Relationship between Directors inter se	NIL

II)

<b>Name</b>	<b>Shri Onkarappa K N</b>
DIN	09403906
Date of Birth and Age	28 <sup>th</sup> July, 1962 /60 Years
Qualification	Graduate in Arts from Kuvempu University, Shimoga, Karnataka.
Skills/ Expertise in specific functional Area	He has experience of more than 35 years in the field of education & related areas. He is the founder & President of Chetana Vidya Samaste, Davanagere. He has also been Director and Senator of various Universities.
Directorship held in other Companies (Part-time) along with listed entities from which he/she resigned in the past three years	POWERGRID Unchahar Transmission Limited
Membership / Chairmanship of Committees in other Companies	POWERGRID Unchahar Transmission Limited i) Chairman- Audit Committee ii) Member-Corporate Social Responsibility Committee
No. of Shares Held	NIL
Relationship between Directors inter se	NIL

**III)**

<b>Name</b>	<b>Shri Ram Naresh Tiwari</b>
DIN	09405377
Date of Birth and Age	20 <sup>th</sup> January, 1981 /41 Years
Qualification	Dual Master's Degree in History from Bundelkhand University, Jhansi and Journalism from Barkatullah University, Bhopal.
Skills/ Expertise in specific functional Area	He is an agriculturist by profession. His area of interest includes research, development & implementation of technology adoption in the area of agriculture, mixed farming, business cooperative activities, social & agricultural welfare management etc.
Directorship held in other Companies (Part-time) along with listed entities from which he/she resigned in the past three years	POWERGRID Unchahar Transmission Limited
Membership / Chairmanship of Committees in other Companies	POWERGRID Unchahar Transmission Limited i) Member- Stakeholders Relationship Committee ii) Member- Audit Committee
No. of Shares Held	NIL
Relationship between Directors inter se	NIL

**IV)**

<b>Name</b>	<b>Shri Dilip Nigam</b>
DIN	02990661
Date of Birth and Age	18 <sup>th</sup> April, 1960/ 62 years
Qualification	M. Tech. in Energy Technology from Asian Institute of Technology, Bangkok, Thailand.
Expertise in specific functional Area	Shri Dilip Nigam specializes in Solar Energy and Wind Energy. After working in private sector initially for few years, he joined the Ministry of New and Renewable Energy in 1987. He worked in wind energy programme of the Ministry for 16 years, when many important policies for development of wind energy sector in the Country were initiated. The Centre for Wind Energy Technology (C-WET) now NIWE was established under his guidance & supervision. In the Ministry, he has worked for 20 years on Solar Energy Programmes. Shri Dilip Nigam is presently working in the Ministry as Adviser/Scientist "G" (National Solar Mission) and dealing with important schemes to promote solar power development in the Country.
Directorship held in other Companies (Part-time) along with listed entities from which he/she resigned in the past three years	NIL
Membership / Chairmanship of Committees in other Companies	NIL
No. of Shares Held	NIL
Relationship between Directors inter se	NIL



V)

<b>Name</b>	<b>Shri Raghuraj Madhav Rajendran</b>
DIN	07772370
Date of Birth and Age	18 <sup>th</sup> May, 1979/ 43years
Qualification	B.Tech in Electronics & Communication Engineering from the National Institute of Technology, Calicut.
Expertise in specific functional Area	Shri Raghuraj Madhav Rajendran is a member of the Indian Administrative Service and has experience in areas of Cabinet Affairs, Personnel and General Administration, Social Justice and Empowerment, Employment and Labor issues, Panchayati Raj and Local Self Government. Since December, 2017 he is on deputation to the Government of India. He has served on many important Administrative positions in Govt. of India and State Govt. of Madhya Pradesh, like Director – PMO; PS to Minister-M/o Steel; Deputy Director, LBSNAA, Mussoorie, etc.
Directorship held in other Companies (Part-time) along with listed entities from which he/she resigned in the past three years	1. NHPC Limited 2. SJVN Limited 3. PTC India Limited
Membership / Chairmanship of Committees in other Companies	NIL
No. of Shares Held	NIL
Relationship between Directors inter se	NIL

वार्षिक रिपोर्ट  
ANNUAL REPORT  
2021-2022



**Transmitting Power for Progress and Prosperity**



# Transmitting Power for Progress and Prosperity



*Being one of the largest Power Transmission Company globally, Company aspires to redefine and transform lives by unlocking the potential in the emerging Power Markets.*

*Since its inception, POWERGRID has contributed extensively to the growth of the country through development of a strong, integrated, and resilient National Grid, fulfilling hopes and aspirations of a billion people. As a Global Transmission Company, we also aim to create a better future for everyone.*

*We are creating infrastructure that will add to the momentum of worldwide transmission and electrification thus leading an inclusive development that continues to improve the quality of life for all.*

*At POWERGRID, we are unleashing the power of innovation and technology while being committed to the goal of sustainable development and conservation of nature and natural resources.*

# OUR VISION

World Class, Integrated, Global  
Transmission Company With Dominant  
Leadership in Emerging Power Markets  
Ensuring Reliability, Safety and Economy



# OUR MISSION

We will become a Global Transmission Company with Dominant Leadership in Emerging Power Markets with World Class Capabilities by:

- **World Class:** Setting superior standards in capital project management and operations for the industry and ourselves
- **Global:** Leveraging capabilities to consistently generate maximum value for all stakeholders in India and in emerging and growing economies
- **Inspiring, nurturing and empowering** the next generation of professionals
- Achieving continuous improvements through **innovation** and **state of the art technology**
- Committing to highest standards in **health, safety, security and environment**

# OUR VALUES

- Zeal to Excel and Zest for Change
- Integrity and Fairness in all matters
- Respect for dignity and potential of individuals
- Strict adherence to commitments
- Ensure speed of Response
- Foster learning, creativity and teamwork
- Loyalty and pride in POWERGRID



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For the online version of the report or for any other information please visit <https://www.powergrid.in/>

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## Cautionary Statement

Company has exercised utmost care in the preparation of this report. Statements in the Management Discussion and Analysis and Directors Report describing the Company's objectives, projections and estimates are forward looking statements and progressive within the meaning of applicable laws and regulations. Actual results may vary from those expressed or implied, depending upon economic conditions, Government Policies and other incidental factors. Readers are cautioned not to place undue reliance on the forward-looking statements.

# Corporate Information

## POWER GRID CORPORATION OF INDIA LIMITED

### Registered Office

B-9, Qutab Institutional Area, Katwaria Sarai,  
New Delhi - 110016  
Phone No. - 011-26560112, 26560115, 26560193

### Corporate Office

"Saudamini", Plot No. 2,  
Sector 29, Gurgaon - 122 001 (Haryana)  
Phone No. - 0124-2822999, 2823999

### Company Secretary & Compliance Officer

Shri Mrinal Shrivastava

Website: [www.powergrid.in](http://www.powergrid.in)

E-mail ID: [investors@powergrid.co.in](mailto:investors@powergrid.co.in)

### Corporate Identity Number (CIN)

L40101DL1989GOI038121

## For the Financial year 2021-22

### Statutory Auditors

#### 1. M/s. T R Chadha & Co LLP, Chartered Accountants

B-30, Kuthiala Building,  
Connaught Circus, New Delhi-110001  
Email : [delhi@trchadha.com](mailto:delhi@trchadha.com)

#### 2. M/s. Umamaheswara Rao & Co., Chartered Accountants

Flat No.5-H, D Block, 8-3-324, Yellareddyguda Lane,  
Ameerpet X Roads, Hyderabad, Telangana-500073  
Email: [ucohyd@umrcas.com](mailto:ucohyd@umrcas.com)

#### 3. M/s. B M Chatrath & Co LLP, Chartered Accountants

#Centre Point#, 4<sup>th</sup> Floor, Room No-440  
21, Hemanta Basu Sarani, Kolkata, West Bengal-700001  
Email: [bmccal@bmchatrath.in](mailto:bmccal@bmchatrath.in)

#### 4. M/s. P S D & Associates, Chartered Accountants

808, Tower – A, Omkar Alta Monte,  
Pathanwadi Malad East, Mumbai-400097  
Email: [Prakash-psd@rediffmail.com](mailto:Prakash-psd@rediffmail.com)

### Cost Auditors

#### 1. M/s Dhananjay V. Joshi & Associates, Cost Accountants,

"CMA Pride", Ground Floor, Plot No. 6, S.No. 16/6  
Erandawana Co. Op. Hsg. Society,  
Erandawana, Pune -411004  
Email : [dvjasso@dvjasso.com](mailto:dvjasso@dvjasso.com)

#### 2. M/s Bandyopadhyaya Bhaumik & Co. Cost Accountants,

B-125, Chittaranjan Park,  
New Delhi-110019.  
Email: [bbco1994@gmail.com](mailto:bbco1994@gmail.com)

### Secretarial Auditor

#### M/s Kumar Naresh Sinha & Associates, Company Secretaries

121, Vinayak Apartment  
Plot No.: C-58/19, Sector-62  
Noida-201309 (U.P)  
Mobile: 9868282032, 9810184269  
Email: [kumarnareshsinha@gmail.com](mailto:kumarnareshsinha@gmail.com)

### Registrar & Share Transfer Agent:

#### Equity Shares:

#### KFin Technologies Limited

Selenium Building, Tower B, Plot 31-32, Financial District,  
Nanakramguda, Serilingampally, Hyderabad, Rangareddi,  
Telangana – 500 032  
Ph. : 040-67162222, Fax : 040-23431551  
Toll Free No. 18003094001 | Email : [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)  
Website: [www.kfintech.com](http://www.kfintech.com)

#### Bonds:

#### BEETAL Financial & Computer Services Pvt Ltd.

BEETAL HOUSE, 3<sup>rd</sup> Floor, 99, Madangir, Behind LSC,  
New Delhi - 110062. | Ph. 011-29961281-283, 26051061, 26051064  
Telefax.: 011-29961284  
E-mail: [beetalrfa@gmail.com](mailto:beetalrfa@gmail.com), [beetal@beetalfinancial.com](mailto:beetal@beetalfinancial.com)

### Bankers

State Bank of India  
Union Bank of India  
Indian Overseas Bank  
IDBI Bank Ltd.

Axis Bank Ltd.  
Indus Ind Bank Ltd.  
ICICI Bank Ltd.  
HDFC Bank Ltd.

### Debenture Trustees:

#### For Bond Series XXV to LVI and LVIII to LXIX Issue, Gol Bond IDBI Trusteeship Services Ltd.

Asian Building, Ground Floor, 17, R. Kamani Marg,  
Ballard Estate, Mumbai - 400 001  
Phone: 022-40807000, Fax: 022-66311776,  
Email: [itsl@idbitrustee.com](mailto:itsl@idbitrustee.com)

### Shares and Bonds are Listed at:

National Stock Exchange of India Limited  
BSE Limited

### Depositories:

National Securities Depository Limited  
Central Depository Services (India) Limited





## Letter to Shareholders

*Dear Shareholders,*

At the outset, please accept my sincere wishes for the good health and safety of you and your loved ones.

It gives me immense pleasure to share that FY 2021-22 had been yet another year of outstanding performance for your company despite the challenges posed by 2<sup>nd</sup> wave of COVID pandemic.

In FY2022, your company has added 5,450 circuit km of Extra High Voltage transmission lines, 43,564 Mega Volt Amperes transformation capacity, 7 new substations and 8,174 km of OPGW network. Some of the large and important projects completed during the year include Pole 3 & 4 of HVDC Bipole link between Western Region (Raigarh, Chhattisgarh) and Southern Region (Pugalur, Tamil Nadu), Pugalur-Trichur 2,000 MW VSC based HVDC System, and the 765 kV D/C Vindhychal Pooling Station-Varanasi Transmission Line.

Transmission system availability of 99.83% was achieved by your company and the tripping per line decreased to 0.33, lowest in the last five years. The company has undertaken various digital initiatives to improve the management of its large transmission assets and ensured that asset management is carried out at par with global standards.

On financial front, the total income for the year grew by 4.59% from ₹ 40,824 crore to ₹ 42,698 crore and profit after tax grew by 39.78% from ₹ 12,036 crore to ₹ 16,824 crore on consolidated basis. The capital expenditure during the year had been ₹ 9,060 crore and assets of ₹ 20,695 crore were added to the Gross Block on consolidated basis. In line with our commitment to



balance internal resources requirement for new projects and dividend payout, dividend of ₹14.75 per share was declared for FY 2021-22 including the proposed final dividend of ₹2.25 per share which shall be paid upon your approval. The total dividend payout for the year amounts to ₹10,289 crore with total payout ratio of 60% as compared to 57% for the previous year.

While transmission continues to be main focus of your company, we are actively identifying and evaluating various other non-transmission business opportunities as part of the growth strategy. Your Company has setup the 'POWERGRID Energy Services Limited', a wholly owned subsidiary with the objective to invest in and act as project management consultant in new & emerging business areas of Energy Management, Smart Meters, Smart Grid, Energy Storage etc.

“The growth of renewable energy generation is going to propel the transmission investments. In order to meet the country's commitment at the COP26 to achieve 500 GW of non-fossil generation capacity by 2030, significant investments will be required in building the related transmission evacuation system. Your company is striving to capitalize on the opportunities in the transmission sector arising therein.”

The Govt. of India's Revamped Distribution Sector Scheme (RDSS) is aimed to improve the financial health of the Discoms and involves an outlay of ₹3.03 lakh crore towards various loss reduction and infrastructure modernization schemes. Your company is in discussion with the states to take up these works as a Project Implementation Agency and support the Govt's initiative to improve the health of the Distribution utilities.

Your Company is also in the process of setting up solar generation capacity in vacant lands available with it and locations with total potential of 200 MWp have been identified. Preliminary activities for setting up 105 MWp solar PV plant at Nagda, M.P. have been taken up by your company.

As more digital services are consumed in the economy, your company sees increased opportunities for growth of its telecom business. To give focused attention to the telecom business, the same would be hived into 'POWERGRID Teleservices Limited', a wholly owned subsidiary set up during the year. Further, your company is taking up establishment of pilot data center at Manesar and is actively evaluating to setup edge data centers to capitalize on data driven business opportunities.





Your company is also exploring investment opportunities in the transmission segment in Kenya and Tanzania besides consultancy opportunities in various countries.

The Indian power sector is witnessing rapid transformation driven by sustainability and energy security. Various technological, policy and regulatory changes are making the business operations complex and challenging. Your company with its rich legacy of performance and committed workforce is geared up to take advantage of the opportunities emerging in this evolving business landscape.

On behalf of the Board of Directors of POWERGRID, I convey my sincere gratitude and thank you for your continued trust and unwavering support.

With best wishes

Your truly,

A handwritten signature in black ink, appearing to read 'Sreekant'.

**(K. Sreekant)**

**Chairman & Managing Director**

**Date: 5<sup>th</sup> August, 2022**

**Place: Gurugram**

## DIRECTOR'S PROFILE



### SHRI K. SREEKANT

Chairman & Managing Director

Shri K. Sreekant (58 years), (DIN: 06615674) is Chairman & Managing Director of our Company. He is CMA and PGDM (Finance) from Management Development Institute, Gurgaon. He has over 35 years of experience in the power sector in the areas of long term financial planning, investment appraisals, formulation of capital budgets, resource mobilization from domestic and international markets, corporate accounts, commercial, regulatory affairs and enterprise resource planning systems. He was appointed as CMD in August, 2019.

### Dr. VINOD KUMAR SINGH

Director (Personnel)

Dr. Vinod Kumar Singh (59 Years), (DIN: 08679313) holds a B.Com (Hons) from Delhi University and a Post Graduate Management from Xavier Institute of Social Services (XISS), Ranchi. He started professional career in 1985 with an MNC followed by leading PSU NHPC. Since joining POWERGRID in 1992, he has worked in all facets of HR including Amalgamation, Turnaround & Culture Building. Prior to his joining as Director (Personnel), he has worked as Senior General Manager (Human Resource Development) handling flagship projects such as Capacity Building, restructuring policies & procedures for NER States, strategic alliances pertaining to Learning & Development for employees as well as external customers. He was appointed as Director (Personnel) on our Board in February, 2020.





### **SHRI ABHAY CHOUDHARY**

Director (Projects)

Shri Abhay Choudhary (58 years), (DIN: 07388432) is Director (Projects) of our Company. Prior to taking up this assignment, he was Executive Director (Commercial & Regulatory Cell) along with charge of CMD Coordination Cell in the company. He is an electrical engineering graduate from NIT Durgapur and also holds a Post Graduate Diploma in Management from IMT Ghaziabad. During his career spanning around 36 years in Power Sector, he has worked in various capacities in EHV Sub Stations and Transmission lines, both as an Operation & Maintenance executive as well as a construction engineer. He also served as Executive Director of the North-Eastern Region from 2015–17. Before joining POWERGRID in 1991, he was in NTPC for about 6 years. He was appointed as Director (Projects) on our Board in November, 2020.

### **SHRI RAGHURAJ MADHAV RAJENDRAN**

Government Nominee Director

Shri Raghuraj Madhav Rajendran, (DIN: 07772370) is a member of the Indian Administrative Service and has experience in areas of Cabinet Affairs, Personnel and General Administration, Social Justice and Empowerment, Employment and Labor issues, Panchayati Raj and Local Self Government. Since December, 2017 he is on deputation to the Government of India. He has served on many important Administrative positions in Govt. of India and State Govt. of Madhya Pradesh, like Director – PMO; PS to Minister-M/o Steel; Deputy Director, LBSNAA, Mussoorie, etc. He has been appointed on our Board in August, 2022.

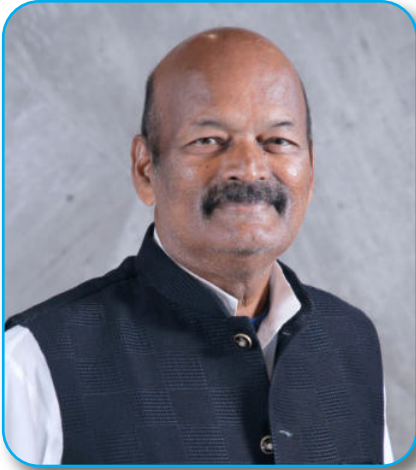


### **SHRI DILIP NIGAM**

Government Nominee Director

Shri Dilip Nigam, (DIN: 02990661) is M. Tech. in Energy Technology from Asian Institute of Technology, Bangkok, Thailand. His specialization is in Solar Energy and Wind Energy. After working in private sector initially for few years, he joined the Ministry of New and Renewable Energy in 1987. He worked in wind energy programme of the Ministry for 16 years, when many important policies for development of wind energy sector in the Country were initiated. The Centre for Wind Energy Technology (C-WET) now NIWE was established under his guidance & supervision. In the Ministry, he has worked for 20 years on Solar Energy Programmes. Shri Nigam is presently working in the Ministry as Adviser/Scientist "G" (National Solar Mission) and dealing with important schemes to promote solar power development in the Country. He was appointed as Govt. Nominee Director on our Board with effect from 6<sup>th</sup> June, 2022.





**SHRI ONKARAPPA K N**  
Independent Director

Shri Onkarappa K N (60 Years), (DIN: 09403906) is a Graduate in Arts from Kuvempu University, Shimoga, Karnataka. He is an Educationalist by profession having experience of more than 36 years in education & varied related fields. He is the founder & President of Chetana Vidya Samaste, Davanagere. He has also been Director and Senator of various Universities. He was appointed as an Independent Director on our Board in November, 2021.

**SHRI CHETAN BANSILAL KANKARIYA**  
Independent Director

Shri Chetan Bansilal Kankariya (46 Years), (DIN: 09402860) is a Graduate in Chemical Engineering from University of Pune, Loni, Maharashtra. He is in the business of land development & building construction having work experience of 24 years in the related field. He has been closely associated with municipal corporation for river conservation through plastic pollution control. His area of interest includes management & organization, financial management, CSR activities, etc. He has also been Director and Senator of various Universities. He was appointed as an Independent Director on our Board in November, 2021.



**SHRI RAM NARESH TIWARI**  
Independent Director

Shri Ram Naresh Tiwari, (41 years) (DIN: 09405377) has dual Master's Degree in History from Bundelkhand University, Jhansi and Journalism from Barkatullah University, Bhopal. He is an agriculturist by profession. His area of interest includes research, development & implementation of technology adoption in the area of agriculture, mixed farming, business cooperative activities, social & agricultural welfare management etc. He was appointed as an Independent Director on our Board in November, 2021.



# POWERGRID *at a Glance*



**India's Largest**  
Electric Power  
Transmission  
Utility

**3rd**  
Largest CPSE  
in terms of  
Gross Block in India  
As per DPE (GoI) PE  
survey 2020-21

**Maharatna**  
Central Public  
Sector Enterprise

**India's 100**  
Best Companies  
to Work for  
By Great Place to Work

**Excellent**  
Rated consistently  
(under MoU with  
Ministry of Power)

**Fastest**  
Growing  
Electric Utility in  
Asia Pacific  
Platts Top 250 Global Energy  
Company Rankings 2021

**1,72,437 ckm**  
1,352  
Transmission  
Lines

**265**  
Sub-stations

**4,74,457**  
MVA  
Transformation  
Capacity

**97,290 MW**  
Inter Regional  
Capacity  
(>85% of  
National capacity)

**23**  
Footprints  
across  
Globe

**UN SDGs**  
Agenda  
Partnering with Global  
Reporting Initiative (GRI)  
South Assia  
(For UN SDGs  
Agenda 2030)

**14+ Years**  
Listed since  
October 2007  
(on BSE and NSE)

**₹1,51,262**  
crore  
Market  
Capitalisation  
(based on closing price  
on BSE as on  
31st March, 2022)



## CERTIFICATIONS

**PAS 99:2012**  
Integrated  
Management System

**ISO 9001:2015**  
Quality  
Management System

**ISO 14001:2015**  
Environment  
Management System

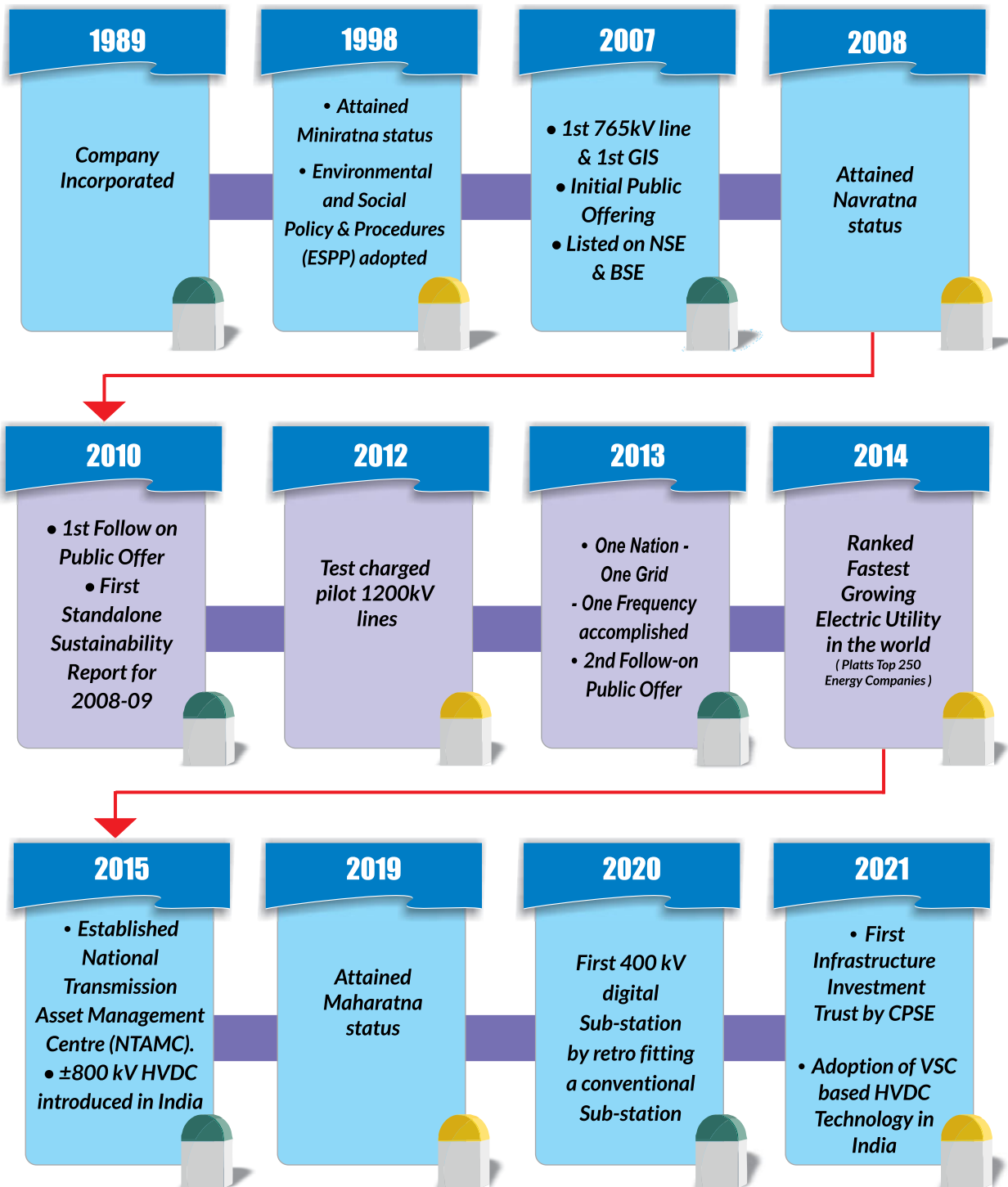
**ISO 45001:2018**  
Occupational Health  
and Safety  
Management System

**SA 8000:2014**  
Social Accountability  
Standard

**ISO 50001**  
Energy  
Management System

**ISO 27001**  
Information Security  
Management System

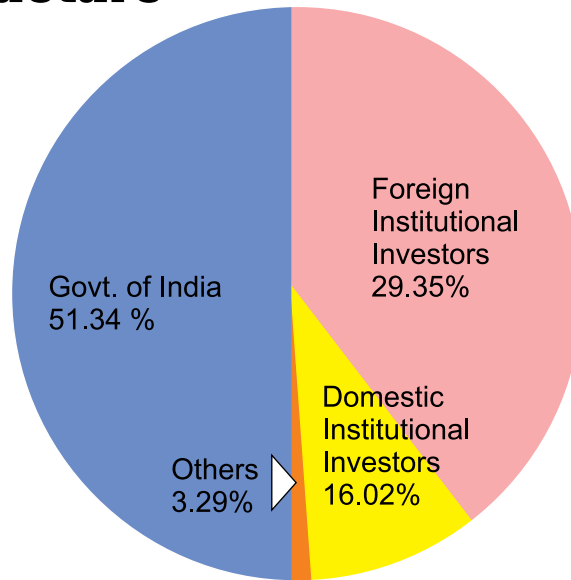
# KEY MILESTONES





# Shareholding and Corporate Structure

(as on 31<sup>st</sup> March, 2022)



## POWER GRID CORPORATION OF INDIA LIMITED

### SUBSIDIARIES

1. POWERGRID NM Transmission Limited
2. POWERGRID Unchahar Transmission Limited
3. POWERGRID Southern Interconnector Transmission System Limited
4. POWERGRID Medinipur Jeerat Transmission Limited
5. POWERGRID Mithilanchal Transmission Limited
6. POWERGRID Varanasi Transmission System Limited
7. POWERGRID Jawaharpur Firozabad Transmission Limited
8. POWERGRID Khetri Transmission System Limited
9. POWERGRID Bhuj Transmission Limited
10. POWERGRID Bhind Guna Transmission Limited
11. POWERGRID Ajmer Phagi Transmission Limited
12. POWERGRID Fatehgarh Transmission Limited
13. POWERGRID Rampur Sambhal Transmission Limited
14. POWERGRID Meerut Simbhavali Transmission Limited
15. Central Transmission Utility of India Limited
16. POWERGRID Ramgarh Transmission Limited
17. POWERGRID Himachal Transmission Limited
18. POWERGRID Bikaner Transmission System Limited
19. POWERGRID Sikar Transmission Limited
20. POWERGRID Bhadla Transmission Limited
21. POWERGRID Aligarh Sikar Transmission Limited
22. POWERGRID Teleservices Limited
23. POWERGRID Energy Services Limited
24. POWERGRID Vemagiri Transmission Limited

### JOINT VENTURES & ASSOCIATES

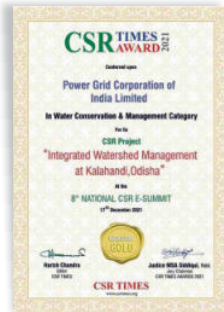
#### Joint Ventures

1. Powerlinks Transmission Limited
2. Torrent Power Grid Limited
3. Parbati Koldam Transmission Company Limited
4. Teestavalley Power Transmission Limited
5. North East Transmission Company Limited
6. National High Power Test Laboratory Private Limited
7. Bihar Grid Company Limited
8. Cross Border Power Transmission Company Limited
9. RINL POWERGRID TLT Private Limited
10. Energy Efficiency Services Limited
11. Power Transmission Company Nepal Limited

#### Associates

1. POWERGRID Kala Amb Transmission Limited
2. POWERGRID Jabalpur Transmission Limited
3. POWERGRID Warora Transmission Limited
4. POWERGRID Parli Transmission Limited

# AWARDS & ACCOLADES



Identified among India's 100 best companies to work for 2021 by Great Places to Work Institute ( 68<sup>th</sup> position overall and second among PSUs )

Continues to be ' Fastest Growing Electric Utility in Asia Pacific' for the eighth successive year since 2014. Positioned as the 9<sup>th</sup> fastest Growing Electric Utility globally. ( S&P Global Platts Top 250 Energy Company Rankings 2021 )

“Association for Talent Development (ATD) 2021 BEST Award” securing 8<sup>th</sup> Rank around the globe, thus becoming the only PSU to win the award

Dun & Bradstreet Award under the sectoral category – Power Transmission at the PSU Awards 2021

CSR Times award 2021 in water conservation and management category for “ Integrated Watershed Management at Kalahandi, Orissa” at 8th National CSR e-submit

GOLD WINNER among CPSEs for district products by Government e-Marketplace ( GeM )

Ranked 44 among India's largest Companies by Fortune India 500.

8<sup>th</sup> CSR India Award 2021 by Greentech Foundation for outstanding initiatives and achievements in the field of Skill Development.

Graded as “Excellent” with a score of 98.41 in Memorandum of Understanding (MoU) signed with Government of India for financial year 2020-21.

“Best organizations for Women 2022” by The Economic Times.

“Best CSR Practices Award” at the 11<sup>th</sup> edition of its “World CSR Congress & Awards ceremony by World CSR Congress.

# BUSINESS SEGMENTS



## Transmission



## Telecom



## Consultancy

## Transmission

### Service offerings

- Transmission System for CGS, IPPs, UMPPs and Renewable Energy Integration
- Green Energy Corridors
- Transmission Scheme for Ultra Mega Solar Power Parks
- Grid strengthening schemes
- Inter-state, Intra-state, Inter-regional links
- High-Capacity Transmission Corridors
- Strengthening International links with neighbouring countries

### Highlights

- 172,437 ckm Transmission Lines
- 265 Sub-Stations
- Transformation Capacity of 4,74,457 MVA
- System availability of more than 99%



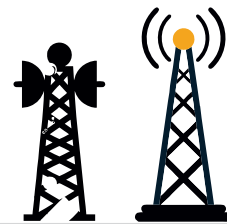
## Telecom

### Service offerings

- Telecom business under Brand Name 'POWERTEL'
- Range of services under Unified License as National Long Distance (NLD) and Internet Service Provider – Category 'A' (ISP-'A') Service authorizations
- Neutral carrier in the point-to-point Bandwidth Leasing Business (DLC)
- Enterprise Services: MPLS VPN & Internet Services with built-in Quality of Service (QoS) and Class of Service (CoS) SLA parameters

### Highlights

- Owns and operates 74,109 km of Telecom Network
- Points of Presence at 458 locations & Points of Interface at 780 locations



## Consultancy

### Service offerings

- Provides solutions in Transmission, Distribution and Telecom sectors, including System Studies, Design, Engineering, Load Dispatch, OPGW on intra-state Transmission network, Procurement Management, Operation & Maintenance and Project Management
- Provides consultancy for implementation of intra-state transmission network, implementation of Smart Grid Projects, Energy Efficiency & Energy Audit, Capacity building assignments

### Highlights

- Transmission related consultancy to more than 150 domestic clients
- Global footprints in 23 countries



## Other Emerging Businesses

### Service offerings

- Smart Grid / Smart Metering Solutions
- Battery Energy Storage Systems (BESS)
- Solar Power Generation
- Rooftop Solar Systems
- Energy Audit & Energy Efficiency
- Integration of Solar Power Projects
- Dedicated Transmission System for Railways & other bulk consumers

### Highlights

- Establishing pilot Data Centres at Manesar, Gurugram
- Identified 5 potential locations (200 MWp capacity) for setting up solar PV plants and activities in one location (105 MWp) has been commenced





# Presence Across India

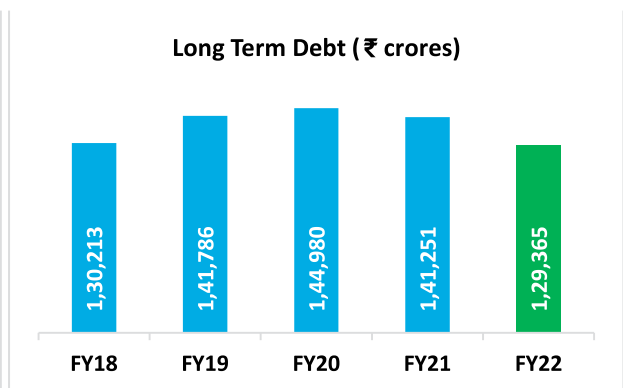
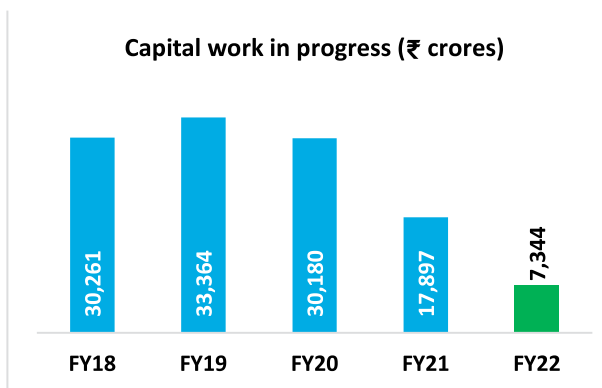
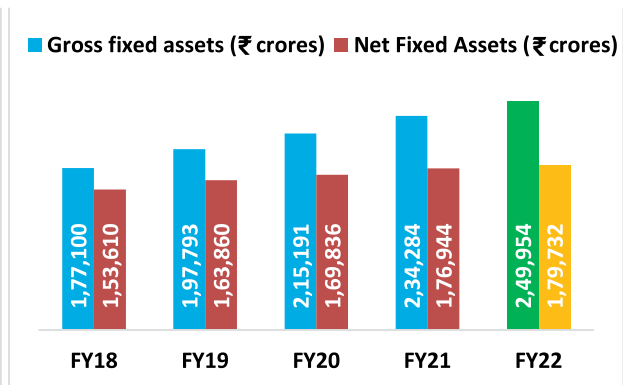
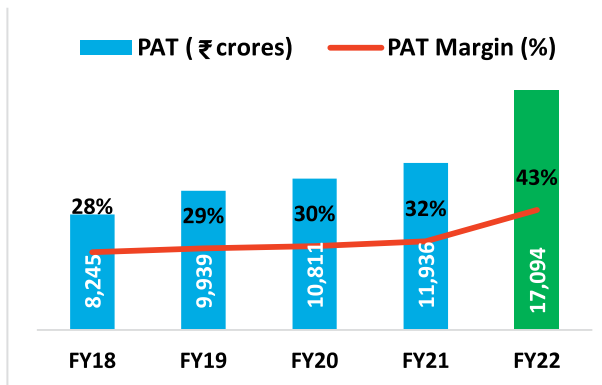
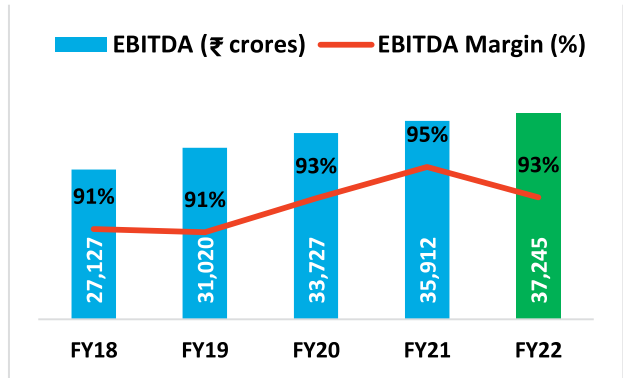
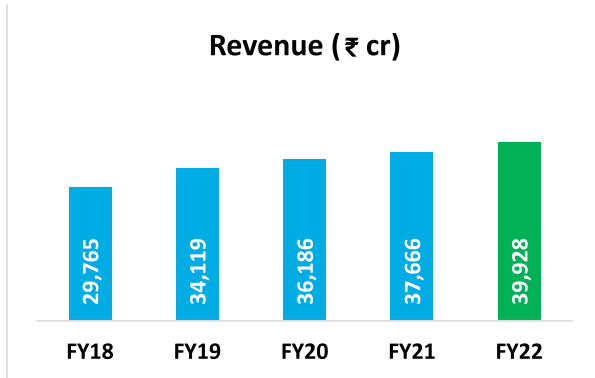




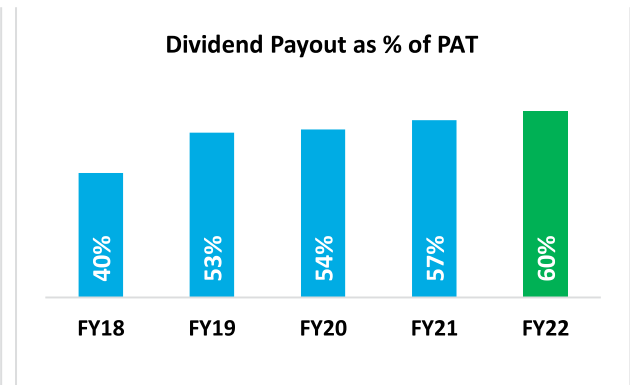
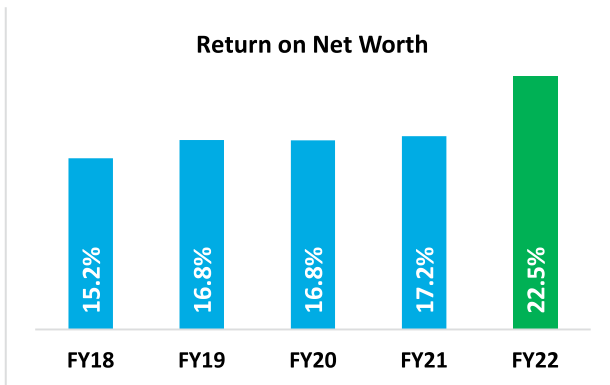
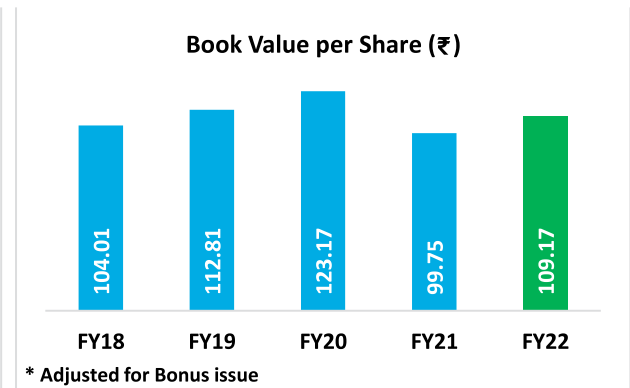
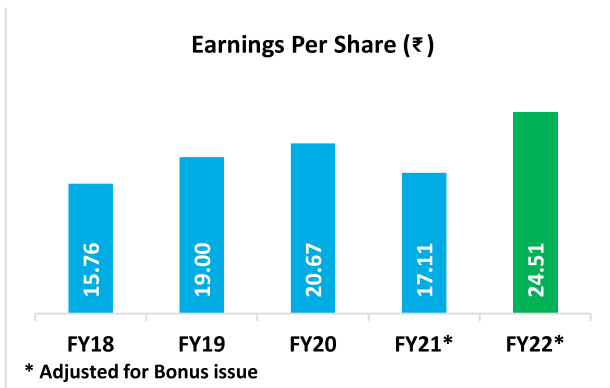
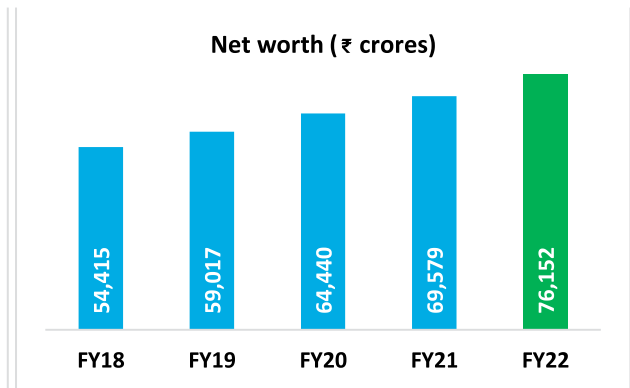
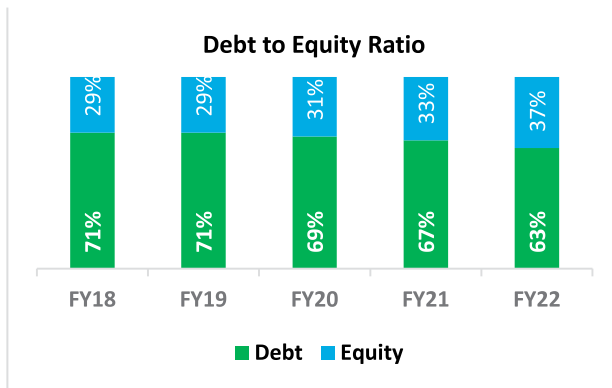
# Global Footprints



# Trends in Key Performance Indicators



# Trends in Key Performance Indicators



# Historical Financial Summary

## (Standalone)



₹ IN CRORE

Particulars	2021-22	2020-21	2019-20	2018-19	2017-18
<b>(A) INCOME :</b>					
<b>Revenue From Operations</b>					
Transmission Revenue	37,807.14	36,120.92	33,932.94	32,616.99	28,447.16
Other Operative Revenue - Transmission	787.27	336.00	943.41	227.95	48.66
Consultancy Revenue	753.34	501.28	610.98	610.93	662.18
Telecom Revenue	580.34	707.45	698.21	663.25	606.59
<b>Revenue From Operations</b>	<b>39,928.09</b>	<b>37,665.65</b>	<b>36,185.54</b>	<b>34,119.12</b>	<b>29,764.59</b>
Other Income	2,407.78	2,861.46	2,132.43	1,498.95	1,001.73
<b>Total Income</b>	<b>42,335.87</b>	<b>40,527.11</b>	<b>38,317.97</b>	<b>35,618.07</b>	<b>30,766.32</b>
<b>(B) EXPENSES :</b>					
Employee's benefits expense	2,234.76	2,110.74	1,959.47	1,783.57	1,599.09
Finance costs	8,210.94	8,501.01	9,813.62	9,091.42	7,590.66
Depreciation and amortization expense	12,550.58	11,711.68	11,073.18	10,200.67	9,091.25
Other Expenses	2,771.62	2,498.97	2,824.35	3,053.43	2,215.70
<b>Total Expenses</b>	<b>25,767.90</b>	<b>24,822.40</b>	<b>25,670.62</b>	<b>24,129.09</b>	<b>20,496.70</b>
<b>Profit before Exceptional Items, Tax &amp; Regulatory Deferral Account Balances</b>	<b>16,567.97</b>	<b>15,704.71</b>	<b>12,647.35</b>	<b>11,488.98</b>	<b>10,269.62</b>
Exceptional Items	(3,759.51)	1,078.64	-	-	-
<b>Profit Before Tax &amp; Regulatory Deferral Account Balances</b>	<b>20,327.48</b>	<b>14,626.07</b>	<b>12,647.35</b>	<b>11,488.98</b>	<b>10,269.62</b>
Tax expense:					
Current Tax	3,282.06	2,529.11	2,230.74	2,489.43	2,169.01
Deferred Tax	(571.00)	560.03	1,288.83	(3,465.87)	3,140.15
<b>Profit for the period before Regulatory Deferral Account Balances</b>	<b>17,616.42</b>	<b>11,536.93</b>	<b>9,127.78</b>	<b>12,465.42</b>	<b>4,960.46</b>
Net Movement in Regulatory Deferral Account Balances- Income/(Expenses) (net of tax)	(522.66)	398.85	1,683.40	(2,526.87)	3284.19
<b>Profit after Tax</b>	<b>17,093.76</b>	<b>11,935.78</b>	<b>10,811.18</b>	<b>9,938.55</b>	<b>8,244.65</b>
Other Comprehensive Income	290.93	25.36	(104.02)	(16.30)	8.03
<b>Total Comprehensive Income for the period</b>	<b>17,384.69</b>	<b>11,961.14</b>	<b>10,707.16</b>	<b>9,922.25</b>	<b>8,252.68</b>
Dividend	10,811.96	6,821.99	4,425.92	4,514.87	3,034.33
Dividend Tax	-	-	858.69	909.57	610.64





# Historical Financial Summary

(Standalone)



(₹ in crore)

Particulars	2021-22	2020-21	2019-20	2018-19	2017-18
<b>(A) ASSETS</b>					
Gross Property, Plant and Equipment	2,47,661.53	2,32,130.94	2,13,210.18	1,95,833.62	1,75,478.10
Gross Intangible assets	2,292.17	2,153.38	1,980.66	1,959.07	1,622.15
	2,49,953.70	2,34,284.32	2,15,190.84	1,97,792.69	1,77,100.25
Less: Accumulated Depreciation	70,221.94	57,340.82	45,354.41	33,932.71	23,489.90
Net Property, Plant & Equipments and Intangible Assets	1,79,731.76	1,76,943.50	1,69,836.43	1,63,859.98	1,53,610.35
Investment Property	-	0.03	0.03	0.03	0.03
Capital work-in-progress	7,344.46	17,896.67	30,180.08	33,364.02	30,261.17
Intangible assets under development	31.53	74.86	219.55	214.06	45.95
Non-Current Financial Assets					
Investments	7,228.53	4,265.36	3,763.66	2,756.53	1,608.24
Loans	14,269.78	10,474.09	12,783.75	10,708.99	8,253.12
Other non-current financial assets	(*) 4,389.46	(*) 4,574.48	4,106.80	4,548.37	866.35
Other non-current assets	4,797.73	4,744.56	6,127.18	5,065.44	5,645.51
Current assets	(*) 20,111.35	(*) 24,692.38	18,409.12	17,872.31	12,300.20
Regulatory Deferral Account Balances	9,973.04	10,606.35	10,123.06	8,083.27	11,304.22
<b>Total Assets</b>	<b>2,47,877.64</b>	<b>2,54,272.28</b>	<b>2,55,549.66</b>	<b>2,46,473.00</b>	<b>2,23,895.14</b>
<b>(B) LIABILITIES</b>					
Borrowings					
Non-Current Borrowings	1,141,99.40	1,29,080.07	1,35,421.11	1,31,039.51	1,22,420.32
Current maturities of Non-Current Borrowings	15,165.87	12,171.41	9,558.53	10,746.85	7,792.64
	1,29,365.27	1,41,251.48	1,44,979.64	1,41,786.36	1,30,212.96
Other non-current financial liabilities (**)	3,550.04	3,714.05	3,515.63	3,897.44	459.60
Non-Current Provisions	517.05	461.93	424.71	368.15	716.87
Deferred tax liabilities(Net)	11,424.78	11,941.88	11,381.85	10,093.02	13,558.89
Other non-current liabilities	240.89	218.06	361.04	486.57	457.16
Current liabilities (**)	32,279.37	29,523.30	29,089.61	32,114.14	26,899.93
Less: Current maturities of Non-Current Borrowings	15,165.87	12,171.41	9,558.53	10,746.85	7,792.64
Net Current Liabilities	17,113.50	17,351.89	19,531.08	21,367.29	19,107.29
Deferred Revenue	9,514.54	9,754.15	10,916.02	9,457.03	4,967.41
<b>Total Liabilities</b>	<b>1,71,726.07</b>	<b>1,84,693.44</b>	<b>1,91,109.97</b>	<b>1,87,455.86</b>	<b>1,69,480.18</b>
<b>(C) NET WORTH</b>					
Equity Share capital	6,975.45	5,231.59	5,231.59	5,231.59	5,231.59
Other Equity	69,176.12	64,347.25	59,208.10	53,785.55	49,183.37
<b>Net worth</b>	<b>76,151.57</b>	<b>69,578.84</b>	<b>64,439.69</b>	<b>59,017.14</b>	<b>54,414.96</b>
CAPITAL EMPLOYED (Net Fixed Assets + Net Current Assets)	1,67,563.74	1,72,112.58	1,59,155.94	1,49,618.15	1,39,010.62



# Historical Financial Summary

(Standalone)



Particulars	2021-22	2020-21	2019-20	2018-19	2017-18
<b>(D) RATIOS</b>					
Net Profit to Capital Employed (%)	10.20	6.93	6.79	6.64	5.93
Net Profit to Net Worth (%)	22.45	17.15	16.78	16.84	15.15
Net Worth per Rupee of Paid-up Capital (₹)	10.92	(##) 9.97	12.32	11.28	10.40
Debt/Equity Ratio (#)	63:37	67:33	69:31	71:29	71:29
Current Ratio	0.62:1	0.84:1	0.63:1	0.56:1	0.46:1
Earnings per Share (Basic & Diluted EPS) (₹)	24.51	(##) 17.11	20.67	19.00	15.76
Book Value per share (₹)	109.17	(##) 99.75	123.17	112.81	104.01
Dividend per share (₹)	15.50	13.04	8.46	8.63	5.80
Capital Expenditure (including TBCB) on cash basis (₹ in crore)	9426	11150	15313	25807	25791
<b>(E) OTHER IMPORTANT INFORMATION</b>					
Length of Transmission Lines (CKT)	1,65,951	1,62,565	1,56,884	1,53,075	1,48,149
No. of Substations	257	250	244	242	234
Transformation capacity (MVA)	4,56,237	4,21,173	4,00,269	3,65,282	3,31,163
No. of Employees (###)	8,970	9,258	9,583	9,886	9,465
Transmission Network availability (%)	99.83%	99.82%	99.82%	99.71%	99.81%

(\*) Includes Assets Classified as Held for Sale

(\*\*) Includes Lease Liabilities

(#) For calculation of Debt-Equity Ratio, Loan liability also include Current Maturities of Long-Term Loans.

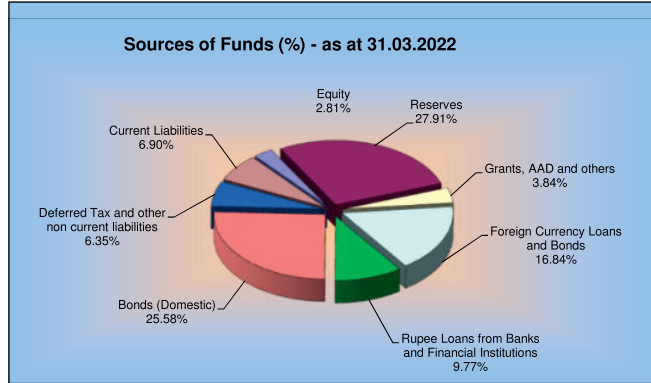
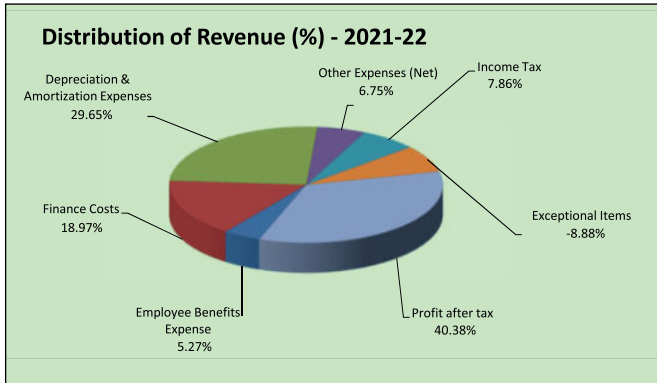
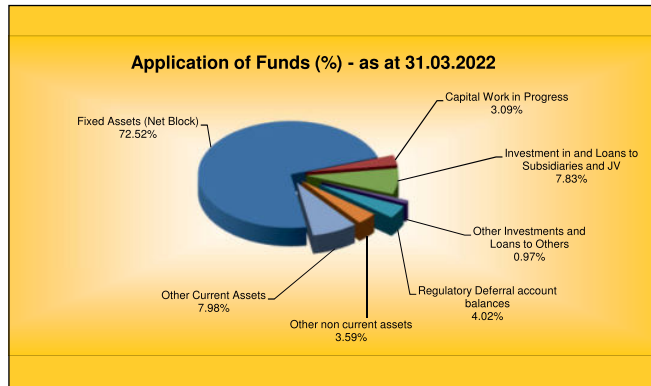
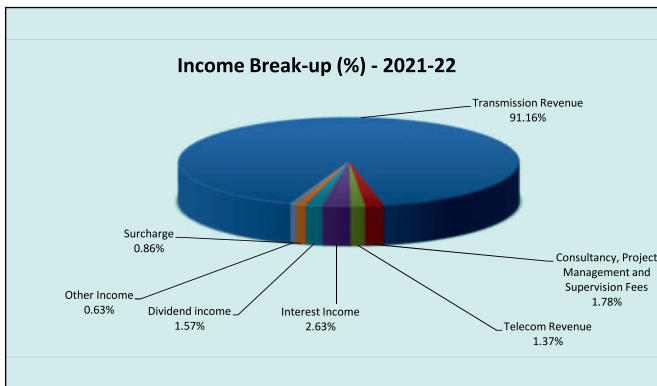
(##) Adjusted for Bonus Shares

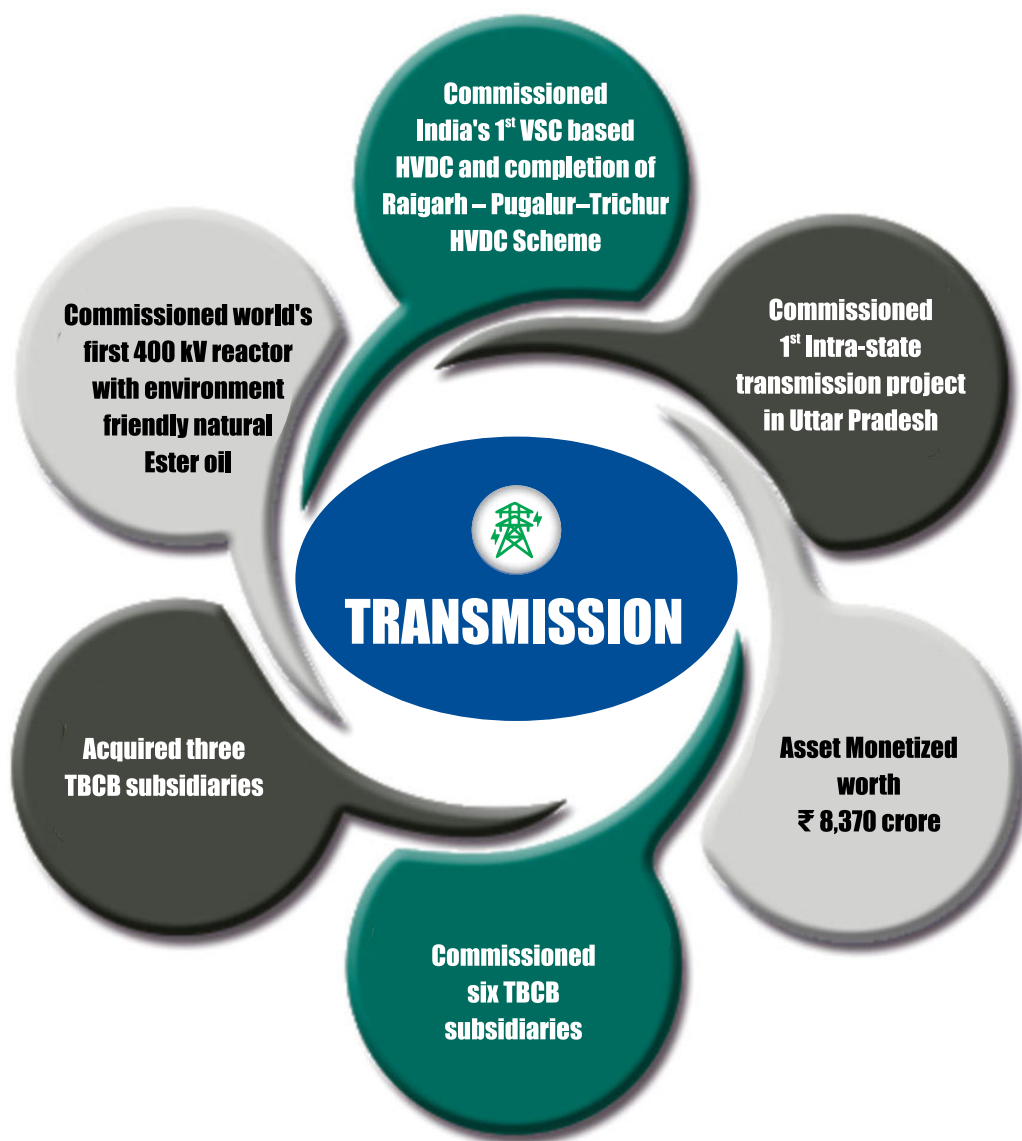
(###) Including FTB employees





# Financial Highlights FY 2021-22





## Additions to the Transmission Network in FY 2021-22



**5,450 ckm  
Transmission Line**



**7  
Substations**

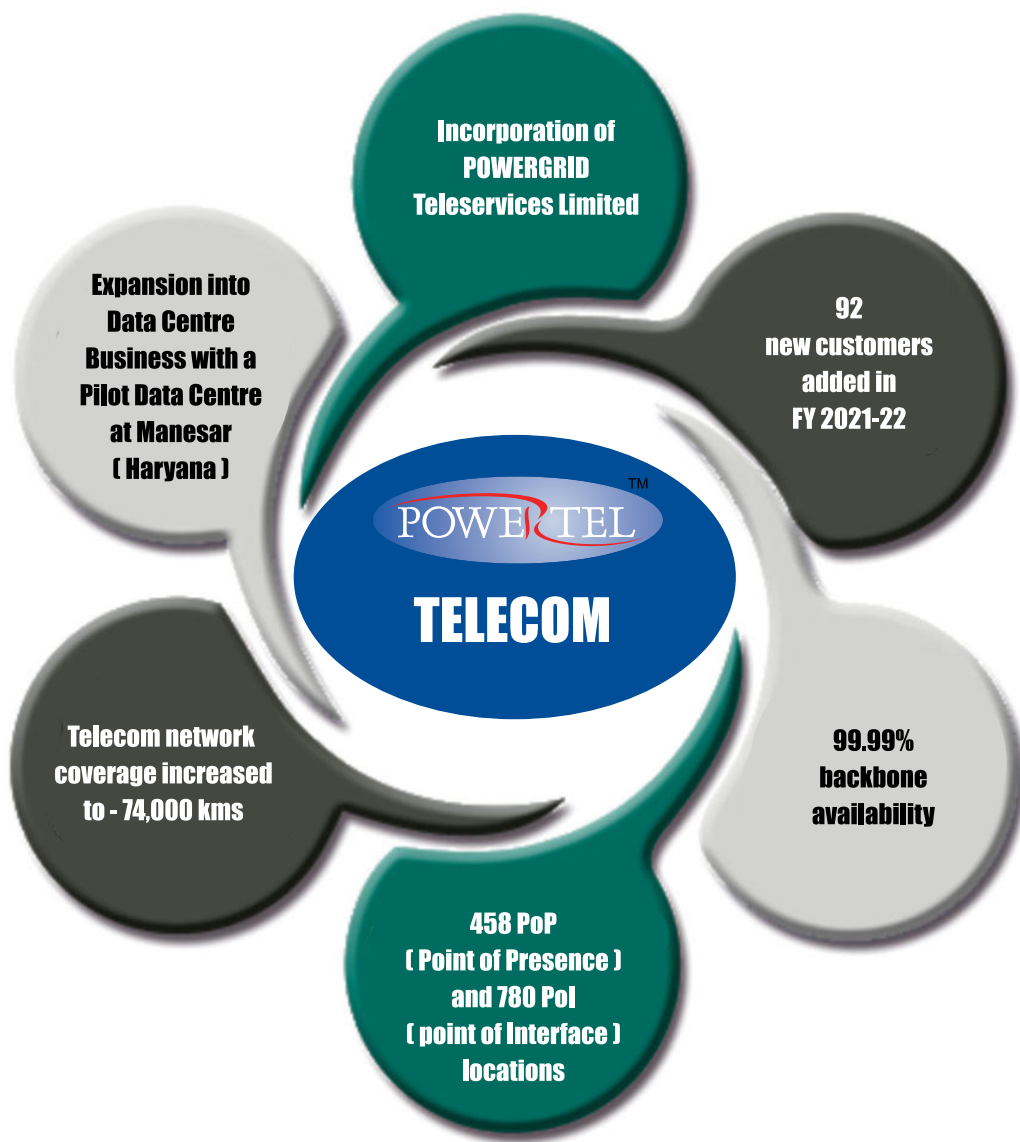


**43,564  
MVA Capacity**



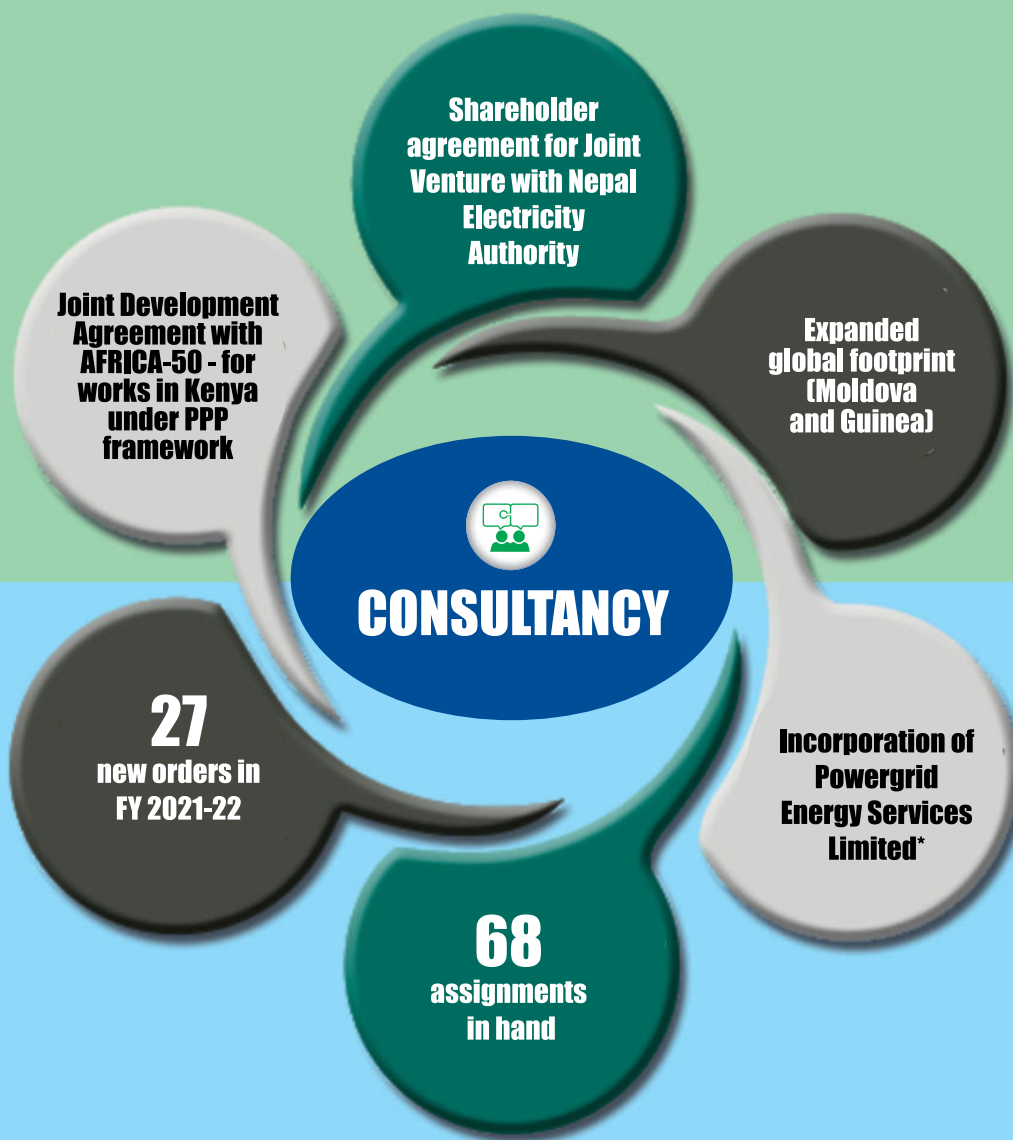
**7,200 MW  
Inter Regional  
Capacity**

# Operational Highlights FY 2021-22





## International Business



## Domestic Business

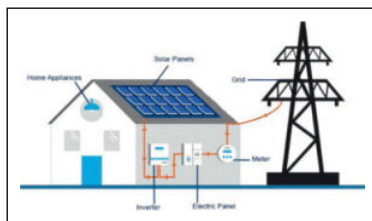
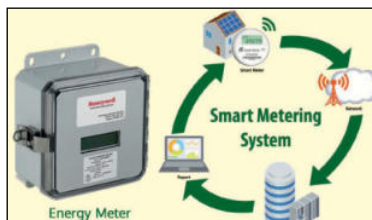


# Other Emerging Businesses



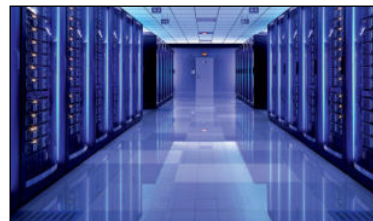
## Smart Metering

- Initiated procurement process for End-to-End Smart Metering Solution for 1 crore Smart meters
- Engaging with the states



## Battery Energy Storage

- BESS envisaged to be significant element of the future grid
- Exploring opportunities for setting up BESS



## Solar Power Generation

- 5 locations having potential of installed capacity of about 200MWp identified
- Activities for setting up POWERGRID's first commercial Solar PV Project of 105 MWp at Nagda, MP

## Data Centres

- Establishing pilot Data Centre at Manesar, Gurugram
- Plan to establish Hyper-scale/Edge Data Centres



# POWERGRID Senior Executive Team



List of Senior Executives as on 1 <sup>st</sup> August, 2022			
S.No.	Name (Shri)	Designation	Department/Function/Region/Project
<b>Corporate Centre</b>			
1	A.P. Gangadharan	ED	Asset Mgmt., GA&C, Safety Cell
2	Rajesh Kumar	ED	CMG; Diversion Works Co-ordination Cell
3	Mukesh Khanna	ED	Commercial and Regulatory Cell
4	B. Anantha Sarma	ED	Contract Services, Material Management
5	Sunil Agrawal	ED	Corporate Planning
6	A Nagaraju	ED	CSR, ESMD
7	P.C. Garg	COO	CTUIL
8	Ashok Pal	Dy. COO	CTUIL
9	A.K. Singhal	ED	Engg-(S/s, TL, Civil, Cost) , TBCB Cell
10	P. Jayachandran	ED	Engg.-HVDC, QA&I, FQA
11	P.V. Nath	ED	ERP & IT, Information Security
12	Pramod Kumar	ED	F&A
13	G Ravisankar	ED	Fin.-Internal Audit
14	Satish Chandra	ED	Corporate Communication, Law & Rajbhasha
15	Dr. Yatindra Dwivedi	ED	HR
16	Y.K. Dixit	COO	International Business, BDD & PI
17	R.K. Tyagi	ED	Operations
18	Purshottam Agarwal	CEO	PUTL-PGInvIT
19	Dr. Subir Sen	ED	Technology Development, Smart Grid Knowledge Centre
20	S.C. Agarwal	COO	Telecom
21	A. Anand	Dy. CVO	Vigilance
<b>Regions/Projects</b>			
22	A.K. Mishra	ED	Northern Region- I, Faridabad
23	Kailash Rathore	ED	Northern Region- II, Jammu
24	R Nagpal	ED	Northern Region- III, Lucknow
25	A Barat	ED	Eastern Region – I, Patna
26	Asit Kumar Maiti	ED	Eastern Region – II, Kolkata
27	Naveen Srivastava	ED	North Eastern Region, Shillong ; NERPSIP, Guwahati
28	Rajesh Srivastava	ED	Southern Region – I, Secunderabad
29	Tarun Bajaj	ED	Southern Region – II, Bengaluru
30	Ravindar Kumar S.	ED	Western Region – I, Nagpur
31	Surendiran A	ED	Western Region – II, Vadodara
32	Alok	ED	Odisha Projects, Bhubaneswar
33	Adish Kumar Gupta	CGM-I/c	Comprehensive T&D Scheme- Arunachal Pradesh

# Value Creation

Commitment Across Capitals



# Value Creation

Commitment Across Capitals



**Financial Capital**  
Pool of funds available to the company in the form of equity and debt and its judicious use ensuring prudent financial management.

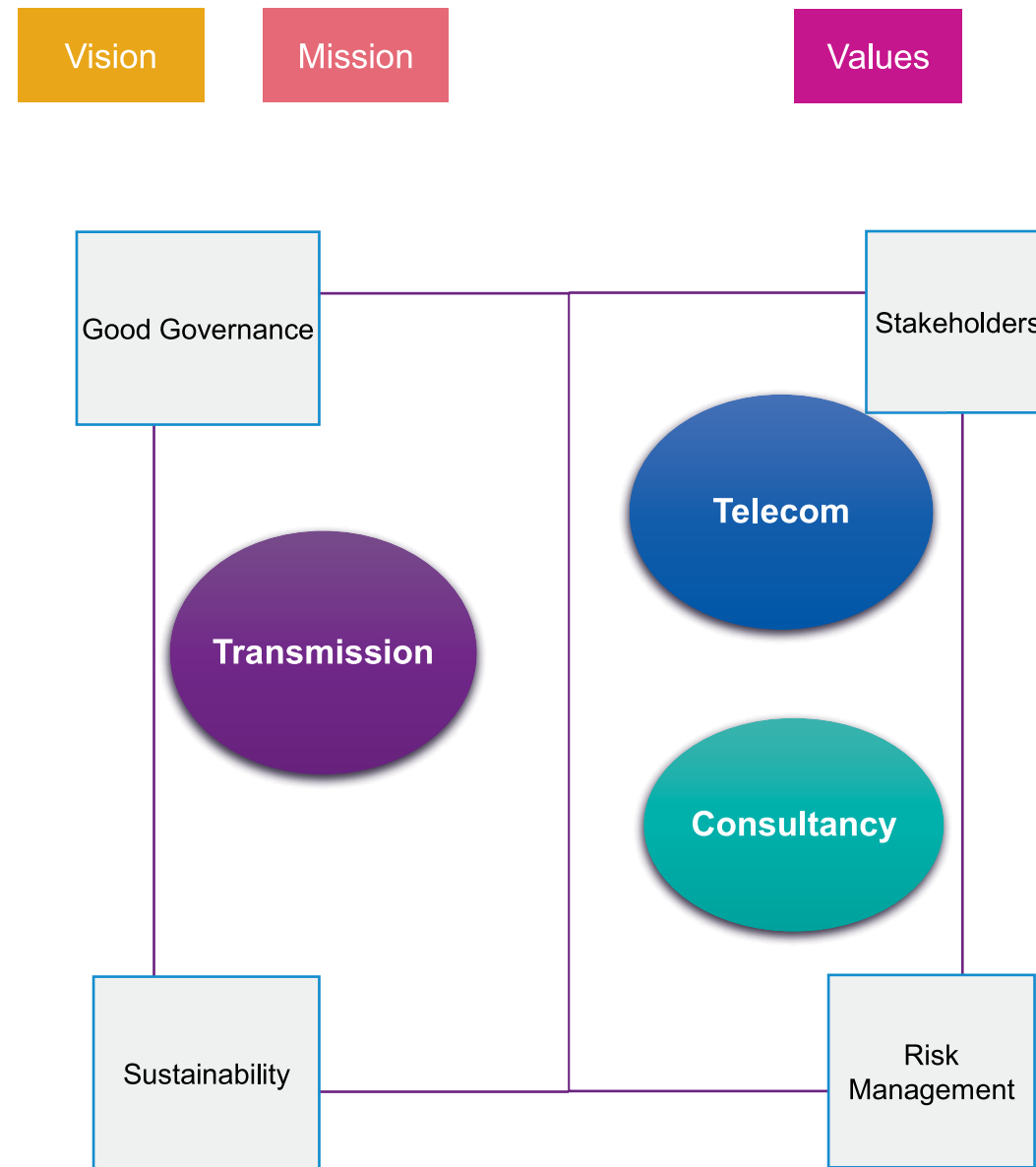
**Manufactured capital**  
Assets such as transmission lines, sub-stations, transmission systems, telecom network; which serve as the basis of our operations to serve our stakeholders.

**Intellectual capital**  
Technical expertise that enables us to adapt the latest technology improve efficiency in the way we work and to overcome associated risks and challenges.

**Human Capital**  
Competent and motivated people is our core strength in delivering excellence, and we are committed to providing the best working environment to our people to achieve our organizational goals.

**Social and Relationship Capital**  
Strong and mutually-respectful relationships with our stakeholders are critical to our success and transparency here plays a crucial role.

**Natural Capital**  
Our responsibility towards the environment is a business imperative and we are committed to achieve Sustainable Development.



Asset Capitalization – ₹ 20,695 cr  
Capital Investment (Cash) – ₹ 9,426 cr  
Gross Fixed Assets – ₹ 2,49,953.70 cr  
Total Income – ₹ 42,335.87 cr  
PAT – ₹ 17,093.76 Cr

EHV Transmission Lines – 5,450 ckm added  
EHVAC & HVDC sub-stations – 7 new substations  
Transformation Capacity - 43,564 MVA added  
Transmission system availability - 99.83%  
Telecom backbone availability – 99.99%

In-house apps for Asset Health Indexing and line patrolling & assessment of network  
Centralized Remote operation and management – 264 sub-stations  
Developed In-house e-Learning modules – 72 nos.

Employees – 8,536 including 672 Female and 213 Differently-abled  
Employee attrition – 0.63%  
Training man-days per employee – 6.11

CSR Projects sanctioned – 152 nos.  
CSR expenditure – Rs. 271.14 cr  
Skill development - 1,100+ apprentices engaged in different trades  
Contribution to states – Infrastructure has been created for electrification of 87,453 nos. villages

Rooftop solar PV systems- 7.6 MWp installed  
Reduction in annual CO2 emission- 9,300 MT  
Samplings planted – 6.81 lakhs  
Waste Management – Installed composting machines > 55 locations  
Commissioned Natural Ester oil filled 400kv Reactor



## Stakeholder Engagement

Your company always believed that effective communication is the hallmark of stakeholder engagement and is a vital aspect of good corporate governance. Hence as a responsible corporate citizen, we have been focusing on building meaningful and lasting relationships with all our stakeholders. This is achieved by way of a clearly thought through and robust process of engaging with stakeholders, both internal and external.

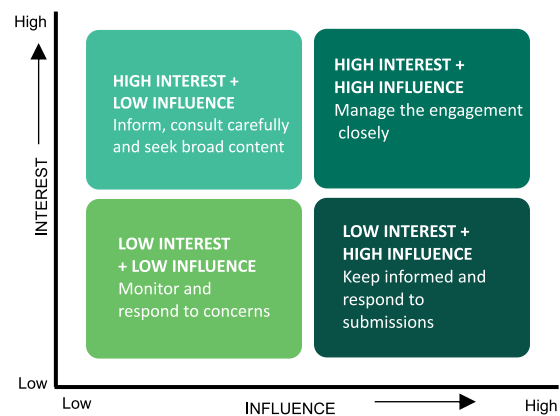
### Framework for Stakeholder Engagement at POWERGRID

Our stakeholder community includes the Government and regulatory bodies, customers, suppliers, investors, lenders, creditors, contractors, media, community, employees and others



### Stakeholder Engagement Matrix

As a part of the stakeholder engagement process, it is very important to not only identify, analyze and prioritize them but also decide on the modality and frequency of interactions with them. This is ascertained based on positioning of stakeholders as per the 'Interest and Influence Matrix' presented



A regular engagement with our stakeholders not only helps us understand their needs and expectations, but also helps understand our opportunities better and reduce risks to our operations.

Below table outlines our different Stakeholder groups and our mode of engagement with them



STAKEHOLDER GROUP	MODE OF ENGAGEMENT
<b>Employees</b>	<ul style="list-style-type: none"> <li>Employee Engagement Survey; Open Houses; Performance Review; Magazines; Cue; Communique; Grid Darpan (Rajbhasha); Candour (Vigilance); Department specific meets; HRD Conclave; PNBC meetings;</li> </ul>
<ul style="list-style-type: none"> <li>Customers</li> <li>SEBs</li> <li>Telecom - Private firms</li> <li>Consultancy (National &amp; International)</li> </ul>	<ul style="list-style-type: none"> <li>Signing of Transmission Service Agreement (TSA); Billing Collection &amp; Disbursement Meetings; Meetings with customers</li> </ul>
<b>Funding Agencies (World Bank, ADB, IFC, KfW, etc.)</b>	<ul style="list-style-type: none"> <li>Appraisal/ Negotiation; Review Missions; Progress Reports</li> <li>Discussions w.r.t. changes in regulatory framework, funding agencies safeguard policies etc. and their implications for transmission sector/ POWERGRID</li> </ul>
<ul style="list-style-type: none"> <li>Government</li> <li>Regulators (SEBI/CERC/BSE/NSE)</li> <li>Ministry of Power</li> <li>Ministry of Finance</li> </ul>	<ul style="list-style-type: none"> <li>Compliance to Laws</li> <li>Comments/observations on proposed legislations</li> <li>RPC (Regional Power Committee)</li> <li>Compliance/commercial activities</li> <li>Performance monitoring</li> <li>Coordination for various entitled grants</li> </ul>
<b>Suppliers and Contractors</b>	<ul style="list-style-type: none"> <li>Pre bid discussions</li> <li>Pre-award discussions</li> <li>Review meeting at various management levels</li> <li>MPR of each contractor &amp; suppliers</li> <li>Joint discussions on technological advancements including Research &amp; Development institutions</li> <li>Feedback Sessions</li> </ul>
<b>Shareholders / Investors</b>	<ul style="list-style-type: none"> <li>Annual General Meeting; Board meetings; Annual Report; Analyst Investor meetings</li> </ul>
<b>Community / PAP's</b>	<ul style="list-style-type: none"> <li>Public Consultation; Participation of community through community development; CSR initiatives</li> </ul>
<b>Media</b>	<ul style="list-style-type: none"> <li>Press Briefing/Invitations to events</li> </ul>
<b>Technological Institutions</b>	<ul style="list-style-type: none"> <li>IITs / IISc for various emerging technologies</li> <li>Leading academia Institutions for Emerging technologies</li> </ul>



## Integrating ESG into the business operations

POWERGRID has always considered Environmental, Social and Governance (ESG) as the key business imperatives and has aligned its business activities with the applicable SDGs showcasing its commitment to sustainability. The Company developed Environmental and Social Policy & Procedures (ESPP) in 1998 to address Environmental and Social concerns.

Guided by an expert Board and backed by robust internal controls systems, the management drives the agenda of ensuring good corporate governance across the organisation. Alignment with SDGs is in line with the principles of Avoidance, Minimization and Mitigation as mandated by our ESPP that has been a guiding force in adoption of a proactive approach towards achieving Environmental Excellence and Social Welfare. Our Sustainability strategy focuses on projects related to Economic Performance, Our People, Our Environment and Our community.



At POWERGRID, we are continuously adapting and mitigating climate change impact and transitioning to sustainable development. As ESG becomes more mainstream, we ensure that our disclosure requirements are also keeping pace with this change.

The principles of ESG are being embedded by your Company into business operations and is continuing to attach highest importance to ESG ecosystem. Our objectives for each of the ESG imperative are as below:

### ENVIRONMENT



The Company strictly follows the basic principles of Avoidance, Minimization and Mitigation in dealing with environmental and social issues. Implementation of Green Energy Corridors and Transmission Systems for evacuation of power from Solar Power Parks. Commitment of Company resources to ensure contribution to sustainable development, through its operations





## SOCIAL

Your Company undertakes social Initiatives in various areas. Major thrust areas under which these initiatives are taken are as follows.

- o Education
- o Healthcare
- o Rural Development
- o Skill Development
- o Social Welfare
- o Sanitation and Drinking Water



Company's policies are aimed at supporting Stakeholder development. Various mechanisms are utilized to engage with the Stakeholder communities and gauge their feedback for future improvement.

## GOVERNANCE

A healthy mix of Board committees is in place; 5 statutory and 9 non statutory committees to promote transparency



Governance is driven by a strong leadership team, robust controls framework and expert Board supported by strong risk management framework

We strongly support the Sustainable Development Goals (SDGs), Principles for Responsible Investment (PRI), Women's Empowerment Principles and other internationally recognized standards and initiatives.



## DIRECTORS' REPORT

### Dear Shareholders,

On behalf of the Board of Directors, it gives me immense pleasure in presenting the 33<sup>rd</sup> Annual Report on the performance of the Company, together with the Audited Financial Statements for the financial year ended 31<sup>st</sup> March 2022.

### Key Performance highlights of the Company during FY 2021-22 are briefly mentioned here:

- Rated "Excellent" with a score of 98.41 in Memorandum of Understanding (MoU) signed with Government of India for FY 2020-21.
- On a standalone basis, the Company's Total Income at ₹42,335.87 crore, increased by 4.46 % and Profit after Tax (PAT) at ₹17,093.76 crore, increased by 43.21%, as compared to previous year.
- Achieved system availability of 99.83%. The trippings per line decreased to 0.33, lowest in last five years.
- Addition of 5,450 circuit km (ckm.) of Extra High Voltage (EHV) transmission lines, 43,564 Mega Volt Ampere (MVA) transformation capacity and 7 new Substations.
- Addition of 7,200 MW Inter-Regional power transfer capacity to the national grid.
- Assets of ₹ 20,695 crore were capitalized.
- Important transmission assets commissioned:
  - ±800 kV Raigarh – Pugalur HVDC link along with Bipole-II (Pole-III & IV 1,500 MW each)
  - 765 kV D/C Vindhyachal Pooling Station – Varanasi Transmission Line
  - 400 kV D/C Alipurduar – Jigmeling cross border interconnection between India and Bhutan (India portion)
  - 400 kV D/C Bhadla-II PS - Bhadla (PG) line
  - LILO of 765 kV D/C Ajmer - Bikaner line at Bhadla-II Pooling Station
  - LILO of 765 kV D/C Fatehgarh (TBCB) - Bhadla (PG) line at Fatehgarh-II Pooling Station
  - 400 kV D/C Pugalur HVDC Station - Thiruvalem line
  - 400 kV D/C Pugalur HVDC Station -Edayarpalayam (TANTRANSCO) line
  - 400 kV D/C Edayarpalayam (TANTRANSCO) - Udumalpet line
  - 400 kV D/C Wardha - Aurangabad (Upgradable to 1200 kV S/C) Line
  - 765 kV D/C Medinipur - Jeerat (New) line
  - 400 kV D/C Jeerat (New) - Jeerat (WBSETCL) line
  - 400 kV D/C Darbhanga - Sitamarhi (New) line
  - 400 kV D/C Sitamarhi (New) - Motihari line
  - LILO of both ckt of 400 kV D/C Kishanganj - Patna (Quad) line at Saharsa
  - 765 kV D/C Ajmer (PG) – Phagi line
  - 765 kV D/C Fatehgarh-II –Bhadla -II line
  - 765 kV D/C Khetri– Jhatikara line
  - 400 kV D/C Khetri – Sikar (PG) line
  - 400 kV D/C Jawaharpur - Firozabad line
- For ensuring effective communication of the existing as well as new substations with Regional Load Despatch Centres (RLDCs) /



State Load Despatch Centers (SLDCs), 8,174 km of Optical Ground Wire (OPGW) network was added.

- Achieved collection efficiency of 97.98% of billing in FY 2021-22.
- Emerged successful in 2 TBCB projects-
  - Inter State Transmission Project associated with transmission strengthening scheme for evacuation of power from solar energy zones in Rajasthan (8.1 GW) under Phase-II and
  - Intra State Transmission Project in the State of Uttar Pradesh for construction of 400/ 220/ 132kV Substation at Mohanlalganj (Lucknow), four 400kV D/C Transmission lines and two 765kV S/C Transmission lines.
- Launched the Virtual Smart Grid Knowledge Centre (SGKC), a Digital-twin that replicates the facilities available at the SGKC in Manesar and can be accessed by anyone, at any time, from any location to accelerate knowledge dissemination in the smart grid domain.
- Created a centralized circuit breaker health indexing system that allows for the transition to predictive circuit breaker maintenance.

## 1. Financial Performance

Financial Performance during year under review (FY 2021-22) as compared to the previous year (FY 2020-21) on standalone basis is summarized below:

(All Figures except per share data are in units as indicated)

Parameters	FY 2021-22		FY 2020-21		Y-o-Y
	₹ (Crore)	US \$ (Million)	₹ (Crore)	US \$ (Million)	Growth (%)
<b>REVENUE</b>					
Transmission Charges	38,594.41	5,056.26	36,456.92	4,776.22	5.86%
Consultancy-Sale of Services	753.34	98.70	501.28	65.67	50.28%
Telecom	580.34	76.03	707.45	92.68	(17.97)%
Other Income	2,407.78	315.44	2,861.46	374.88	(15.85)%
<b>TOTAL INCOME</b>	<b>42,335.87</b>	<b>5,546.43</b>	<b>40,527.11</b>	<b>5,309.45</b>	<b>4.46%</b>
<b>Profit After Tax (PAT)</b>	<b>17,093.76</b>	<b>2,239.45</b>	<b>11,935.78</b>	<b>1,563.71</b>	<b>43.21%</b>
Earnings per Share (EPS) #	₹ 24.51	US \$ 0.32	₹ 17.11	US \$ 0.22	43.25%
Book Value per Share #	₹ 109.17	US \$ 1.43	₹ 99.75	US \$ 1.31	9.44%
Gross Fixed Assets	2,49,953.70	32,746.46	2,34,284.32	30,693.61	6.69%
Long term borrowing*	1,29,365.27	16,948.16	1,41,251.48	18,505.37	(8.41)%
Net Worth	76,151.57	9,976.62	69,578.84	9,115.53	9.45%
Debt Equity Ratio	63:37		67:33		
Return on Net Worth (%)	22.45%		17.15%		

# EPS and Book value have been adjusted for Bonus Issue

\* Including current maturities of Long-Term Borrowings

Convenience Conversion at US \$ 1= ₹76.33 as on 31.03.2022

### 1.1. Dividend Payout

The Company recommended / declared dividend as follows: -

Dividend (per share)	FY 2021-22		FY 2020-21	
	In ₹	In %	In ₹	In %
<b>First Interim Dividend</b>	7.00*	70.00	3.75#	37.50
<b>Second Interim Dividend</b>	5.50	55.00	3.00#	30.00
<b>Final Dividend</b>	2.25^	22.50	3.00	30.00
<b>Total Dividend</b>	<b>14.75</b>	<b>147.50</b>	<b>9.75</b>	<b>97.50</b>

\* Including a Special Dividend of ₹3.00 per share

# Adjusted for Bonus

^ Recommended for approval of Shareholders



The total dividend payout for the year amounts to ₹ 10,289 crore (including interim dividends of ₹ 8,719 crore). The final dividend shall be paid after approval at the Annual General Meeting. The total payout ratio for the year was 60 % as compared to 57 % for previous year.

### 1.2. Transfer to Reserves

For FY 2021-22, appropriation of profit has been made as follows:

- a) General Reserve: ₹ 7,000.00 crore
- b) Self-Insurance Reserve: ₹ 291.14 crore

### 1.3. Government of India (GOI) Shareholding

The Government of India's shareholding in the Company remained unchanged at 51.34%.

## 2. Significant Developments

### 2.1. Completion of Inter-Regional projects

Your Company added **7,200 MW** of Inter-Regional power transfer capacity to the national grid through following projects:

#### a) Pole-III & IV of the Raigarh-Pugalur-Trichur HVDC Scheme:

During the year,  $\pm 800$  kV Raigarh – Pugalur HVDC link along with Bipole-II (Pole-III & IV 1,500 MW each) and  $\pm 320$  kV, 2000 MW, Pugalur – Trichur Voltage Source Converter (VSC) based HVDC System were commissioned (part of Raigarh-Pugalur- Trichur HVDC Scheme). This has enhanced the inter-regional power transfer capacity of national grid by 3,000 MW.



Through this project, the state-of-the-art VSC Technology has been brought to India for the first time by POWERGRID. The VSC technology significantly reduces the land requirement compared to the conventional HVDC systems and is particularly suitable for areas, where land is scarce. It also facilitates development of smart grid and improves system resilience under various operating conditions. A unique feature of this project is the combination of overhead line and underground cable to address the restricted availability of transmission corridor in Kerala.

Major HVDC equipment like interface transformers and IGBT-based power converters, AC equipment such as Gas Insulated Sub-station, switchgear, controls, and relay panels have been supplied by factories in India, aligned to the Government of India's Make in India program. A significant part of the design, engineering, testing, and commissioning for this VSC based Pugalur - Trichur project has been done in India, supporting the Prime Minister's vision of "Aatmanirbhar Bharat".

#### b) 765kV D/C Vindhyachal Pooling Station - Varanasi Transmission Line

During the year, POWERGRID's wholly owned subsidiary POWERGRID Varanasi Transmission System Limited (PVTSL) commissioned Vindhyachal Pooling Station - Varanasi 765kV D/C Transmission Line. This transmission line corridor provides a strong connectivity between Northern Region and Western Region and has enhanced the inter-regional power transfer capacity of national grid by 4,200 MW.

### 2.2. Tariff Based Competitive Bidding (TBCB)

During the year under review, your Company emerged successful in one Inter-State Transmission project associated with solar energy zones in Rajasthan and one Intra-State Transmission Project in Uttar Pradesh. Three project SPVs (Sikar-II Aligarh Transmission Limited, Fathegarh Bhadla Transco Limited and Sikar New Transmission Limited) were acquired by your Company in FY 2021-22.





As on 31st March, 2022, nine TBCB subsidiaries were fully operational and six out of seven elements of one subsidiary were operational. Cumulatively, the Company, at the end of FY 2021-22, owned 20 TBCB subsidiaries, the details of which are provided in the Management Discussion & Analysis Report (MD&A).

### **2.3. Monetization of Transmission Assets through POWERGRID Investment Infrastructure Trust (PGInvIT):**

The Union Budget 2019-20 emphasized investment led growth and indicated that new and innovative financial instruments including Infrastructure Investment Trusts (InvITs), have been launched as part of the brown field asset monetization strategy for augmenting infrastructure investment.

Your Company in accordance with the guidelines of Government of India, had monetized assets, which are mainly High Voltage Transmission lines and substations, through Infrastructure Investment Trust (InvIT) model. Your Company is the first PSU in the country to undertake asset recycling by monetizing its assets through the InvIT model and using the proceeds to fund the new and under-construction capital projects. Total amount raised through asset monetization during the year was ₹8,370 crore.

### **2.4. Incorporation of POWERGRID Energy Services Limited**

Your Company has setup a wholly owned subsidiary namely 'POWERGRID Energy Services Limited' with an objective to invest in and act as Project Management Consultant in new and emerging business areas viz. Energy Management, Transmission & Distribution business, Electric Vehicle charging infrastructure, Energy Storage, Smart Grid etc.

### **2.5. Incorporation of POWERGRID Teleservices Limited**

The latest technological advancements in the telecom sector, increased thrust of the government on digitalization of the economy, enhanced data localization accelerated by prevailing geo-political environment are likely to provide growth opportunities. To harness the emerging opportunities in the sector, POWERGRID has formed a wholly owned subsidiary company POWERGRID Teleservices Limited which would provide greater focus to this segment. POWERGRID got International Long Distance (ILD) license to directly serve customers in the neighboring countries with reliable broadband connectivity.

POWERGRID's Board accorded approval for expansion into Data Center Business. A Pilot Data Center at an estimated cost of ₹322 crore is approved to be established at Manesar. The Company is also planning to establish hyper scale data centers in the country. POWERGRID Telecom is also planning to setup the edge data centers to serve the businesses in Tier-1 cities of the country.





## 2.6. Other emerging opportunities

Your Company is exploring opportunities for installation of smart meters for state utilities under DBFOOT model and initiated procurement process for End-to-End Smart Metering Solution for one crore smart meters. Your Company also envisages Battery Energy Storage System (BESS) to be a significant element of future grid. Accordingly, your Company has appointed a consultant to study the business scope for it in the BESS segment and is looking to setup BESS system.

Your Company is also evaluating setting up solar generation capacity on the vacant land available with it and few locations with a total potential of 200 MWp have been identified. Of these, preparations are being made to build your Company's first 105MWp solar PV plant at Nagda, MP. The power generated would be either utilized for in-house requirements or sold through exchange/ PPAs.

## 3. Operational Performance

### 3.1. Asset Management

As on 31st March 2022, your Company's total transmission assets including those owned through its wholly owned subsidiaries consisted of 1,352 transmission lines aggregating to 1,72,437 ckm., 265 substations with an aggregate transformation capacity of 4,74,457 MVA.

Your Company is increasingly migrating towards digitization of asset management keeping in view the growing asset base. Centralized relay database management system has been introduced which will improve the efficiency of relay settings management and save manhours in operation and maintenance of assets.



Internal benchmarking on key performance indicators is used by your Company to analyze operational performance, identify areas for improvement and achieve optimal operational performance.

In-house repair of GIS substation equipment by your Company's maintenance team at six substations has avoided prolonged system failures and saved significant costs. Refurbishment of defective GIS modules at a site was also carried out by your Company's team of maintenance specialists and provided significant cost savings. Five older air insulated substations (AIS) located in the North-Eastern region of your Company have been replaced with Gas Insulated Substations (GIS), improving system reliability.

Refurbishment of  $\pm 2 \times 250$  MW HVDC Vindhyachal back-to-back and  $\pm 500$  kV, 1,500 MW HVDC Rihand-Dadri Bipole were carried out for life extension. These projects have served the Indian power system for more than 25 years and refurbishing them, the first of its kind in India for HVDC systems, will extend their life by approximately 10 years benefiting the end



consumers with reliable and quality power supply. To evacuate power from solar energy zones in Rajasthan, testing of reverse power flow in Ballia-Bhiwadi HVDC link (Bhiwadi to Ballia) was carried out successfully.

For many years, the Company has participated in the International Transmission System Operation and Maintenance Study (ITOMS), a global Operations & Maintenance (O&M) benchmarking platform that includes 32 major power transmission utilities globally, where it has been consistently ranked amongst the most successful transmission companies.

### 3.2. National Transmission Asset Management Centre (NTAMC), Manesar and Regional Transmission Asset Management Centres (RTAMCS)



To facilitate remote operation of your Company's transmission system and monitoring of various parameters on real time basis at Regional and National levels, NTAMC was set up at Manesar, near Gurugram, Haryana and RTAMCs were set up at various locations across the country. These state-of-the-art centers are manned round-the-clock by experts for effective monitoring and management of transmission assets.

During FY 2021-22, twenty-two additional Extra High Voltage (EHV) Substations were integrated with NTAMC for remote operation. By the end of FY 2021-22, a total of 264 Substations are being operated remotely from these asset management centers.

Remote management of Substations has proved to be immensely beneficial during FY 2021-22 to ensure uninterrupted supply of power despite COVID-19 pandemic.

### 3.3. Cyber Security

Cybersecurity initiatives are led by the Chief Information Security Officer (CISO) through the Information Security Department in the Company. Your Company's Corporate Office, all regional headquarters and 213 substations are certified as per the Information Security Management System ISO: 27001. Your Company conducts extensive training programs for employees and participated in programs and simulations organized by Computer Emergency Response Team (CERT-In) and National Critical Information Infrastructure Protection Center (NCIIPC).

In addition, the Company works closely with designated statutory bodies: CERT-In and the NCIIPC. Your Company follows the recommendations issued by these agencies from time to time and shares them with other utilities in the transmission sector. The Ministry of Power has assigned POWERGRID the responsibility of sectoral Computer Emergency Response Team (CERT) for the Transmission Sector. The Company is planning to set up a Cyber Security Operations Centre for threat analysis and monitoring in order to strengthen resilience in its operations.

### 3.4. Safety

Your Company has ISO 45001:2018 certified, Occupational Health and Safety Management System, which ensures a healthy work environment.

The Company is committed to maintaining a safe working environment and measures are taken to ensure that all applicable safety factors are considered in accordance with standards during the design, construction, operation and maintenance of the assets.

Your Company has a 3-tier setup i.e., Corporate, Region and Substation/Site levels to implement safety policy, rules, and guidelines. Safety cells work to promote all safety measures for accident prevention in activities involving transmission lines and substations under construction and O&M. Regular monitoring and evaluation of safety performance is carried out by all Regions. Designated Safety officers at the Corporate and regional level ensure the implementation of safety aspects at site.

Safety audits/ inspections, trainings, safety briefings, mock-drills were carried out for all contract workers and Company





staff at various O&M and construction sites. Safety audits of 265 substations and safety inspection at 290 construction sites were carried out in FY 2021-22.

Safety trainings were organized on various safety aspects such as fire safety, stress & health management and first aid, etc. at various sites maintaining the Covid-19 precautions. During the year, 949 safety training sessions were organized for Company employees, and 4,865 safety training sessions were conducted for construction agency workers/staff. In addition to this, 908 mock-drills were organized at sites for preparedness to cope up with any untoward incident/urgency/emergency.

Daily safety briefings/pep talks were held at all sites and safety instructions/accident precautions/committee recommendations were discussed in languages that workers understand to educate about the possible risks associated with work and how to reduce them. Safety day/weekly/fortnightly celebrations attended by employees, their family members, and contract workers help raise awareness about safety compliance at workplace and at home.

All the dangerous incidences were reviewed by Standing Safety Management committee and the POWERGRID Apex Safety Board in collaboration with all Heads of Regions and Board level representatives of construction agencies. The recommendations of Accident Enquiry committee was widely circulated to all sites for implementation.

#### **4. Disaster Management**

The Company has a “disaster and crisis management plan” to take immediate action during the pre and post-disaster period and to quickly restore damaged power infrastructure. It outlines the hierarchy of crisis / disaster management at different levels to manage crises and disasters effectively and efficiently, and the roles / responsibilities of different departments in disaster management.

The Company adequately prepared itself to meet any natural calamity, basis the inputs received from the Indian Meteorological Department (IMD). There was no major damage to your Company’s transmission network during major cyclones, namely Tauktae, Yaas, Gulab and Jawad. The Company also supported the transmission and distribution utilities of the affected states by providing manpower and equipment to rapidly restore their damaged transmission and distribution networks.

#### **5. Project Implementation**

During FY 2021-22, your Company added 5,450 circuit km (ckm.) of Extra High Voltage (EHV) transmission lines, 43,564 Mega Volt Ampere (MVA) transformation capacity, 7 new substations (including through its subsidiaries).

Further, about 8,174 km of OPGW network was added during the year to support voice and data communication with Regional Load Dispatch Centres (RLDCs)/ State Load Despatch Centres (SLDCs) for effective grid management.

##### **5.1. Major Transmission Assets Commissioned**

###### **a) Inter-Regional Lines**



- ±800 kV Raigarh – Pugalur HVDC link along with Bipole-II (Pole-III & IV 1,500 MW each)
- 765 kV D/C Vindhyachal Pooling Station – Varanasi Transmission Line associated with “Transmission System New WR-NR 765 kV Inter-Regional Corridor”



#### b) Cross-Border Interconnection

- 400 kV D/C Alipurduar – Jigmeling cross border interconnection between India and Bhutan (India portion)

#### c) Transmission System Associated with Solar Energy Zones in Rajasthan

- 400 kV D/C Bhadla-II PS - Bhadla (PG) line
- LILO of 765 kV D/C Ajmer - Bikaner line at Bhadla-II Pooling Station
- LILO of 765 kV D/C Fatehgarh (TBCB) - Bhadla (PG) line at Fatehgarh-II Pooling Station

### 5.2. Other Important Transmission Lines

- 400 kV D/C Pugalur HVDC Station - Thiruvalem line
- 400 kV D/C Pugalur HVDC Station -Edayarpalayam (TANTRANSCO) line
- 400 kV D/C Edayarpalayam (TANTRANSCO) - Udumalpet line
- 400 kV D/C Wardha - Aurangabad (Upgradable to 1200 kV S/C) Line
- 765 kV D/C Medinipur - Jeerat (New) line
- 400 kV D/C Jeerat (New) - Jeerat (WBSETCL) line
- 400 kV D/C Darbhanga - Sitamarhi (New) line
- 400 kV D/C Sitamarhi (New) - Motihari line
- LILO of both ckt of 400 kV D/C Kishanganj - Patna (Quad) line at Saharsa
- 765 kV D/C Ajmer (PG) – Phagi line
- 765 kV D/C Fatehgarh-II –Bhadla -II line
- 765 kV D/C Khetri– Jhatikara line
- 400 kV D/C Khetri – Sikar (PG) line

### 5.3. Intra-State Lines

- 400 kV D/C Jawaharpur - Firozabad line

As on 31st March 2022, the inter-regional power transfer capacity of the transmission assets belonging to the Company and its subsidiaries was 97,290 MW out of 1,12,250 MW inter-regional power transfer capacity of the national grid.

## 6. Capital Investment, Fund Mobilization & Investment Approval of New Projects

During FY 2021-22, your Company made a consolidated capital investment of ₹9,426 crore on cash basis. To finance this investment, the Company mobilized ₹8,106 crore from asset monetization, ₹610 crore through bonds & term loans, ₹567 crore from Internal accruals, ₹133 crore through grants received from Power System Development Fund & from Central Financial Assistance (Ministry of New and Renewable Energy) and ₹10 crore through External Commercial Borrowings (ECB)/ Suppliers' Credit.





During FY 2021-22, investment approvals for transmission projects under regulated tariff mechanism (RTM) worth ~ ₹ 5,050 crore have been accorded and Company acquired projects estimated at ₹ 3,300 crore under the TBCB mechanism.

## 7. Commercial Performance

Sharing of Inter-state transmission charges is governed by CERC (Sharing of Inter State Transmission Charges and Losses) Regulations, as notified from time to time in line with the National Tariff Policy notified by Government of India and provisions of the Electricity Act, 2003. Presently, CERC (Sharing of Inter State Transmission Charges and Losses) Regulations, 2020 are in vogue. As per the Sharing Regulations, the Central Transmission Utility (CTU), had the responsibility of billing & collecting transmission charges on behalf of all ISTS licensees in the country including your Company and disbursing to them. Your Company ceased to be the CTU w.e.f. 01st April 2021 and Central Transmission Utility of India Limited (CTUIL), a wholly owned subsidiary of your Company has been notified as CTU by the Government of India. Your Company continues to be a deemed Transmission Licensee under the Electricity Act, 2003.

Your Company through regular follow up with its customers (DICs) and timely regulatory actions has achieved collection efficiency of 97.98% of billing in FY 2021-22.

## 8. Cross Border Interconnections

India, being centrally placed in South Asian region and sharing political boundaries with SAARC and BIMSTEC countries, has been playing a major role in establishment of cross-border interconnections with various neighbouring countries, namely Nepal, Bhutan, Bangladesh, Sri Lanka, and Myanmar, for optimal utilization of regional energy resources in South-Asian region.

The present cumulative power transfer capacity between India and neighbouring countries through cross-border interconnections is about 4,230 MW. In FY 2021-22, Alipurduar-Jigmeling line (India portion) 400kV D/C (Quad) line was commissioned. Additional links for interconnection with Nepal through the Gorakhpur (India) – New Butwal (Nepal) and Sitamarhi (India) – Dhalkebar (Nepal) 400kV D/C (Quad) transmission lines are under implementation.

## 9. Other Businesses

### 9.1. Telecom Business

#### a) POWERTEL

Your Company is providing a range of services under its Unified License as National Long Distance (NLD) and Internet Service Provider – Category 'A' (ISP- 'A') service authorizations. Your Company is providing nationwide services like point-to-point leased line bandwidth services, Internet Leased line, Tower co-location, MPLS based IP-VPN, SD-WAN, DDoS etc. in all parts of the country with its Pan India high-capacity optical ground wire (OPGW) network.

During FY 2021-22, the Company's telecom network coverage increased to 74,109km from 71,673km at the end of the previous year, with annual telecom backbone availability of 99.99%. The Company's telecom network spans across India and is in over 1200 locations covering all major cities and metros. During the year, your Company achieved revenue from operations of ₹580.34 crore from telecom segment.

Your Company's Board accorded the approval for expansion of POWERGRID Telecom into Data Center Business and to establish the Pilot Data Center at Manesar. POWERGRID Telecom is also planning to setup the edge data centers to serve businesses in Tier-1 cities of the country.

Your Company has signed agreements with





Damodar Valley Corporation, West Bengal State Electricity Transmission Company Limited, Bihar State Power Transmission Company Ltd. and Assam Electricity Grid Corporation Limited for leasing of their OPGW fibres, which provides it with access to additional 12,000 km of OPGW network. Through this, the Company will expand its telecom business in various new cities of West Bengal, Bihar, Assam & Jharkhand.

Further, during the year, your Company incorporated a wholly owned subsidiary 'POWERGRID Teleservices Limited' on 25th November, 2021 to undertake Telecommunications and Digital Technology Business. POWERGRID Teleservices Limited has obtained the Unified License with service authorization of National Long Distance (NLD), Internet Service Provider (ISP-A) & International Long Distance (ILD) from Department of Telecommunications (DoT) on 11th May, 2022.

#### **b) BHARAT NET**

Your Company is one of the implementing agencies for 'Bharat Net' Phase-I project envisaged to provide broadband connectivity to Gram Panchayats (GPs), thus making valuable contribution to the initiatives of the Government of India for Digital India.

The Company has completed the work on 473 blocks out of 511 Blocks and successfully handed over to M/s BBNL under Bharat Net Phase-I Project. Further, cumulatively 321 blocks asset capitalization has been completed out of 511 blocks. The scope of work is spread across 39 districts in 5 States viz., Andhra Pradesh, Telangana, Himachal Pradesh, Jharkhand & Odisha.

During FY 2021-22, the Company has handed over 55 blocks to M/s BBNL under Bharat Net Phase-I project and asset capitalization of 250 blocks has been completed during the year.

### **9.2. Consulting Services**

Your Company, one among the largest power transmission utilities in the world, has developed expertise in its core areas such as power transmission projects, sub-transmission system, distribution management, load dispatch & communications, in India and abroad. Leveraging its capacity and experience, consulting services have been provided to several customers globally. During the year, your Company achieved revenue from operations of ₹753.34 crore from consultancy segment.



#### **a) Domestic Market**

On behalf of Government of India, your Company is implementing two important projects as consultancy assignments for strengthening of the Intra-State Transmission and Distribution Systems (33kV and above) namely 'NER Power System Improvement Project' (NERPSIP) in Manipur, Meghalaya, Mizoram, Tripura, Nagaland & Assam and 'Comprehensive Scheme' for strengthening of Transmission & Distribution in Arunachal Pradesh and Sikkim. Your Company is also providing services to the Indian Railways for electrification of un-electrified railways tracks in Central, East Central, South-Western & South-East-Central Railway zones.

During the year, your Company bagged 27 new consultancy assignments and is currently executing about 68 consultancy assignments in various fields including transmission & sub transmission, design & engineering, EV charging etc.

Your Company is implementing Rural Electrification Infrastructure works under Prime Minister's Development Package (PMDP) scheme in 6 districts in J&K UT and 2 districts in Ladakh UT. Intra-state transmission work of 2 projects are under progress in J&K UT under PMDP.

#### **b) International Market**

On the International front, as on 31st March, 2022 your Company has its footprint in 23 countries. During the FY 2021-22, Company has received orders from two new countries viz. Guinea and Moldova. The Company is providing consultancy to various clients in Nepal, Uganda, Fiji, and Moldova.

The Company has signed Joint Development Agreement with Africa50 to take up investment in Kenya under PPP mode through a Joint Venture with Africa50. Your Company has also signed Share Holders' Agreement with Nepal Electricity Authority for Development of Indian portion of 400 kV New Butwal (Nepal) – Gorakhpur (India) transmission line in 50:50 JV with Nepal Electricity Authority.



## 10. Quality Management

Your Company has developed and maintained systems and procedures that are in accordance with the Publicly Available Specification, PAS 99:2012, while also incorporating the requirements of ISO 9001:2015 (Quality Management System), ISO 14001:2015 (Environmental Management System), and ISO 45001:2018. (Occupational Health & Safety Management System).

A third party audit of the Integrated Management Systems, was completed successfully. The systems were also audited for compliance with the SA: 8000 Social Accountability Standard, ISO:50001 Energy Management Systems, and ISO:27001 Information Security Management Systems.

Despite COVID-19 pandemic, more than 15,000 Inspection calls were attended during FY 2021-22. All the inspections, sub vendor assessments and other quality related activities were undertaken in a well-planned manner via hybrid mode of physical and virtual visits.

To encourage and develop MSME manufacturers for supply of innovative & quality products, MSME vendor development programs were conducted during the year at various locations across the country. Special focus was kept on Micro and Small Enterprises owned by SC/ ST and Women entrepreneurs. Promoting Atmanirbhar Bharat/ Make in India, 34 new Micro/small vendors were approved during FY 2021-22 and existing vendors were encouraged to upgrade their equipment to higher voltage level. This shall improve available sources increasing vendor base, thus creating a more competitive environment.

## 11. Research and Development (R&D)

Your Company has been investing in R&D for new technologies and techniques, aimed at improving efficiency of its transmission assets to ensure high system availability and reliability.

A Centralized Circuit Breaker health indexing system was developed in-house, which has enabled transition towards predictive maintenance of circuit breakers, a critical element in system protection.

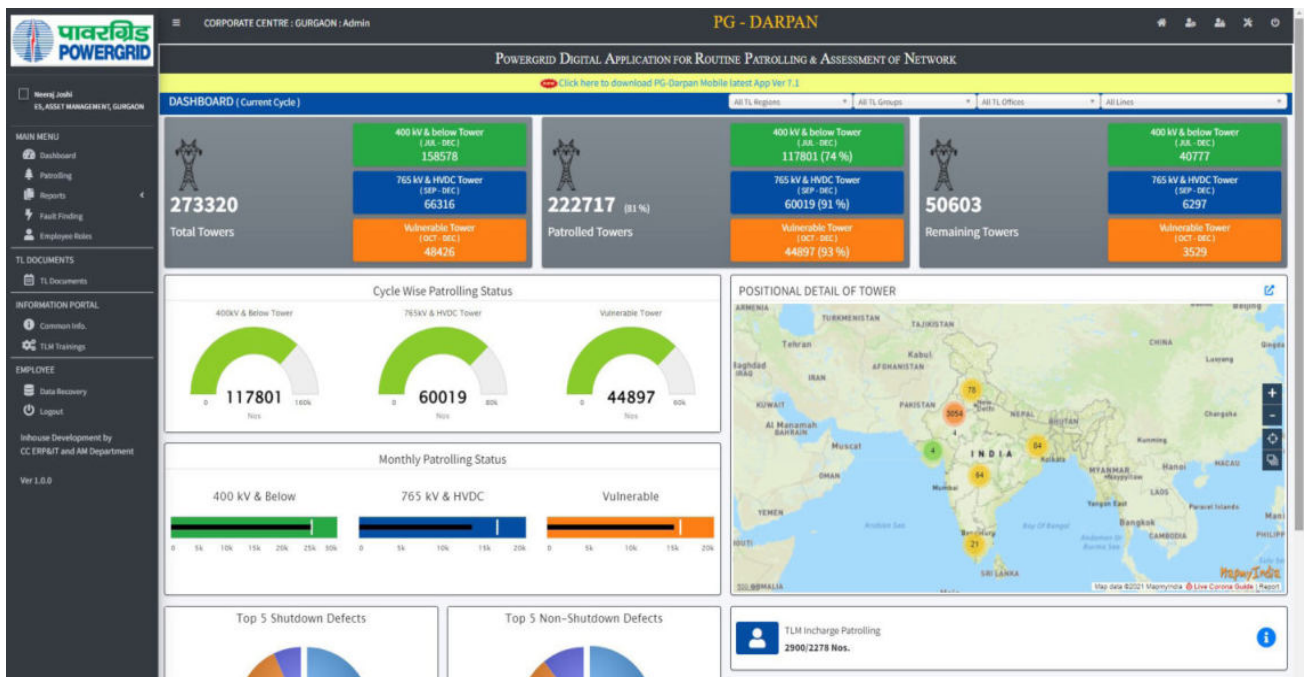
Your Company is developing a substation Inspection Robot in collaboration with IIT Kanpur to facilitate automation of routine inspection of switchyard equipment as well as data driven decision process using Artificial Intelligence / Machine Learning techniques, thus improving operational efficiency.

Your Company is setting up a Centre of Excellence (CoE) in Cybersecurity in Transmission and Grid operation at IISc Bangalore. This collaborative effort facilitates continuous research, monitoring, development, and demonstration focused on cybersecurity aspects in association with academia and industry towards cyber resilient transmission system.

## 12. Adoption of Latest Technology and Digital Transformation

Your Company has been taking up several initiatives towards adoption of latest technology and digital transformation. These initiatives gained pace during the pandemic and ensured business continuity despite the COVID-19 pandemic.

Some of the new developments in this regard are as follows:



- **PALMS V2.0** - It is an in-house Asset Health Indexing Software introduced in 2020 and for assessing real-time risk-based health indexing of POWERGRID transformers and reactors. This was upgraded during the year incorporating more advanced diagnostic methods based on various international standards and your Company's experience in interpreting test results.
- **PGDARPAN** - Your Company has developed in-house application software PGDARPAN (POWERGRID Digital Application for Routine Patrolling & Assessment of Network) for transmission line patrolling. The same has been used in your Company since August 2021. The PG DARPAN portal features a rich, highly customizable dashboard which enables ground patrolling of transmission lines and generation of reports, this helps the asset managers to monitor and take corrective action.
- **Repeater- less solutions** - To adopt green technologies in order to reduce carbon emissions, your Company is implementing repeater-less solution for long haul communication links, replacing traditional repeater shelters having DG & AC systems. The solution involves use of Erbium Doped Fibre Amplifiers (EDFA) along with Remote Optical Pump Amplifier (ROPA) units passive devices in additional fibres of the OPGW to boost the signal levels. This technology will eliminate the need for traditional repeaters in long distance AC links with lengths up to 350 km.
- **Other Technology Tools** - Your Company uses different technology tools to ensure better line availability such as aerial line patrol, temperature scanning, corona camera, high resolution video, digital camera, surveillance application-based transformers, reactors and line patrols and real-time data updates through online applications for efficient asset tracking.

### 13. Participation in Govt Initiatives

#### 13.1. Promotion of 'Make In India'

Your Company through continuous measures, has encouraged localization of various goods to be sourced for development/ operations of transmission system. Foreign manufacturers have been nudged to set-up facilities in India and thus promoting the Make in India initiative of the Government of India. With the Company's efforts, new plants and facilities have been set-up in India over the past few years by a number of foreign manufacturers for equipment like GIS, transformers, reactors, STATCOM, OPGW, etc. paving way for a wider vendor base and emergence of a more efficient supply chain.



Your Company also promotes existing vendors to upgrade their equipment to higher voltage level & cover more items to increase vendor base.

Further, the Company has given much impetus towards procuring from local suppliers in its various procurement verticals in line with the extant Government of India's policy on the same. During FY 2021-22, procurement of about ₹7250 crore was carried out through Domestic Competitive Bidding route, which is more than 90% of the total procurement done by the Company. Your Company is actively working for development of its vendor base in the domestic market by encouraging participation of local suppliers and promoting capacity building for existing vendors.

#### 13.2. Promotion of Micro, Small and Medium Enterprises (MSME)

The Company has been complying with the guidelines issued by the Government from time to time for promotion of MSMEs. The Company is registered on (i) Receivable Exchange of India Limited (RXIL) (A NSE – SIDBI JV), (ii) Mynd Solutions Private Ltd (M1xchange) and (iii) A TReDS Ltd. (Invoicemart) for Trade Receivable e-Discounting System (TReDS). Trade Receivables Discounting System (TReDS) is the platform for facilitating the financing of trade receivables from corporate and other buyers, including Government Departments and Public Sector Undertakings (PSUs), through multiple financiers. The Company is continuously pursuing with its MSMEs suppliers to get themselves on-boarded on TReDS Platforms. Suitable provisions have already been incorporated in the bidding documents of POWERGRID for procurement of various products and services rendered by Micro and Small Enterprises (MSEs) in line with the Public Procurement Policy of the Government of India. The Company has achieved the target of mandatory procurement of 25% out of total annual purchases of products and services rendered by Micro and Small Enterprises in line with Public Procurement Policy (Order 2012) read in conjunction with its amendment in November 2018.

In terms of the said policy, the total eligible value of annual procurement of goods produced and services rendered

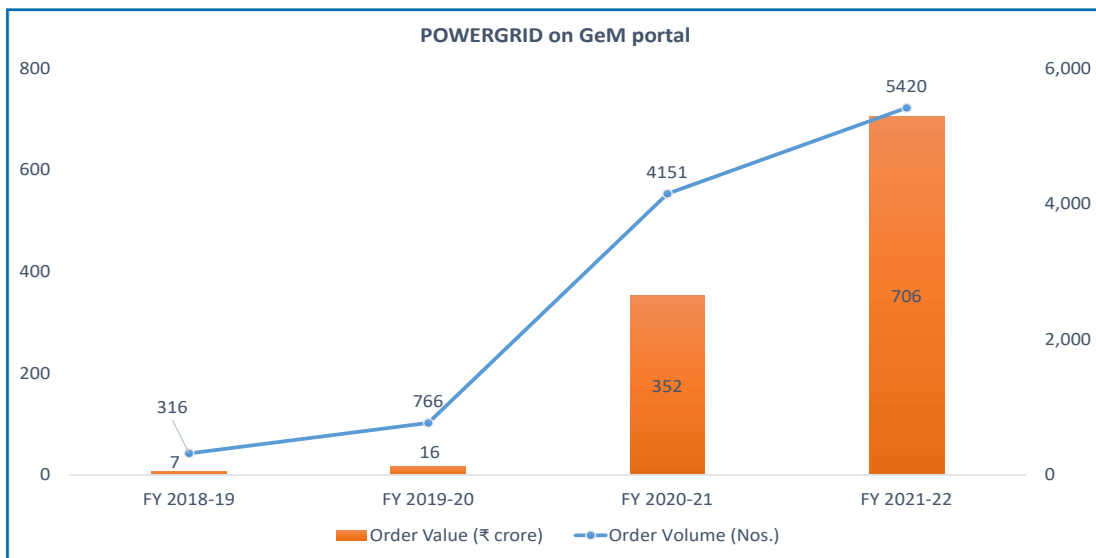


by MSEs (including MSEs owned by SC/ ST and Women entrepreneurs) during FY 2021-22 was ₹2,238 crore. The total procurement by the Company from MSEs (including MSEs owned by SC/ST and Women entrepreneurs) was ₹1,143 crore (51.07%).

The Company has taken various steps to encourage MSE participation in the procurement process across India. During this year, to encourage and develop Micro and Small manufacturers for supply of innovative & quality products, 18 vendor development programs have been organized through virtual platforms, wherein presentations were made, and discussions were held with representatives of numerous MSE's of our country. Special focus was kept on MSE's owned by SC/ ST and women entrepreneurs and their response in these meetings/webinars was overwhelming. Several MSME's have been developed as sub-vendors and approved for supply of components for various equipment.

### 13.3. Procurement through Government e-Marketplace (GeM):

In line with Government of India mandate, procurement of goods & services in your Company is being done through GeM portal, which started in FY 2018-19 and in subsequent years, with persistent emphasis, this has continuously increased. During FY 2021-22, procurement of ₹706 crore of goods & services was done through GeM portal which is almost double of that in FY 2020-21 (₹352 crore).



## 14. Sustainable Growth

The principles of Environment, Social and Governance (ESG) are being embedded by your Company into business operations and the Company continues to attach importance to ESG ecosystem.

The Company is taking steps to align its sustainability related aspects with global requirements and is participating in assessment surveys carried out by MSCI, FTSE and S&P Global CSA annually, wherein your Company gets an opportunity to benchmark its various parameters pertaining to ESG under power transmission against domestic & international peers.



### 14.1. Environment and Social Management

Transmission projects are mostly environmentally benign due to absence of any chemical processes that may involve release of pollutants to environment or involving large scale excavation which may result in soil erosion. Also, due to inherent flexibility both in choosing most optimum line alignment as well as in finalizing the substation site, your Company avoids most of the associated social issues.



Your Company not only follows the applicable regulatory requirements but also practices Environmental and Social prudence in all its business activities to ensure that they become an inherent and integrated part of our project management process.

Your Company has taken many key initiatives like piloting the use of safer and greener natural Ester Oil in place of regular synthetic mineral oil in a 400 kV Reactor first time in the world, integration of Decision Support System (DSS) software developed by Forest Survey of India (FSI) for identification/ avoidance of environmental sensitive areas during the early stage of route alignment etc. Further, your Company has undertaken installation of digital water flow meter for monitoring groundwater extraction to optimize water consumption/uses and management of biodegradable waste through installation of composting machine in substation establishments. Besides, to reduce carbon footprint your company has taken initiative to replace diesel vehicles by electric vehicles & E-cart/Golf cart progressively in its office establishments/substations.

**Transparency** – Your Company, a pioneer in Sustainability Reporting in the Indian Power Sector released its 7th biennial Sustainability Report for FY 2019-21 in March 2022 based on internationally acclaimed and accepted “Global Reporting Initiative (GRI) Standards (Core)” duly validated by independent Accredited Assurance Provider. The report is available on the company’s website <https://www.powergrid.in/sustainability-report>.

**Alignment with SDG’s** - Your Company, in partnership with Global Reporting Initiative (GRI) South Asia, has taken several initiatives towards fulfillment of India’s commitment to United Nation’s Sustainable Development Goals (SDGs) Agenda, 2030 and has already aligned its activities with 13 SDGs out of total 17.

#### 14.2. Corporate Social Responsibility (CSR)

As India’s largest Electric Power Transmission Utility, your Company undertakes several CSR initiatives aimed at social and economic development of areas and communities. Through these initiatives, we impact the lives of millions of people by promoting inclusive growth and addressing the basic needs of under privileged and weaker sections of society. Due to your Company’s nature of business in remote areas of India, our CSR activities generally benefit the rural population and marginalized communities.



During FY 2021-22, your Company has spent ₹271.14 crore exceeding the CSR budget of ₹257.07 crore. Further, 152 new CSR projects of ₹420.83 crore were sanctioned during FY 2021-22.

During the year, the Company also contributed ₹75 crore to PM CARES Fund towards COVID-19 pandemic.

Your Company undertakes CSR activities in areas of healthcare, drinking water & sanitation, education, skill development, rural development and infrastructure like roads, community centers etc. These projects are conceived in consultation with the stakeholders, primarily in the vicinity of its area of operations. Major CSR projects undertaken and sanctioned by your Company during the year are as follows:

##### **Major CSR Projects undertaken during FY 2021-22:**

- Assistance in COVID-19 vaccination programme through procurement of cold chain equipment for the states of Punjab, Mizoram, Sikkim and UT of Ladakh.
- Financial assistance for construction of Nuclear Medicine Theranostics facility for patients undergoing Radioisotope Treatment at TMC/ACTREC for cancer patients at TATA memorial hospital, Mumbai.
- Financial support for Tata Memorial Centre (TMC) for developing Modular Operation Theatres at women and child hospital, ACTREC campus, TMC, Navi Mumbai.
- Financial assistance for Installation and Operationalization of 480 Smart classrooms in 240 Government Schools in 12 Districts of Haryana.
- Installation of 2x50 NM3/Hr Capacity oxygen generation plant in Gurugram.



- Financial assistance to National Foundation for Communal Harmony for education of 1632 violence affected students from Assam, Manipur and Chhattisgarh.
- Financial Assistance for procurement of 10 Neonatal Ventilators and 10 ABG Machines for District Hospitals at Mewat, Faridabad and Gurugram.
- Setting up of ITI, Shergarh, Jodhpur.
- Supply & installation of 3,250 solar LED street lights in Himachal Pradesh.
- Construction of Schedule Castes Senior Girls Hostel (50 Seater) at Tehsil Sarai in Singrauli district.

**Important CSR projects sanctioned during FY 2021-22:**

- Funding “POWERGRID Endowment Scholarship” Merit-Cum-Means (MCM) Scholarship Programme for B.Tech students of Indian Institute of Technology, Madras (IITM).
- Establishment of POWERGRID Gyan Kendra (PGK) by renovation and upgradation of Shaskiya Barmendra Jila Pustaklaya, Nagod, District Satna Madhya Pradesh.
- Establishment of 100 bedded Paediatric Intensive Care Unit (PICU) at GSVM Medical College, Kanpur.
- Supply of Medical equipment to Swami Ramanand Theerth Rural Government Medical College (SRTRGMC), Ambajogai, Beed district, Maharashtra.
- Providing Medical Equipment and Instruments to the various Government health facilities in the State of Sikkim.
- Financial Assistance for Construction of 100 Bedded District Hospital at Serchhip District in Mizoram, etc.

A complete list of all CSR Projects undertaken and sanctioned by the Company during FY 2021-22 are provided in **Annexure-X** of this Report.

**15. Governance**

**15.1. Right to Information**

To promote transparency and accountability, an appropriate mechanism has been set up across your Company in line with ‘Right to Information Act, 2005’. The Company has nominated Public Information officers and Appellate Authorities at Corporate, Regional Head Quarters and other offices to provide required information to the citizens under the provisions of Act.

The Company has also developed its own web based online RTI portal, which facilitates timely reply of RTI/Appeal to applicant by real time monitoring of all RTIs/ Appeals. The portal also facilitates auto generation of various RTI reports for internal and external stakeholders.

In FY 2021-22, around 1,065 RTI applications were received in the Company and processed timely as per the RTI Act, 2005. Training programs / awareness sessions for the Company’s CPIOs/PIOs/Appellate Authorities were organized for sensitization about their role in implementation of the RTI Act.

**15.2. Commitment to Transparency and Ethical practices**

Your Company advocates the principles of Transparency, Probity and Ethics in its management functioning. Vigilance Department of your Company performs Preventive, Pro-active as well as Punitive Vigilance and ensures that best ethical practices are followed.

**a) Emphasis on Preventive Vigilance**

To strengthen the organizational process and to minimize malpractices in various systems & activities of the organization, emphasis is laid on preventive vigilance. It focuses on the right types of systems or re-engineering processes for acting against potential threats.

During FY 2021-22, 89 surprise inspections, 20 process-on-line inspections and 12 Chief Technical Examiner (CTE) Type inspections were conducted. Pursuant to Vigilance inspections and observations/ recommendations, several system improvements have been implemented.

### b) Preventive Vigilance workshops as part of capacity building

During FY 2021-22, various Preventive Vigilance workshops, webinars were conducted for non-vigilance personnel at the Corporate centre as well as at various regions of the Company. These workshops inter-alia cover contracts management, provisions of Conduct Discipline and Appeal (CDA) Rules, compliances of rules and policies, common irregularities, deliberation of case studies based on real cases, quality aspects as well as Ethics Management which enables the employees to identify and deal with ethical dilemma.

### c) Vigilance Awareness

In pursuance of the directions of the Central Vigilance Commission, Vigilance Awareness Week was observed in your Company from 26th October to 1<sup>st</sup> November 2021 in line with the theme for this year "Independent India @ 75: Self-Reliance with Integrity; 'स्वतंत्र भारत @ 75: सत्यनिष्ठा से आत्मनिर्भरता', with full vigor, following all Covid related Government guidelines.



Your Company employees and their family members celebrated the Vigilance Awareness week with great enthusiasm. 696 activities including various competitions viz. essay, quiz, slogan, and painting competition for kids were organized by your Company for its employees and their family members wherein approximately 10,000 individuals participated. Walkathon was organized in around 285 establishments wherein employees along with their families participated. Nukkad Natak and Awareness Gram Sabhas were also organized during the week. The message of Vigilance Awareness Week 2021 was propagated through FM Channel, print and electronic media in national as well as regional languages. Stakeholders were also involved through vendor meets, which were conducted at Corporate Centre and all regions.

Integrity Pledge was conducted across all establishments of the Company, and it was extended to all the stakeholders. Around 20,000 employees and citizens took the Integrity Pledge.

Vigilance department journal; CANDOUR was released during the closing ceremony of Vigilance Awareness Week at the Corporate Centre, Gurugram. In line with the Commission's guidelines, the magazine was released in digital form (e-CANDOUR) for employees and public.

### 15.3. Citizen's Charter

A Citizen's Charter has been formulated for the Company providing a visible front of its Vision, Mission and Objectives. The Citizens' Charter consisting of Company profile, commitments, expectations from citizens, Integrated Management Policy, services offered, values and standards of services, access to information and grievance redressal is available on the Company's website.

## 16. People: Our Core Strength

Your Company has achieved excellent financial and operational results every year due to continuous alignment of HR practices with business objectives along with commitment of its strong motivated and competent workforce towards achieving Company goals. Your Company lays emphasis on organization culture that promotes continuous learning, creativity, sharing and development. Its Human Resource process and systems are designed to acquire, nurture, and empower professionals in line with core values of the Company in an equitable, collaborative, healthy and safe environment.

As on 31<sup>st</sup> March 2022, the employee strength of your Company stood at 8,536 (exclusive of the employees on contract) of which women employees constituted 7.87%.

### 16.1. Human Resource Development

Your Company firmly believes that great businesses are built with great people and great teams. To this end, through well-articulated talent management and learning & development interventions, your Company has always endeavored to create a high trust, high performance work culture that brings out the best in people, enables and empowers them for continuous learning and be future ready to create best-in-class organizational capabilities for unmatched market competitiveness.

To scale up learning and development in Power Sector, your Company has been operating the state-of-art POWERGRID



Academy of Leadership (PAL) at Manesar, which imparts a wide range of training and development opportunities for its employees and other stakeholders in India and abroad.

During this year, your Company organized more than 300 training and development programs through virtual mode through PAL, other Employee Development Centers in the regions and associated premier educational institutes in India and abroad. The range of trainings imparted include induction program to new recruits as well as hands-on, managerial, behavioral and leadership training for its employees and also training programs for other utilities.

Some of the key Learning & Development interventions undertaken by the Company during the year includes the following:

- Using a web-based Competency based Training Needs Assessment (CTNA), the Company has devised the Human Resource Development Action Plan for the financial year 2021-22 based on which the competencies of the employees are being upgraded to make them future ready.
- To promote social learning, capture and share both tacit and explicit knowledge in the Company, the portal for Mentoring and Coaching program named “SANDARSHIKA” has been rolled out successfully.
- Five employees were sponsored for a 15-month PGDM program by NTPC School of Business.
- In the field of e-Learning the Company has undertaken following interventions:
  - Developed 72 eLearning modules related to different business verticals and 9 Refresher courses related to Company information. 6,500+ employees have benefited from these courses.
  - Hosted 7 modules related to Power transmission for GOI’s ambitious “Mission Karmayogi” Programme.
  - 1,500 employees have been sponsored for Harvard Manage Mentor Program to enhance Leadership competencies.
  - Tie-up with Ministry of IT & Electronics, GOI and IT Industry body NASSCOM for their FutureSkills PRIME portal. This portal provides access to all employees of your Company to e-courses in emerging technologies and professional skills.

In the matter of stakeholder development, the Company has undertaken following interventions:

- 1,100+ apprentices have been engaged in different trades as per the Apprentice Act.
- 350+ contract staff have been imparted training under Recognition of Prior Learning (RPL) certification.
- MoU has been signed among National Skill Development Corporation (NSDC), National Skill Development Fund (NSDF), Power Sector Skill Council (PSSC) and POWERGRID for Skill development training of 6000 unemployed youth in power Sector. Presently 2200+ trainees are undergoing training across 20 locations in India.
- Under the Northern Eastern Regional Power System Improvement (CBIS-NERPSIP) Project, the Company is undertaking Capacity Building and Institutional Strengthening program for State Power Utilities in 6 (six) states of NER (viz: Assam, Meghalaya, Mizoram, Manipur, Nagaland, Tripura) and Capacity Building under Comprehensive Scheme (Arunachal Pradesh & Sikkim – 2 states)



- The Company has extended customized Training Programs for clients including NRPC, KIIFB, NPPTI, POSOCO, HVPNL, DTL, REC, PFC, HPPTCL, NPMU, CSPTCL, MEA and Overseas Clients including KETRACO & PGCB.

## 16.2. Employee Welfare

In our continual effort to meet and exceed the ever-changing expectations of our employees, your Company regularly updates its welfare policies in line with industry trends. During the year, in view of the second wave of COVID-19 pandemic that wreaked havoc around the nation, your Company introduced various initiatives for families of deceased employees to help them maintain a respectable standard of living. These rehabilitation initiatives included:

- Providing accommodation security to the family, increased insurance coverage of employees, securing various employee advances, providing a more comprehensive medical coverage to dependents of deceased employees, etc.
- Introduced the 'SAKSHAM' scheme to provide monetary assistance for education of wards of deceased employees and provide skill development opportunities and financial aid to spouse of deceased employees to build an earning potential within the family.
- Your Company arranged several vaccination camps for regular and contractual employees, their families, Isolation facilities were setup at various locations for affected employees and dependents. Various other facilities viz. home collection of samples for COVID-19 testing, medical consultation through tele- medicine, etc. were also arranged to help employees and their families during these unprecedented circumstances.
- Many webinars/ talks were also held by experts for employees on medical care, physical and mental wellbeing and lifestyle management during the pandemic.
- Your Company introduced the Equal Opportunity Policy this year to demonstrate our commitment towards promoting diversity and inclusion in the workforce. The Policy aims to create a harmonious workplace for all employees irrespective of their gender, nativity, community, religious beliefs, or physical and mental ability and enable them to achieve their full potential.



- Your Company also rationalized its medical rules to promote health and well-being requirement of our employees and their families.
- For the first time, your Company organized its Annual Cultural meet for all employees and their family members in virtual mode owing to COVID-19 pandemic situation where employees and their family members show-cased traditions/cultures of different geographies of country.
- Your Company's employees actively participated in Fit India Freedom Run 2.0 and other events organized across establishments of Company in commemoration of Azadi ka Amrit Mahotsav.

## 16.3. Grievance Redressal

Grievance redressal is always taken up with priority and your Company promptly redresses the grievances of its employees within the broad parameters of guidelines enumerated by Government of India and policy framework. Employees can lodge their grievances by way of an online portal. The Company has designated nodal officers at corporate & regional offices for systematic & prompt redressal of the grievances within stipulated time frames.

## 16.4. Ensuring Social Justice

Your Company has constituted a separate reservation cell to look after and safeguard the legal provisions for SC/ST/OBC & PwD categories of employees.

The reservation cell assists the Liaison Officer who looks after the welfare & safeguard of SC/ ST/ OBC & PwD employees. Liaison Officer also ensures that there is no discrimination based on caste, religion & disabilities amongst



the employees. To ensure effective discharge of duties across all establishments of your Company, separate liaison officer for each region has been nominated. The Company implements all directives and guidelines regarding reservation policy issued by Government of India. Annual inspection is also conducted to ensure implementation of directives issued by Government of India. Periodic meetings are also held with representatives of the association of SC/ ST & OBC to resolve issues, if any.

### 17. Prevention of Sexual Harassment at workplace

As per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made there under, the Company has Internal Complaint Committees (ICC), in place, to redress complaints received regarding sexual harassment. Your Company has been conducting training/workshop programs for both male and female employees sensitizing them on issues and the law/ Act relating to sexual harassment. Workshops on women empowerment, development and gender sensitization are also organized. Three complaints of sexual harassment were received during FY 2021-22 and all complaints has been disposed off in stipulated time as per the Guidelines.

### 18. Implementation of Official Language (Rajbhasha)

In pursuance of Government of India's Rajbhasha policy to promote Indian languages and Rajbhasha "Hindi", your Company has made all round efforts to integrate and promote use of Hindi in its works at all levels. Your Company has proved its commitment to ensure the implementation of Rajbhasha policy and to achieve the goal as laid out in the Rajbhasha annual target given by Department of Official Language.

To ensure the increased use of Official language, various activities such as Annuvad Abhayaas Karyakram, Workshops, Trainings, motivational programmes have been organized. Computer trainings are being imparted to enhance the working knowledge in Hindi while using computers. Hindi classes are also being organized for non-Hindi speaking employees through Hindi Teaching Scheme.

Various activities are undertaken to publicize Hindi every year, Akhil Bhartiya Rajbhasha Sammelans and technical conferences in Hindi, Kavi Sammelans (Poetry sessions), Plays, publication of House Magazines, publication of monthly articles in Hindi via emails are most prominent among these. Most

of these programmes were organized by video conferencing in the financial year 2021-22. Also, various competitions throughout the year with special emphasis during Hindi Pakhwada, Vigilance Awareness Week, Swachchhta Pakhwada etc. along with departmental meetings as well as Official Language Implementation Committee (OLIC) meetings are also being conducted. Your Company has established one of the best Hindi libraries among Public Sector where popular/literary Magazines and newspapers have been made available for the employees.

Attractive incentive schemes for employees working in Hindi have been implemented as per the Government guidelines. In addition, various reward schemes have been introduced to encourage employees to actively participate in promotion of Hindi, by giving articles/write-ups for in-house magazines, reading library books etc.

The effort made by your Company has been applauded in several forums during the FY 2021-22. Your Company received the first prize for excellent implementation of official language for the year 2019-20 by Ministry of Power, during the year. The Company also received awards from "Town Official Language Implementation Committee (TOLIC), Rajbhasha Vibhag, Ministry of Home Affairs, Government of India and other agencies regarding Implementation of Official Language. The offices of the regional headquarters including Vadodara, Bangalore, Kolkata, and Nagpur along with other offices like Siliguri, Itarsi, Nellore, Madurai, Durgapur, Roorkee, Mandola, Dadri etc. have been honored. Besides, your Company's efforts were also applauded during various inspections and discussions done by Hon'ble Committee of Parliament on Official Language on different occasions.

### 19. Stakeholder Engagement

Your Company focuses on engaging with all its stakeholders and building cordial relationships with them. This helps us in not only understanding their needs and expectations, but also helps us in recognizing opportunities and mitigating risks to our operations. We have a framework for engaging with our stakeholders which also includes categories of Stakeholder along with the respective modes of engagement.



For details, you may refer to the 'Value Creation' section of this Report.

## 20. Management Discussion and Analysis

The Management Discussion and Analysis Report, as stipulated under Regulation 34(2) of the SEBI (LODR) Regulations, 2015 and pursuant to Clause 7.5 of DPE Guidelines on Corporate Governance, forming part of the Directors' Report, is placed at **Annexure-I** of this Report.

## 21. Business Responsibility Report

The Business Responsibility Report, as stipulated under Regulation 34 (2) of the SEBI (LODR) Regulations, 2015, is given in **Annexure-II** and forms part of this Report.

## 22. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Pursuant to Section 134(3) (m) of Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, information relating to 'Conservation of energy, technology absorption and foreign exchange earnings and outgo', is given in **Annexure-III** to this Report.

## 23. Auditors

### 23.1. Statutory Auditors of the Company

The Statutory Auditors of the Company are appointed by the Comptroller & Auditors General of India. M/s. T R Chadha & Co LLP, M/s. Umamaheswara Rao & Co., M/s. B M Chatrath & Co LLP and M/s. P S D & Associates were appointed as Joint Statutory Auditors for FY 2021-22.

The Statutory Auditors have given an unqualified report. The report is self-explanatory and does not require any further comments by the Board.

### 23.2. Comptroller and Auditor General's Comments

The Company has received 'Nil' comments on the Financial Statements (Standalone and Consolidated) for the Year ended 31<sup>st</sup> March, 2022 from the Comptroller and Auditor General of India (C&AG) under Section 143(6) of the Companies Act, 2013. The comments are placed at **Annexure-IV**.

### 23.3. Secretarial Audit

M/s Kumar Naresh Sinha & Associates, Practicing Company Secretary conducted Secretarial Audit of the Company for the financial year ended 31<sup>st</sup> March, 2022. The Secretarial Audit Report is placed at **Annexure-V**.

The observations of Secretarial Auditor are as under:

1. The Company did not have requisite number of Independent Directors as required under Regulation 17 of SEBI (LODR) Regulations, 2015 and Para 3.1.4 of DPE Guidelines on Corporate Governance and the Company had a Woman Independent Director till 25<sup>th</sup> July, 2021.
2. The composition of Audit committee was not in line with Regulation 18(1)(b) of SEBI (LODR) Regulations, 2015 from 23<sup>rd</sup> July, 2021 to 14<sup>th</sup> December, 2021; and
3. The Composition of Nomination and Remuneration Committee was not in line with Regulation 19(1)(c) of SEBI (LODR) Regulations, 2015 from 26<sup>th</sup> July, 2021 to 14<sup>th</sup> December, 2021.

Regarding above, it was explained that yours is a Government Company, the power to appoint Independent Directors vests with the Government of India and the Company has taken up the matter for appointment of requisite number of Independent Directors with Government of India.

### 23.4. Cost Auditors & Cost Records

The Company appointed M/s Dhananjay V. Joshi & Associates and M/s Bandyopadhyaya Bhaumik & Co., Cost Accountants as Cost Auditors for the FY 2021-22 under Section 148 of the Companies Act, 2013.

Your Company is maintaining Cost Accounting Records as prescribed under the Companies (Cost Record and Audit) Rules, 2014, specified by the Central Government under section 148(1) of the Companies Act, 2013.



## 24. Board & Committees

### 24.1. Company's Board

During FY 2021-22, Shri Ghanshyam Prasad, Jt. Secretary, Ministry of Power, Government of India has been appointed on the Board of Company as Part-time Government Nominee Director w.e.f. 21<sup>st</sup> December 2021. Shri Onkarappa KN, Shri Chetan Bansilal Kankariya have been appointed as Independent Directors w.e.f. 17<sup>th</sup> November, 2021 and Shri Ram Naresh Tiwari, as an Independent Director w.e.f. 18<sup>th</sup> November, 2021.

Shri Dilip Nigam, Scientist 'G', Ministry of New and Renewable Energy (MNRE), Government of India completed his tenure as a Government Nominee Director on 30<sup>th</sup> April, 2022 and appointed again as Government Nominee Director w.e.f. 6<sup>th</sup> June, 2022.

Shri Raghuraj Madhav Rajendran has been appointed as a Government Nominee Director w.e.f. 5<sup>th</sup> August, 2022.

Shri Sunil Kumar Sharma and Smt. A.R. Mahalakshmi, Independent Directors have completed their respective tenure of 03 years on 22<sup>nd</sup> July, 2021 and 25<sup>th</sup> July, 2021, respectively.

Shri Mritunjay Kumar Narayan, Joint Secretary, Ministry of Power, Govt. of India demitted the post of Government Nominee Director w.e.f. 6<sup>th</sup> December, 2021.

Smt. Seema Gupta completed her tenure as Director (Operations), on attaining the age of superannuation w.e.f. 31<sup>st</sup> May, 2022.

Shri M.N. Venkatesan, Independent Director completed his tenure of 03 years on 10<sup>th</sup> July, 2022.

Shri Ghanshyam Prasad, Jt. Secretary, Ministry of Power, Govt. of India demitted the post of Government Nominee Director w.e.f. 14<sup>th</sup> July, 2022.

Shri M. Taj Mukarrum completed his tenure as Director (Finance), on attaining the age of superannuation w.e.f. 31<sup>st</sup> July, 2022.

The Board places on record its appreciation and gratitude to Shri M. Taj Mukarrum, Smt. Seema Gupta, Shri Mritunjay Kumar Narayan, Shri Sunil Kumar Sharma, Smt. A.R. Mahalakshmi, Shri M.N. Venkatesan and Shri Ghanshyam Prasad for their contribution and support to the Company.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, reappointment of Shri Abhay Choudhary (DIN: 07388432) and Dr. Vinod Kumar Singh (DIN: 08679313), as Directors liable to retire by rotation, have been included in the Notice of Annual General Meeting.

### 24.2. Number of Meetings of the Board

Board of Directors met 17 times during FY 2021-22. Details regarding dates and attendance at the Board meetings are provided in the Report on Corporate Governance, which forms part of this report.

### 24.3. Committees of the Board

The Company has constituted Audit Committee, CSR Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Risk Management Committee and other Committees for operational convenience. The composition and scope of the aforesaid Committees are provided in the Report on Corporate Governance, which forms part of this report.





Report on the Corporate Governance is enclosed at **Annexure-VI**, and the certificate thereon, issued by Practicing Company Secretary pursuant to Schedule V Para E of SEBI (LODR) Regulations, 2015 is attached at **Annexure-VII** to this Report.

#### **24.4. Declaration by Independent Directors**

During the financial year, all the Independent Directors have met the requirements specified under Section 149 (6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (LODR) Regulations, 2015 for holding the position of 'Independent Director' and necessary declaration from each Independent Director under Section 149 (7) of the Companies Act, 2013 and Regulation 25(8) of SEBI (LODR) Regulations, 2015 has been received.

Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of SEBI (LODR) Regulations, 2015, M/s Naresh Kumar Sinha & Associates, Company Secretaries have issued Certificate of Non- Disqualification of Directors, who were on the Board of Directors during FY 2021-22.

#### **24.5. Performance Evaluation of Directors**

This has been provided in the 'Report on Corporate Governance' section of this Report and you may refer it for details.

#### **24.6. Policy on Director's Appointment and Remuneration**

The Company has framed a policy on the remuneration of the Directors, KMPs and employees. The said policy is available on our website at [https://www.powergrid.in/sites/default/files/Investor\\_Relation/Reports\\_Filings/Code\\_of\\_Conduct\\_Policies/04\\_Remuneration%20Policy.pdf](https://www.powergrid.in/sites/default/files/Investor_Relation/Reports_Filings/Code_of_Conduct_Policies/04_Remuneration%20Policy.pdf)

### **25. Compliances**

#### **25.1. Risk Management Policy**

Information on Risk Management Framework is covered in the Management Discussion and Analysis placed at Annexure-I of this Report.

#### **25.2. Internal Financial Controls and Adequacy**

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its businesses, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds, error reporting mechanism, the accuracy and completeness of the accounting records and the timely preparation of reliable financial disclosures.

#### **25.3. Annual Return of the Company**

In accordance with Section 92(3) read with Section 134 (3) (a) of the Companies Act, 2013, Annual Return of the Company is available on the website of the Company and can be accessed at [https://www.powergrid.in/sites/default/files/Draft\\_MGT\\_7\\_21\\_22.pdf](https://www.powergrid.in/sites/default/files/Draft_MGT_7_21_22.pdf)

#### **25.4. Loans, Guarantees or Investments**

Loans, Guarantees or investments under Section 186 of the Companies Act, 2013 form part of the notes to financial statements attached to this Report.

#### **25.5. Contracts or Arrangements with Related Parties**

Contracts or arrangements with related parties referred to in Section 188 (1) of the Companies Act, 2013, in the prescribed Form AOC-2, are given as **Annexure-VIII** of this Report. Further, attention of the members is drawn on Note No. 55 of the Financial Statement which sets out related party disclosure.

#### **25.6. Subsidiaries and Joint Ventures**

As on 31<sup>st</sup> March 2022 the Company has 24 subsidiaries and 11 Joint Ventures Companies.

A statement containing salient features of the financials of our Subsidiaries and Joint Ventures are covered in the Management discussion and Analysis and annexed in the prescribed format AOC-1 as **Annexure-IX** of this Report.

#### **25.7. Dividend Distribution Policy**

The policy was adopted to set out the parameters and circumstance that will be considered by the Board in determining the distribution of dividend to its shareholders and/or retained profits earned by the Company. According to the



policy, Dividend for every financial year shall be decided by the Board considering various statutory requirements and Govt. guidelines, financial performance of the Company and other internal and external factors enumerated in the policy. The policy is also available on the Company's website at <https://www.powergrid.in/sites/default/files/Dividend%20Distribution%20Policy.pdf>

#### **25.8. Significant Material Orders**

There are no significant and material orders passed by the Regulators or Courts or tribunal impacting the going concern status and Company's operations in future.

#### **26. Annual Report on Corporate Social Responsibility**

In terms of provisions of Section 135 of the Companies Act, 2013, read with amended Companies (CSR Policy) Rules, 2014, the Annual Report on CSR activities in the format prescribed under the said rules is annexed to this Report at **Annexure-X**.

#### **27. Particulars of Employees**

Your Company being a Government Company, the provisions of Section 197(12) of the Companies Act, 2013 and relevant Rules issued thereunder, are not applicable as per the notification dated 5<sup>th</sup> June, 2015 issued by the Ministry of Corporate Affairs.

The terms and conditions of the appointment of Functional Directors are subject to the applicable guidelines issued by the Department of Public Enterprises (DPE), Government of India from time to time.



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

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

#### **29. Reporting of Frauds by Auditors**

During the year under review, none of the Auditors have reported to the Audit Committee or the Board, under Section 143(12) of the Companies Act, 2013 for any instances of fraud committed against the Company by its officers or employees.

#### **30. Fixed deposits**

We have not accepted any fixed deposits, including from the public and as such, no amount of principal or interest was outstanding as of the Balance Sheet date.

#### **31. Secretarial Standards of ICSI**

The Company has followed the requirements prescribed under Secretarial Standard on Meetings of Board of Directors (SS-1) and General Meetings (SS-2) read with MCA circulars granting exemptions in view of the Covid-19 pandemic.

#### **32. Material Changes & Commitments**

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

#### **33. Directors' Responsibility Statement**

As required u/s 134(3) (c) & 134(5) of the Companies Act, 2013, the Directors confirm that:

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- b. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent to give a true and fair view of the situation of the Company at the end of the financial year and of the profit of the Company for that period.

- c. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. the Directors had prepared the annual accounts on a going concern basis.
- e. the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- f. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### 34. Acknowledgements

The Board of Directors would like to express their deep sense of appreciation for the guidance and co-operation received from Government of India, particularly Ministry of Power, Ministry of Finance, Ministry of Home Affairs, Ministry of External Affairs, Ministry of Statistics and Programme Implementation, Ministry of Environment & Forests, Ministry of Corporate Affairs, Central Electricity Regulatory Commission, Appellate Tribunal for Electricity, Central Electricity Authority, NITI Aayog, Department of Public Enterprises, Regional Power Committees, Office of the Comptroller and Auditor General of India, and other concerned Government departments/agencies at the Central and State level without whose active support, the achievements of the Company during the year under review would not have been possible.

Special thanks to our valued customers, State Governments and State power utilities and other clients, who have awarded various consulting works and reposed faith in Company's capability to handle them. The Board also appreciates the contribution of contractors, vendors and consultants for successful implementation of various projects by your Company.

The Directors also acknowledge the valuable suggestions and guidance received from the Statutory Auditors during the audit of accounts of the Company for the year under review. The Board also conveys its sincere thanks to national and international financial institutions, multilateral financial institutions, domestic & international credit rating agencies for their assistance, continued trust and confidence reposed in the Company.

On behalf of Board of Directors, I would like to place on record our deep appreciation of the dedicated efforts and valuable services rendered by the employees contributing to the performance of the Company during the year 2021-22. The commitment displayed by the employees at all levels, particularly during the ongoing pandemic situation, is exemplary and praise-worthy. I would also like to thank the Executive team for their strong leadership, the employee unions for their support and all our employees for their commitment, enthusiasm, and dedication.

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



**(K.Sreekant)**

**Chairman & Managing Director**

**DIN: 06615674**

**Date: 5<sup>th</sup> August, 2022**

**Place: Gurugram**



The List of Annexures to the Director's Report are given below:

<b>Sr. No.</b>	<b>Annexure to the Director's Report</b>	<b>Page number</b>
Annexure - I	Management Discussion and Analysis	61-89
Annexure - II	Business Responsibility Report	90-102
Annexure - III	Particulars required under Rule 8 (3) of Companies (Accounts) Rules, 2014 read with Section 134 (3)(m) of the Companies Act, 2013	103-106
Annexure - IV	Comments of C&AG u/s 143 (6)(B) of the Companies Act, 2013	107-110
Annexure - V	Secretarial Audit Report	111-115
Annexure - VI	Report on Corporate Governance	116-141
Annexure - VII	Certificate on Corporate Governance	142
Annexure - VIII	Form No. AOC-2	143-147
Annexure - IX	Form No. AOC-1	148-151
Annexure - X	Annual Report on Corporate Social Responsibility	152-156



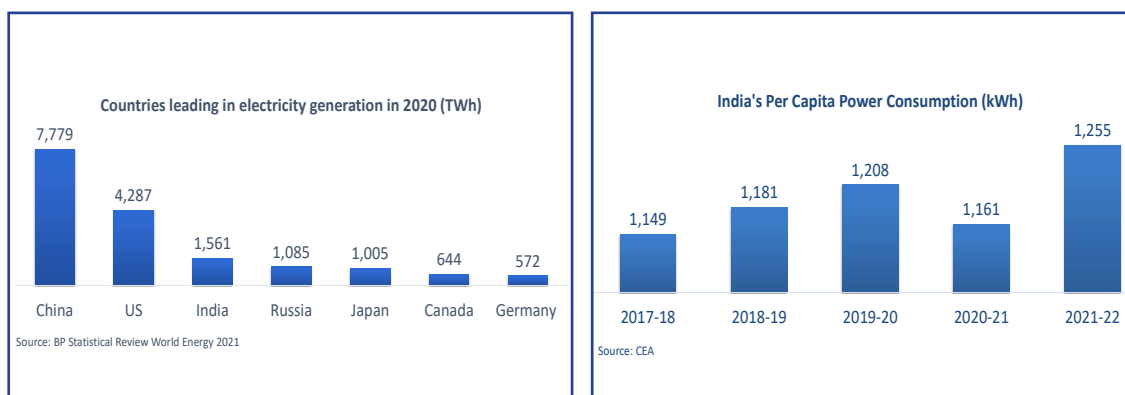
## MANAGEMENT DISCUSSION AND ANALYSIS

### 1. Economic Overview of Indian Power Sector

The global economy including India gradually started recovering in the last year from the impacts of COVID-19. Particularly the latter half of the year, witnessed increased vaccine coverage across the globe and a drop in the cases. However, the global economic prospects worsened since the start of 2022 due to geopolitical environment in Eurasia and the economic recovery got a severe setback. As a result, the global GDP growth rate is expected to slow down to 3.2% in 2022 as per IMF World Economic Outlook, July, 2022. While India is also expected to be impacted by the global turmoil, the GDP growth rate is estimated to be 7.4% in 2022.

India aspires to become a US\$5 trillion economy in coming years and attain US\$40 trillion by 2047, when India marks centenary year of Independence. Energy Sector is playing a pivotal role in progress of country, both in ease of living and ease of doing business. Electricity has been regarded as a strategic commodity and has multiplier effect on variables determining landscape of economy.

As electricity rapidly replaces other sources of energy, a robust power sector becomes more critical for the growth of the economy with thrust on sustainability and energy security. Despite being the third largest electricity consumer in the world, per capita electricity consumption in India was 1,255 kWh (FY 2021-22), considerably low as compared to the world average of more than 3,200 kWh. The per capita consumption of our country is envisaged to increase to 1,616 kWh by 2025.



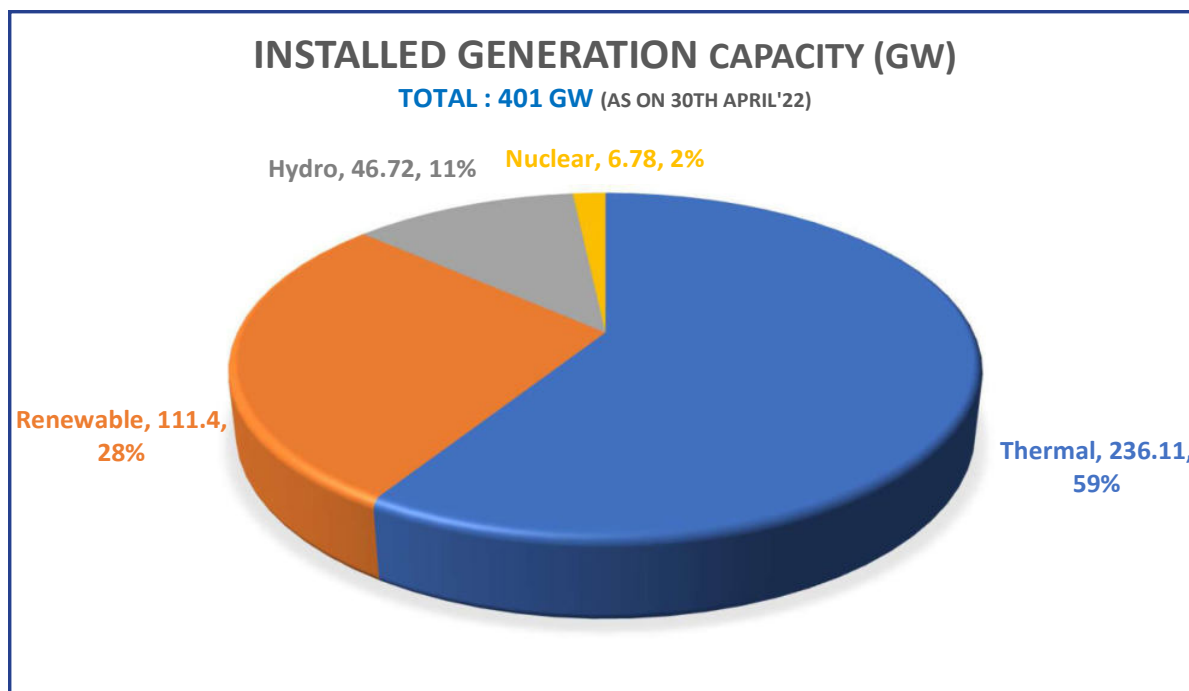
Though 80% of India's energy requirements are currently met by coal, oil, natural gas and solid biomass, India has emerged as a leader in commitment to sustainability and has taken progressive actions under its Nationally Determined Contributions (NDCs). It has strengthened its position as a transforming nation with outstanding far-reaching agendas like increasing non-fossil fuel based installed electricity capacity of the country.

At COP26, Hon'ble Prime Minister announced five nectar elements (Panchamrit) of India's Climate action:

- Reach 500 GW Non-Fossil energy capacity by 2030.
- 50% of its electrical energy requirements to be met from renewable energy sources by 2030.
- Reduction of total projected carbon emission by one billion tonnes from now to 2030.
- Reduction of the carbon intensity of the economy by 45% by 2030, over 2005 levels.
- Achieving the target of net zero emission by 2070.

On 3<sup>rd</sup> August, 2022, Govt. of India has updated nationally determined contribution (NDC) representing framework for India transition to cleaner energy for period 2021-30. As per the updated NDC, India now stands committed to reduce emission intensity of its GDP by 45% by 2030 from 2005 level and achieve about 50% cumulative electric power installed capacity from non fossil energy resources by 2030.

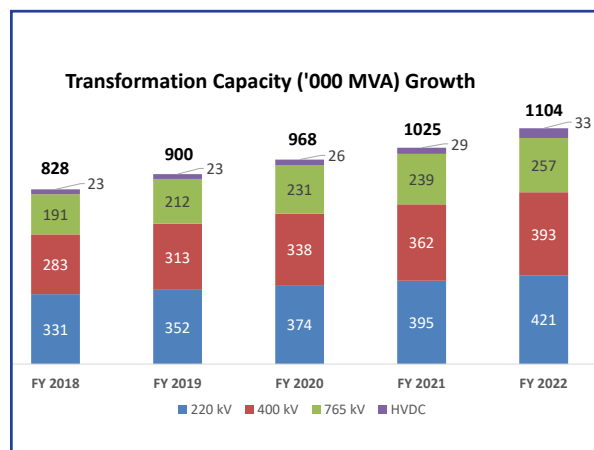
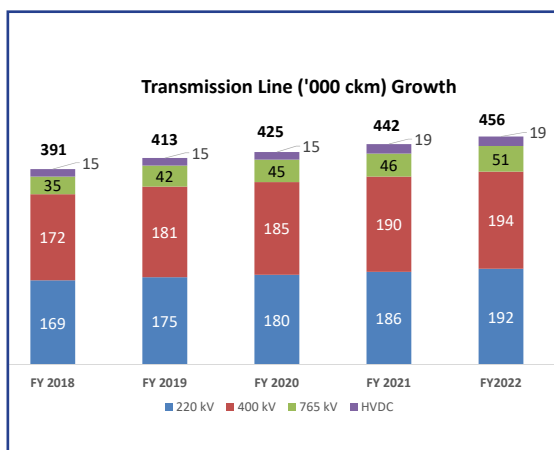
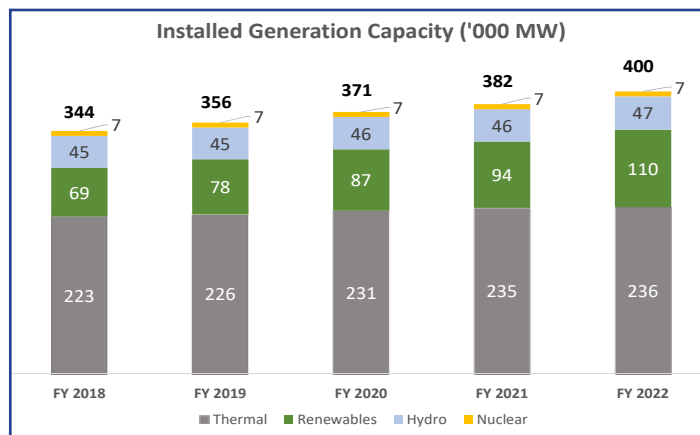
As of April 2022, India is fourth largest in terms of renewable power generation capacity in the world with installed capacity of 111 GW (excluding Large Hydro Capacity) along with 61 GW renewable capacity under implementation phase and 20 GW at various phases of bidding. The non-fossil fuel based installed capacity of the country is 165 GW i.e. 41% of the total installed power generation capacity.



The overall growth in the power sector across various segments, during last 3 years, is detailed as below:

	FY19-20	FY 20-21	FY 21-22	Growth	Growth
				YoY (%)	(FY17-FY22)
					CAGR (%)
<b>Generation</b>					
Total Installed Capacity (incl. RE) GW	370.11	382.15	<b>399.49</b>	4.54	3.89
Renewable Capacity GW	87.03	94.43	<b>109.85</b>	16.33	12.35
Total Generation (incl. RE) BU	1,389.1	1,381.86	<b>1,491.86</b>	7.96	3.63
Generation from RE sources (BU)	138.32	147.25	<b>170.91</b>	16.07	11.16
Cross-Border Power Exchange (BU)	15.68	18.74	<b>16.83</b>	-10.19	3.60
<b>Transmission</b>					
Transmission Lines (ckm)	4,25,071	4,41,821	<b>4,56,716</b>	3.37	3.66
Transformation Capacity (MVA)	9,67,893	10,25,468	<b>11,04,450</b>	7.7	6.82
Inter-Regional Power Transfer Capacity (MW)	1,02,050	1,05,050	<b>1,12,250</b>	6.85	4.88
Inter-Regional Power Transfer (BU)	197.21	214.77	<b>228</b>	6.16	7.52
<b>Power Markets</b>					
Short Term Transactions (Nos.)	50,948	69,036	<b>89,544</b>	29.71	32.57
Short Term Transactions (Energy Transacted) BU	117.36	123.67	<b>162.809</b>	31.65	17.78
<b>Power Supply Position</b>					
Peak Demand (GW)	183.8	190.2	<b>203.01</b>	6.74	5.10
Peak Demand-Met (GW)	182.53	189.4	<b>200.54</b>		
Deficit (%)	0.7%	0.40%	<b>1.20%</b>		
Energy Demand (BU)	1,291.01	1,275.53	<b>1,379.81</b>	8.18	3.38
Energy Met (BU)	1,284.44	1,270.66	<b>1,374.02</b>		
Deficit (%)	0.5%	0.40%	<b>0.40%</b>		

Indian power sector is undergoing significant changes that have redefined the industry outlook. There's a consistent increase in the installed generation and transmission infrastructure depicting bright future in the Power Sector.



## Future Potential of Power Sector

- Renewable Energy sector in India is emerging as a significant player in the grid connected power generation capacity and is gearing up to play a much bigger role in achieving energy security in the years ahead.
- Increasing investments in the form of ambitious projects across the value chain.
- As per the rolling plan (March'22) prepared by Central Transmission Utility of India (CTUIL) upto 2026-27 for Inter-State Transmission System (ISTS) envisages an investment of about ₹1,24,148 crore during FY 2023-27.
- Renewable energy zones (REZs) of aggregate capacity of 181.5 GW have been identified in 8 states including Andhra Pradesh, Karnataka, Telangana, Rajasthan, Maharashtra, Madhya Pradesh, Gujarat (5GW Offshore wind) & Tamil Nadu (5 GW Offshore wind). These RE capacities include the Solar-Wind hybrid projects along with energy storage systems.
- Government of India has decided to bid-out off-shore energy blocks as per following:
  - Project capacity of 4.0 GW per year for a period of three years starting with FY 2022-23 for development off the coast of Tamil Nadu and Gujarat are for sale of power through open access / captive / bi-lateral third-party sale / merchant sale.
  - Subsequently, project capacity of 5 GW will be bid out every year for a period of five years i.e. up till FY 2029-30.
- Electricity (Transmission System Planning, Development and Recovery of Inter-State Transmission Charges) Rules, 2021 paves the way for overhauling of transmission system planning, towards giving power sector utilities easier access to the electricity transmission network across the country. The rules underpin a system of transmission access which is termed as a General Network Access (GNA) in the inter-state transmission system. In a major change from the present system, transmission planning will be led by demand for electricity and network expansion will precede generation capacities. State power utilities will also be able to purchase electricity from any source connected to the network and optimize their power purchase costs.
- Government of India has launched National Hydrogen mission with an aim to decarbonize major sectors of the economy and making India a green hydrogen hub. The green hydrogen policy has been notified in February, 2022 and is also expected to promote renewable energy generation as RE will be the basic ingredient in making hydrogen and will help in international commitment of clean energy.



## 2. Transmission Sector

Transmission sector plays a critical role in the value chain of the power sector. It acts as a growth lever for power sector by enabling seamless integration of power generation and availability of reliable, secure and affordable power to all the consumers. Increase in generation capacity, integration of renewable energy and focus of government on providing electricity to rural areas, has led to an extensive expansion of the country's transmission and distribution (T&D) system across the country. To meet the growing energy demand (peak demand of 207 GW met in April, 2022) through sustainable sources, India is going through energy transition at rapid pace with greater focus on development of new Renewable Energy (RE) resources. Out of 500 GW, about 225 GW RE (Solar & Wind) is expected to be integrated into the grid by 2026-27. With the faster adoption of E-mobility to reduce emission of greenhouse gases, the demand for electricity has gained even more importance.

## 3. Opportunities

As per the 19<sup>th</sup> EPS published by CEA, India's power demand is expected to increase to about 299 GW by 2026-27, a growth of about 47% from the present demand of 203 GW in FY 2021-22. To meet this fast-growing demand, generation capacity is also being continuously added into the grid. Accordingly, the installed capacity of India is expected to be about 568 GW by 2026-27 thereby registering a growth of about 42% from the installed capacity of 399 GW at the end of FY 2021-22.

Large RE parks of GW capacities are being developed in the country in resource rich areas to meet the energy transition goals. This huge quantum of RE needs to be transferred reliably and securely to all the major load-centres of the country. The integration of large amount of RE with the grid comes with many challenges like low-capacity utilization factor (CUF), flexibility, intermittency etc. One of the solutions could be to implement energy storage systems. Hence, there is also a thrust on development and integration of energy storage devices in form of batteries, pumped hydro etc. in the National Grid, which can store the excess electricity during off-peak period and hence provide balancing power during low or no RE period and increase utilization of transmission system associated with RE projects.

### Transmission:

#### I. Inter-State Transmission System

In order to integrate the envisaged generation capacity of 568 GW (predominantly RE), and to meet the projected demand of 299 GW, by 2026-27, following asset addition is expected to be added as per the rolling plan of ISTS by CTUIL.

Sl. No.	Financial Year	Ckm addition	MVA addition	Estimated cost (in ₹ crore)
1	2022-23	10,009	49,365	27,673
2	2023-24	6,099	52,820	19,079
3	2024-25	9,355	84,695	29,904
4	2025-26	4,404	23,330	20,525
5	2026-27	2,028	6,630	26,967
<b>Total</b>		<b>31,895</b>	<b>2,16,840</b>	<b>1,24,148</b>

(Source: Rolling Plan 2026-27 for Inter-State Transmission System by CTUIL)

Further, the Inter-Regional (IR) transmission capacity is expected to grow from present level of 1,12,250 MW to about 1,18,740 MW in next 2-3 years.

#### II. Intra-State Transmission System

The growing power demand calls for matching Intra state transmission systems infrastructure. Some of the States have started the development of Intra state transmission system by awarding works through TBCB route. This has thrown opportunity to prominent players operating in the development of Intra-State transmission system.

Government of India has approved Green Energy Corridor (GEC) phase-II for Intra State transmission system. The scheme will facilitate grid integration and power evacuation of approximately 20 GW of Renewable Energy (RE) power projects in seven States namely, Gujarat, Himachal Pradesh, Karnataka, Kerala, Rajasthan, Tamil Nadu and Uttar Pradesh. The estimated cost of the project is around ₹12,000 crore and is targeted to be set up by FY 2025-26 with establishment of transformation capacity of approx. 27,500 MVA and installation of approx. 10,750 ckm of transmission line in seven states.

Further, the ongoing initiatives of Government of India and demand growth projections have spurred the investment opportunities in Intra state space through joint venture with prospective States and other various modes like extending consultancy services on project management, engineering solutions etc.

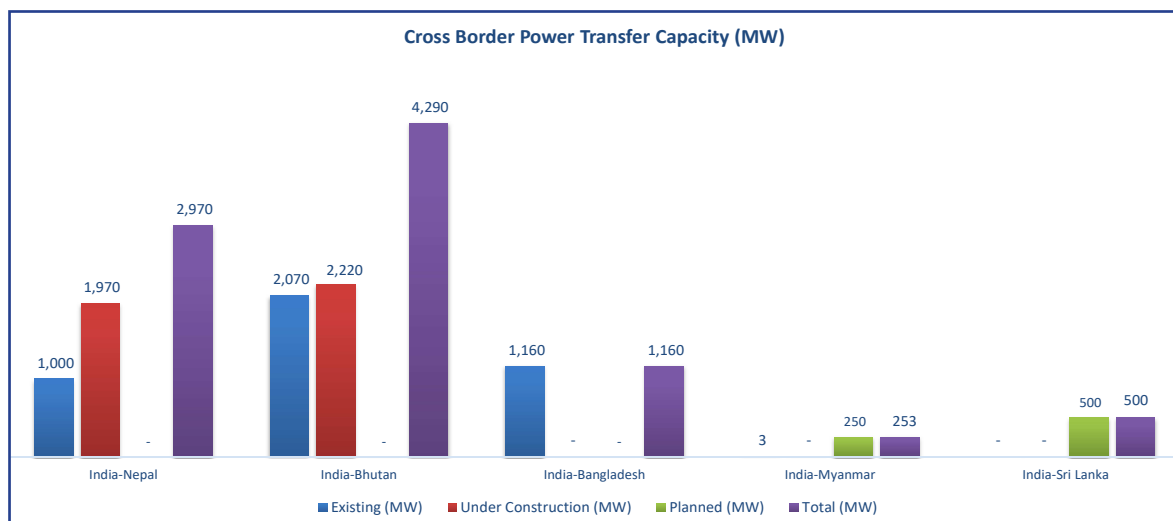


In addition to the above, Government of India has recommended to States to transfer 33 kV systems from DISCOM to State Transmission Utilities (STUs) with an objective of better upkeep of 33 kV network through investment in technological advancement. This shall lead to improvement of performance of 33 kV network.

### III. Cross-Border Inter-connections

Transmission of power is economical than transportation of fuel. It is important to establish electrical interconnections with neighboring countries which would be beneficial in meeting growing power demand, sharing of various types of energy resources, decreasing operational cost through better resource management, utilizing renewable energy resources, and deferring investment by optimizing spinning reserves.

Presently, India is connected with its neighboring countries, Nepal, Bhutan, Bangladesh and Myanmar through various electrical interconnections with a cumulative power transfer capacity of about 4,233 MW. The cross-border power transfer by India with neighboring countries is through Inter-Governmental bilateral cooperation, which plans for cross border interconnection and system operation. The present cross-border transmission capacity of India with neighboring countries is summarized below:



**“One Sun, One World, One Grid”:** Studies on techno-economic feasibility of interconnection of regional grid viz. South-East Asia, South Asia, Middle East (Gulf Cooperation Council), Africa & Europe for exchange of renewable power are being undertaken. Further, to facilitate Maldives’ energy transition programme, India and Maldives have proposed to establish transmission interconnection for renewable power transfer as part of One Sun, One World & One Grid initiative.

### IV. Other emerging opportunities

#### a) Grid scale battery energy storage technologies

The intermittency associated with the RE technologies is a limitation, which needs to be addressed in the power system. Renewable energy supply round-the-clock (RTC) with the help of battery storage overcomes the intermittency associated with solar and wind, which generate energy only when there is enough sunshine and wind. Government of India has identified the requirement of approx. 27 GW/108 GWh energy storage including BESS by 2030.

Grid scale battery energy storage technologies have started gaining popularity globally due to reducing cost of installation. It is anticipated that battery energy storage technologies would become financially viable and complement RE as a prominent generation source in coming years.

#### b) Revamped Distribution Sector Scheme

It is a reform-based and results-linked scheme with an objective to improve quality and reliability of power supply to consumers through a financially sustainable and operationally efficient distribution Sector. This scheme aims to reduce the AT&C losses to pan-India level of 12-15% and ACS-ARR gap to zero by FY 2024-25. The Scheme has an outlay of ₹3,03,758 crore over a period of five years from FY 2021-22 to FY 2025-26. This scheme shall create opportunities for capital investment/ partnering with the State utilities through various model like consulting services/ handholding to prospective states.



## 4. Company's Outlook

### I. Transmission

Your Company is primarily operating in Inter-State transmission sector and owns and operates approximately 85% of country's network. As part of business strategy, the Company has expanded into development (acquired through TBCB mode) of Intra State network and has successfully commissioned/ maintaining transmission system in the state of Uttar Pradesh.

The Company's robust & large power transmission network (along-with its subsidiaries) along with other business segments, i.e. Telecom, Consultancy etc. are discussed in Directors' Report.

Your Company continues to be a prominent player in transmission sector and has further aligned its business processes/ approaches to capitalize opportunities in Indian power transmission sector discussed above. Consequent to hiving off of statutory functions of India's Central Transmission Utility (CTU), your Company continues to be a deemed Transmission Licensee under the Act and discharge functions incidental and connected therewith.

The Company is expected to play a prominent role in opportunities under tariff based competitive bidding consequent to requirement of transmission system to achieve 50% cumulative electric power installed capacity from non-fossil fuel based energy resources by 2030.

Your Company is exploring various opportunities available under Intra State segment and is currently executing works in the state of Uttar Pradesh, Madhya Pradesh along-with participation in bidding opportunities being offered under Tariff Based Competitive Bidding.

### II. Telecom

Digital infrastructure and services are increasingly emerging as key enablers and critical determinants of a country's growth and well-being. With significant capabilities in both telecommunications and software, India stands poised to benefit from harnessing new digital technologies and platforms to unlock productivity, catalyzing economic growth, development, and ensuring access to next generation services for its citizens. Your company has set up a pan India fibre optic-based communication network to meet the communication requirement for safe and reliable operation of its transmission assets. The spare capacities available under telecom infrastructure is being also utilized for providing telecom services to various customers (Telecom service providers, Government Department, State Governments, PSU, IT companies, Defense establishments).

The rapid and unprecedented growth of mobile phone, internet, social media platforms, and the rapid expansion of digital payments, data consumption and generation across India indicate that the data economy and digital technologies and services have evolved into widespread instruments of access and empowerment for citizens. To harness emerging opportunities in the sector, your Company has formed a wholly owned telecom subsidiary company-POWERGRID TELESERVICES LIMITED. It has also received the Unified License for National Long Distance (NLD), International Long Distance (ILD) and Internet Service Category-A (ISP-A) Service from Department of Telecom. The telecom business of the company will be hived off into this company in the current fiscal year subject to necessary approvals.

The Company is exploring new business opportunities within the telecom segment viz. setting up of Data Center, International Long Distance (ILD) Bandwidth Business to directly serve neighboring countries with reliable connectivity. Company is establishing pilot Data Centre at Manesar, Gurugram. The Company has been continuously augmenting its all-India telecom network by enhancing new bandwidth capacity in existing routes, adding new routes and new locations to tap the opportunities. Your Company has also established 200 G based DWDM system and has established separate 100 G internet network with SD-WAN, DNS and D-DOS facility. Further, considering the security requirements of Government Department, the Company is in process of establishing the Telecom network on Non-PRC country Telecom Equipment.

### III. Consultancy

#### Domestic

Driven by years of sectoral knowledge and large pool of experienced professionals, your Company is regularly undertaking consultancy assignments on pan India basis. With strong in-house expertise in transmission, sub-transmission, distribution area, the Company is exploring various avenues on acquiring business in field of transmission, distribution by playing key role as consultant for successfully implementing Government of India flagship program of Revamped Distribution Sector Scheme. With evolving sectoral landscape, your Company is focusing to play pivotal role in assisting state utilities with cutting edge technology in areas of sub transmission & distribution. Consultancy services for development of associated transmission system for renewable generators is also emerging as source of business.

The Sub-transmission system plays an important role as an interface between transmission and distribution system. Ministry of Power, Government of India has recommended to bring 33 kV systems from DISCOM to STUs and various technical measures for improvement of performance of 33 kV network including robust network planning, network re-configuration, re-conductoring, predictive maintenance, Modern technologies for improvement of reliability etc. Ministry of Power has also suggested STUs to form joint venture with your Company wherever necessary. Your Company is engaging with DISCOMs to explore opportunities for collaboration in this area.

#### **International**

Your Company has so far established footprints in 23 Countries spread across Asia, Africa, CIS countries, Asia-Pacific, Middle East and Europe by providing Consultancy services on Concept to commissioning of Transmission system viz. feasibility Study/Preparation of DPR, Project Management and Construction Supervision, Assistance in Procurement, Asset Management and Capacity Building to various clients which include state-owned power utilities, multilateral funding agencies like World Bank, ADB, KfW, IFC and Government of India. Your Company is exploring opportunities in Africa, Asia, Middle East and CIS countries.

In line with the Vision and as part of Government of India's global outreach aspirations from its Maharatna CPSEs, your company is also exploring global opportunities for equity investment in power transmission projects. Company has signed Joint Development Agreement (JDA) with Africa50 to take up investment in Kenya under PPP mode through a Joint Venture with Africa50. Your company has also signed Share Holders' Agreement with Nepal Electricity Authority for development of Indian portion of 400 kV New Butwal (Nepal) – Gorakhpur (India) transmission line in 50:50 JV.

The Company's performance and latest status of works under implementation has been discussed in the Directors' Report.

#### **IV. Foray into Solar Power Generation:**

Your Company is looking for new business opportunities to enhance its operational presence in various new areas thus bringing more value to its shareholders. In view of the thrust on RE generation by Government of India, solar power generation is one such opportunity with immense potential for investment.

Your Company has un-utilized vacant land available at various locations which are suitable for establishment of Solar PV Power Plant. 5 locations at Nagda (Madhya Pradesh), Aurangabad (Maharashtra), Durgapur (W.B.), Bina (M.P.), Itarsi (M.P.) having potential of installed capacity of about 200 MWp have been identified. The work for first commercial 105 MWp Solar PV Plant is in progress at Nagda (M.P.).

#### **V. Other Opportunities:**

Your Company has large talent pool equipped with new age skills and experience to perform a leading role in entire supply value chain of power sector. The Company intends to partner with prospective states / utilities in the field of distribution businesses (upgradation of the distribution Infrastructure, Smart Metering under reform based and results linked scheme of Revamped Distribution Sector Scheme (RDSS)). To fructify this, your Company has incorporated a wholly owned subsidiary, POWERGRID Energy Service Limited, with an objective to invest and/or act as Project Management consultant in new and emerging business areas viz. Energy Management, Transmission & Distribution business, Electric Vehicle charging infrastructure, Energy Storage, Smart Grid etc. in India and abroad.

Your company has initiated procurement process for End-to-End Metering Solution for 1 crore smart meters and discussions for development of SMART METERING infrastructure in state utilities are underway.

#### **5. Major Constraints / Challenges / Threats faced in construction, operation & maintenance of Transmission systems and mitigation thereof:**

- I. Conserving Right-of-Way (RoW) through forests, agricultural land, urban areas, industrial establishments as well as other infrastructure, upgradation of transfer capacity of lines matching with power transfer requirement, securing land for substations are major areas of concern in development of transmission network in the country.



Challenges in Construction	Mitigation actions
1. Managing scarcity of land for construction of Substation	Apart from investing in new technologies like Gas Insulated Substations (GIS) and Hybrid sub-station, your Company, in order to minimize social impact, reduce resistance and ensure long term relation with land-owners in particular and community in general, has decided to secure land for its substation through mutual consent on 'Willing Buyer Willing Seller' basis as far as possible. Securing land voluntarily instead of involuntary acquisition by invoking provision of applicable act has resulted in smooth and resistance free acquisition of land for substations.
2. Overcoming Forest/wildlife Clearances challenges	POWERGRID is utilizing Fortnightly Regional Coordination Meeting (FRCM) conducted by each Regional Integrated Regional Offices (IRO) of MoEFCC for resolution of its pending forest/wildlife cases as well as their approval by Regional Offices of MoEFCC expeditiously.
3. Timely expansion of Transmission system to meet the requirements of Renewable Energy (RE) capacity addition	The alternate procurement methodology to meet these short timeline requirement of Transmission projects were explored and following methodology for implementation of small bay work was proposed: <ul style="list-style-type: none"> <li>• Bulk procurement of the 400 kV &amp; 220 kV AIS Main equipment (i.e. CB, CT, CVT, LA, Isolator etc.) and 220 kV GIS Hybrid Bays.</li> </ul>
4. Major outages of sub-station/generating plant due to natural calamities	<ul style="list-style-type: none"> <li>• Procurement of a mobile GIS station which consist of one no. 220 kV and one no. 132 kV bays (suitable for line/Transformer/Reactor application) mounted on trailer(s), which shall meet the contingency requirement for evacuation of power to match the schedule of generation plants.</li> </ul>

- II. The Company is continuously taking efforts maintain the high standards of availability and reliability of its transmission system through use of latest state-of-art maintenance practices. Maintenance activities are planned well in advance and an 'Annual Maintenance Plan' is prepared for every asset through live line or shutdown maintenance, as per technical feasibility which has minimized the tripping of lines especially. The software tool, Transformer Online Condition Monitoring System (TOCMS), is operational at NTAMC and RTAMC. POWERGRID has invested in the latest available technological tools and techniques for better operational performance and in this direction following latest technologies have been adopted by your Company:

Challenges in Operations and Maintenance	Mitigation actions
Increasing operational & maintenance efficiency	<ul style="list-style-type: none"> <li>• <b>Development of transmission line patrolling APP:</b> Developed an in-house application software PG-DARPAN (POWERGRID DIGITAL APPLICATION FOR ROUTINE PATROLLING &amp; ASSESSMENT OF NETWORK) for transmission line patrolling with real time data and customizable dashboard for monitoring by management.</li> <li>• <b>Hotline maintenance and Emergency restoration system (ERS):</b> Implemented hot line maintenance technique to carry out maintenance of critical elements in live condition to avoid outages. Your Company is also using ERS for quick restoration of transmission lines in case of failures.</li> <li>• <b>Reactor with Natural ester oil:</b> Commissioned World's first 400kV Shunt Reactor with Natural Ester oil as insulating fluid.</li> <li>• <b>Digital Substations:</b> Initiated upgradation of conventional protection and control system at 400/220kV old Kanpur substation to IEC 61850 process bus based full digital system towards digitalization.</li> <li>• <b>FACTS Devices (STATCOM/SVC/FSC/TCSCs):</b> Installed state-of-the art Static Synchronous Compensators (STATCOMs) in the 400kV grid to improve the grid reliability and voltage stability limit at multiple locations. Implemented Thyristor Controller Reactor (500 MVAR) in Kurukshetra to improve the static as well as dynamic voltage profile of Kurukshetra HVDC station.</li> <li>• <b>Refurbishment of HVDC:</b> Conducted functionality tests of Reverse power flow for evacuation of POWER from solar energy zones in Ballia-Bhiwadi HVDC link (Rajasthan).</li> </ul>

## 6. Risk Management Framework

In today's world, we operate in an environment that is highly dynamic, uncertain, and complex. Such an environment requires an organization to develop an efficient process to proactively evaluate the nature of risks and undertake measures to manage and mitigate risks.

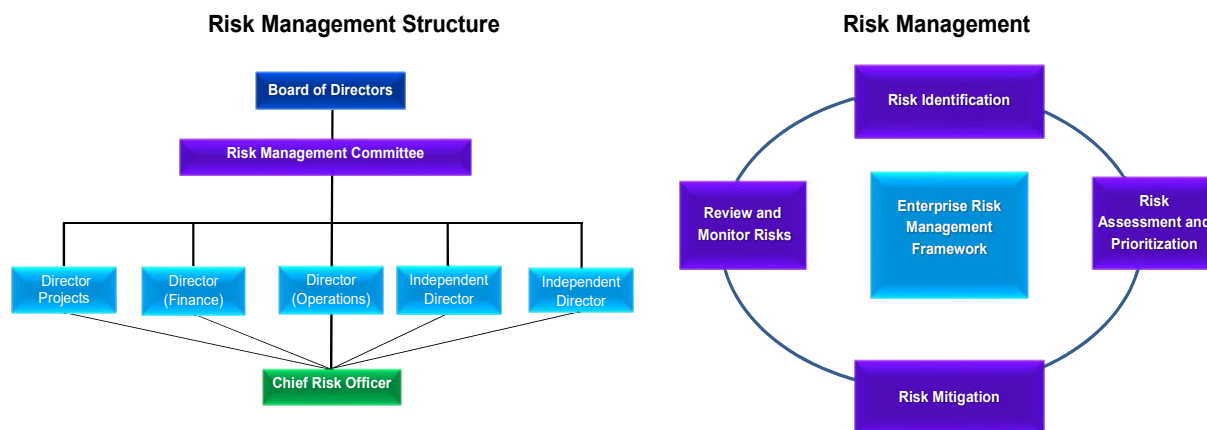
We believe risks are multi-dimensional and need to be addressed holistically, considering the dynamic environment. Thus, to manage the strategic, operational, governance and cyber security risks associated with POWERGRID's business operations and growth objectives, your Company has established a comprehensive Enterprise Risk Management (ERM) framework for



identification, assessment, monitoring and management of risks. These risks are monitored and controlled through various Key Performance Indicators (KPIs).

To periodically review and monitor the identified risks, process and practices. Your Company has a dedicated Board level Risk Management Committee comprising of two Independent Directors and three Executive Directors as members. The Committee meets at regular intervals and reviews KPIs & major business risks and provides corrective measures to improve business efficiency. The ERM approach has helped POWERGRID to not just identify and mitigate various internal and external risks but also capitalize on emerging opportunities associated with various risks.

During the reporting period, meetings of Risk Management Committee were held to monitor / review the risks. Senior General Manager (Corporate Planning) has been designated as Chief Risk Officer of the Company.



## 7. Internal Financial Control and Adequacy

POWERGRID has a comprehensive internal control mechanism in place to verify the Accounting and Financial Management System, adequacy of controls, material checks, financial propriety aspects and compliance implementation mechanism. The elaborated guidelines for preparation of Accounts are followed consistently for uniform compliance.

In line with the regulatory requirements, the Internal Auditors were appointed by the Board of Directors. Regular and exhaustive Internal Audit on half yearly basis is carried out by the experienced Cost / Chartered Accountant Firms in close co-ordination with Company's own Internal Audit department to ensure that all checks and balances are in place and all internal controls/systems are in order. The Corporate Internal Audit Department also carries out System Audit and Management Audit to reassure the effectiveness of internal control mechanism. The scope of the Internal Audit is derived from the Internal Audit Plan approved by the Audit Committee. The Audit Committee meets at regular intervals. The significant / material audit findings are placed before the Audit Committee for review, discussion and subsequent action.

## 8. Integrated Management Policy

POWERGRID is committed to:

- establish and maintain an efficient and effective "National Grid" with due regard to time, cost, technology and value addition,
- sustainable development through conservation of natural resources and adopting environment friendly technology on principles of Avoidance, Minimization and Mitigation,
- ensure safe, occupational hazard free and healthy work environment,
- to the satisfaction of stakeholders in all areas of its activities and shall endeavor to improve continually its management systems and practices in conformity to legal and regulatory provisions.



## 9. Financial Discussion and Analysis

### Total Income

(₹ in crore)

Particulars	FY 2021-22	FY 2020-21	% Change
Revenue from Operations	39,928.09	37,665.65	6.01
Other Income	2,407.78	2,861.46	(15.85)
<b>Total</b>	<b>42,335.87</b>	<b>40,527.11</b>	<b>4.46</b>

Total income in FY 2021-22 was ₹42,335.87 crore, which represented an increase of 4.46% over the total income of ₹40,527.11 crore in FY 2020-21. In FY 2021-22, transmission and transmission-related activities constituted 91.16% of our total income, with the balance coming from consultancy, telecommunication business and other income.

### Factors affecting your Company's results of operations

#### Tariff norms

The transmission charges of the transmission system or an element used for inter-State transmission of electricity and implemented under Regulated Tariff Mode are governed by tariff norms notified by the CERC pursuant to Central Government Tariff Policy and legislation. The transmission licensee shall make an application as prescribed in the Tariff Regulations, for determination of tariff based on capital expenditure incurred or projected to be incurred during the prevailing tariff block for the transmission system as the case may be.

Under Tariff Regulations applicable for Block 2019-24, your Company has been permitted to charge transmission charges for recovery of annual fixed cost ("AFC") consisting of tariff components such as Return on Equity, Interest on Outstanding Debt, Depreciation, Operation & Maintenance expenditure and Interest on Working Capital.

The Return on Equity (ROE) is computed on pre-tax basis by grossing up the base rate of return on equity of 15.5% at the effective tax rate of the respective financial year. Interest on Outstanding Debt is calculated considering repayment of loan for each year deemed to be equal to the allowed depreciation. Recovery of Operation & Maintenance (O&M) expenses for maintaining the transmission systems are based on specified norms for Transmission Line, Sub-stations and HVDC systems, etc. For interest on working capital, Rate of interest is considered on normative basis and is linked to one-year MCLR of SBI plus 350 bps as on 1<sup>st</sup> April of the tariff year.

Besides above rebate for timely payment of transmission charges as per Tariff Regulations and late payment surcharge (LPS) as per MoP Rules for delayed payments is also applicable. MoP, vide Gazette Notification dated 22.02.2021, notified the Electricity (Late Payment Surcharge) Rules, 2021. Subsequently, MoP on 03.06.2022 issued Electricity (Late Payment Surcharge and Related Matters) Rules, 2022 superseding the Electricity (Late Payment Surcharge) Rules, 2021. The LPS shall be payable on outstanding dues after 45 days at the rates specified in the rules. "Base rate of LPS" is linked to one year MCLR of SBI as on 1<sup>st</sup> April of the financial year plus 500 bps. In addition, regulation of access for default in payment of dues has also been provided in the rules. For projects being implemented under TBCB route, the tariff is discovered through competitive bidding process wherein the successful bidder would be the one who has quoted the lowest levelized tariff for a period of 35 years.

Sharing of Inter-state transmission charges for RTM projects and TBCB projects is governed by CERC (Sharing of Inter State Transmission Charges and Losses) Regulations, as notified from time to time in line with the National Tariff Policy and provisions of the Electricity Act, 2003. Presently, CERC (Sharing of Inter State Transmission Charges and Losses) Regulations, 2020 are in vogue.

As per the Sharing Regulations, 2020, the Central Transmission Utility (CTU), has the responsibility of billing, collection and disbursement of transmission charges on behalf of all ISTS licensees in the country. Your company ceased to be the CTU w.e.f. 01<sup>st</sup> April 2021 and the Central Transmission Utility of India Limited (CTUIL), a wholly owned subsidiary of the Company has been notified to undertake and discharge all functions of CTU. Your Company continues to be a deemed Transmission Licensee under the Electricity Act, 2003.

Certain expenses and income, allowed under CERC Regulations are required to be reimbursed/passed on to beneficiaries in future, are to be accounted in the Statement of Profit and Loss as per the provisions of Ind AS 114 'Regulatory Deferral Accounts'. Such expenses and income, to the extent recoverable/payable as part of tariff under CERC Regulations are treated as Regulatory Deferral Assets/Liabilities.

## 9.1 Revenue from Operations

(₹ in crore)

Revenue from Operations	FY 2021-22	FY 2020-21	% Change
Revenue from transmission business	38,594.41	36,456.92	5.86
Revenue from consultancy business- Project Management & Supervision	753.34	501.28	50.28
Revenue from telecom business	580.34	707.45	(17.97)
<b>Total</b>	<b>39,928.09</b>	<b>37,665.65</b>	<b>6.01</b>

Your Company is mainly engaged in the business of Transmission of Power. The revenue from transmission business is increased by 5.86% mainly due to commissioning of new transmission assets and interest on differential between provisional and final tariff.

Your Company also earns revenue from Consultancy (including project management and supervision services) and Telecommunication business. Consultancy income mainly consists of fee for the execution of transmission and communication system-related projects on a turnkey basis and technical consulting assignments for Indian state utilities, joint venture/subsidiaries companies and utilities in other countries. The revenue from consultancy business is increased by 50.28% mainly due to increase revenue in NERPSIP project and other O&M consultancy. The revenue from our telecommunication business is mainly on account of leasing band width of our fibre - optic lines. The revenue from telecom business is decreased by 17.97% mainly due to additional discount provided to BSNL.

## 9.2 Other Income

(₹ in crore)

Particulars	FY 2021-22	FY 2020-21	% Change
Other Income	2,407.78	2,861.46	(15.85)

The other income reduced mainly due to decrease in surcharge income from customers and interest on loan to subsidiaries.

## 10. Expenses

(₹ in crore)

Particulars	FY 2021-22	FY 2020-21	% Change
Expenses	25,767.90	24,822.40	3.81

Expenses have been categorized as (i) Employees' Benefits Expense (ii) Finance Costs (iii) Depreciation and Amortization expense (iv) Other expenses.

### 10.1 Employees' Benefits Expenses

(₹ in crore)

Particulars	FY 2021-22	FY 2020-21	% Change
Employees' benefits expenses	2,234.76	2,110.74	5.88

Employees' benefits expenses include salaries and wages, performance related pay, allowances & benefits, contributions to provident and other funds and staff welfare expenses. The increase is due to annual increments, increase in dearness allowance and commissioning of new assets.

### 10.2 Finance Costs

(₹ in crore)

Particulars	FY 2021-22	FY 2020-21	% Change
Finance costs	8,210.94	8,501.01	(3.41)

As compared to previous year, the decrease of 3.41% in finance cost was mainly on account of repayment of loans and reduction in interest rate as compared to previous year.



### 10.3 Depreciation and Amortization Expenses

(₹ in crore)

Particulars	FY 2021-22	FY 2020-21	% Change
Depreciation and amortization expenses	12,550.58	11,711.68	7.16

As compared to previous year, the increase of 7.16% in depreciation and amortization expenses was mainly on account of capitalization of new transmission assets.

### 10.4 Other Expenses

(₹ in crore)

Particulars	FY 2021-22	FY 2020-21	% Change
Other Expenses	2,771.62	2,498.97	10.91

As compared to previous year, other expenses increased on account of higher cost of repair and maintenance of buildings, plant and machinery, power charges, security expenses, vehicle hiring charges, travelling expenses, CSR expenses etc.

### 11. Profit Before Tax & Regulatory Deferral Account Balances

(₹ in crore)

Particulars	FY 2021-22	FY 2020-21	% Change
Profit before Tax & Regulatory Deferral Account Balances	20,327.48	14,626.07	38.98

#### 11.1 Exceptional Items

Your Company has monetized five of its Subsidiaries, namely POWERGRID Vizag Transmission Limited (PVTL), POWERGRID Kala Amb Transmission Limited (PKATL), POWERGRID Jabalpur Transmission Limited (PJTL), POWERGRID Warora Transmission Limited (PWTL) and POWERGRID Parli Transmission Limited (PPTL) through POWERGRID Infrastructure Investment Trust ('PGInvIT/Trust').

PGInvIT has been registered by SEBI under SEBI (Infrastructure Investment Trusts) Regulations, 2014 ('InvIT Regulations') as an Infrastructure Investment Trust vide registration no. IN/InvIT/20-21/0016 dated 07<sup>th</sup> January, 2021. The Company is the Sponsor of PGInvIT and acts as the Project Manager to PGInvIT. IDBI Trusteeship Services Limited is the Trustee and POWERGRID Unchahar Transmission Limited (PUTL), a wholly owned subsidiary of the Company, has been appointed as Investment Manager to PGInvIT. The 74% shares in the above five SPVs have been transferred to PGInvIT in May, 2021 and balance 26% shares of PVTL has been transferred in March 2022. The balance 26% of remaining SPVs i.e. PKATL, PJTL, PWTL & PPTL will be transferred in line with Transmission Service Agreement (TSA) & the same has been classified as "Assets Classified as Held for Sale" as on 31.03.2022. In lieu of consideration of shareholding so transferred, 41,06,50,900 Units at the price of ₹100 each were allotted by PGInvIT to the Company and ₹330.78 crore towards transfer of 26% share of PVTL. Further, the Company received ₹304.15 crore on relinquishment of right on additional revenue in PPTL, PWTL & PJTL. The Company retained 13,65,00,100 units being 15% of total units of PGInvIT outstanding on post issue basis pursuant to InvIT Regulations and remaining 27,41,50,800 units were sold by way of 'Offer for Sale (OFS)'. The Company received an amount of ₹2736.02 crore (net of STT) against the OFS. The Profit on above transactions (net of related expenses) amounting to ₹3759.51 crore has been disclosed under "Exceptional items".

In previous year, a consolidated one time rebate of ₹1078.64 crore was given to DISCOMs and Power Departments of States/ Union Territories for passing on to end consumers on account of COVID-19 pandemic against the billing of April, 2020 and May, 2020.

#### 11.2 Tax Expenses

Tax expenses consist of Current tax and Deferred tax.

(₹ in crore)

Particulars	FY 2021-22	FY 2020-21	% Change
Current Tax	3,282.06	2,529.11	29.77
Deferred Tax	(571.00)	560.03	NA

Provision for deferred tax is made in respect of timing difference on account of higher depreciation charge available under income tax provisions. In the opinion of the management, it is probable that future economic benefits will flow to the Company in the form of availability of set off against future income tax liability by recognizing MAT credit. Future taxable profits will be adjusted against (a) tax holiday u/s 80-IA of Income Tax Act, 1961 for the projects commissioned upto 31<sup>st</sup> March, 2017 (b)



initial depreciation on the assets to be commissioned in future and (c) regular income tax depreciation u/s 32 of Income Tax Act, 1961 and thereafter tax amount will be set off against MAT credit to the extent of ₹3,288.36 crore (Previous year ₹2,158.77 crore). Hence, the same has been recognized as Deferred Tax Assets during the year.

### 11.3 Net Movement in Regulatory Deferral Account Balances-Income/(Expenses) (Net of Tax)

Net movement in Regulatory Deferral Account Balances-Income/(Expenses) (net of tax) for FY 2021-22 stood at ₹(522.66) crore as against ₹398.85 crore in previous year.

### 12. Profit After Tax

(₹ in crore)

Particulars	FY 2021-22	FY 2020-21	% Change
Profit After Tax	17,093.76	11,935.78	43.21

Your Company recorded a growth in profit of 43.21% as compared to the previous year is mainly due to commissioning of new transmission assets, monetisation through PGIInvIT during the year and rebate provided to DICs in previous year.

### 13. Return on Net Worth

Particulars	FY 2021-22	FY 2020-21	Change
Return on Net Worth	22.45	17.15	30.90

Return on Net worth has increased in FY 2021-22 as compared to previous year on account of growth in profit (including monetisation through PGIInvIT during the year and rebate provided to DICs in previous year).

### 14. Financial Ratios

Particulars	FY 2021-22	FY 2020-21
Debtors Turnover	4.39	4.19
Inventory Turnover	29.14	26.91
Interest Coverage Ratio	4.61	3.79
Current Ratio*	0.62	0.84
Debt Equity Ratio	63:37	67:33
Operating Profit Margin <sup>#</sup>	93%	95%
Net Profit Margin **	43%	32%

**Note:** # Operating profit margin = Earnings before Interest, Depreciation, Tax & Exceptional items/Revenue from Operations

\*Current ratio decreased by 26% due to increase in current maturities of Long term borrowings and Short-term borrowing.

\*\*Net Profit Margin increased by 34% due to profit on sale of shares in subsidiaries/associates to PGIInvIT.

### 15. Other Comprehensive Income (Net of Tax)

(₹ in crore)

Particulars	FY 2021-22	FY 2020-21
Other Comprehensive Income	290.93	25.36

The variation is mainly due to increase in valuation of investment in PTC India Limited Shares & units of PGIInvIT and increase in provisions made for actuarial valuation.

### 16. Credit Ratings

Your Company's financial prudence is strongly reflected in the credit ratings accorded by domestic and international ratings agencies. For details, refer **Report on Corporate Governance**.



## 17. Liquidity and Capital Resources

(₹ in crore)

Particulars	FY 2021-22	FY 2020-21	% Change
Cash and cash equivalents	2,457.47	4,430.05	(44.53)

The Company depends on both internal and external sources of liquidity to provide working capital and to fund capital requirements. The decrease in cash and cash equivalents in comparison to previous year is mainly on account of reduction in designated account balances relating to consultancy clients/others.

## 18. Cash Flows

(₹ in crore)

Particulars	Year ended March 31	
	2022	2021
Net cash from operating activities	24,640.20	27,613.73
Net cash from / (used in) investing activities	2,188.54	(7,802.99)
Net cash from / (used in) Financing activities	(28,801.32)	(20,185.83)
Cash and cash equivalents at the end of the year	2,457.47	4,430.05

### 18.1 Net Cash from Operating Activities

Net cash flows from operating activities are principally used to service long-term debt, for investments and for payment of dividend.

### 18.2 Net Cash from / (used in) Investing Activities

Net cash used in investing activities during FY 2021-22 was primarily reflected in expenditure on Property, Plant & Equipment and Capital Work-in-Progress (including advances for capital expenditure) of ₹3,645.32 crore, Loans & Advances to Subsidiaries & Joint Ventures including repayments of ₹1,228.83 crore, investment in Subsidiaries & Joint Ventures of ₹1,122.13 crore and receipt of interest on deposits, bonds, loans to subsidiaries & JV's and investment in PGINVT of ₹1,239.26 crore, surcharge received of ₹244.59 crore and dividend received ₹664.38 crore.

### 18.3 Net Cash from / (used in) Financing Activities

During FY 2021-22, your Company raised ₹2,584.70 crore of new long term borrowings. These borrowings included principally Rupee bonds/Loans and foreign currency borrowings. The Company repaid ₹15,251.97 crore of long-term borrowings and paid interest and finance charges of ₹8,813.95 crore. In the FY 2021-22, the Company paid dividend of ₹10,811.96 crore comprising final dividend of ₹2,092.64 crore for FY 2020-21 and interim dividends of ₹8,719.32 crore for FY 2021-22.

## 19. Capital Expenditure

(₹ in crore)

Particulars	FY 2021-22	FY 2020-21	% Change
Capital Expenditure (cash)	9,426	11,150	(15.46)

Your Company's capital expenditure is primarily used for the installation of new transmission capacity and the expansion of existing capacity. Our capital expenditure during FY 2021-22 and FY 2020-21, includes CAPEX for TBCB companies of ₹4,501 crore and ₹3,598 crore respectively.

## 20. Non-current Assets

(₹ in crore)

Particulars	FY 2021-22	FY 2020-21	% Change
Non Current Assets	2,17,793.25	2,18,973.55	(0.54)

Non-current assets have been categorized as (i) Property, Plant & Equipment; (ii) Capital work in progress; (iii) Investment Property (iv) Intangible assets; (v) Intangible assets under development; (vi) Investments (vii) Loans; (viii) other non-current financial assets; (ix) other non-current assets and (x) Assets classified as held for sale.

## 20.1 Property, Plant and Equipment

(₹ in crore)

Particulars	FY 2021-22	FY 2020-21	% Change
Property, Plant & Equipment	1,78,175.63	1,75,392.06	1.59

Property, Plant & Equipment (Net Block) has increased by 1.59%. It mainly consists of Land, Buildings, Transmission Lines, Substations, HVDC, ULDC Equipment, Furniture & Fixtures etc.

## 20.2 Capital work in progress

(₹ in crore)

Particulars	FY 2021-22	FY 2020-21	% Change
Capital work-in-progress	7,344.46	17,896.67	(58.96)

Capital work-in-progress was decreased by 58.96% in FY 2021-22. The cost of materials consumed, erection charges and other expenses incurred for the implementation of projects are shown on the Balance Sheet as capital work-in-progress, pending capitalization of the completed project. The change in this amount is due to capitalization of several transmission projects and due to undertaking of new transmission projects.

## 20.3 Intangible assets

(₹ in crore)

Particulars	FY 2021-22	FY 2020-21	% Change
Intangible Assets	1,556.13	1,551.44	0.30

Intangible Assets consist of Electronic Data Processing Software, Right of Way-Afforestation Expenses, Telecom licenses and development of 1200 kV Transmission System.

## 20.4 Intangible assets under development

(₹ in crore)

Particulars	FY 2021-22	FY 2020-21	% Change
Intangible assets under development	31.53	74.86	(57.88)

Right of way-afforestation expenses are shown on the balance sheet as Intangible assets under development. The change is on account of capitalization of expenditures on Transmission Projects during FY 2021-22 and undertaking of new transmission projects.

## 20.5 Investments

(₹ in crore)

Particulars	FY 2021-22	FY 2020-21	% Change
Investments (Quoted)	1,926.43	93.30	
Investments (Un-Quoted)	5,302.10	4,172.06	
<b>Total</b>	<b>7,228.53</b>	<b>4,265.36</b>	<b>69.47</b>

Investments under 'Quoted' category are investments made in PTC (India) Limited and Investment in Units of POWERGRID Infrastructure Investment Trust (PGInvIT) computed at Fair Value. Investments Under 'Unquoted' category in FY 2021-22 consist of equity investment in joint venture and subsidiary companies mainly at cost. Major investments in Joint venture & subsidiaries as on 31<sup>st</sup> March, 2022 are:

Sl. No.	Name of the Subsidiary/Joint Venture	Amount invested as on 31.03.2022 (₹ in crore)
<b>Subsidiaries</b>		
1	POWERGRID NM Transmission Limited	488.95
2	POWERGRID Khetri Transmission System Limited	198.25
3	POWERGRID Medinipur Jeerat Transmission Limited	638.00
4	POWERGRID Mithilanchal Transmission Limited	233.20



5	POWERGRID Ajmer Phagi Transmission Limited	115.00
6	POWERGRID Himachal Transmission Limited	432.50
7	POWERGRID Fategarh Transmission Limited	141.00
8	POWERGRID Southern Interconnector Transmission System Limited	709.00
9.	POWERGRID Varanasi Transmission System Limited	186.00
10.	POWERGRID Bhuj Transmission Limited	180.00
11.	POWERGRID Rampur Sambhal Transmission Limited	109.00
12.	POWERGRID Meerut Simbhavali Transmission Limited	129.71
<b>Joint Ventures</b>		
13.	Powerlinks Transmission Limited	229.32
14.	Teestavalley Power Transmission Limited	120.12
15.	North East Transmission Company Limited	106.96
16.	Bihar Grid Company Limited	322.54
17.	Energy Efficiency Services Limited	463.61

## 20.6 Loans (Non-Current)

(₹ in crore)

Particulars	FY 2021-22	FY 2020-21	% Change
Loans to Related Parties	13,880.84	10,163.97	
Loans to Employees	388.94	310.12	
<b>Total</b>	<b>14,269.78</b>	<b>10,474.09</b>	<b>36.24</b>

The increase in loans from previous year to FY 2021-22 was mainly due to increase in Unsecured Loans to Subsidiaries which are executing Projects acquired by the Company through Tariff Based Competitive Bidding (TBCB) route and loans to Joint venture companies.

## 20.7 Other non-current financial assets

(₹ in crore)

Particulars	FY 2021-22	FY 2020-21	% Change
Other non-current financial assets	4,144.46	4,313.62	(3.92)

Other non-current financial asset mainly consists of Recoverable from GOI fully serviced Bonds and Lease Receivables. Company has issued Government of India fully serviced bonds amounting to ₹3,487.50 crore during FY 2018-19 for raising of Extra Budgetary Resources (EBR) for GOI scheme of Power System Development fund in terms of letter no. 7/1/2018-OM dated 21<sup>st</sup> January, 2019 of Ministry of Power, Government of India for meeting accrued liabilities for creation of Capital Assets. The repayment of principal and the interest payment on such bonds shall be met by GOI.

## 20.8 Other non-current assets

(₹ in crore)

Particulars	FY 2021-22	FY 2020-21	% Change
Other non-current assets	4,797.73	4,744.56	1.12

Other non-current assets mainly comprise of advances for Capital Expenditure, deferred foreign currency Fluctuation Asset, advance recoverable in kind or for value to be received.

## 21. Current Assets

(₹ in crore)

Particulars	FY 2021-22	FY 2020-21	% Change
Current Assets	20,111.35	24,692.38	(18.55)

Current Assets have been categorized as (i) Inventories; (ii) Trade receivables; (iii) Cash & Cash Equivalents; (iv) Bank Balances other than cash and cash equivalents; (v) Loans; (vi) Other current financial assets; (vii) Other current assets and (viii) Assets classified as held for sale.

### 21.1 Inventories

(₹ in crore)

Particulars	FY 2021-22	FY 2020-21	% Change
Inventories	1,352.60	1,362.82	(0.75)

Inventories are valued at lower of the cost, determined on weighted average basis, and net realizable value. Our inventories consist of components, spares & other spare parts, loose tools, consumable stores and other items.

### 21.2 Trade Receivables

(₹ in crore)

Particulars	FY 2021-22	FY 2020-21	% Change
Trade Receivables	9,106.82	8,470.20	7.52

Trade Receivables consist mainly of receivables relating to transmission services, consultancy services and telecom services. Due to different payment security mechanisms available to the company, the company has no material impaired receivables.

### 21.3 Cash & Cash Equivalents

(₹ in crore)

Particulars	FY 2021-22	FY 2020-21	% Change
Cash and Cash Equivalents	2,457.47	4,430.05	(44.53)

Cash & Cash Equivalents decreased by 44.53% in FY 2021-22 as compared to previous year mainly on account of reduction in term deposits (with maturity less than 3 months) held in respect of consultancy clients and others.

### 21.4 Bank Balances other than cash & cash equivalents

(₹ in crore)

Particulars	FY 2021-22	FY 2020-21	% Change
Bank balances other than cash & cash equivalents	513.57	843.49	(39.11)

Bank Balances other than cash & cash equivalents decreased by 39.11% during FY 2021-22 as compared to previous year mainly on account of lower term deposits in banks held on behalf of consultancy clients and others.

### 21.5 Loans

(₹ in crore)

Particulars	FY 2021-22	FY 2020-21	% Change
Loans	328.27	5,428.83	(93.95)

The decrease in Loans from previous year to FY 2021-22 was mainly on account of reduction in current maturities of Loans to Subsidiaries Companies.

### 21.6 Other current financial assets.

(₹ in crore)

Particulars	FY 2021-22	FY 2020-21	% Change
Other current financial assets	6,125.77	3,031.53	102.07

As compared to previous year, other current financial assets increased by 102.07% during FY 2021-22 as compared to previous year mainly on account of increase in Contract Assets.

### 21.7 Other Current Assets

(₹ in crore)

Particulars	FY 2021-22	FY 2020-21	% Change
Other current assets	210.99	173.28	21.76

As compared to previous year, the other current assets have increased by 21.76% in FY 2021-22.





## 21.8 Assets Classified as Held for Sale

The investments of ₹260.86 crore (current & non-current) in the four subsidiaries have been classified as “Assets classified as held for sale” as on 31.03.2022. For details refer to “Exceptional Items” explained above.

## 22. Indebtedness

We rely on both Rupee and foreign currency denominated borrowings. A significant part of our external funding has been through long-term foreign currency loans from multilateral agencies such as the World Bank and the Asian Development Bank, with our performance under such loans guaranteed by GOI. Following table sets forth, by currency, our outstanding debt and its maturity profile (currency conversions are as of 31<sup>st</sup> March, 2022):

(₹ in crore)

Particulars	2022-23	2023-24	2024-25	2025-26	Beyond 2026-27	Total
<b>Domestic Bonds (1)</b>	6,090.23	5,391.48	7,851.35	6,776.10	37,291.08	63,400.24
<b>Domestic Loans (2)</b>	2,004.00	2,754.00	3,254.00	3,254.00	12,950.06	24,216.06
<b>Foreign Loans</b>						
<b>US\$</b>	6,235.96	2,475.78	2,377.65	2,255.22	20,486.94	33,831.55
<b>EUR</b>	615.72	615.72	612.85	610.60	2,777.18	5,232.07
<b>SEK</b>	208.54	208.54	208.54	208.54	412.26	1,246.42
<b>JPY</b>	11.42	11.42	11.42	11.42	1,393.25	1,438.93
<b>TOTAL (3)</b>	7,071.64	3,311.46	3,210.46	3,085.78	25,069.63	41,748.97
<b>GRAND TOTAL (1+2+3)</b>	<b>15,165.87</b>	<b>11,456.94</b>	<b>14,315.81</b>	<b>13,115.88</b>	<b>75,310.77</b>	<b>1,29,365.27</b>

### 22.1 Long-term borrowings

(₹ in crore)

Particulars	FY 2021-22	FY 2020-21	% Change
Long-term borrowings	1,14,199.40	1,29,080.07	(11.53)

Long-term borrowings include amounts raised from our private placement of bonds, term loans from banks and financial institutions. Due to the repayment of loans during last year our borrowings have decreased by 11.53% in comparison of previous year.

### 22.2 Secured Loans

Our secured loans (excluding current maturities of long term loans) as at 31<sup>st</sup> March, 2022 and 2021 were ₹82,429.61 crore and ₹91,689.02 crore respectively. Most of these loans have been secured by floating charges on the moveable and immovable properties of the Company. The following table presents the secured debt as at 31<sup>st</sup> March, 2022:

	Amount (₹ in crore)	% of total secured debt
Bonds denominated in Rupees	45,461.16	55.15
Term Loans and Other Loans From Banks and Financial Institutions:		
Denominated in Foreign Currency	29,147.42	35.36
Denominated in Rupees	7,821.03	9.49
<b>Total</b>	<b>82,429.61</b>	<b>100</b>

### 22.3 Unsecured Loans

Our unsecured loans (excluding current maturities) as at 31<sup>st</sup> March, 2022 and 2021 were ₹31,769.79 crore and ₹37,391.05 crore respectively, which consist of domestic bonds, foreign currency bonds, loans from foreign financial institutions/ Banks such as the Natixis (Formerly Credit National) in France, Japan International Cooperation Agency (Formerly Japan Bank for International Co-operation) in Japan, Skandinaviska Enskilda Banken AB (publ.) in Sweden and AB Svensk Exportkredit, Sweden.

The following table presents our unsecured debt as at 31<sup>st</sup> March, 2022

	Amount (₹ in crore)	% of total secured debt
Bonds denominated in Foreign Currency & Domestic Bonds	11,848.86	37.30
Term Loans, From Banks and Foreign Currency Loans:		
Denominated in Foreign Currency	5,529.90	17.40
Denominated in Rupees	14,391.03	45.30
<b>Total</b>	<b>31,769.79</b>	<b>100</b>

### 23. Advance Against Depreciation (AAD)

Advance against depreciation (AAD) was a component of tariff that was permitted to be charged under CERC regulations for the Block 2004-09, to cover shortfall in respect of depreciation in a year on assets, for repayment of debts. AAD was done away with in the tariff block 2009-2014 and depreciation rate were reworked. Due to change in these tariff norms and the depreciation rates w.e.f. 1<sup>st</sup> April, 2009, the outstanding AAD has been taken to transmission income after 12 years from the date of commercial operation to the extent the depreciation charged in respect of transmission system is more than the depreciation recovery under tariff. As on 31<sup>st</sup> March, 2022, AAD has decreased by 15.08% from ₹1,010.75 crore during FY 2020-21 to ₹858.29 crore in FY 2021-22.

### 24. Current liabilities

(₹ in crore)

Particulars	FY 2021-22	FY 2020-21	% Change
Current liabilities	32,279.37	29,523.30	9.34

Current liabilities includes (i) Borrowings; (ii) Trade payables; (iii) Other Current Financial Liabilities; (iv) Other Current liabilities; (v) Provisions; (vi) Current Tax Liabilities (Net) and (vii) lease liabilities.

#### 24.1 Borrowings (Current)

(₹ in crore)

Particulars	FY 2021-22	FY 2020-21	% Change
Borrowings	20,465.87	13,971.41	46.48

The Borrowings was increased due to increase in current maturities of Long Term Borrowings and increase in short term borrowings from banks.

#### 24.2 Trade payables

(₹ in crore)

Particulars	FY 2021-22	FY 2020-21	% Change
Trade payables	266.14	186.30	42.86

Trade payables at 31<sup>st</sup> March, 2022 were 42.86% higher as compared to 31<sup>st</sup> March, 2021.

#### 24.3 Other Current Financial Liabilities

(₹ in crore)

Particulars	FY 2021-22	FY 2020-21	% Change
Other current financial liabilities	7,408.90	10,228.58	(27.57)

Other current financial liabilities mainly include dues for capital expenditure, Interest accrued but not due on borrowings, deposits/retention money from contractors and others etc. Other current financial liabilities at 31<sup>st</sup> March, 2022 were 27.57% lower as compared to 31<sup>st</sup> March, 2021.

#### 24.4 Other Current liabilities

(₹ in crore)

Particulars	FY 2021-22	FY 2020-21	% Change
Other current liabilities	3,203.41	3,871.69	(17.26)



Other current liabilities at 31<sup>st</sup> March, 2022 were 17.26% lower as compared to 31<sup>st</sup> March, 2021 mainly on account of advances from customers.

## 24.5 Provisions

(₹ in crore)

Particulars	FY 2021-22	FY 2020-21	% Change
Provisions for Employee Benefits and others	932.31	835.88	11.54

As compared to previous year, the provisions for Employee Benefits and others increased by 11.54%.

## 25. BUSINESS AND FINANCIAL REVIEW OF JOINT VENTURE COMPANIES AND SUBSIDIARIES FOR FY 2021-22

### 25.1 JOINT VENTURE (JV) COMPANIES:

#### A. Powerlinks Transmission Limited (POWERLINKS):

POWERGRID and Tata Power Company Limited are the Joint Venture Partners in this Joint Venture Company and hold 49% and 51% equity respectively. POWERLINKS was incorporated to undertake the implementation of Transmission Lines associated with Tala HEP, East-North interconnector and Northern Region Transmission System from Siliguri in West Bengal via Bihar to Uttar Pradesh and was the first public - private partnership in Power Transmission. POWERLINKS progressively commissioned the project by August, 2006. POWERGRID received ₹36.69 crore as dividend during FY 2021-22 from this JV.

As on 31<sup>st</sup> March 2022, POWERLINKS has a paid-up capital of ₹468.00 crore and POWERGRID's share in its paid-up capital is ₹229.32 crore.

#### Financial Highlights of this JV:

(₹ in crore)

Particulars	FY 2021-22	FY 2020-21
POWERGRID's investment in Equity	229.32	229.32
Gross Income	144.15	127.32
Profit after Tax	91.39	102.01
Earnings per Share* (₹)	1.95	2.18

\*Face value per Share is ₹10 each.

#### B. Torrent Power Grid Limited (TPL):

POWERGRID and Torrent Power Limited are the Joint Venture Partners in this Joint Venture Company and hold 26% and 74% equity respectively. The Company was incorporated to undertake the implementation of transmission system associated with 1100 MW Gas Based project (Sugen) Generation Station of Torrent Power Ltd. at Akhakhol in Surat District of Gujarat.

As on 31<sup>st</sup> March, 2022, TPL has paid-up capital of ₹90 crore. POWERGRID's share in the paid-up capital is ₹23.40 crore. The project was progressively commissioned in March, 2011. POWERGRID has received ₹5.15 crore as dividend during FY 2021-22 from this JV.

#### Financial Highlights of this JV:

(₹ in crore)

Particulars	FY2021-22	FY 2020-21
POWERGRID's investment in Equity	23.40	23.40
Gross Income	40.84	44.24
Profit after Tax	18.46	19.31
Earnings per Share* (₹)	2.05	2.15

\*Face value per Share is ₹10/- each.

#### C. North East Transmission Company Limited (NETC):

POWERGRID entered into a Joint Venture Agreement with ONGC Tripura Power Project Company Ltd. (OTPC), Government of Tripura, Manipur, Mizoram, Assam Electricity Grid Corporation Ltd., Meghalaya and Nagaland for establishment of Transmission Line of 400 kV D/C Palatana- Silchar- Bongaigoan Transmission Project associated with 726.6 MW Palatana Gas based Power Project in the state of Tripura.

As on 31<sup>st</sup> March 2022, NETC has paid-up share capital of ₹411.40 crore. POWERGRID's share in the paid-up capital is ₹106.96 crore. The project was progressively commissioned in February, 2015. POWERGRID has received ₹13.90 crore dividend during FY 2021-22 from this JV.

**Financial Highlights of this JV:**

(₹ in crore)

Particulars	FY 2021-22	FY 2020-21
POWERGRID's investment in Equity	106.96	106.96
Gross Income	320.76	323.96
Profit after Tax	69.59	75.24
Earnings per Share* (₹)	1.69	1.83

\*Face value per Share is ₹10/- each.

**D. Parbati Koldam Transmission Company Limited (PKTCL)**

POWERGRID and India Grid Trust (IGT) are the Joint Venture Partners in this Joint Venture Company and hold 26% and 74% equity respectively. PKTCL was incorporated to undertake the implementation of transmission lines associated with Parbati-II (800 MW) HEP and Koldam (800 MW) HEP.

As on 31<sup>st</sup> March, 2022, PKTCL has paid-up capital of ₹272.84 crore. POWERGRID's share in the paid-up capital is ₹70.94 crore. The Project commissioned progressively in November, 2015. POWERGRID has received ₹9.93 crore dividend during FY 2021-22 from this JV.

**Financial Highlights of this JV:**

(₹ in crore)

Particulars	FY 2021-22	FY 2020-21
POWERGRID's investment in Equity	70.94	70.94
Gross Income	114.31	176.12
Profit after Tax	13.51	60.97
Earnings per Share* (₹)	0.50	2.23

\*Face value per Share is ₹10/- each.

**E. Teestavalley Power Transmission Limited (TPTL)**

POWERGRID and Teesta Urja Ltd. are the Joint Venture Partners in this Joint Venture Company and hold 30.92% and 69.08% equity respectively. TPTL was incorporated to undertake the implementation of transmission lines associated with 1,200 MW Teesta-III Hydro Electric Power Project to Kishanganj sub-station.

As on 31<sup>st</sup> March, 2022, TPTL has Paid-Up Capital of ₹388.45 crore. POWERGRID's share in the paid-up capital was ₹120.12 Crore. The Project commissioned progressively in February, 2019.

**Financial Highlights of this JV:**

(₹ in crore)

Particulars	FY2021-22	FY 2020-21
POWERGRID's investment in Equity	120.12	120.12
Gross Income	241.11	300.26
Profit after Tax	16.14	46.05
Earnings per Share* (₹)	0.42	1.19

\*Face value per Share is ₹10/- each.

**F. National High Power Test Laboratory Private Limited (NHPTL)**

NHPTL is a joint venture Company of NTPC, NHPC, POWERGRID, DVC and CPRI with equal equity participation of 20% each. The main aim of the NHPTL is to establish an online high power short circuit test facility in the country. This Facility



is being established for the first time in the country at Bina (M.P.) to provide a full range of short circuit testing for the electrical equipment in conformance to Indian and International Standards.

As on 31<sup>st</sup> March, 2022, NHPTL has paid up share capital of ₹152 crore. POWERGRID's share in the paid-up capital was ₹30.40 crore.

High Voltage Transformer (HVTR) Section of Laboratory under Phase-I put under commercial operation with effect from 1<sup>st</sup> July, 2017. The HVTR lab is capable of Short Circuit (SC) testing of power transformers for all possible ratings with voltage class starting from 132 kV to 765 kV. Medium Voltage Transformer (MVTR) Section is under implementation. The project has no operating profit yet.

#### G. Bihar Grid Company Limited (BGCL)

POWERGRID entered into a Shareholders' Agreement on 29<sup>th</sup> December, 2012 with Bihar State Power (Holding) Company Limited {BSP(H)CL} for implementation of Intra-State Transmission System in the State of Bihar on 50:50 equity participation basis.

As on 31<sup>st</sup> March, 2022, BGCL has the Paid-up Share Capital of ₹645.07 crore. POWERGRID's share in the paid-up capital was ₹322.54 Crore.

The Company is implementing Transmission System Strengthening Schemes in Bihar under Phase-IV, Part-I worth ₹2,024 crore. The major components of Part-I Projects are under commercial operation. Further, works Phase-IV, Part-II worth ₹1,688 crore and Supplementary works worth ₹111 crore are under final stage of implementation.

#### Financial Highlights of this JV:

(₹ in crore)

Particulars	FY 2021-22	FY 2020-21
POWERGRID's investment in Equity	322.54	290.30
Gross Income	518.54	502.08
Profit after Tax	143.96	201.67
Earnings per Share* (₹)	2.37	3.47

\*Face value per Share is ₹ 10/- each.

#### H. RINL POWERGRID TLT Private Limited (RPTPL)

POWERGRID and Rashtriyaspat Nigam Ltd. (RINL) formed a joint venture Company, RPTPL, on 50:50 equity participation basis, for setting up a Transmission Line Tower (TLT) manufacturing plant at Visakhapatnam with a view to exploit the emerging opportunity in transmission line tower manufacturing business. As on 31<sup>st</sup> March, 2022, the JV Company has paid up share capital of ₹8.00 crore. However, keeping in view the business scenario of tower manufacturing, the Board of Directors of POWERGRID accorded In-principle approval for closure of the Company. RINL is seeking approval of Ministry of Steel for Closure of RPTPL.

#### I. Cross Border Power Transmission Company Limited (CPTCL)

POWERGRID entered into Shareholders' Agreement on 9<sup>th</sup> July, 2012 with IL&FS Energy Development Company Limited (IEDCL), SJVN Limited (SJVN) and Nepal Electricity Authority (NEA) of Nepal and incorporated a JV Company i.e. Cross Border Power Transmission Company Limited, incorporated in India for implementation of Indian portion viz. Muzaffarpur - Sursand section (India Portion) of 400 kV D/C Muzaffarpur - Dhalkebar Indo-Nepal Cross Border transmission line.

The Shareholding of POWERGRID, SJVN, IEDCL and NEA in the said JV Company is 26%, 26%, 38% and 10% respectively. As on 31<sup>st</sup> March, 2022, CPTCL has paid-up capital of ₹48.50 crore. At present, POWERGRID equity is ₹12.61 crore.

POWERGRID has received ₹1.39 crore dividend during FY 2021-22 from this JV. The Board of Directors of CPTCL has recommended final dividend of 25% for FY 2021-22, which would be declared in the forthcoming AGM of CPTCL.

#### J. Power Transmission Company Nepal Limited (PTCN)

POWERGRID entered into a "Joint Venture cum Share Purchase Agreement" on 5<sup>th</sup> April, 2014 with Nepal Electricity Authority (NEA), Hydroelectricity Investment & Development Company Ltd. (HIDCL) of Nepal and IL&FS Energy Development Company Ltd (IEDCL) and incorporated a JV Company in Nepal i.e. Power Transmission Company Nepal



Limited (PTCN) for implementation of Dhalkebar - Bhattamod 400 kV Transmission Line (Nepal Portion of 400 kV D/C Dhalkebar - Muzaffarpur Indo-Nepal Cross Border transmission line). The Dhalkebar - Muzaffarpur Indo-Nepal Cross Border Transmission line is being used for Transmission of power between India & Nepal.

The Shareholding of NEA, POWERGRID, HIDCL and IEDCL in the said JV Company is 50%, 26%, 14% and 10% respectively.

As on 31<sup>st</sup> March, 2022, PTCN has Authorized, issued & paid-up share capital of NPR 45 crore. At present, POWERGRID equity is NPR 11.70 crore including 1,30,000 Bonus shares of NPR 100/- each. The line is under commercial operation w.e.f. 19<sup>th</sup> February, 2016. POWERGRID has received ₹1.32 crore dividend during FY 2021-22 from this JV.

#### K. Energy Efficiency Services Limited (EESL)

POWERGRID entered into a Joint Venture Agreement with NTPC Ltd., Power Finance Corporation Ltd., and REC Ltd. The JV Company viz. EESL is to promote measures of Energy efficiency, Energy Conservation and Climate Change and is carrying out business related to energy audit of Government buildings, consultancy assignments etc. in India and globally.

As on 31<sup>st</sup> March, 2022, EESL has Paid-up Share Capital of ₹1,390 crore. POWERGRID has invested ₹407.49 crore during FY 2021-22 in EESL, thereby increasing its shareholding from 5.71% to 33.33%. POWERGRID's share in the paid-up capital was ₹463.61 crore (33.33%) as on 31<sup>st</sup> March, 2022. EESL has been considered as joint venture w.e.f. 1<sup>st</sup> September, 2021 being the joint control been reinstated vide Agreement dated 1<sup>st</sup> September, 2021.

### 25.2 SUBSIDIARY COMPANIES:

#### A. POWERGRID NM TRANSMISSION LIMITED (PNMTL)

PNMTL was acquired by POWERGRID on 29<sup>th</sup> March, 2012 under Tariff Based Competitive Bidding for establishing Transmission System associated with IPPs of Nagapattinam / Cuddalore Area (Package A) from PFC Consulting Ltd. (the Bid Process Co-ordinator). The Transmission System comprising 765 kV D/C and 765 kV S/C traverses the states of Tamil Nadu and Karnataka. PNMTL was granted transmission license by CERC in June, 2013. As on 31<sup>st</sup> March, 2022, PNMTL has an Authorized and Paid-up Share Capital of ₹496.25 crore and ₹488.95 crore respectively. The project elements have been progressively commissioned and the entire project has been commissioned on 26<sup>th</sup> January, 2019.

(₹ in crore)

Particulars	FY 2021-22	FY 2020-21
Gross Income	119.02	124.95
Profit after Tax	7.50	(37.05)

#### B. POWERGRID UNCHAHAR TRANSMISSION LIMITED (PUTL)

PUTL was acquired by POWERGRID on 24<sup>th</sup> March, 2014 under Tariff Based Competitive bidding from REC Transmission Projects Company Limited (the Bid Process Co-ordinator) for establishment of Transmission System for ATS of Unchahar TPS. The transmission system comprising 400 kV D/C traverses the state of Uttar Pradesh. The Company was granted transmission license by CERC in July, 2014. The Project has been commissioned on 23<sup>rd</sup> September 2016.

Power Grid Corporation of India Limited (holding Company) has appointed PUTL as the Investment Manager of POWERGRID Infrastructure Investment Trust, in accordance with the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended (the "InvIT Regulations"). Accordingly, PUTL has amended its Main Objects Clause of the Memorandum of Association to enable to undertake investment management activities in relation to the Trust.

As on 31<sup>st</sup> March, 2022, PUTL has an Authorized Share Capital of ₹14 crore and Paid-up Share Capital of ₹12.96 crore. PUTL has paid first interim dividend of ₹4.54 crore in August, 2021, Second interim dividend of ₹4.54 crore in October, 2021 and Third interim dividend of ₹4.27 crore in January, 2022 for FY 2021-22.

(₹ in crore)

Particulars	FY 2021-22	FY 2020-21
Gross Income	30.53	21.79
Profit after Tax	16.76	4.94



### C. POWERGRID SOUTHERN INTERCONNECTOR TRANSMISSION SYSTEM LIMITED (PSITSL)

PSITSL was acquired by POWERGRID on 4<sup>th</sup> December, 2015 under Tariff based Competitive bidding from REC Transmission Projects Company Limited (the Bid Process Co-ordinator) for “Strengthening of Transmission System Beyond Vemagiri” Project on build, own, operate and maintain (BOOM) basis. The transmission project comprising of 765 kV & 400 kV D/C transmission lines is to traverse the states of Andhra Pradesh, Telangana & Karnataka and include establishment of one 765/400 kV Substation as well as 400 kV bay extension at two existing sub-stations in the state of Andhra Pradesh. The Company was granted transmission license by CERC in March, 2016.

As on 31<sup>st</sup> March, 2022, PSITSL has an Authorized Share Capital of ₹731 Crore and Paid-up Share Capital of ₹709.004 Crore. PSITSL, comprising elements viz. Vemagiri-II – Chilakaluripeta 765 kV D/C line, Chilakaluripeta – Cuddapah 765 kV D/C line, Chilakaluripeta – Narsaraopeta (Sattenapalli) 400 kV (quad) D/C line, Cuddapah – Madhugiri 400 kV (quad) D/C line, Srikaikulam Pooling Station – Garividi 400 kV (Quad) D/C line and 765/400 kV substation at Chilakaluripeta on Build, Own, Operate and Maintain (BOOM) basis, has been successfully commissioned progressively on 17<sup>th</sup> January, 2020.

PSITSL has paid first interim dividend of ₹26.94 crore in October, 2021, Second interim dividend of ₹28.36 crore in December, 2021, Third interim dividend of ₹53.88 crore in January, 2022 and Fourth interim dividend of ₹ 9.93 crore in March, 2022 for FY 2021-22. Further, the final dividend of FY 2020-21 amounting to ₹28.36 crore has been paid during FY 2021-22.

(₹ in crore)

Particulars	FY 2021-22	FY 2020-21
Gross Income	492.59	470.82
Profit after Tax	(37.51)	108.68

PSITSL had filed a petition with CERC for increase in Transmission charges on account of Force Majeure and change in law events. CERC has allowed partial increase in transmission Charges on account of Change in Law events. PSITSL has filed an appeal with Appellate Tribunal for Electricity (APTEL) challenging the above CERC order. APTEL has granted interim protection against coercive/precipitative actions by LTTCs till the next date of hearing of 24.08.2022. The matter is sub-judice. However, a provision for the amount of ₹ 234.55 crore towards LD was made in FY 2021-22 leading to a reduction in the profit for the year.

### D. POWERGRID MEDINIPUR JEERAT TRANSMISSION LIMITED (PMJTL)

PMJTL was acquired by POWERGRID on 28<sup>th</sup> March, 2017 under Tariff based competitive bidding from PFC Consulting Limited (the Bid Process Co-ordinator) for Transmission System associated with “765kV Strengthening in Eastern Region (ERSS-XVIII)”. The Transmission System includes establishment of 765kV and 400kV Transmission lines which is to traverse the states of West Bengal and Jharkhand including establishment of two new 765/400kV Substations in West Bengal. The Company was granted transmission license by CERC in June, 2017.

As on 31<sup>st</sup> March, 2022, PMJTL has an Authorized Share Capital of ₹682.00 crore and Paid-up Share Capital of ₹ 638.00 crore. Seven out of eight elements of the Project elements were progressively commissioned on 09<sup>th</sup> February, 2021 and 29<sup>th</sup> September, 2021.

PMJTL has paid total interim dividend of ₹187.02 crore for FY 2021-22. Further, final dividend of FY 2020-21 amounting to ₹18.00 crore has been paid during FY 2021-22.

(₹ in crore)

Particulars	FY 2021-22	FY 2020-21
Gross Income	448.61	45.72
Profit after Tax	191.62	19.15

### E. POWERGRID MITHILANCHAL TRANSMISSION LIMITED (PMTL)

PMTL formerly known as ERSS XXI Transmission Limited, was acquired by POWERGRID on 12<sup>th</sup> January, 2018 under Tariff based competitive bidding from REC Transmission Projects Company Limited (the Bid Process Coordinator) for Transmission System associated with “Establish Transmission System for Eastern Region Strengthening Scheme– XXI (ERSS-XXI)”. The Transmission System includes establishment of 400 kV Transmission lines in the state of Bihar including establishment of three new 400/220/132 kV Substations in Bihar. The Company was granted transmission license by CERC in April, 2018.

As on 31<sup>st</sup> March, 2022, PMTL has an Authorized and Paid-up Share Capital of ₹245.50 crore and ₹233.20 crore.

The Project has been progressively commissioned on 11<sup>th</sup> March, 2021, 13<sup>th</sup> April, 2021, 23<sup>rd</sup> April, 2021 and 17<sup>th</sup> October, 2021.

PMTL has paid first interim dividend of ₹17.72 crore in March, 2022 and Second interim dividend of ₹9.79 crore in May, 2022 for FY 2021-22.

(₹ in crore)

Particulars	FY 2021-22	FY 2020-21
Gross Income	143.92	2.35
Profit after Tax	38.09	0.95

#### F. POWERGRID VARANASI TRANSMISSION SYSTEM LIMITED (PVTSL)

PVTSL formerly known as WR-NR Power Transmission Limited was acquired by POWERGRID on 27<sup>th</sup> March, 2018 under Tariff Based Competitive Bidding from REC Transmission Projects Company Limited (the Bid Process Co-ordinator) for establishing Transmission System for new Western Region- Northern Region 765 kV Inter Regional Corridor. The Transmission System includes establishment of a 765 kV D/C Transmission Line from Vindhyachal pooling station to Varanasi and traverses the states of Madhya Pradesh and Uttar Pradesh. The Company was granted transmission license by CERC in August, 2018. The project was commissioned in August, 2021.

As on 31<sup>st</sup> March 2022, PVTSL has Authorized and Paid-up Share Capital of ₹198.90 crore and ₹186.00 crore. PVTSL has paid first interim dividend of ₹11.16 crore in March, 2022 and Second interim dividend of ₹7.44 crore in May, 2022 for FY 2021-22.

(₹ in crore)

Particulars	FY 2021-22	FY 2020-21
Gross Income	79.69	0.02
Profit after Tax	20.16	0.01

#### G. POWERGRID JAWAHARPUR FIROZABAD TRANSMISSION LIMITED (PJFTL)

PJFTL formerly known as Jawaharpur Firozabad Transmission Limited was acquired by POWERGRID on 21<sup>st</sup> December, 2018 under Tariff based competitive bidding from REC Transmission Projects Company Limited (the Bid Process Coordinator) for establishing Transmission System for Evacuation of Power from 2 X 660 MV Jawaharpur Thermal Power Project and Construction of 400 kV Substation at Firozabad along with associated Transmission Lines and is an Intra State Transmission Project of Uttar Pradesh. The Company was granted transmission license by UPERC on 5<sup>th</sup> July, 2019.

The project elements have been progressively commissioned and the entire project has been commissioned on 02<sup>nd</sup> July, 2021.

As on 31<sup>st</sup> March 2022, PJFTL has an Authorized and Paid-up Share Capital of ₹93.70 crore and ₹89.60 crore respectively. PJFTL has paid first interim dividend of ₹6.17 crore in October, 2021 for FY 2021-22.

(₹ in crore)

Particulars	FY 2021-22	FY 2020-21
Gross Income	51.90	3.57
Profit after Tax	17.12	1.04

#### H. POWERGRID KHETRI TRANSMISSION SYSTEM LIMITED (PKTSL)

PKTSL formerly Khetri Transco Limited was acquired by POWERGRID on 29<sup>th</sup> August, 2019 under Tariff based competitive bidding from REC Transmission Project Company Limited (the Bid Process Coordinator) to establish Transmission system associated with LTA application from Rajasthan SEZ (Part -C) on Build, Own, Operate and maintain (BOOM) basis. The Company was granted transmission license by CERC on 19<sup>th</sup> December, 2019.

As on 31<sup>st</sup> March, 2022, PKTSL has an Authorized and Paid-up Share Capital of ₹209.00 Crore and ₹198.25 Crore, respectively. The project is successfully commissioned on 4<sup>th</sup> October, 2021.

(₹ in crore)

Particulars	FY 2021-22	FY 2020-21
Gross Income	52.67	-
Profit after Tax	5.96	(0.04)



**I. POWERGRID BHIND GUNA TRANSMISSION LIMITED (PBGTL)**

PBGTL formerly Bhind Guna Transmission Limited was acquired by POWERGRID on 11<sup>th</sup> September, 2019 under Tariff based competitive bidding from REC Transmission Project Company Limited (the Bid Process Coordinator) to establish transmission system for Intra-State Transmission Work associated with construction of 400 kV Substation near Guna (Distt.-Guna) & Intra-State Transmission Work associated with construction of 220 kV S/s near Bhind (Distt.-Bhind, Madhya Pradesh) on Build, Own, Operate and maintain (BOOM) basis. The Company was granted transmission license in January 2021 by MPERC.

As on 31<sup>st</sup> March, 2022, PBGTL has an Authorized and Paid-up Share Capital of ₹107.00 crore and ₹90.15 crore respectively. The project is under implementation.

**J. POWERGRID AJMER PHAGI TRANSMISSION LIMITED (PAPTL)**

PAPTL was acquired by POWERGRID on 3<sup>rd</sup> October, 2019 under Tariff based competitive bidding from REC Transmission Projects Company Limited (the Bid Process Coordinator) to establish transmission system for Construction of Ajmer (PG)-Phagi 765 kV D/C line along with associated bays for Rajasthan SEZ. The Company was granted transmission license by CERC on 4<sup>th</sup> March, 2020.

As on 31<sup>st</sup> March, 2022, PAPTL has an Authorized and Paid-up Share Capital of ₹125 crore and ₹115 crore respectively. The project was commissioned on 6<sup>th</sup> May, 2021.

(₹ in crore)

Particulars	FY 2021-22	FY 2020-21
Gross Income	47.95	-
Profit after Tax	0.91	(0.01)

**K. POWERGRID FATEHGARH TRANSMISSION LIMITED (PFTL)**

PFTL was acquired by POWERGRID on 14<sup>th</sup> October, 2019 under Tariff based competitive bidding from PFC Consulting Limited (the Bid Process Coordinator) to establish transmission system for Ultra Mega Solar Park in Fatehgarh, Distt. Jaisalmer Rajasthan. The Company was granted transmission license by CERC on 4<sup>th</sup> March, 2020.

As on 31<sup>st</sup> March, 2022, PFTL has an Authorized and Paid-up Share Capital of ₹141.00 crore. The project has been put under commercial operation on 1<sup>st</sup> September 2021.

(₹ in crore)

Particulars	FY 2021-22	FY 2020-21
Gross Income	36.71	-
Profit after Tax	2.26	-

**L. POWERGRID BHUJ TRANSMISSION LIMITED (PBTL)**

PBTL was acquired by POWERGRID 16<sup>th</sup> October, 2019 under Tariff based competitive bidding from PFC Consulting Limited (the Bid Process Coordinator) to establish transmission system for providing connectivity to RE projects at Bhuj-II (2000MW) in Gujarat. The transmission system includes establishment of new 2 x 1500 MVA (765/400 kV), 4 x 500 MVA (400/220 kV) Bhuj - II PS and reconfiguration of Bhuj PS - Lakadia PS 765 kV D/c line so as to establish Bhuj - II - Lakadia 765 kV D/c line as well as Bhuj - Bhuj II 765 kV D/c line. The Company was granted transmission license by CERC on 3<sup>rd</sup> March, 2020.

As on 31<sup>st</sup> March, 2022, PBTL has an Authorized and Paid-up Share Capital of ₹180.00 crore. The project is under implementation.

**M. POWERGRID RAMPUR SAMBHAL TRANSMISSION LIMITED (PRSTL)**

PRSTL was acquired by POWERGRID on 12<sup>th</sup> December, 2019 under Tariff based competitive bidding from REC Transmission Projects Company Limited (the Bid Process Coordinator) to establish transmission System for construction of 765/400/220 kV GIS Substation at Rampur and 400/220/132 kV GIS Substation at Sambhal with associated Transmission Lines and is an Intra State Transmission Project of Uttar Pradesh. The Company was granted transmission license by UPERC in September, 2020.

As on 31<sup>st</sup> March, 2022, PRSTL has an Authorized and Paid-up Share Capital of ₹166 crore and ₹109 crore respectively. The project is under implementation.

**N. POWERGRID MEERUT SIMBHAVALI TRANSMISSION LIMITED (PMSTL)**

PMSTL was acquired by POWERGRID on 19<sup>th</sup> December, 2019 under Tariff based competitive bidding from PFC Consulting

Limited (the Bid Process Coordinator) to establish transmission system for Construction of 765/400/220 kV GIS Substation, Meerut with associated lines and 400/220/132 kV GIS Substation, Simbhaoli with associated Transmission lines and is an Intra State Transmission Project of Uttar Pradesh. The Company was granted transmission license by UPERC in September 2020.

As on 31<sup>st</sup> March, 2022, PMSTL has an Authorized and Paid-up Share Capital of ₹208.00 Crore and ₹129.71 Crore respectively. The project is under implementation.

**O. POWERGRID RAMGARH TRANSMISSION LIMITED (PRTL)**

PRTL formerly Ramgarh New Transmission Limited was acquired by POWERGRID on 9<sup>th</sup> March, 2021 under Tariff based competitive bidding from REC Power Distribution Company Limited (the Bid Process Coordinator) to establish Transmission System for Transmission System Strengthening Scheme for Evacuation of Power from Solar Energy Zones in Rajasthan (8.1 GW) under Phase-II Part-A on Build, Own, Operate and Maintain (BOOM) basis. The Company was granted transmission license by CERC on 31<sup>st</sup> May, 2021.

As on 31<sup>st</sup> March, 2022, Company has an Authorized and Paid-up Share Capital of ₹20 Crore and ₹1.10 crore, respectively. The project is under implementation.

**P. POWERGRID BIKANER TRANSMISSION SYSTEM LIMITED (PBTSL)**

PBTSL formerly Bikaner-II Bhiwadi Transco Limited was acquired by POWERGRID on 25<sup>th</sup> March, 2021 under Tariff based competitive bidding from PFC Consulting Limited (the Bid Process Coordinator) to establish Transmission System for "Transmission System Strengthening Scheme for Evacuation of Power from Solar Energy Zones in Rajasthan (8.1 GW) under Phase-II Part-F" on Build, Own, Operate and maintain (BOOM) basis. The Company was granted transmission license by CERC on 15<sup>th</sup> July, 2021.

As on 31<sup>st</sup> March, 2022, Company has an Authorized and Paid-up Share Capital of ₹70.00 Crore and ₹22.21 Crore respectively. The project is under implementation.

**Q. POWERGRID SIKAR TRANSMISSION LIMITED (PSTL)**

PSTL formerly Sikar New Transmission Limited was acquired by POWERGRID on 4<sup>th</sup> June, 2021 under Tariff based competitive bidding from REC Power Distribution Company Limited (the Bid Process Coordinator) to establish Transmission System for "Transmission system strengthening scheme for evacuation of power from solar energy zones in Rajasthan (8.1 GW) under Phase II – Part C" on Build, Own, Operate and Maintain (BOOM) basis. The Company was granted transmission license by CERC on 27<sup>th</sup> May, 2022.

As on 31<sup>st</sup> March, 2022, Company has an Authorized and Paid-up Share Capital of ₹80 crore and ₹47.35 crore respectively. The project is under implementation.

**R. POWERGRID BHADLA TRANSMISSION LIMITED (PBDTL)**

PBTL formerly Fatehgarh Bhadla Transco Limited was acquired by POWERGRID on 4 June, 2021 under Tariff based competitive bidding from REC Power Distribution Company Limited (the Bid Process Coordinator) to establish Transmission System for "Transmission system strengthening for evacuation of power from solar energy zones in Rajasthan (8.1 GW) under phase II – Part B" on Build, Own, Operate and Maintain (BOOM) basis. The Company has filed petition with CERC for grant of transmission license.

As on 31<sup>st</sup> March, 2022, Company has an Authorized and Paid-up Share Capital of ₹40 crore and ₹20.31 crore respectively. The project is under implementation.

**S. POWERGRID VEMAGIRI TRANSMISSION LIMITED (PVTL)**

POWERGRID Vemagiri Transmission Limited was acquired by POWERGRID on 18<sup>th</sup> April, 2012 under Tariff Based Competitive bidding for establishing Transmission system associated with IPPs of Vemagiri Area (Package A) from REC Transmission Projects Company Limited (the Bid Process Co-ordinator). The transmission system comprising 765kV D/C lines was to traverse the state of Andhra Pradesh and Telangana.

As on 31<sup>st</sup> March, 2022, POWERGRID Vemagiri Transmission Limited has an Authorized Share Capital and Paid-up Share Capital of ₹0.05 Crore each.

CERC vide Order dated 06<sup>th</sup> April, 2015 stated that Vemagiri-Khammam-Hyderabad 765 kV D/C lines under the project is neither required as an evacuation line nor as a system strengthening line, no useful purpose will be served by adopting the transmission charges and granting license to the petitioner for the said transmission line and has withdrawn the regulatory approval for the Transmission project.





#### T. POWERGRID HIMACHAL TRANSMISSION LIMITED (PHTL)

POWERGRID has acquired 74% stake on 25<sup>th</sup> March, 2021 held by Jaiprakash Power ventures Ltd. (JPVL) in JPL (Jaypee POWERGRID Limited) and hence JPL has become a wholly owned subsidiary of POWERGRID. Consequent upon acquisition name of the Company has been changed from Jaypee POWERGRID Limited to POWERGRID HIMACHAL TRANSMISSION LIMITED.

PHTL is engaged in operation and maintenance of (i) 400 Kv D/C Karcham Wang to Abdullapur Transmission Line with 219.80 KM (ii) LILO of 400 Kv D/C Baspa-Jhakri Line with 4.0 KM.

As on 31<sup>st</sup> March, 2022, the Authorized and Paid-up Share Capital of PHTL is ₹300 crore. The project has been commissioned on 1<sup>st</sup> April, 2012. PHTL has paid total dividend of ₹84 crore during FY 2021-22.

(₹ in crore)

Particulars	FY 2021-22	FY 2020-21
Gross Income	136.43	152.81
Profit after Tax	51.28	30.00

#### U. POWERGRID ALIGARH SIKAR TRANSMISSION LIMITED (PASTL)

PASTL formerly known as Sikar-II Aligarh Transmission Limited was acquired by POWERGRID on 8<sup>th</sup> June, 2021 under Tariff based competitive bidding from PFC Consulting Limited (the Bid Process Coordinator) to establish transmission system for Transmission system strengthening scheme for evacuation of power from solar energy zones in Rajasthan (8.1 GW) under Phase II – Part D and The Transmission system comprises establishment of a 765 kVD/C transmission line from Sikar to Aligarh and associated Substation extension works in the State of Rajasthan and Uttar Pradesh.

As on 31<sup>st</sup> March, 2022, Company has an Authorized and Paid-up Share Capital of ₹70 crore and ₹62.35 crore respectively. The project is under implementation. The Company was granted transmission license on 28<sup>th</sup> May, 2022 by CERC.

#### V. CENTRAL TRANSMISSION UTILITY OF INDIA LIMITED (CTUIL)

Pursuant to mandate of Government of India, POWERGRID incorporated Central Transmission Utility of India Limited, as its wholly-owned Subsidiary on 28<sup>th</sup> December, 2020. This Subsidiary has been mandated to be acquired by Government of India. As on 31<sup>st</sup> March, 2022, the Authorised and paid Up Share Capital of CTUIL is ₹1 crore and ₹0.05 crore respectively.

(₹ in crore)

Particulars	FY 2021-22	For the period from 28 <sup>th</sup> December, 2020 to 31 <sup>st</sup> March, 2021
Gross Income	53.71	-
Profit after Tax	40.03	(0.03)

#### W. POWERGRID TELESERVICES LIMITED (POWERTEL)

Pursuant to approval of the Board of Directors of POWERGRID, a Company was incorporated, as a wholly owned Subsidiary, namely POWERTEL on 25<sup>th</sup> November, 2021. This Subsidiary has been incorporated to undertake Telecommunications and Digital Technology Business of POWERGRID. The agreement for Unified License for NLD, ISP-A & ILD service authorizations was signed on 11<sup>th</sup> May, 2022 and the application for IP-1 Registration has already been submitted to DoT. Further, appointment of new Legal counsel for drafting Business Transfer Agreement (BTA) and other Business transfer activities is under process. Based on the approval received from CERC for incorporation of POWERTEL, POWERGRID will proceed to file the petition in CERC for permission of transfer of Telecom Business from POWERGRID to POWERTEL once the BTA is finalized by Legal Counsel. Upon receipt of approval from CERC, Telecom Business will be transferred from POWERGRID to POWERTEL.

As on 31<sup>st</sup> March, 2022, the Authorised and Paid Up Share Capital of POWERTEL is ₹50 crore and ₹9 crore respectively.

#### X. POWERGRID ENERGY SERVICES LIMITED (PESL)

Pursuant to approval of the Board of Directors of POWERGRID, a Company was incorporated, as a wholly-owned Subsidiary, namely 'POWERGRID Energy Services Limited' on 14<sup>th</sup> March, 2022. This Subsidiary has been incorporated to undertake the Energy Management projects in India and Abroad. As on 31<sup>st</sup> March, 2022, the Authorised and Subscribed Share Capital of PESL is ₹10 crore and ₹0.05 crore respectively.

## 26. Consolidated financial statement

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) 110- 'Consolidated Financial Statements' and Indian Accounting Standards (Ind AS) 28 – 'Investments in Associates and Joint Ventures'. On consolidated basis, the Total Income of the Company, during FY 2021-22, stood at ₹42,697.90 crore as against ₹40,823.53 crore during FY 2020-21, registering an increase of about 4.59%. Total Expenses for the year ended 31<sup>st</sup> March, 2022 stood at ₹25,957.32 crore as against ₹24,820.56 crore for the year ended 31<sup>st</sup> March, 2021. Profit after Tax during FY 2021-22 increased by 39.78% vis-a-vis FY 2020-21. A brief summary of the results on a consolidated basis is given below:

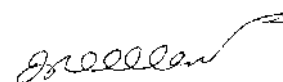
(₹ in crore)

Particulars	FY 2021-22	FY 2020-21
Total Income	42,697.90	40,823.53
Profit before Tax & Regulatory Deferral Account Balances	20,139.38	15,139.03
Profit after Tax	16,824.07	12,036.46
Net Cash from operating activities	26,123.52	29,402.68

## 27. Material developments in Human Resources / Industrial Relations

Please refer to Human Resource section of Directors' Report for details.

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



**(K. Sreekant)**

**Chairman & Managing Director**

**DIN: 06615674**

**Date: 5<sup>th</sup> August, 2022**

**Place: Gurugram**



## BUSINESS RESPONSIBILITY REPORT

### Introduction

POWERGRID recognizes that commitment to sustainability can be reflected by promoting a holistic approach to corporate reporting that focuses on financial as well as non-financial value creation. The report describes our engagement with stakeholders, leadership and governance, relationship with communities, delivering reliable services and sustainable investments, focused on Economic, Environmental, Social & Governance aspects.

This report conforms to the Business Responsibility Reporting (BRR) requirements as laid down under Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs (MCA), India.

### Section A: General Information about the Company

1	Corporate Identity Number (CIN) of the Company	L40101DL1989GOI038121								
2	Name of the Company	Power Grid Corporation of India Ltd								
3	Registered address	B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110016								
4	Website	www.powergrid.in								
5	E-mail id	sustainability.report@powergrid.co.in								
6	Financial Year reported	2021-22								
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	<table border="1"> <thead> <tr> <th>Sector(s)</th> <th>ITC Code No.</th> </tr> </thead> <tbody> <tr> <td>Transmission of Electricity</td> <td>99691110</td> </tr> <tr> <td>Telecom</td> <td>99841100</td> </tr> <tr> <td>Consultancy &amp; Project Management</td> <td>99833244</td> </tr> </tbody> </table>	Sector(s)	ITC Code No.	Transmission of Electricity	99691110	Telecom	99841100	Consultancy & Project Management	99833244
Sector(s)	ITC Code No.									
Transmission of Electricity	99691110									
Telecom	99841100									
Consultancy & Project Management	99833244									
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	<ul style="list-style-type: none"> <li>i) Transmission</li> <li>ii) Telecom</li> <li>iii) Consultancy Services (Domestic /International)</li> </ul>								
9	Total number of locations where business activity is undertaken by the Company i) Number of International Locations (Provide details of major 5) ii) Number of National Locations	<p><b>(i) International:</b> POWERGRID is providing Consultancy services to overseas Clients in all facets of Power Transmission with footprints in more than twenty Countries. During the financial year ended on 31<sup>st</sup> March, 2022, POWERGRID has on-going assignments in Nepal, Bangladesh, Moldova, Uganda and Fiji. Further, POWERGRID is having a branch office in Nepal.</p> <p><b>(ii) National:</b> Total 276 which includes 265 sub-stations (including subsidiaries), 10 Regional headquarters and a Corporate Office at Gurgaon. Telecom department has its points of presence in more than 1,200 locations spread across the country. Apart from above, a no. of substations and transmission lines are presently under construction and personnel are located on various site(s).</p>								
10	Markets served by the Company - Local/ State/National/International	POWERGRID has footprint in all the markets-Local/State/National/ International.								

### Section B: Financial Details of the Company

1	Paid up Capital (INR)	6,975.45 crore
2	Total Income (INR)	42,335.87 crore
3	Total Profit after Taxes (INR)	17,093.76 crore
4	Total Spending on Corporate Social Responsibility (CSR) as a percentage of profit after tax (%)	During FY 2021-22, the Company has spent ₹ 271.14 crore [i.e. 2.11% of average net profits of the Company for last three financial years] on various CSR activities.
5	List of activities in which expenditure in 4 above has been incurred	Health, Education, Environmental Sustainability, Sanitation, Rural Development, Skill Development programmes etc.

## Section C: Other Details

### 1. Does the Company have any Subsidiary Company/ Companies?

As on March 31, 2022, POWERGRID had twenty four wholly owned subsidiary Companies viz. (i) POWERGRID NM Transmission Limited (ii) POWERGRID Vemagiri Transmission Limited (iii) POWERGRID Unchahar Transmission Limited (iv) POWERGRID Southern Interconnector Transmission System Limited (v) POWERGRID Medinipur Jeerat Transmission Limited (vi) POWERGRID Mithilanchal Transmission Limited (vii) POWERGRID Varanasi Transmission System Limited (viii) POWERGRID Jawaharpur Firozabad Transmission Limited (ix) POWERGRID Khetri Transmission System Limited (x) POWERGRID Bhind Guna Transmission Limited (xi) POWERGRID Ajmer Phagi Transmission Limited, (xii) POWERGRID Fategarh Transmission Limited, (xiii) POWERGRID Bhuj Transmission Limited, (xiv) POWERGRID Rampur Sambhal Transmission Limited (xv) POWERGRID Meerut Simbhavali Transmission Limited (xvi) POWERGRID Ramgarh Transmission Limited (xvii) POWERGRID Bikaner Transmission System Limited, (xviii) Central Transmission Utility of India Limited (xix) POWERGRID Sikar Transmission Limited (xx) POWERGRID Aligarh Sikar Transmission Limited (xxi) POWERGRID Himachal Transmission Limited (xxii) POWERGRID Bhadla Transmission Limited (xxiii) POWERGRID Teleservices Limited (xxiv) POWERGRID Energy Services Limited.

### 2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s)

Yes. The BR initiatives of POWERGRID generally apply to its subsidiaries also.

### 3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

Yes. The Environmental and Social Policy & Procedures (ESPP) of POWERGRID encompass the Company, its Joint Venture Companies, subsidiaries in general and relative aspects pertaining to Vendors/Suppliers/Contractors through contract conditions. Vendors/Suppliers/Contractors are required to comply with the provisions of the labour laws, environmental laws & effectual safety plans through stipulations in the Conditions of Contract. The percentage of such Vendors /Suppliers/Contractors are more than 60%.

## Section D: BR Information

### 1. Details of Director/Directors responsible for BR

#### a) The detail of the Director responsible for implementation of the BR policy/policies is as under:

- DIN Number : 07388432
- Name : Shri Abhay Choudhary
- Designation : Director (Projects)

#### b) Details of the BR head

S. No.	Particulars	Details
1.	DIN Number (if applicable)	Not Applicable
2.	Name	Shri A Nagaraju (BR Head w.e.f. 01.01.2022)
3.	Designation	Executive Director (ESMD & CSR)
4.	Telephone number	0124-2571955
5.	E-mail id	nagaraju1965@powergrid.in

S. No.	Particulars	Details
1.	DIN Number (if applicable)	Not Applicable
2.	Name	Shri T.C. Sarmah <sup>#</sup>
3.	Designation	Executive Director (ESMD & CSR)
4.	Telephone number	0124-2571955
5.	E-mail id	tcsarmah@powergrid.in

<sup>#</sup> Shri T. C. Sarmah took over the charge as BR head w.e.f. 02.12.2020 and superannuated on 31.12.2021.



## 2. Principle-wise (as per NVGs) BR Policy/policies

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted following nine areas of Business Responsibility:

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
P3	Businesses should promote the wellbeing of all employees
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
P5	Businesses should respect and promote human rights
P6	Business should respect, protect, and make efforts to restore the environment
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
P8	Businesses should support inclusive growth and equitable development
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner



### a) Details of compliance (Reply in Y/N)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have policy/policies for....	Y	Y	Y	Y	Y	Y	NA	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders? *	Y	Y	Y	Y	Y	Y	NA	Y	Y
3.	Does the policy conform to any national / international standards? If yes, specify?* (50 words)	Y	Y	Y	Y	Y	Y	NA	Y	Y
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	NA	Y	Y
5.	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	NA	Y	Y
6.	Indicate the link for the policy to be viewed online?	www.powergrid.in								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	NA	Y	Y
8.	Does the Company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	NA	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	NA	Y	Y
10.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency? *	Y	Y	Y	Y	Y	Y	NA	Y	Y

\*Conforms to / are updated / reviewed in accordance with the National Standards including GOI/ CVC/ DPE Guidelines, applicable laws etc.



b) If answer to question at S. No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

S. No.	Questions	Principle 7- Responsible public policy advocacy
1.	The Company has not understood the principles	-
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-
3.	The Company does not have financial or manpower resources available for the task	-
4.	It is planned to be done within next 6 months	-
5.	It is planned to be done within the next 1 year	-
6.	Any other reason (please specify)	<p>POWERGRID is a member of various industrial and trade bodies and participates in these forums on issues and policy matters that impact the interest of our stakeholders. Keeping in view the significant interest of POWERGRID in the Transmission sector, a separate Regulatory Cell is in place to undertake POWERGRID's endeavor of a proactive approach as part of policy advocacy with the stakeholders and CERC/CEA/MoP.</p> <p>Wherever felt necessary, we give our comments on various approach papers, consultation papers, draft regulations/rules etc. issued by CERC, CEA, MoP, TRAI and other authorities.</p>

### 3. Governance related to BR

a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, more than 1 year

3-6 months

b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes, the Company has been publishing a separate "Sustainability Report" biennially since 2010. Company has published its 7<sup>th</sup> Sustainable Report covering period FY 2019-21 based on Global Reporting Initiatives (GRI) standards (Core) duly validated by independent accredited assurance provider following International standards like Accountability's AA1000AP (2018) & AA1000SES (2015). These reports are accessible on the Company website at the hyperlink: <https://www.powergrid.in/sustainability-report>

### Section E: Principle-wise performance

#### Principle 1- Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/ Joint Ventures/Suppliers/Contractors/NGOs/Others?

Yes. POWERGRID is committed to observe transparency and consistency in all its operations. POWERGRID follows a number of policies/rules to strengthen ethical conduct at all levels including the following:

- a) **Code of Business Ethics & Conduct:** POWERGRID has laid down two separate Code of Business Ethics & Conduct – one for Board Members and another for Senior Management Personnel (including those deputed in Subsidiaries/ Joint Ventures) in alignment with Company's Vision & Mission and aims at enhancing ethical and transparent process in managing the affairs of the Company.
- b) **POWERGRID Conduct and Discipline Appeal rules (POWERGRID CDA Rules):** POWERGRID CDA Rules define the desirable and non-desirable acts and conduct for the employees and extend to all employees working with it (including those deputed in Subsidiaries/ Joint Ventures). The aspects of Bribery and Corruption are also covered under CDA rules. There is laid down procedure for actions in the case of non-compliance with the defined terms as well as for any misconduct.
- c) **Whistle Blower and Fraud Prevention Policy:** Whistle Blower and Fraud Prevention policy provides a system for disclosures made by employees or complaint of any fraud or suspected fraud involving employees of POWERGRID (all full time, part-time or employees appointed on adhoc/ temporary/contract basis) as well as representative of vendors, suppliers, contractors, service providers or any outside agency(ies) doing any type of business with POWERGRID.



Since, POWERGRID is a designated public authority, the provisions of the Right to Information Act, 2005 are applicable on us. The Chief Public Information Officers (CPIO) at the Corporate and Regional level ensure smooth access to information in a timely manner.

Several initiatives have been taken / are being taken by POWERGRID to strengthen integrity, transparency and fairness in its business practices which includes the following:

- (i) Well defined "Delegation of Powers" is in place delineating the powers of the top executives and below for carrying out work in systematic manner.
- (ii) POWERGRID has implemented "Works & Procurement Policy and Procedure (WPPP) for Pre-award and Post-award Stages" (as amended from time to time) with a view to make the policies and procedures more systematic, transparent and easy to administer uniformly throughout its business operations with major thrust on expeditious and decentralized decision making coupled with accountability and responsibility.
- (iii) "Integrity Pact Program" has been implemented which is considered as a useful tool in ensuring transparency in the procurement process. Contracts above ₹100 Crore are also monitored by a panel of "Independent External Monitors (IEMs)". Further, Standard Operating Procedures (SOPs) pertaining to Integrity Pact Program (IPP) have been reviewed by CVC and a revised SOP (SOP 2021) has been formulated for adoption. POWERGRID has implemented the revised SOP in its business context. As per the revised SOP, the Contractor shall also sign the Integrity pact with its sub-contractors before employing under the Contract.
- (iv) Manuals and Procedures are in place for Construction, Operation & Maintenance.
- (v) E-procurement mechanism for most of the project procurements has been implemented.
- (vi) E-Reverse auction mechanism is in place.
- (vii) The Project "RUPANTAR", the Enterprise Resource Planning (ERP) initiative of our Company has been implemented and majority of the key processes related to business are running on ERP.
- (viii) Detail of Award is posted on the website on real time basis.
- (ix) POWERGRID focuses on Preventive, Pro-active as well as Punitive Vigilance. Aiming at better transparency and to inculcate good governance within the organization, POWERGRID has taken a number of initiatives. For details, section on 'Commitment to Transparency and Ethical Practices' under Directors' Report may be referred.

**2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

During FY 2021-22, 49 complaints were received. About 43 (i.e. 87.70%) of complaints have been disposed off during the year and the remaining are under due process.

**Principle 2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle**

**1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

- (i) In order to reduce usage of Diesel Generator as backup power supply, POWERGRID is establishing Battery Energy Storage System (BESS) of 500 kW/250 kWh capacity at its Township (Sector 43, Gurugram). The BESS shall continuously supply reliable power for at least half an hour at full rated load. The BESS is envisaged to supply 900 MWh energy in its operational life, i.e. equivalent to more than 3.5 Lakh litres of Diesel usage.
- (ii) POWERGRID has taken initiative to demonstrate the use of Natural & Synthetic Esters as Transformer Insulation fluid in place of conventional Mineral Oil as pilot project at 400kV level. Under this initiative, POWERGRID has successfully commissioned one number 420kV 50 MVAR Shunt Reactor with Natural Ester Fluid in one of its Substation. One number 315 MVA 400/220kV Transformer with Synthetic Ester Fluid is under manufacturing. Natural & Synthetic Ester fluids are environment friendly & safe as they are readily bio-degradable and having higher flash/ Fire point. Based on successful operational experience, same shall be used in more number of projects which will help in reducing Carbon footprints and achieving Sustainable Development Goal.
- (iii) POWERGRID's pioneering effort in developing technology for use of the inductive power in earth wire for powering of telecom antennas has huge potential to reduce emission of Green House Gases (GHGs) from DG sets, a constant source of pollution and GHGs emission. It is estimated that such initiative will result in saving of 40-60 tCO<sub>2</sub>/ year/location.
- (iv) POWERGRID has developed and tested monopole structures for 400 kV and 765 kV voltage levels which will go long way in addressing RoW problem in densely populated urban areas, conservation of forest & aesthetic associated with big lattice tower.

(v) Adoption of modern techniques viz. GIS / GPS, satellite imaging etc. help in selection of most optimum line route avoiding ecologically and socially sensitive areas as far as possible, thus, resulting in minimum ecological and social footprint.

**2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):**

- a) **Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?**
- b) **Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

These activities are being carried out under various policies / guidelines and are implemented from time to time.

**3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

Sustainability in sourcing is enforced through the Environmental and Social Policy & Procedures (ESPP) of POWERGRID which extends to Suppliers/Contractors/Vendors through contract conditions. Vendors/Suppliers/Contractors are required to comply with ESPP, Labour laws, Environmental laws & effectual Safety plans through stipulations in the Conditions of Contract. Contracts provide penalties to be imposed on the Vendors/Suppliers/Contractors in the event of breach of the said provisions.

**4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

POWERGRID has adopted various Govt. policies issued from time to time aimed at increasing share of procurement from Local and small vendors. In this context, it is to be mentioned that POWERGRID has implemented Public Procurement (Preference to Make in India) Order, 2017 and its subsequent modifications/amendments in its business context which provides Purchase preference to Local Suppliers. Further, POWERGRID has also implemented Public Procurement Policy (PPP) for Micro & Small Enterprises (MSEs) which is aimed at increasing procurement from Micro and Small enterprises.

For development and facilitations of Micro and Small Enterprises (MSEs), POWERGRID on regular basis organizes various Vendor Development Programmes (VDPs)/Trainings/Interaction sessions for MSEs at National and Regional level.

Majority of the Procurement being done by POWERGRID are through Domestic Bidding with focus on local suppliers and indigenous manufacturers. Special emphasis has been kept on locally manufactured goods and services under the 'Make in India' initiatives.

For details, section on "Participation in GoI Initiatives" under Directors' Report may be referred.

**5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

Due to nature of the Company's business, there is no process waste generated and the waste is restricted primarily to metal scraps, used batteries, used transformer oil, e-waste etc. However, Company has put in place systems for reuse/recycling of these waste materials. The wastes such as used transformer oil, used batteries, & e-waste are disposed either to Govt. authorized recyclers/reprocessors or channelized back to manufacturers for recycling as per the applicable rules/regulations, which takes care of 100% recycling of such wastes. For further details on quantity and disposal method, refer Sustainability Reports available at below hyperlink

<https://www.powergrid.in/sustainability-report>

POWERGRID has installed composting machines at more than 55 locations for recycling and reuse of organic/bio-degradable waste generated from its residential townships/substations and office establishments. This initiative has eliminated the problem of disposal of organic waste as well as compost produce from such waste is gainfully utilized in-house. Further, digital initiatives towards paperless work such as e-office, DREAMS (Drawing Review and Engineering Approval Management System), e-Tendering Portal-PRANIT, establishment of Centralized Vendor Bill Processing facilities etc. has not only reduced the generation of waste paper substantially but also paved the way for paperless office in future.



### Principle 3- Businesses should promote the wellbeing of all employees

**1. Please indicate the Total number of employees.**

Total numbers of employees as on March 31, 2022 were 8,536.

**2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.**

Total number of employees hired on contractual basis for fixed term assignments as on March 31, 2022 were 434 (excluding contractual labour).

**3. Please indicate the Number of permanent women employees.**

Number of permanent women employees as on March 31, 2022 were 672.

**4. Please indicate the Number of permanent employees with disabilities.**

Number of permanent employees with disabilities as on March 31, 2022 were 213.

**5. Do you have an employee association that is recognized by management.**

Employees under workmen category are represented through Trade Unions and the management has recognized bipartite forum (workmen-management forum) at National and Regional level of POWERGRID.

**6. What percentage of your permanent employees is members of this recognized employee association?**

Workmen represent about 22% of the employee strength in POWERGRID.

All Workmen are eligible as members of Trade Union.

**7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

S. No.	Category	Number of complaints filed during the financial year	Number of complaints pending as on end of the financial year
1.	Child labour/forced labour/involuntary labour	NIL	NIL
2.	Sexual harassment	3	NIL
3.	Discriminatory employment	NIL	NIL

**8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

Enhancing learning for achieving high performance in work related systems, processes and practices is an integral part of the Company's human resource strategy. To this end, to spearhead excellence in learning and performance, POWERGRID has world class infrastructure such as training centers to provide training to its Employees as well as other Power utilities (National & International).

Employees	% of Employees given safety & skill up-gradation training in the last year i.e. FY 2021-22
Permanent Employees	87.06%
Permanent Women Employees	86.66%
Casual/ Temporary/ Contractual Employees	89.31%
Employees with Disabilities	92.20%

### Principle 4- Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

**1. Has the Company mapped its internal and external stakeholders? Yes/No**

Yes, POWERGRID has mapped its internal and external stakeholders. We recognize Shareholders, Regulatory Authorities, Government of India (Gol), Customers, Communities/persons residing around our areas of operation, Projects Affected Persons (PAPs)/Communities, Employees, Suppliers & Contractors, Research & Development Institutions, Funding Agencies and Media as our key stakeholders in economic, environment & social dimensions.

POWERGRID engages with its identified stakeholders on an ongoing basis and the prioritization of such engagement has

been done considering factors like Dependency, Influence, Responsibility and Proximity. There is a structured Stakeholder Engagement Matrix which details specific engagement mechanisms including mode & frequency of engagement for each stakeholder category.

For details you may refer Stakeholder Engagement Section of Directors' Report.

**2. Of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?**

Yes, the Company has identified the disadvantaged, vulnerable & marginalized stakeholders.

**3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

POWERGRID has taken following initiatives to engage with the disadvantaged, vulnerable and marginalized stakeholders:

Internal Stakeholders (Employees- Persons with Disabilities (PWD/ SC/ ST/ Women) –

At POWERGRID, we believe that an effective stakeholder engagement is necessary for achieving continuous and inclusive growth. Diversity is backbone of our organization and we believe that our internal stakeholders are our assets. We endeavor to make the disadvantaged, vulnerable and marginalized Internal stakeholders feel valued and heard by taking following special initiatives:

- i) **Open and Transparent Recruitment:**– POWERGRID ensures diversity at workplace through efforts to recruit, develop and retain the most talented people from the pool of SC/ ST/ OBC/ Ex-servicemen/ Persons with Disabilities (PWD) candidates, in accordance with Gol directives on reservation matters.
- ii) **Listening and Timely Grievance Redressal:**– A Reservation Cell has been constituted at the corporate, as well as regional level to comply with Gol directives on reservation matters for SC/ST/OBC/Ex-servicemen/ Persons with Disabilities (PWD). This cell is under direct control of nominated liaison officer(s). The Liaison Officer(s) are available on a pre-fixed day and time for interaction once in a week. Wide publicity regarding availability of the liaison officer is ensured amongst SC/ST employees. Regular meetings are held with the representatives of the above category.
- iii) **Internal Complaints Committee (ICC) :-** ICC constituted under Sexual Harassment of Women in Workplace (Prevention, Prohibition, Redressal) Act, 2013 exists in the Company in order to handle complaints related to the harassment of sexual nature of women. Women employees are extended certain relaxations like posting in soft locations, etc.
- iv) **Training and Support:**– ‘Awareness Programme’ are organized to acquaint the SC/ST/OBC/PWD/Women employees about the relaxations and concessions available to them under Government directives.
- v) **Barrier Free Work environment:**– In all establishments of POWERGRID, employees are facilitated with built up environment conforming to the standards under Accessible India Campaign/ Sugamya Bharat Abhiyaan and thus have the facilities of ramp, disabled friendly elevators etc. The Corporate website of the Company is also equipped with screen reader access.

**External Stakeholders –**

Corporate Social Responsibility (CSR) Initiatives: CSR activities of POWERGRID are focused towards initiatives that promote inclusive growth and address the basic needs of the under privileged and weaker sections of the society. The organization addresses the issues of Community Development with thrust on Healthcare, Promoting Education, Drinking Water & Sanitation, Skill development, Infrastructure creation for Rural Development, Environmental Sustainability, Disaster Management, etc. primarily in and around its areas of operations. A large number of women, girls, SC/ST/Minority, poor & marginalized section of the population were benefitted as a result of POWERGRID's CSR initiatives. Various CSR initiatives such as improvement in facilities at public healthcare / educational institutions, Scholarship / financial assistance to the deprived students, etc. had been undertaken for improving the quality of life of the less privileged population. Besides, a large number of projects involving infrastructure development in rural areas like Construction of Vishram Sadans in Govt. Hospitals, construction of classrooms/ community centers/ toilets in school, providing schools furniture, operationalization of smart classes, Installation of solar street lights, creating sanitation and drinking water facilities, construction/renovation of roads, etc. have been undertaken. In addition, the Company continues to undertake several Skill Development initiatives under CSR by imparting livelihood-oriented skill development training through various Government agencies.

**Principle 5 - Businesses should respect and promote human rights**

**1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?**

Human Rights issues have been incorporated in all Policies and Practices of POWERGRID in letter and spirit which extend to the employees including those deputed in Subsidiaries/ Joint Ventures and relative aspects pertaining to Vendors/ Suppliers/ Contractors through contract condition.

POWERGRID is committed to take care of its employees as well as all stakeholders. Compliance is ensured to all the law of the land. Measures for Rehabilitation and Resettlement of project affected persons takes special care in addressing the needs of





marginalized groups of individuals based on gender, caste, physical disability etc. Also, impact assessment studies are carried out in these areas afterwards. Our CSR Activities also focus on community development in underdeveloped areas.

To promote fair and equitable employment relationship, a scheme for Grievance Redressal of employees is also in place which ensures a time bound redressal of grievances. Internal Complaints Committee (ICC) have been constituted under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to redress complaints received regarding sexual harassment.

POWERGRID also got certified to Social Accountability Standard SA-8000 for its human resource and labour management policies and practices. Vendors /suppliers / contractors are required to comply with the provisions of the labour laws/ Human rights etc. through stipulations in the conditions of contract. All contractors are required to comply with various compensation, safety and regulatory acts. POWERGRID takes declaration regarding Social Accountability from the bidders/contractors for compliance of all requirements of Social Accountability Standards i.e., SA-8000 (latest Standard available at [www.sa-intl.org](http://www.sa-intl.org)), which also forms part of contract documents. Provision of penalties for non-adherence of the same are also included in the contract conditions.

POWERGRID promotes awareness of the importance of respecting Human Rights within its value chain and discourage instances of abuse. Besides conducting technical and behavioural trainings, the training on Human Rights issues to sensitize people towards women, the differently-abled and the socially weaker sections of the society have also been imparted.

**2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

No complaint was received regarding human rights violation during the reporting period (2021-22).

**Principle 6 - Business should respect, protect, and make efforts to restore the environment**

**1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.**

The Environmental and Social Policy & Procedures (ESPP) of POWERGRID encompass the Company, its Joint Ventures, subsidiaries in general and relative aspects pertaining to Vendors/ Suppliers/Contractors through contract condition.

**2. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.**

Yes, Company has taken various initiatives for mitigating climate change to fulfil its commitment towards the goal of sustainable development and to meet the Gol's Nationally Determined Target (NDC) under Paris Agreement. Some major initiatives in this regard are:

- ✓ POWERGRID has successfully achieved the goal of reducing involvement of forest, an important natural resource by more than 60% since 1998 through study of alternatives and adoption of modern survey techniques such as GIS, GPS and Remote Sensing based route optimization. This significant reduction in forest involvement as well as providing fund for compensatory afforestation over double the area diverted helping in maintaining/enhancing India's carbon sink commitment under NDC target.
- ✓ Towards fulfilment of Gol's target of 500 GW Capacity from non-fossil energy sources by 2030, POWERGRID is playing a pivotal role for grid integration of various Renewable Energy Zones in the country through implementation of high-capacity Green Energy Corridors (GEC).
- ✓ Increasing the carbon sink through plantation of suitable species in and around all substation facilities. More than 6.81 lakh saplings have already been planted during last decade. POWERGRID has set a plantation target of additional 5.25 lakh samplings by 2030.
- ✓ POWERGRID, in its initiative towards sustainability & green energy, is establishing solar PV systems in its premises spread across the country. Already about 7.6 MWp of rooftop solar PV systems at more than 118 locations are in operation and generated electricity is being used to meet captive requirements. Further, the establishment of 7.5 MWp at 96 locations is in process of planning/implementation. Established capacity of rooftop solar PV systems is reducing about 9300 MT of CO2 emission annually.
- ✓ POWERGRID has also taken action for assessing feasibility of installing large scale solar PV plants in vacant land of it's premises. First of such plant is proposed to be established in Nagda, Distt. Ujjain (M.P.) having 85 MW capacity.
- ✓ In line with Gol E- Mobility mission towards lowering vehicular emission and to ensure energy sustainability, POWERGRID has been deploying e-vehicles and e-cart for day-to-day official transportation/in substation premises. POWERGRID is also developing Electric Vehicle (EV) Charging Stations across India to facilitate E-mobility solutions in road transport covering 2-Wheelers, Rickshaws/Autos, Taxis, Cars, etc.

The hyperlink for the above is <https://www.powergrid.in/csr/overview-0>

**3. Does the Company identify and assess potential environmental risks? Y/N**

Yes. A detailed Risk Assessment and Management procedure is in place to identify and assess potential environmental and social risks, as part of overall project analysis. The POWERGRID's ESPP which is based on the principles of Avoidance, Minimization and Mitigation outlines POWERGRID's approach and commitment to deal with environmental and social risk/ issues and lays out management procedures and protocols to mitigate the same. It provides a framework for identification, assessment, and management of environmental and social concerns at both organizational and project level. ESPP framework includes procedures for: (a) Screening and Identification of Risks (from environmental receptors, social receptors and other stakeholders); (b) avoidance of risks (including criteria and procedures for alternative routing); (c) mitigation of risk through impact management, implementation of Good International Industry Practices (GIIP), adequate compensation to affected stakeholders, public consultation and disclosure, and grievance redress; (d) responsibility and resource allocation including an organization structure for management of social and environmental risks; and (e) monitoring, reporting, evaluation, feedback, management review and corrective action.

POWERGRID is accredited with a Publicly Available Specification, PAS 99:2012 based Integrated Management System (IMS) that includes ISO 9001:2015 (Quality Management System), ISO 14001:2015 (Environment Management System) and OHSAS 18001:2007 (Occupational Health & Safety Management System).

**ESPP Framework**



Social Objectives	Environmental Objectives
<ul style="list-style-type: none"> <li>● Avoid/ minimize disturbance to habitation, tribal areas and places of cultural heritage</li> <li>● Consult/involve Affected Persons/communities during all stages of project implementation</li> <li>● Maintain highest standards of health and safety to avoid possible accidents</li> </ul>	<ul style="list-style-type: none"> <li>● Avoid operations in environmentally sensitive areas, eco sensitive zones, forests, sanctuaries, national parks, tiger/ biosphere reserves, and coastal areas covered under CRZ through study of alternatives</li> <li>● Consider environmental implications of location, terrain, and sensitive areas in impact identification and mitigate with innovative/practical engineering solutions</li> <li>● Application of efficient and safe technology practices</li> <li>● Abate pollution in all activities</li> <li>● Minimize energy losses and promote energy efficiency</li> </ul>

**4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

No.

**5. Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

Yes. POWERGRID continues to undertake initiatives on Energy Efficiency which includes energy audits of various industries/ institutions/transmission & distribution companies/ other commercial establishments/ Investment Grade Energy Audit reports, etc. which is a basic need for implementation of Energy Efficiency solutions / Energy Service Company (ESCO) projects. The Company is also BEE certified Grade-I ESCO for undertaking implementation of energy efficiency projects. To facilitate implementation, POWERGRID has signed Memorandum of Understanding (MoUs) with Govt. agencies for undertaking consultancy & investment in Energy Efficiency Projects. The Company has also formed wholly owned subsidiary 'POWERGRID Energy Services Limited' to take such projects.

**6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

Since power transmission projects do not involve any chemical process no direct emission/waste are released to environment. The only emission that can be attributed to our activities is from operation of DG sets used intermittently as power backup. However, regular maintenance of DG sets ensured containment of emission levels well within the permissible limits prescribed by Pollution Control Boards.

**7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

NIL [POWERGRID did not receive any show cause/ legal notice from CPCB/SPCB.]



## Principle 7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

### 1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

POWERGRID is a member of various industry bodies including the following:

1. Federation of Indian Chambers of Commerce and Industry (FICCI)
2. Confederation of Indian Industry (CII)
3. CII PSE Council
4. The Associated Chambers of Commerce & Industry of India (ASSOCHAM)
5. PHD Chamber of Commerce & Industry (PHDCCI)
6. Central Board of Irrigation & Power (CBIP)
7. World Energy Council (WEC) India
8. India Infrastructure Forum (IIF)
9. Power Foundation

### 2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas. (dropdown: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

POWERGRID participates through associations in (1) above on the issues and policy matters that impact the interest of our stakeholders.

Keeping in view the significant interest of POWERGRID in the Transmission sector, a separate Regulatory cell is in place to undertake POWERGRID's endeavor of a pro-active approach as part of policy advocacy with the stakeholders and CERC/CEA/MoP. Wherever felt necessary, we give our comments on various approach papers, consultation papers, draft regulations/rules etc. issued by CERC/CEA/MoP/TRAI/other authorities. Besides, POWERGRID also gives its comments in the field of Governance & Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Sustainable Business Principles etc., as and when sought by Gol. We have also made significant contribution in designing/planning eco-friendly measures to mitigate impacts of transmission line on wildlife as a member of Task force constituted by MoEF & CC.

## Principle 8- Businesses should support inclusive growth and equitable development

### 1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

By the very nature of our business, we touch millions of lives every day and understand that real success is the result of inclusive development of the involved entities and stakeholders. We support the principles of inclusive growth and equitable development through Corporate Social Responsibility (CSR) initiatives as well as through our core business.

Our commitment towards Social Responsibility (Labour, Employees, Communities, Employee's families) is amply reflected in our already adopted Integrated Management Policy, Environmental and Social Policy & Procedures (ESPP), Corporate Objectives, OSHAS-18001 and Social Accountability SA-8000. Corporate Social Responsibility is primarily to showcase our abiding commitment and concern to pay back to the society and environment for the benefits reaped so far. CSR has always been an integral part of our vision and the cornerstone of Core Values of Good Corporate Citizenship. We are committed towards taking responsibility for its impact, though very minimal in nature, on society and being accountable to the inhabitants of mother nature. We emphasize on overall socio-economic development of areas and communities around our operations through various community development programmes, initiatives such as Livelihood generation, Skill development, Healthcare, Education, Plantation, Sanitation, Drinking water, Roads, Drainage system, Community centers, Development and Conservation of Water bodies, etc.

### 2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

The programs / projects are undertaken by in-house teams as well as through Govt./ Semi Govt. agencies/agencies of International and National repute, etc.

### 3. Have you done any impact assessment of your initiative?

Yes. Impact Assessment have been carried out inter alia to assess/evaluate the community development activities undertaken, the benefits accrued to communities and to gain insights for formulating & improving the community development activities in future. For projects below ₹1 crore, impact assessment had been undertaken by POWERGRID internally. For projects above ₹1 Crore, Impact Assessment has been carried out by engaging external agencies in line with Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021.



**4. What is your Company's direct contribution to community development projects- Amount in and the details of the projects undertaken?**

An amount of ₹271.14 Crore has been incurred and a total of 152 number of projects worth about ₹420.83 Crore have been sanctioned under CSR activities during the FY 2021-22. In addition, community development works were undertaken for the overall improvement of surrounding villages and community. Based on social assessment outcome, we implement need-based development works like Installation and Operationalization of Smart class rooms, toilets, schools' furniture, Repair/re-construction of dysfunctional toilets, supply of various medical equipment to PHC and Govt. Hospitals, construction of District Hospitals, Establishment of Gyan Kendras in various parts of the country, financial assistance for education of violence affected students, Installation of hand pumps, water supply arrangements in different schools and installation of Solar Street lights, construction of roads, community centers in villages, Engagement of Apprentices, etc. in association with local authorities, etc.

**5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

The communities intended to be benefitted are consulted and closely involved in the process of identifying, planning and implementation of the CSR activities. Wherever possible, the local authorities and specialized agencies are similarly consulted and involved. During implementation and just before handing over of facility, regular awareness programs are organized with the help of local bodies, etc. to inculcate ownership of facility.

**Principle 9- Businesses should engage with and provide value to their customers and consumers in a responsible manner**

**1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

NIL

**2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)**

Not Applicable

**3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

No

**4. Did your Company carry out any consumer survey/ consumer satisfaction trends?**

We engage with our customers on an ongoing basis and generally hold meetings on a regular basis. The objective of said



meetings inter alia includes identification of process improvement areas, understanding concerns / expectations of customers. Based on feedback, company takes measures for system improvement, wherever required.

**For & on behalf of  
POWER GRID CORPORATION OF INDIA LIMITED**

A handwritten signature in black ink, appearing to read 'K. Sreekant'.

**(K. Sreekant)  
Chairman & Managing Director  
DIN: 06615674**

**Date: 5<sup>th</sup> August, 2022**

**Place: Gurugram**



**Particulars required under Rule 8 (3) of the Companies (Accounts) Rules, 2014 read with Section 134(3)(m) of the Companies Act, 2013.**
**A. Conservation of Energy**
**a) Energy conservation measures taken and on hand**

Your Company has been conscious of designing the transmission system to be energy efficient with low line losses. The transmission loss in the Company's transmission system is around 3% which is at par with global standard.

Right from the planning stage to the execution stage and throughout the Operations & Maintenance (O&M) period the transmission schemes, various alternatives/ technologies for power transfer are examined with the major criteria for selection of transmission system/ technology being to lower losses.

Energy conservation measures are taken by your Company at every step so as to develop an efficient and low-loss transmission network -

- At the design stage of the transmission system, optimization of various parameters is done. The conductors are selected after detailed optimization studies which consider reduction of line losses as one of the primary criteria.
- The bus bar materials and the clamps and connectors are chosen after meeting stringent international requirements so that losses are optimized. In case of Transformer & Shunt reactor packages, the limit on losses have been specified for manufacturers so that they adopt best manufacturing practices. In case of HVDC system also, the selection of parameters is done in such a way that overall losses are minimized even under various system operating conditions.
- Further, in case of transmission hardware, the material with lower losses is specified. Parameters and types of various other equipment are also chosen in a manner that the losses are optimized.

Your Company has also undertaken the installation of LED lights and solar energy-based street-lamps for illumination of substation premises which has helped to conserve electricity in substation premises. Solar based energy generation systems are also installed in recently constructed HVDC stations to power lighting loads in control room.

**b) Energy Audits**

- Bureau of Energy Efficiency (BEE) Grade-I ESCO certified.
- A dedicated team/group to provide energy audits in other commercial establishments for implementation of Energy Efficiency Solutions/Energy Service Company (ESCO) projects.
- MoUs signed with Government agencies for undertaking consultancy & investment in Energy Efficiency Projects.

**c) Additional investment and proposals, if any, being implemented for reduction of consumption of Energy:**

Your Company undertakes energy conservation measures by means of reduction of losses in its projects right from planning to execution stage and throughout the O & M period.

**B. Technology Absorption**
**a) Research and Development**

- Your Company continues to take up research and development activities for new technologies in the field of power transmission system to remain at par with international utilities. Your Company by virtue of its research initiatives is a part of International bodies like CIGRE, IEC etc. for various technologies and is contributing significantly in its International standardization efforts.
- State-of-the-art VSC Technology has been brought to India for the first time by your Company. The VSC technology significantly reduces the land requirement compared to the conventional HVDC systems and is particularly suitable for areas, where land is scarce. It also facilitates development of smart grid and improves system resilience under various operating conditions. A unique feature of this project is the combination of overhead line and underground cable to address the restricted availability of transmission corridor.
- To enable forecasting of renewable resources and efficient management of intermittent renewable generation, your



Company, on behalf of the Government of India, established two Renewable Energy Management Centers (REMCs), one in Telangana and one in South Andaman this financial year, bringing the cumulative REMCs established by your Company to thirteen (13). These centers are equipped with forecasting tools, renewable energy programming tools and real-time monitoring of renewable resources.

- Also, realizing the need for conservation of Right-of-Way and future requirement of development of high capacity transmission system to meet the future power requirement, your Company is actively pursuing seamless integration of new and efficient technologies in Indian power grid to create environment-friendly transmission system.
- Your Company has accorded special emphasis on adoption of new technologies available around the globe for improving the quality of power supply, reduction of losses, optimum utilization of the available transmission assets, conservation of environment and optimizing upon the cost of delivered power.

## **b) Technology Development**

Specific areas where benefits derived are given below:

### **Completed Projects**

1. To align with the global requirement towards sustainability, your Company has commissioned World's first 400kV Shunt Reactor with Natural Ester oil as insulating fluid on 27<sup>th</sup> August, 2021 at Maithon Substation (West Bengal). Major advantages of natural ester oil are:
  - a. Easily biodegradable
  - b. Natural Ester Oil fluid is a vegetable seed-based fluid derived from renewable agricultural seed crops
  - c. Lower risk of fire
2. Under Add cap, refurbishment work of 2X250MW HVDC BTB Vindhyachal station, Block#1 & 2 successfully completed and taken into service.
3. Under Add cap following refurbishment work of  $\pm 500$  kV, 2X750 MW Rihand-Dadri HVDC Station Rihand-Dadri HVDC station carried out:
  - a. Refurbishment work for C&P, TCU & Valve cooling system for Pole-1&2 successfully completed and HVDC link and taken into service.
  - b. Replacement of old DC neutral switches with new for pole-1, pole-2 & common neutral area completed successfully.
  - c. Replacement of old 400KV circuit breakers with new for converter main & tie bay for pole-1 & 2 completed successfully.
  - d. Replacement of old OIP bushings with dry type SF<sub>6</sub> gas filled bushings for converter transformers completed successfully.
4. Successfully completed operational testing for reverse power flow from Bhiwadi to Ballia for  $\pm 500$  kV, 2 X 1,250 MW Ballia-Bhiwadi HVDC link on 8<sup>th</sup> February, 2022. This will help in transmission of excess renewable energy from solar parks in Rajasthan to other part of country by relieving the congestion in parallel AC network and will improve grid stability.
5.  $\pm 800$  kV, 6,000 MW Raigarh Pugalur HVDC project, along with complete transmission line along with DMR was successfully commissioned and is under commercial operation.
6.  $\pm 320$  kV, 2,000 MW Pugalur Trichur VSC HVDC link along with complete transmission link (Overhead line and Underground Cable) was successfully commissioned and is under commercial operation.
7. During FY 2021-22, Twenty-Two additional Extra High Voltage (EHV) Substations were integrated with National Transmission Asset Management Centre (NTAMC) for remote operation.
8.  $\pm 800$  kV Raigarh - Pugalur HVDC link along with Bipole-II (Pole-III & IV 1,500 MW each).
9. 765 kV D/C Vindhyachal Pooling Station - Varanasi Transmission Line associated with "Transmission System New WR-NR 765 kV Inter-Regional Corridor".
10. Towards condition assessment of the transformers and reactors in a more efficient way, during FY 2021-22, version 2.0 of

the POWERGRID Asset Life Management System (PALMS) app was launched with several upgradations over the original version. More advanced diagnostic methods based on various international standards and POWERGRID's experience of interpretation of test results were also incorporated in the software.

### **Ongoing projects**

1. Re-conductoring of following lines with high temperature endurance conductor to enhance the capacity of the transmission corridor by about two times:
  - Maithon – Maithon-RB 400kV D/c line
  - Siliguri – Bongaigaon 400kV D/c line
  - Kolhapur – Kolhapur (Maharashtra) 400kV D/c line
  - Pirana – Pirana (Torrent) 400kV D/c line
  - NP Kunta – Kolar 400kV S/c line
  - Alipurduar – Salakati 220kV D/c line
  - BTPS – Salakati 220kV D/c line
  - Dimapur – Imphal 132 kV S/c line
  - Loktak – Jiribam 132kV S/c line
2. 500 MVAR TCR (Thyristor Controlled Reactor) at Kurukshetra, a self-regulating device for Reactive VAR absorption is under implementation.
3. Establish Transmission system for evacuation of RE power from renewable energy parks in Leh under regulatory tariff mechanism (RTM).
4. **Green Energy Corridors:**
  - Your Company has installed solar PV systems in its premises spread across the country. About 7.6 MWp of rooftop solar PV systems are in operation at more than 118 locations and generated electricity is being used to meet captive requirements. Further, the establishment of 7.5 MWp at 96 locations is in process of planning/implementation. Established capacity of rooftop solar PV systems is reducing about 9,300 MT of CO2 emission annually.
  - In order to facilitate integration of RE capacity into the grid, your Company has evolved comprehensive Green Energy Corridors comprising ISTS and Intra-State Transmission System, Renewable Energy Management Centres (REMCs) in various State Load Despatch Centre (SLDCs)/ Regional Load Despatch Centres (RLDCs)/ National Load Despatch Centre (NLDC) and transmission system for Ultra Mega Solar Power Parks (UMSPP).
  - Evolved transmission plan for 66.5GW potential renewable energy zone (50GW Solar, 16.5GW wind) which is under various stages of implementation.
  - About 52 GW of renewable potential has been identified in Rajasthan, Gujarat, Himachal Pradesh and Ladakh for which planning of transmission system has been carried out and the implementation of the same would be taken up.
  - About 33.35 GW of renewable generations can be integrated in the ISTS grid through margins at various existing/under construction ISTS S/s. For the remaining capacity addition, SECI has preliminarily identified 181.5GW potential Renewable Energy Zones in 8 states viz. Andhra Pradesh, Karnataka, Telangana, Rajasthan, Maharashtra, Madhya Pradesh and Offshore wind at Gujarat & Tamil Nadu with various Hybrid & Solar locations planned with Storage (BESS of 60GW).
5. Development of indigenous Substation Inspection Robot in collaboration with IIT Kanpur to facilitate automation of routine repetitive inspection of switchyard equipment as well as data driven decision process using AI/ML techniques, thus improving operational efficiency.



**c) Efforts made towards technology absorption**

1. VSC HVDC will be adopted in future in lieu of LCC HVDC for transmission of bulk power from weck generation having low short circuit level. VSC HVDC facilitates independent control of active power (MW) & reactive power (MVAR) and also helps to black start.
2. GIS/Hybrid GIS technology at 400kV and 765kV level has been adopted in substations where space constraints exist.
3. Multi-level beams have been used in GIS and AIS substations with multi-ckt. lines to optimize line corridor areas near substation.
4. Special insulators like polymer composite insulators have been adopted in transmission lines in polluted areas.
5. Use of Transmission Line Arrestors (TLAs) has been adopted in areas which are highly prone to lightning like North Bengal and parts of North Eastern Region. This has helped to considerably reduce trippings on account of lightning in these transmission lines.
6. On line transformer monitoring techniques are being used for monitoring of critical parameters of power transformers.

**C. Foreign Exchange Earnings and Outgo:**

(₹ in Crore)

<b>A. Actual foreign exchange outgo on account of:</b>		
1.	Capital Goods & Spare Parts	343.37
2.	Interest	513.83
3.	Others	20.02
<b>Total</b>		<b>877.22</b>
<b>B. Actual foreign exchange earned towards</b>		
1.	Professional & Consultancy fee	27.23
<b>Total</b>		<b>27.23</b>

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

**(K. Sreekant)**

**Chairman & Managing Director**

**DIN: 06615674**

**Date : 5<sup>th</sup> August, 2022**

**Place : Gurugram**

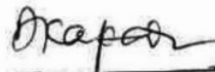
**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE STANDALONE FINANCIAL STATEMENTS OF POWER GRID CORPORATION OF INDIA LIMITED FOR THE YEAR ENDED 31 MARCH 2022**

The preparation of standalone financial statements of Power Grid Corporation of India Limited for the year ended 31 March 2022 in accordance with the financial reporting framework prescribed under the Companies Act, 2013(Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 21 May 2022.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the standalone financial statements of Power Grid Corporation of India Limited for the year ended 31 March 2022 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

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

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



(Deepak Kapoor)

Director General of Audit (Energy),  
Delhi

Place: New Delhi

Dated: 22 July 2022





**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6) (b) READ WITH SECTION 129 (4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF POWER GRID CORPORATION OF INDIA LIMITED FOR THE YEAR ENDED 31 MARCH 2022**

The preparation of consolidated financial statements of Power Grid Corporation of India Limited for the year ended 31 March 2022 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139 (5) read with section 129 (4) of the Act are responsible for expressing opinion on the financial statements under section 143 read with section 129 (4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 21.05.2022.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of Power Grid Corporation of India Limited for the year ended 31 March 2022 under section 143(6) (a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of Power Grid Corporation of India Limited and subsidiaries, associate companies and jointly controlled entities listed in Annexure I but did not conduct supplementary audit of the financial statements of subsidiaries, associate companies and jointly controlled entities listed in Annexure II for the year ended on that date. Further, section 139 (5) and 143 (6) (a) of the Act are not applicable to Powerlinks Transmission Limited, Torrent Power Grid Limited, Parbati Koldam Transmission Company Limited and Teestavalley Power Transmission Limited being private entities and Power Transmission Company Nepal Limited being incorporated in Foreign country under the respective laws, for appointment of their Statutory Auditor and for conduct of supplementary audit. Accordingly, Comptroller and Auditor General of India has neither appointed the Statutory Auditors nor conducted the supplementary audit of these companies. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

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

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

(Deepak Kapoor)  
Director General of Audit (Energy),  
Delhi

Place: New Delhi  
Dated: 22 July 2022

### ANNEXURE 1

#### **List of Subsidiaries, Associate Companies and Jointly Controlled Entities whose financial statements were audited by the Comptroller and Auditor General of India**

##### A. Subsidiaries incorporated in India:

1. Powergrid Unchahar Transmission Limited
2. Powergrid Southern Interconnector Transmission System Limited
3. Powergrid Medinipur Jeerat Transmission Limited
4. Powergrid Mithilanchal Transmission Limited
5. Powergrid Jawaharpur Firozabad Transmission Limited
6. Powergrid Bhind Guna Transmission Limited
7. Powergrid Himachal Transmission Limited
8. Powergrid NM Transmission Limited



## ANNEXURE II

### **List of Subsidiaries, Associate Companies and Jointly Controlled Entities whose financial statements were not audited by the Comptroller and Auditor General of India**

#### **A. Subsidiaries incorporated in India:**

1. Powergrid Varanasi Transmission System Limited
2. Powergrid Khetri Transmission System Limited
3. Powergrid Bhuj Transmission Limited
4. Powergrid Ajmer Phagi Transmission Limited
5. Powergrid Fatehgarh Transmission Limited
6. Powergrid Rampur Sambhal Transmission Limited
7. Powergrid Meerut Simbhavali Transmission Limited
8. Central Transmission Utility of India Limited
9. Powergrid Ramgarh Transmission Limited
10. Powergrid Bikaner Transmission Limited
11. Powergrid Sikar Transmission Limited
12. Powergrid Bhadla Transmission Limited
13. Powergrid Aligarh Sikar Transmission Limited
14. Powergrid Teleservices Limited
15. Powergrid Energy Services Limited
16. Powrgrid Vemagiri Transmission Limited

#### **B. Joint Ventures incorporated in India:**

1. North East Transmission Company Limited
2. National High Power Test Laboratory Private Limited
3. Bihar Grid Company Limited
4. Cross Border Power Transmission Company Limited
5. RINL Powergrid TLT Private Limited
6. Energy Efficiency Services Limited

## FORM NO. MR-3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2022

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
Power Grid Corporation of India Limited  
B-9, Qutab Institutional Area, Katwaria Sarai,  
New Delhi-110016.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Power Grid Corporation of India Limited [CIN: L40101DL1989GOI038121]** (hereinafter called the "Company") having its **Registered Office at B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi -110016**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on, **31<sup>st</sup> March, 2022** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on **31<sup>st</sup> March, 2022**, according to the provisions of:

- (i) The Companies Act, 2013 (the '**Act**') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('**SCRA**') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('**SEBI Act**'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;



- d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not applicable to the Company during the audit period);**
  - e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the audit period);**
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the audit period)** and
  - i) The Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014;
- (vi) The other Laws, as confirmed and certified by the management, following law is specifically applicable to the Company based on the Sectors / Businesses:
- (a) The Electricity Act, 2003 and Rules and Regulations made there under.

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

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- iii. Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) issued by the Department of Public Enterprises vide their OM No. 18(8)/2005-GM dated 14<sup>th</sup> May, 2010.
- iv. Guidelines on Capital Restructuring of Central Public Sector Enterprises (CPSEs) as stipulated in the O.M.F No. 5/2/2016-Policy dated 27<sup>th</sup> May, 2016 issued by Department of Investment and Public Asset Management (DIPAM), Ministry of Finance, Government of India.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above except to the extent as mentioned below:

- 1. The Company did not have requisite number of Independent Directors as required under Regulation 17 of SEBI (LODR) Regulations, 2015 and Para 3.1.4 of DPE Guidelines on Corporate Governance and the Company had a Woman Independent Director till 25<sup>th</sup> July, 2021.
- 2. The composition of Audit committee was not in line with Regulation 18(1)(b) of SEBI (LODR) Regulations, 2015 from 23<sup>rd</sup> July, 2021 to 14<sup>th</sup> December, 2021; and
- 3. The Composition of Nomination and Remuneration Committee was not in line with Regulation 19(1)(c) of



SEBI (LODR) Regulations, 2015 from 26<sup>th</sup> July,2021 to 14<sup>th</sup> December,2021.

**We further report that:**

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors except to the observations mentioned above.
- The Company, being a Central Public Sector Enterprise (CPSE) the appointment of Directors on its Board is made by the Administrative Ministry, i.e. Ministry of Power (MoP), Government of India (GoI). Company has been continuously following up with MoP for appointment of requisite number of Independent Directors (including a woman independent director) on the Board.
- Ministry of Corporate Affairs' has exempted Government Companies from complying with the provisions of Section 178(2) & Schedule IV with regard to performance evaluation of Board, its committees and individual directors. The performance evaluation of Functional Directors, Government Nominee Directors and Independent Directors of your company is done by Ministry of Power (Administrative Ministry) as per applicable Rules and Procedures.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes thereon were generally sent in line with the statutory provisions in this regard and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Decisions of the Board / committee thereof were carried with unanimously during the period under review.

**We further report that** on the basis of the information and explanations provided to us, we are of the opinion that, there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period the company has following events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.: -

- i. The Company has declared and paid the following interim dividends:
  - a) 1<sup>st</sup> interim dividend of ₹7.00 per equity share of ₹10/- each (including Special Dividend of ₹3.00 per equity share) i.e. @70% of the paid-up equity share capital was paid on 11<sup>th</sup> January, 2022.
  - b) 2<sup>nd</sup> interim dividend of ₹5.50 per equity share of ₹10/- each i.e., @55% of the paid-up equity share capital was paid on 8<sup>th</sup> March, 2022.
- ii. Board in its meeting held on 21<sup>st</sup> May, 2022 has recommended a final dividend of ₹ 2.25 per share (i.e. @ 22.50% on the paid-up equity share capital) for the financial year 2021-22 subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company.
- iii. The Company has monetized five (05) of its subsidiaries, namely POWERGRID Vizag Transmission Limited, POWERGRID Kala Amb Transmission Limited, POWERGRID Jabalpur Transmission Limited, POWERGRID Warora Transmission Limited and POWERGRID Parli Transmission Limited through POWERGRID Infrastructure Investment trust ('PGInvIT/trust'). PGInvIT has been registered by SEBI under SEBI (Infrastructure Investment Trusts) Regulations, 2014 ('InvIT Regulations') as an Infrastructure Investment trust vide registration no. in/invit/20-21/0016 dated 07 January 2021, the



Company is the sponsor of PGInvIT.

- iv. The Company has issued 6.05% Unsecured, Non-Convertible, Non-Cumulative, Redeemable, Taxable POWERGRID Bond LXIX of ₹529.90 Crore during the period under review.
- v. The Company has issued Bonus Shares in the ratio of 1:3 i.e., 1 (one) new equity Bonus Share of ₹10/- each for every 3 (three) existing equity share of ₹10/- each fully paid up during the period under review.

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

**CS Naresh Kumar Sinha  
(Proprietor)**

**FCS: 1807; C.P. No.: 14984**

**PR: 610/2019**

**FRN: S2015UP440500**

**UDIN: F001807D000716730**

Place: Noida

Date: 31<sup>st</sup> July, 2022

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

To,  
**The Members,**  
**Power Grid Corporation of India Limited,**  
**B-9, Qutab Institutional Area, Katwaria Sarai,**  
**New Delhi-110016.**

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Kumar Naresh Sinha & Associates**

**Company Secretaries**

**CS Naresh Kumar Sinha**  
**(Proprietor)**

**FCS: 1807; C.P. No.: 14984**

**PR: 610/2019**

**FRN: S2015UP440500**

**UDIN: F001807D000716730**

**Date: 31<sup>st</sup> July, 2022**

**Place: Noida**



## Annexure - VI to the Directors' Report

### REPORT ON CORPORATE GOVERNANCE

#### 1. The Company's Governance Philosophy

Corporate Governance is about promoting corporate fairness, transparency and accountability in the best interests of various stakeholders in the Company. Your Company, Power Grid Corporation of India Limited (POWERGRID or the Company) believes that good governance entails trusteeship, empowerment and accountability of the management while remaining proactive towards Government policies. The Company's Governance process is focused towards achieving its Vision and Mission.

#### VISION

World Class, Integrated, Global Transmission Company With Dominant Leadership in Emerging Power Markets Ensuring Reliability, Safety and Economy.

#### MISSION



World Class: Setting superior standards in capital project management and operations for the industry and ourselves



Global: Leveraging capabilities to consistently generate maximum value for all stakeholders in India and in emerging and growing economies



Inspiring, nurturing and empowering the next generation of professionals



Achieving continuous improvements through innovation and state-of-the-art technology



Committing to highest standards in health, safety, security and environment

The Corporate Governance of POWERGRID is geared by the following:

- i. To meet the short term, medium term & long term objectives and specific targets set by the Government of India and by the Board every year, by empowering people at the most appropriate levels keeping the job profile/functions in view.
- ii. To respond to the challenges and the emerging opportunities and to play a pivotal role in the economic development of the country.

The corporate governance structure specifies the distribution of duties, rights, responsibilities, and powers among different participants in the Company. All strategic decisions regarding investment, diversification, major decisions regarding procurement, commercial and finance are implemented after approval by the Board.

The Board of Directors comprises of the Chairman and Managing Director, Functional Directors, Government Nominee Directors and Non-Official Part Time Directors (Independent Directors). The duties, rights and obligations of the employees are delineated in the policy manuals published and the amendments thereto notified, from time to time.

Distribution of authority and powers are laid down as per 'Delegation of Powers' matrix to ensure transparency and

accountability. Your Company has implemented 'Works and Procurement Policy and Procedure for Pre-award and Post-award Stages' with a view to make the policies and procedures more systematic, transparent, and easy to administer with major thrust on expeditious and decentralized decision making coupled with responsibility.

The Board has constituted several committees; some of them are mandated by law and others have been formed to aid effective functioning of the Company.

Statutory Committees	Non-Statutory Committees
Audit Committee	Committee on Investment on Projects
Stakeholders' Relationship Committee	Committee on Award of Contracts
Nomination and Remuneration Committee	Committee for Bonds
Risk Management Committee	Committee on Transfer /Split/Rematerialization etc. of shares
CSR Committee	Committee of Directors for New Businesses
	Committee for monetization of assets through Infrastructure Investment Trust (InvIT)
	Committee for TBCB Projects
	Exchange Risk Management Committee
	Committee of Directors on compliance to Government of India (GoI) Directives on procurement and national missions.

Advisory Boards consisting of eminent persons have been constituted for Environment and Social Policy and Procedures, Research and Development and Telecom Business, to advise the Company on critical issues in these areas.

Besides adhering to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (hereinafter referred as SEBI LODR), the Company is also required to follow the Guidelines on Corporate Governance issued by Department of Public Enterprises, Government of India.

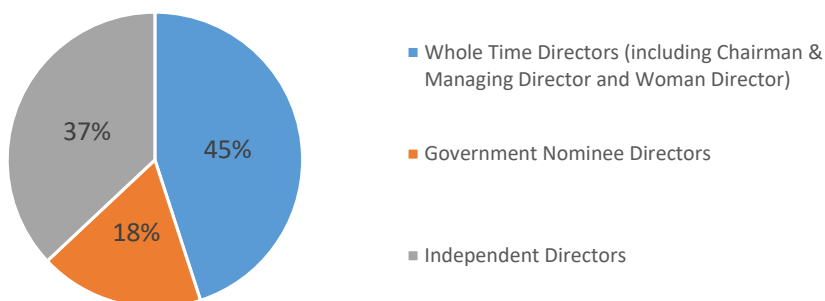
The compliance status of your Company with regard to Corporate Governance and disclosure requirements for FY 2021-22 have been detailed in this report.

## 2. Board of Directors

### 2.1. Size and Composition of the Board

POWERGRID is a Government Company within the meaning of Section 2(45) of the Companies Act, 2013 (the Act) and the Government of India presently holds 51.34% of the total paid-up share capital. The power to appoint Directors vests with the President of India. The qualification, experience, expertise etc. of all the Directors are given in Director's profile of this Annual Report from page no. 7 to 9.

As on 31<sup>st</sup> March, 2022, the Board of your Company comprised of eleven Directors, five Whole Time Directors including the Chairman & Managing Director, two Government Nominee Directors and four Independent Directors. The Board of your Company comprised one Independent Woman Director till 25<sup>th</sup> July, 2021.



The number of Independent Directors during the FY 2021-22 was less than as compared to the number required under SEBI LODR. As the power to appoint the Directors on the Board as per Articles vests with the Government of India, the Company from time to time has been requesting Ministry of Power to appoint requisite number of Independent Directors on the Board so as to ensure compliance.





## Relationship Between Directors

All the Independent Directors meet the criteria as per the regulatory requirements, none of them are related to each other and are also independent of the Management.

## 2.2. Age Limit and Tenure of Directors

The age limit for the Chairman & Managing Director and other Whole Time Directors is 60 years.

The Chairman & Managing Director and other Whole Time Directors are appointed for a period of five years from the date of taking over of charge or till the date of superannuation of the incumbent or till further orders from the Government of India, whichever event occurs earlier. On appointment by the Government of India, these Directors are co-opted as Additional Directors and the appointment is regularized by Shareholders of the Company. Government Nominee Directors representing the Ministry of Power, Government of India are appointed as Government Nominee Director by the Board of Directors in terms of Section 161(3) of the Act. Independent Directors are generally appointed by the Government of India for tenure of three years.

The details of Directors as on 31<sup>st</sup> March, 2022 were as follows:

Details of Directors		Name	Date of Joining the Board
Category	Designation		
1. Whole Time Directors	Chairman & Managing Director	Shri K. Sreekant	05.08.2019
	Director (Operations)	Mrs. Seema Gupta (Up to 31.05.2022)	01.03.2018
	Director (Personnel)	Dr. Vinod Kumar Singh	01.02.2020
	Director (Finance)	Shri M. Taj Mukarrum (Up to 31.07.2022)	04.07.2020
	Director (Projects)	Shri Abhay Choudhary	01.11.2020
2. Government Nominees Part – time Directors	Government Nominee Directors	Shri Ghanshyam Prasad (Up to 14.07.2022)	21.12.2021
		Shri Dilip Nigam®	04.01.2021
3. Non-official Part-time Directors	Independent Directors	Shri M.N. Venkatesan (Up to 10.07.2022)	11.07.2019
		Shri Korachara Nagappa Onkarappa	17.11.2021
		Shri Chetan Bansilal Kankariya	17.11.2021
		Shri Ram Naresh Tiwari	18.11.2021

@Shri Dilip Nigam, Scientist 'G' MNRE has completed his tenure as Government Nominee Director on 30.04.2022. Shri Dilip Nigam, Scientist 'G' MNRE has been appointed as Government Nominee Director in terms of order of Ministry of Power dated 06.06.2022 with immediate effect.

## 2.3. Board Meetings and Attendance

During FY 2021-22, seventeen Board meetings were held on various dates - 22<sup>nd</sup> April, 2021, 23<sup>rd</sup> April, 2021, 28<sup>th</sup> April, 2021, 6<sup>th</sup> May, 2021, 10<sup>th</sup> May, 2021, 11<sup>th</sup> May, 2021, 21<sup>st</sup> May, 2021, 17<sup>th</sup> June, 2021, 10<sup>th</sup> August, 2021, 26<sup>th</sup> August, 2021, 11<sup>th</sup> October, 2021, 9<sup>th</sup> November, 2021, 15<sup>th</sup> December, 2021, 29<sup>th</sup> December, 2021, 9<sup>th</sup> February, 2022, 23<sup>rd</sup> February, 2022 and 27<sup>th</sup> March, 2022. Meetings were generally scheduled well in advance and the Notice, detailed Board agenda, management reports and other explanatory Board notes were circulated to the Directors. The members of the Board had complete access to all the required information of the Company. Senior management were also invited to the Board meetings as and when required to provide additional inputs to the items that were discussed by the Board. In case of an urgency, resolutions were passed by circulation.

The maximum interval between any two meetings during this period was 53 days. Details of number of Board meetings attended by Directors, attendance at last Annual General Meeting (AGM), number of other directorships / committee memberships [viz. Audit Committee and Stakeholders' Relationship Committee as per SEBI LODR] held by them during the FY 2021-22 are tabulated below:

Name of Director	No. of Board Meetings		Attendance at the last AGM (held on 24.09.2021)	No. of Directorship as on 31.03.2022 in other Companies	No. of other Companies in which Membership or Chairmanship of Committee as on 31.03.2022*		Directorship held in other Listed Companies as on 31.03.2022 and category of Directorship	
	Entitled to attend	Attended			Chairmanship	Membership	Name of Companies	Category of Directorship
<b>Whole Time Directors</b>								
Shri K. Sreekant, CMD	17	17	Yes	09	NIL	NIL	NIL	NIL
Mrs. Seema Gupta, Director (Operations)	17	17	Yes	09	1	3	NIL	NIL
Dr. Vinod Kumar Singh, Director (Personnel)	17	16	Yes	02	NIL	1	PTC India Limited	Nominee Director
Shri M. Taj Mukarrum, Director (Finance)	17	17	Yes	02	NIL	1	NIL	NIL
Shri Abhay Choudhary, Director (Projects)	17	17	Yes	10	NIL	NIL	NIL	NIL
<b>Non-executive Directors (Government Nominees)</b>								
Shri Ghanshyam Prasad, Jt. Secy. - Government Nominee Director (w.e.f. 21.12.2021 to 14.07.2022)	04	04	N/A	01	NIL	NIL	NIL	NIL
Shri Dilip Nigam, Advisor, MNRE - Government Nominee Director (w.e.f. 04.01.2021 to 30.04.2022)	17	13	Yes	NIL	NIL	NIL	NIL	NIL
Shri Mritunjay Kumar Narayan, Jt. Secy. - Government Nominee Director (Up to 06.12.2021)	12	07	Yes	N/A	N/A	N/A	N/A	N/A
<b>Independent Directors</b>								
Shri M. N. Venkatesan	17	17	Yes	02	01	01	NIL	NIL
Shri Onkarappa KN (w.e.f. 17.11.2021)	05	05	N/A	01	02	03	NIL	NIL
Shri Chetan Bansilal Kankariya (w.e.f. 17.11.2021)	05	05	N/A	00	NIL	02	NIL	NIL
Shri Ram Naresh Tiwari (w.e.f. 18.11.2021)	05	05	N/A	01	NIL	03	NIL	NIL
Smt. A. R. Mahalakshmi (up to 25.07.2021)	08	08	N/A	N/A	N/A	N/A	N/A	N/A
Shri Sunil Kumar Sharma (up to 22.07.2021)	08	08	N/A	N/A	N/A	N/A	N/A	N/A

**Notes:**

N/A indicates that concerned person was not a Director of your Company on that relevant date.

\*Includes committee position in POWERGRID.

#### 2.4. Separate Meeting of Independent Directors

A separate meeting of Independent Directors was held on 10<sup>th</sup> July, 2021. The meeting was attended by all three Independent Directors. In this meeting, Independent Directors assessed the quality, quantity and timeliness of flow of information between the Company management and the Board which is necessary for the Board to perform their duties effectively and reasonably.

#### 2.5. A chart or matrix setting out the skills / expertise / competencies identified of the board and name of directors having such skills/ expertise / competencies as required in the context of its business (es) and sector(s) for an efficient functioning

POWERGRID, being a Government Company within the meaning of Section 2(45) of the Companies Act, 2013 and the power to appoint functional / Official Part-time Directors / Non-Official Part-time Directors (Independent Directors) vests with the Government of India which takes into consideration the skills / expertise / competencies of the incumbent at the time of appointment.



## **2.6. Information placed before the Board of Directors, inter alia includes:**

The Board has complete access to all information with the Company. The information regularly supplied to the Board includes:

- i. Annual operating plans and budgets and updates, if any.
- ii. Annual Accounts, Directors' Report, etc.
- iii. Quarterly financial results of the Company.
- iv. Minutes of meetings of Audit Committee and other committees of the Board including minutes of Subsidiary Companies.
- v. Major Investments, formation of Subsidiaries and Joint Ventures, Strategic Alliances, etc.
- vi. Award of large Contracts.
- vii. All related party transactions.
- viii. Disclosure of Interest by Directors about directorship and committee positions occupied by them in other Companies.
- ix. Declaration of independency by Independent Directors.
- x. Monthly Report on Commercial Status of the Company.
- xi. Quarterly Report on Business Activities of various Subsidiaries Companies.
- xii. Quarterly Report on Compliance of various laws.
- xiii. Quarterly Report on Compliance with Corporate Governance; Reconciliation of Share Capital Audit and Investors' Complaints.
- xiv. Report on the status of various ongoing projects/Scheme and Budget Utilization.
- xv. Report on the O&M Review.
- xvi. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, etc.
- xvii. Non-compliance of any Regulatory, statutory or listing requirements and shareholders' service such as non-payment of dividend, delay in share transfer etc.
- xviii. Short-Term investment of surplus funds.
- xix. Other materially important information.

## **2.7. Post meeting follow-up system**

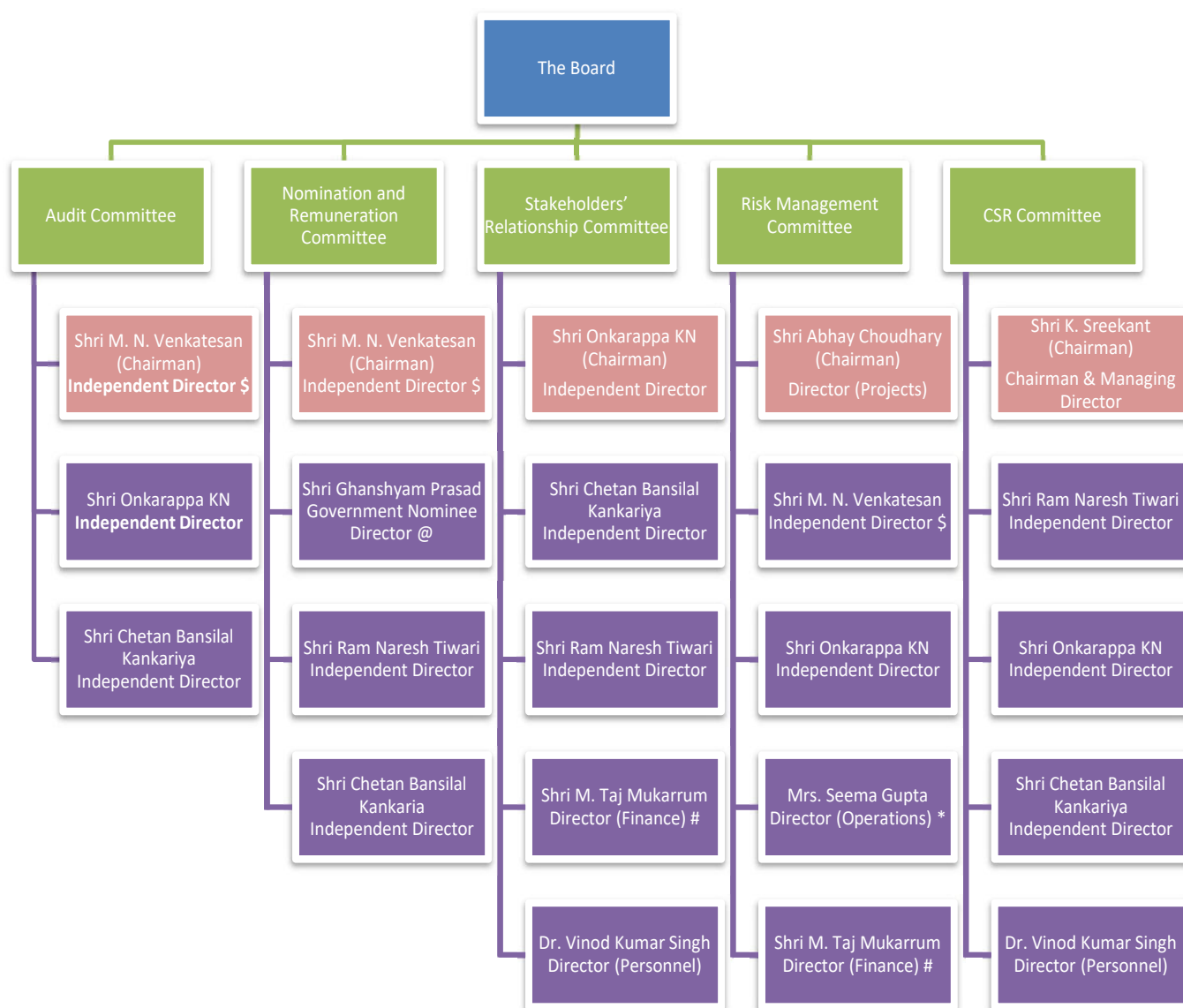
The Governance process in the Company includes an effective post-meeting follow-up, review and reporting process for action taken on decisions of the Board and the Board Committee(s).

## **3. Committees of the Board of Directors**

The Board has constituted the following Statutory Committees:

- i. Audit Committee
- ii. Nomination and Remuneration Committee
- iii. Stakeholders' Relationship Committee
- iv. CSR Committee
- v. Risk Management Committee

## Committee of Board of Directors (as on 31<sup>st</sup> March, 2022)



- \$ ceased to be Independent Director on 10.07.2022
- @ ceased to be Government Nominee Director on 14.07.2022
- # cease to be Director (Finance) on 31.07.2022
- \* ceased to be Director (Operations) on 31.05.2022



### 3.1. Audit Committee

#### Meeting, Attendance, Constitution and Composition

The Company has constituted Audit Committee in line with the provisions of Section 177 of the Act and Regulation 18 of SEBI LODR.

Fourteen meetings of the Audit committee were held during FY 2021-22.

Attendance of Audit Committee Meeting during FY 2021-22:

Name of the Committee Member	Committee Position	No. of meeting entitled to attend	No. of meeting attended
Shri M. N. Venkatesan	Chairman	14	14
Shri Onkarappa KN (w.e.f. 15.12.2021)	Member	03	03
Shri Chetan Bansilal Kankariya (w.e.f. 15.12.2021)	Member	03	03
Mrs. Seema Gupta (w.e.f. 03.08.2021 to 15.12.2021)	Member	06	06
Shri Abhay Choudhary Director (Projects) (w.e.f. 03.08.2021 to 15.12.2021)	Member	06	06
Smt. A. R. Mahalakshmi (upto 25.07.2021)	Member	05	05
Shri Sunil Kumar Sharma (up to 22.07.2021)	Member	05	05

The Company Secretary is the Secretary of the Committee.

#### Powers of Audit Committee

The powers of the Audit Committee include the following:

- i. To investigate any activity within its terms of reference.
- ii. To seek information on and from any employee.
- iii. To obtain outside legal or other professional advice.
- iv. To secure attendance of outsiders with relevant expertise, if it considers necessary.
- v. To protect whistle blowers.
- vi. To consider other matters as referred by the Board.

#### Terms of Reference

The brief terms of reference of the Audit Committee are as under –

- i. Oversight of our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- ii. Recommending to the Board regarding fixation of audit fee to be paid to statutory auditors appointed by the Comptroller & Auditor General under the Companies Act, 2013 and approval for payment with respect to any other services rendered by the statutory auditors.
- iii. Reviewing, with the management, the Standalone and Consolidated annual financial statements and Auditors' Report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (c) of Sub-section 3 of Section 134 of the Act.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.



- c. Major accounting entries involving estimates based on the exercise of judgment by management.
- d. Significant adjustments made in the financial statements arising out of audit findings.
- e. Compliance with listing and other legal requirements relating to financial statements.
- f. Disclosure of any related party transactions.
- g. Qualifications/modified opinions in the draft audit report.
- iv. Reviewing/examining, with the management, the quarterly Standalone financial statements and consolidated quarterly financial statements along with Limited Review Report by the Statutory Auditors of the Company of all the entities / companies whose Accounts are to be consolidated, before submission to the Board for approval.
- v. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the end use/ utilization of proceeds of a public or rights issue & related matters and making appropriate recommendations to the Board to take up steps in this matter.
- vi. Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems.
- vii. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- viii. Discussing with internal auditors and / or auditors any significant findings and follow up there on.
- ix. Reviewing the findings of any internal investigations by the internal auditors / auditors / agencies into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- x. Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- xi. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- xii. To review / oversee the functioning of vigil mechanism / Whistle Blower mechanism of the Company.
- xiii. To review the follow up action on the audit observations in the Comptroller & Auditor General audit.
- xiv. To review the follow up action taken on the recommendations of Committee on Public Undertakings (COPU) of the Parliament.
- xv. Provide an open avenue of communication between the independent auditor, internal auditor and the Board.
- xvi. Approval or any subsequent modification of transactions of the Company with related parties.
- xvii. Review all related party transactions in the Company. (For this purpose, the Audit Committee may designate a member who will be responsible for reviewing related party transactions). The term 'related party transactions' shall have the same meaning as provided in Regulation 2(1)(zc) of the SEBI LODR.
- xviii. Reviewing with the independent auditor the co-ordination of audit efforts to ensure completeness of coverage, reduction of redundant efforts, and the effective use of all audit resources.
- xix. Considering and review the following with the independent auditor and the management:
  - a. The adequacy of internal controls including computerized information system controls and security; and
  - b. related findings and recommendations of the independent auditor and internal auditor, together with the management responses.
- xx. Considering and reviewing the following with the management, internal auditor and the independent auditor:
  - a. Significant findings during the year, including the status of previous audit recommendations; and
  - b. Any difficulties encountered during audit work including any restrictions on the scope of activities or access to required information.



- xxi. Reviewing and monitoring the Auditor's independence and performance, and effectiveness of audit process.
- xxii. Scrutiny of inter-corporate loans and investments.
- xxiii. Valuation of undertakings or assets of the Company, whenever it is necessary.
- xxiv. Evaluation of Internal Financial Controls and Risk Management Systems.
- xxv. Reviewing the compliance with the provisions of SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 at least once in a financial year and verifying that the systems for internal control are adequate and are operating effectively.
- xxvi. Reviewing the utilization of loans and / or advances from / investment by the Company in the Subsidiary exceeding ₹100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date.
- xxvii. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee under the Act, SEBI LODR and DPE Guidelines on Corporate Governance for CPSEs, as amended from time to time.

#### **Review of information by Audit Committee**

The Audit Committee mandatorily reviews the following information:

- i. Management discussion and analysis of financial condition and results of operations.
- ii. Statement of significant related party transactions submitted by management.
- iii. Management letters / letters of internal control weaknesses issued by the statutory auditors.
- iv. Internal audit reports relating to internal control weaknesses.
- v. The appointment, removal and terms of remuneration of the chief internal auditor.
- vi. Certification/declaration of financial statements by the Chief Executive Officer/Chief Financial Officer.
- vii. Statement of deviations:
  - a. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - b. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

#### **3.2. Nomination and Remuneration Committee**

The Company has constituted Nomination and Remuneration Committee in line with the provisions of Section 178 of the Act and Regulation 19 of SEBI LODR.

One meeting of the Nomination and Remuneration Committee was held during FY 2021-22.

Attendance of Nomination and Remuneration Committee Meeting during FY 2021-22:

<b>Name of the Committee Member</b>	<b>Committee Position</b>	<b>No. of meeting entitled to attend</b>	<b>No. of meeting attended</b>
Shri M. N. Venkatesan	Chairman	1	1
Shri Dilip Nigam (w.e.f. 03.08.2021 to 29.12.2021)	Member	1	1
Shri Mritunjay Kumar Narayan (Up to 06.12.2021)	Member	1	1
Shri Ghanshyam Prasad (w.e.f. 29.12.2021 to 14.07.2022)	Member	0	0
Shri Ram Naresh Tiwari (w.e.f. 15.12.2021)	Member	0	0
Shri Chetan Bansilal Kankaria (w.e.f. 15.12.2021)	Member	0	0

### Terms of Reference

The Nomination and Remuneration Committee recommends the Board a policy/scheme relating to the Performance Related Pay (PRP) and other variable pay of the employees; the role as specified in the Companies Act, 2013 (the act) / Regulation 19 read with Part D of Schedule II of the SEBI (LODR), including any amendments thereto from time to time, and such other role/responsibilities as may be assigned by the Board from time to time.

### Performance Evaluation of Directors

Ministry of Corporate Affairs has exempted Government Companies from complying with the provisions of Section 178(2) & Scheduled IV with regard to performance evaluation of Board, its committees and individual directors. The performance evaluation of Functional Directors, Government Nominee Directors and Independent Directors of your company is done by Ministry of Power (Administrative Ministry) as per applicable Rules and Procedures.

### 3.3. Stakeholders' Relationship Committee

The Company has constituted Stakeholders' Relationship Committee in line with the provisions of Section 178 (5) of the Act and Regulation 20 of SEBI LODR.

One meeting of the Stakeholders' Relationship Committee was held during the FY 2021-22.

Attendance of Stakeholders' Relationship Committee Meeting during FY 2021-22:

Name of the Committee Member	Committee Position	No. of meeting entitled to attend	No. of meeting attended
Shri M. N. Venkatesan (w.e.f. 03.08.2021 to 15.12.2021)	Chairman	1	1
Shri M. Taj Mukarrum	Member	1	1
Dr. Vinod Kumar Singh	Member	1	1
Shri Onkarappa KN (w.e.f. 15.12.2021)	Chairman	0	0
Shri Chetan Bansilal Kankariya (w.e.f. 15.12.2021)	Member	0	0
Shri Ram Naresh Tiwari (w.e.f. 15.12.2021)	Member	0	0

### Terms of Reference

The scope of the Committee is to resolve the grievances of the security holders including complaints related to transfer / transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new / duplicate certificates, etc.

### Name and designation of Compliance Officer

In accordance with the SEBI LODR, the Board has appointed Shri Mrinal Shrivastava, Company Secretary, as the Compliance Officer.

### Investors' Grievances

During FY 2021-22, the Company has attended to investors' grievances expeditiously. The details of the complaints received and disposed of during the year are as under:

S. No	Description	Total			
		Opening Balance	Received	Attended	Pending
<b>A.</b>	<b>Complaints received from Statutory Bodies</b>				
	SEBI	-	21	21	-
	Stock Exchanges	-	6	6	-
	Consumer Forum/Court cases	-	-	-	-
	Advocate Notices	-	-	-	-



S. No	Description	Total			
		Opening Balance	Received	Attended	Pending
<b>B.</b>	<b>Dividends</b>				
	Non receipt of dividend warrants	-	3,532	3,532	-
<b>C.</b>	<b>Share certificates</b>				
	Non receipt of share certificate	-	125	125	-
<b>D.</b>	<b>Refund orders</b>				
	Non receipt of refund orders	-	6	6	-
	<b>Total</b>	-	<b>3,690</b>	<b>3,690</b>	-

SCORES is a centralized web-based complaints redressal system through which an investor can lodge complaint(s) against the Company for their grievance.

#### Shares lying in Share Escrow Account

In pursuance of Schedule V (F) of SEBI LODR, details of shares lying in the shares escrow account are as under:

SHARES IN THE SHARE ESCROW ACCOUNT						
Event	IPO		FPO [2010]		FPO [2013]	
	No. of Shareholders	No. of Shares	No. of Shareholders	No. of Shares	No. of Shareholders	No. of Shares
As on 01.04.2021	4	970	0	0	0	0
Transfers during the year 2021-22	1	409	0	0	0	0
As on 31.03.2022	5	1379	0	0	0	0

The voting rights on the shares in the Escrow Account will remain frozen till the rightful owner of such shares claims the shares. These shares are lying in Demat form in a Pool Account with the Registrars i.e. M/s KFin Technologies Ltd. and the benefits accrued on them are being properly accounted for.

#### 3.4. Corporate Social Responsibility (CSR) Committee

POWERGRID has constituted a CSR Committee in line with the requirements of the Act and Department of Public Enterprises' Guidelines on Corporate Social Responsibility and Sustainability for Central Public Sector Enterprises.

Seven meetings of the CSR Committee were held during the FY 2021-22.

Attendance of Corporate Social Responsibility (CSR) Committee during FY 2021-22:

Name of the Committee Member	Committee Position	No. of meeting entitled to attend	No. of meeting attended
Shri K. Sreekant	Chairman	7	7
Dr. Vinod Kumar Singh	Member	7	7
Shri Onkarappa KN (w.e.f. 15.12.2021)	Member	4	4
Shri Ram Naresh Tiwari (w.e.f. 15.12.2021)	Member	4	4
Shri Chetan Bansilal Kankariya (w.e.f. 15.12.2021)	Member	4	4
Shri M. N. Venkatesan (w.e.f. 03.08.2021 to 15.12.2021)	Member	1	1
Smt. A. R. Mahalakshmi (Up to 25.07.2021)	Member	2	2

### Terms of Reference

The brief terms of reference of the CSR Committee are as under –

- Formulate & recommend to the Board a Corporate Social Responsibility Policy (the CSR Policy) indicating activities to be undertaken by Company as specified in Schedule VII (Activities which may be included by companies in their Corporate Social Responsibility Policies) of the Companies Act, 2013;
- Recommend the amount of expenditure to be incurred on activities referred to in sr.no. a) above; and
- Monitor CSR Policy from time to time & institute a transparent monitoring mechanism for implementation of CSR projects, programs or activities undertaken by the Company.

### 3.5. Risk Management Committee

POWERGRID had constituted Risk Management Committee in line with the requirement of SEBI LODR.

Three meetings of Risk Management Committee were held during the FY 2021-22.

Attendance of Risk Management Committee during FY 2021-22:

Name of the Committee Member	Committee Position	No. of meeting entitled to attend	No. of meeting attended
Shri Abhay Choudhary	Chairman	3	3
Mrs. Seema Gupta	Member	3	3
Shri M. Taj Mukarrum	Member	3	3
Shri M. N. Venkatesan	Member	3	3
Shri Onkarappa KN (W.e.f. 15.12.2021)	Member	1	1

### Terms of Reference

The brief terms of reference of the Risk Management Committee are as under –

- Monitoring and reviewing the Risk management plan of the Company;
- Providing updates to the Board on key risks and their mitigation; and
- Such other role/responsibilities as may be assigned by the Board from time to time.

Your Company has implemented an 'Enterprise Risk Management Framework' (ERM framework). The details of the same are given in Management Discussion and Analysis.

### 4. Remuneration of Directors

Being a Government Company, the appointment, tenure and remuneration of Directors is decided by the Government of India. Remuneration paid to Chairman & Managing Director and Functional Directors during FY 2021-22 was as per terms and conditions of their appointment.

Independent Directors are only paid sitting fees as per the Board / Committee meetings attended {rate fixed by the Board within the ceiling under the Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with the Section 197 of the Act} and in accordance with the Government Guidelines for attending the Board Meeting as well as Committee Meetings.

The remuneration paid to the Whole time Directors during FY 2021-22 is as under:

S. No.	Directors	Designation	Salary (in ₹)	Benefits (in ₹)	Bonus / Commission (in ₹)	Performance Linked Incentive (in ₹)	Total (in ₹)
1.	Shri K. Sreekant	Chairman & Managing Director	46,85,389	4,60,753	-	30,71,425	82,17,568
2.	Mrs. Seema Gupta	Director (Operations)	55,07,748	10,38,479	-	31,10,912	96,57,139
3.	Dr. Vinod Kumar Singh	Director (Personnel)	56,28,661	16,46,097	-	28,01,245	1,00,76,003
4.	Shri M. Taj Mukarrum	Director (Finance)	45,78,616	7,97,796	-	33,71,324	87,47,735
5.	Shri Abhay Choudhary	Director (Projects)	50,39,975	6,17,412	-	34,06,677	90,64,064





The Government Nominees Directors on the Company's Board do not draw any remuneration/sitting fee for attending Board/Committee meetings from the Company.

**Notes:**

1. Performance Linked Incentives are payable to the Whole-time Directors as employees of the Company as per DPE Guidelines.
2. The terms of appointment of the Whole-time Directors, as issued by the Government of India, provides for three months' notice period or salary in lieu thereof for severance of service.

Details of Payment made towards sitting fee to Independent Directors during FY 2021-22 are given below:

Independent Directors	Sitting Fee		Total (₹)
	Board Meeting (₹)	Committee Meeting (₹)	
Shri M. N. Venkatesan	6,80,000/-	12,90,000/-	19,70,000/-
Shri Onkarappa KN (W.e.f. 17.11.2021)	2,00,000/-	3,30,000/-	5,30,000/-
Shri Chetan Bansilal Kankariya (W.e.f. 17.11.2021)	2,00,000/-	3,00,000/-	5,00,000/-
Shri Ram Naresh Tiwari (W.e.f. 18.11.2021)	2,00,000/-	1,20,000/-	3,20,000/-
Shri Sunil Kumar Sharma (Up to 22.07.2021)	3,20,000/-	2,40,000/-	5,60,000/-
Smt. A. R. Mahalakshmi (Up to 25.07. 2021)	3,20,000/-	2,40,000/-	5,60,000/-

**Shareholding of Directors**

The details of shares of the Company held by the Directors as on 31<sup>st</sup> March, 2022 are given below:

Name of Directors	Designation	No. of Equity Shares Held
Shri K. Sreekant	Chairman & Managing Director	1,372
Mrs. Seema Gupta	Director (Operations)	11,742
Dr. Vinod Kumar Singh	Director (Personnel)	25
Shri M. Taj Mukarrum	Director (Finance)	Nil
Shri Abhay Choudhary	Director (Projects)	1069
Shri Ghanshyam Prasad	Government Nominee Director	Nil
Shri Dilip Nigam	Government Nominee Director	Nil
Shri M. N. Venkatesan	Independent Director	Nil
Shri Onkarappa KN	Independent Director	Nil
Shri Chetan Bansilal Kankariya	Independent Director	Nil
Shri Ram Naresh Tiwari	Independent Director	Nil

**5. Monitoring of Subsidiaries**

The Company does not have any material unlisted Subsidiary Company in terms of SEBI LODR or the subsidiaries as defined under Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises, Government of India. However, minutes of the meeting of the Board of Directors of the subsidiaries are placed before the Company's Board periodically along with status of subsidiaries. Further, pursuant to Regulations 16 (c) and 46 of the SEBI LODR, your Company has formulated a policy for determining 'material' subsidiaries and the policy has been disclosed on the Company's website and a web link thereto is also given as under: <https://www.powergrid.in/code-conductpolicies>

## 6. General Body Meetings

Date, time and location where the last three Annual General Meetings were held as under:

Year	Date	Time	Venue	Special Resolution Passed
2020-21	24-Sep-21	11:00 AM	Though Video Conferencing / other Audio Visual Means	1. To raise funds up to ₹ 6,000 Crore From domestic market through issue of secured/unsecured, non-convertible, non-cumulative/ cumulative, redeemable, taxable/tax free debentures/bonds under private placement during FY 2022-23 in up to twenty tranches/offers.
2019-20	22-Sep-20	11:00 AM	Though Video Conferencing / other Audio Visual Means	1. To raise funds up to ₹ 10,000 Crore, from domestic market through issue of secured / unsecured, non-convertible, non-cumulative/ cumulative, redeemable, taxable / tax-free Debentures/Bonds under Private Placement during FY 2021-22 in up to twenty tranches/offers.
2018-19	27-Aug-19	11:00 AM	Manekshaw Centre, Parade Road, Delhi Cantt., New Delhi	1. To raise funds up to ₹ 10,000 Crore, from domestic market through issue of secured / unsecured, non-convertible, non-cumulative/ cumulative, redeemable, taxable / tax-free Debentures/Bonds under Private Placement during FY 2020-21 in up to twenty tranches/offers. 2. To approve the reappointment of Shri Jagdish Ishwarbhai Patel (DIN: 02291361) as an Independent Director.

### Special Resolution passed through Postal Ballot

During FY 2021-22, no special resolution was passed through postal ballot. Further, there is no immediate proposal for passing any special resolution through the Postal Ballot.

## 7. Credit Rating

The credit rating assigned to various debt instruments by the credit rating agencies during FY 2021-22 are as under:

### Rating by Domestic Rating Agency:

Sr. No.	Credit Rating Agency	Rating for Long term Debt Instrument / Bank Borrowing	Rating for Short term Bank Borrowing	Rating for Commercial Paper
1	ICRA	(ICRA) AAA (Stable)	(ICRA) A1+	(ICRA) A1+
2	CRISIL	CRISIL AAA / Stable	CRISIL A+	CRISIL A+
3	CARE	CERE AAA; Stable	CARE A+	CARE A1+

### Rating by Foreign Rating Agency:

Sr. No.	Credit Rating Agency	Rating Assigned
1	Moody's Investor Service	Baa3 Outlook: Stable
2	S&P	BBB (-) Outlook: Stable
3	Fitch	BBB (-) Outlook: Stable

## 8. Disclosures

- The transactions with related parties contain (i) payment to Companies under Joint Venture Agreement and on account of contracts for works/services, (ii) remuneration to key management personnel and (iii) equity contribution to subsidiaries, which are not in the nature of potential conflicts of interest of the Company at large. Details of related party transactions are included in the Notes to the Accounts as per Indian Accounting Standards – IndAS-24 notified by the Central Government.
- Your Company does not have any material unlisted Indian Subsidiary Company.
- Your Company has established an Enterprise Risk Management Framework and Internal Control Framework for Chief Executive Officer (CEO)/Chief Financial Officer (CFO) Certification. Senior General Manager (Corporate Planning) has been appointed as Chief Risk Officer of the Company.
- There are no material individual transactions with related parties which are not in the normal course of business.
- There are no material individual transactions with related parties or others, which are not on an arm's length basis. Further,



pursuant to Regulation 23 of SEBI LODR, your Company has formulated a policy on materiality of related party transactions and disclose the same on the website of POWERGRID and a web link is provided as under: <https://www.powergrid.in/code-conductpolicies>

vi. Your Company has complied with the requirements of the SEBI LODR and Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Ministry of Heavy Industries and Public Enterprises, Department of Public Enterprises, Government of India except that the Company is non-compliant w.r.t. the requisite number of Independent Directors on the Board.

vii. Details of non-compliance:

Your Company has been complying with the mandatory requirements of SEBI LODR and the Act, except the requirement pertaining to composition of Board of Directors with respect to the requisite number of Independent Directors for the FY 2021-22, 2020-21 and 2019-20. Further, the Audit Committee and the Nomination and Remuneration Committee did not have the requisite number of independent directors during the part of 2<sup>nd</sup> and 3<sup>rd</sup> quarter of FY 2021-22.

Due to the non-compliance mentioned above, NSE and BSE have sought clarifications and imposed penalty(ies) for the aforesaid periods. Your Company suitably replied to the clarifications and requested NSE and BSE for the waiver of fines.

POWERGRID, being a Government Company within the meaning of Section 2(45) of the Companies Act, 2013 the power to appoint functional / Official Part-time Directors /Non-Official Part-time Directors (Independent Directors) vests with the Government of India. The matter has already been taken up with Administrative Ministry i.e. Ministry of Power for filling up the vacant post of Independent Directors.

viii. The Company has separate Vigilance Department which deals with fraud or suspected fraud involving employees / representatives of suppliers, contractors, consultants, service provider, or any other party doing business with POWERGRID. Whistle Blower and Fraud Prevention Policy have been approved by the Board of Directors and the same has been uploaded on the website of POWERGRID. During FY 2021-22, no person was denied access to the audit committee. The web link of the Whistle Blower and Fraud Prevention Policy is as under: <https://www.powergrid.in/code-conductpolicies>

ix. The Financial Statements for FY 2021-22 have been prepared as per the Indian Accounting Standards notified under Section 133 of the Act.

x. Information on adoption (and compliance) / Non-adoption of the non-mandatory requirements is at Annexure - I.

xi. The compliance with Corporate Governance requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI LODR have been made.

xii. Certificate Pursuant to Regulation 34 (3) and Schedule V Para C clause (10) (i) of SEBI LODR has been obtained from Company Secretary in Practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the companies by the Securities and Exchange Board of India (SEBI) / Ministry of Corporate Affairs (MCA) or any such statutory authority.

xiii. The Detail of fees paid to the Statutory Auditors by POWERGRID during FY 2021-22 Standalone is shown in 'Note 40-Other Expenses' under sub-head 'Payments to Statutory Auditors'.

xvi. The Company / its subsidiary Company has not provided any loan / advances to firm / companies in which Directors are interested.

#### **CEO/CFO Certification**

As required by Regulation 17 (8) of the SEBI LODR, the Compliance Certificate as specified in Part B of Schedule II of the said Regulation duly signed by Shri K. Sreekant, Chairman & Managing Director and Shri M. Taj Mukarrum, Director (Finance & CFO) was placed before the Board of Directors at the meeting held on 21<sup>st</sup> May, 2022.

#### **9. Means of Communication**

The Company communicates with its shareholders through the Annual Report, General Meeting, Newspapers and disclosures through the website.

The Company also communicates with its Institutional shareholders through Analysts and Investors meets held during the end of each quarter where Directors and Senior Officials of the Company interact with the investor community.

Information and latest updates and announcements made by the Company can be accessed at Company's website, <https://www.powergrid.in/> and including the following:

Sr. No.	Details	Link
1	Quarterly/Half-yearly/Annual Financial Results	<a href="https://www.powergrid.in/annual-quarterly-results">https://www.powergrid.in/annual-quarterly-results</a>
2	Quarterly shareholding pattern	<a href="https://www.powergrid.in/share-holding-pattern">https://www.powergrid.in/share-holding-pattern</a>
3	Quarterly Corporate Governance Report	<a href="https://www.powergrid.in/corporate-governance">https://www.powergrid.in/corporate-governance</a>
4	Corporate disclosures made from time to time to Stock Exchanges	<a href="https://www.powergrid.in/meetingsnotices">https://www.powergrid.in/meetingsnotices</a>

### Quarterly Results

Publication of Financial Results in Newspapers & Magazine			
Sl. No.	Publication of Financial Results for the quarter ended	Date(s) of publication	Newspapers & Magazine
1	30.06.2021	11.08.2021	Times of India, Economic Times, Hindustan Times, Mint, Business Standard, Dainik Jagran.
		12.08.2021	Pioneer, Financial Express, Statesman, Business Line, Mid Day, Nafa Nuksan.
		August, 2021 issue	Magazine - Infra Log, Nivesh Manthan, Dalal Street Investment Journal, Outlook Business.
		September, 2021 issue	Magazine - Wealth Insight
2	30.09.2021	10.11.2021	Times of India, Business Line, Dainik Jagran.
		11.11.2021	Economic Times, Hindustan Times, Mint, Business Line, The Statesman, Pioneer, Mid Day, Aaj, Millennium Post
		November, 2021 issue	Magazine - Dalal Street.
3	31.12.2021	10.02.2022	Times of India, Economic Times, Hindustan, Financial Express, New Indian Express.
		11.02.2022	Business Standard, Hindustan Times, Mint, The Statesman, Pioneer, Millennium Post.
		March, 2022 issue	Magazine - Outlook Business, Outlook, Nivesh Manthan, Wealth Insight.
4	31.03.2022	22.05.2022	Times of India, Pioneer, Amar Ujala
		23.05.2022	Economic Times, Business Line, Hindustan Times, Mint, The Statesman, Mid Day, Free Press Journal, Navshakti, Divya Bhaskar
		June, 2022 issue	Outlook Money

These Results are also displayed at Company's website <https://www.powergrid.in/>

### Official Releases and Presentations

The Company's official news releases, other press coverage, presentations made to institutional investors or to the analysts are also hosted on the Website - <https://www.powergrid.in/investors-relations>

### 10. Code of Conduct

The Board of Directors have laid down two separate Codes of Conduct – one for Board Members and another for Senior Management Personnel in alignment with Company's Mission & Objectives and aims at enhancing ethical and transparent process in managing the affairs of the Company. The 'Code of Business Conduct and Ethics for Board Members' and the 'Code of Business and Ethics for Senior Management Personnel' are available at the website of the Company.



Declaration required under Regulation 26 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

All the members of the Board and Senior Management Personnel have affirmed compliance with the Code of Business Conduct and Ethics for the financial year ended 31<sup>st</sup> March, 2022.

Place: Gurugram  
Date: 5<sup>th</sup> August, 2022

Sd/-  
(K. Sreekant)  
Chairman & Managing Director

#### 11. Code of Insider Trading

In pursuance of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and as amended from time to time, the Board has laid down 'Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Conduct for Regulating, Monitoring & Reporting of Trading by Insiders of Power Grid Corporation of India Limited with an aim that 'Designated Persons' shall not derive any benefit or assist others to derive any benefit from the access to and possession of Unpublished Price Sensitive Information about the Company which is not in the public domain and thus constitutes insider information. The Company Secretary has been designated as Compliance Officer for this Code.

#### 12. Familiarization program for Independent Directors

The Company familiarizes the Independent Directors with the activities and functioning of the Company and their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programmes and presentations. The details of such familiarization programmes are disclosed on the Company's website and a web link thereto is also given as under:

<https://www.powergrid.in/familiarisation-programme-independent-directors>

#### 13. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Sr. No.	Particulars	No. of Complaints
1.	Number of Complaints filed during FY 2021-22.	3
2.	Number of Complaints disposed of during FY 2021-22.	3
3.	Number of Complaints pending as on end of the FY 2021-22.	0

#### 14. General Shareholders' Information

##### i. Annual General Meeting

Date: 29<sup>th</sup> August, 2022

Time: 11:00 A.M.

Venue: Ministry of Corporate Affairs (MCA) has vide Circular dated 05.05.2022 and SEBI vide Circular dated 13<sup>th</sup> May, 2022 has permitted to conduct Annual General Meeting (AGM) during Calendar Year 2022 through Video Conferencing (VC) or other Audio-Visual Means (OAVM). In compliance with aforesaid Circulars, the Annual General meeting of the Company will be held through VC / OAVM.

##### ii. Financial Year

The Company's Financial Year is from 1<sup>st</sup> April to 31<sup>st</sup> March.

##### iii. Payment of Dividend

The Board of Directors of the Company recommended final dividend of ₹2.25 per share 22.50% for FY 2021-22. In addition, an Interim dividend of ₹7 per share (70%) (including Special dividend of ₹3.00 per equity share) and ₹5.50 per share (55%) are paid on 11<sup>th</sup> January, 2022 and 8<sup>th</sup> March, 2022 respectively. [Dividend paid in the previous year was ₹12 per share (120%)].

The record date for payment of Final Dividend for FY 2021-22 is 22<sup>nd</sup> August, 2022.



#### iv. Dividend History

Year	Total Paid-up Capital as on 31 <sup>st</sup> March of the Year (₹ in Crore)	Total Amount of Dividend Paid for the FY 2021-22 (₹ in Crore)	Date of AGM in which dividend was declared	Date of Payment of Final Dividend
2010-11	4,629.73	810.23	19.09.2011	07.10.2011
2011-12	4,629.73	976.87	19.09.2012	08.10.2012
2012-13	4,629.73	1,273.17	19.09.2013	10.10.2013
2013-14	5,231.59	1,349.75	18.09.2014	09.10.2014
2014-15	5,231.59	1,046.32	15.09.2015	06.10.2015
2015-16	5,231.59	1,208.50	16.09.2016	06.10.2016
2016-17	5,231.59	2,275.75	19.09.2017	04.10.2017
2017-18	5,231.59	2,746.58	18.09.2018	26.09.2018
2018-19	5,231.59	4,357.91	27.08.2019	04.09.2019
2019-20	5,231.59	5,231.59	22.09.2020	09.10.2020
2020-21	5,231.59	6,801.08	24.09.2021	08.10.2021
2021-22	6,975.45	4,882.82 <sup>^</sup>	15.12.2021 <sup>^^</sup>	11.01.2022 <sup>^^^</sup>
2021-22	6,975.45	3,836.50 <sup>^</sup>	09.02.2022 <sup>^^</sup>	08.03.2022 <sup>^^^</sup>

<sup>^</sup>Amount of Interim Dividend

<sup>^^</sup>Date of Board Meeting declaring Interim Dividend

<sup>^^^</sup>Date of Payment of Interim Dividend

#### v. Transfer of unclaimed/unpaid amounts to Investor Education and Protection Fund

In accordance with the provisions of Sections 124, 125 and other applicable provisions, if any, of the Act, read with the Investor Education and Protection Fund Authority, the amount of dividend remaining unclaimed or unpaid for a period of seven years from the date of transfer, is required to be transferred to the Investor Education and Protection (IEPF).

The procedure for the same has been mentioned on the website of the Company – <https://www.powergrid.in/iepf-details-0>

#### Details of IEPF Nodal Officer

Nodal Officer	Deputy Nodal Officer
<b>Shri Mrinal Shrivastava</b> Company Secretary <b>Email:</b> mrinal@powergrid.in	<b>Shri Arup Samanta</b> Deputy General Manager <b>Email:</b> arupsamanta@powergrid.in

#### vi. Listing on Stock Exchange

POWERGRID equity shares are listed on the following Stock Exchanges:

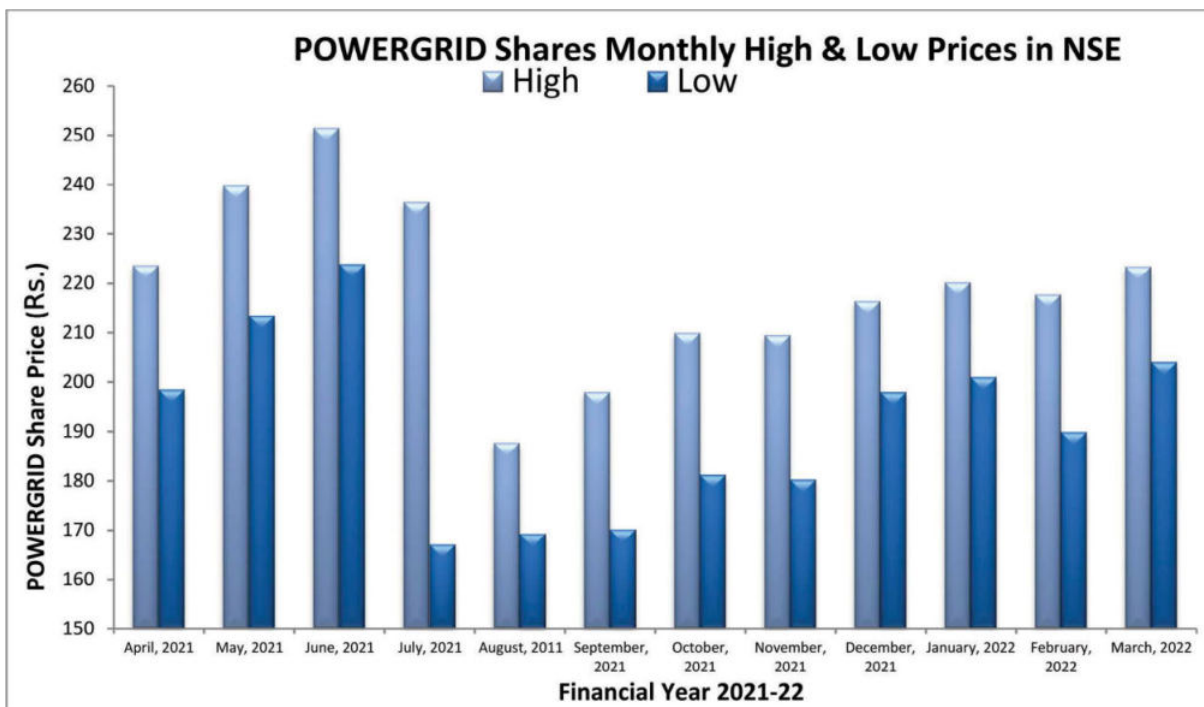
<b>National Stock Exchange of India Limited</b> Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051.	<b>BSE Limited</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001
Scrip Code : POWERGRID EQ	Scrip Code: 532898
ISIN – INE752E01010	

The payment of annual listing fee for the FY 2021-22 was made to National Stock Exchange of India Limited and BSE Ltd.



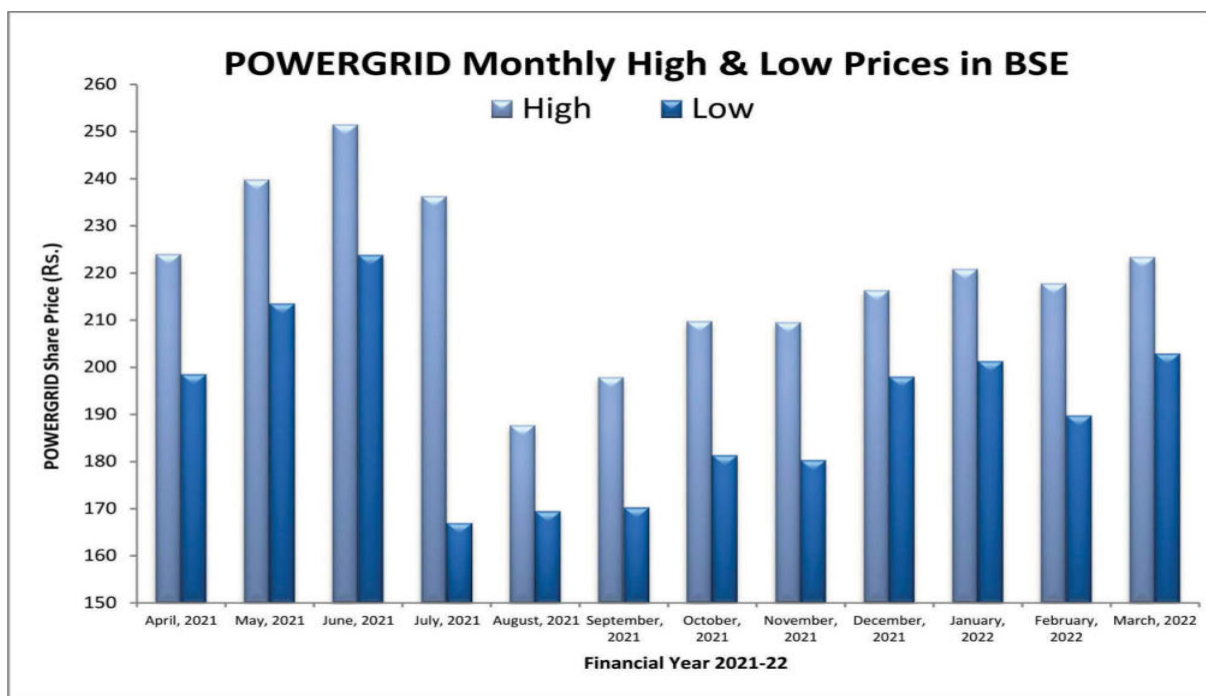
**vii. POWERGRID's Shares Market Price Data - NSE**

	High (₹)	Low (₹)	Sum of Turnover in Lac (₹) during the Month
April, 2021	223.65	198.50	4,06,727.22
May, 2021	239.85	213.50	5,87,212.74
June, 2021	251.50	223.90	6,15,437.74
July, 2021	236.50	167.15	3,19,065.68
August, 2021	187.70	169.30	5,42,434.93
September, 2021	198.00	170.20	4,51,289.71
October, 2021	209.95	181.30	4,31,893.52
November, 2021	209.50	180.30	4,53,051.14
December, 2021	216.45	198.00	7,38,159.73
January, 2022	220.20	201.05	4,91,285.33
February, 2022	217.80	189.90	4,06,196.93
March, 2022	223.40	204.05	5,85,458.63



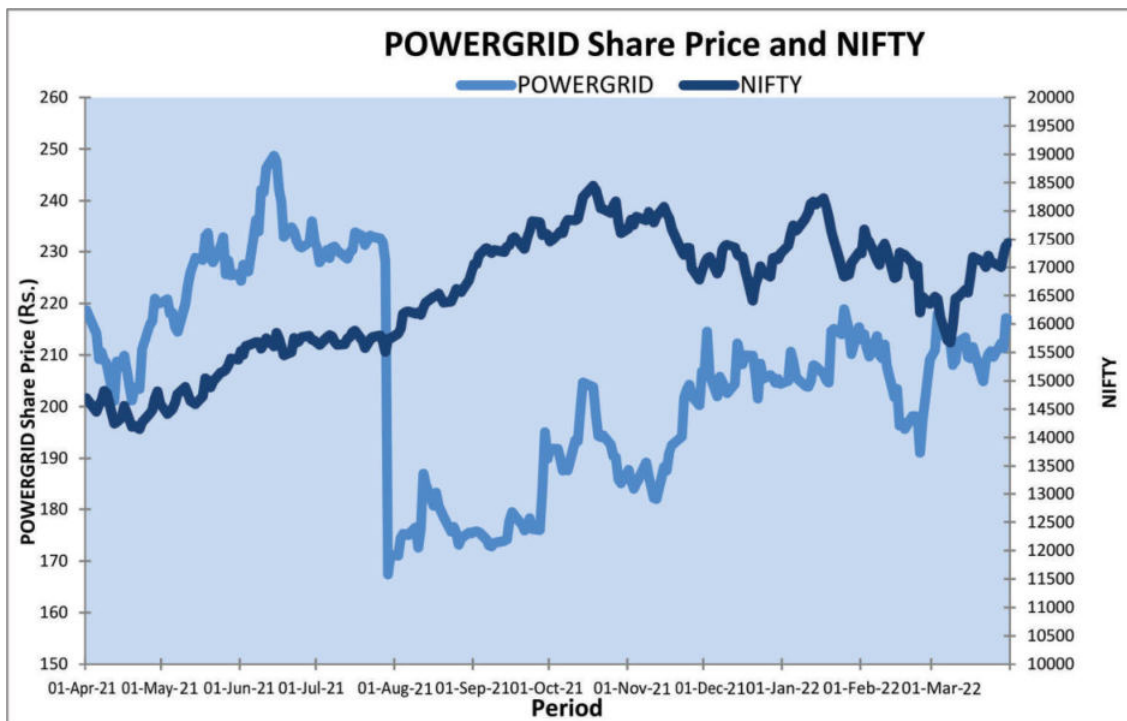
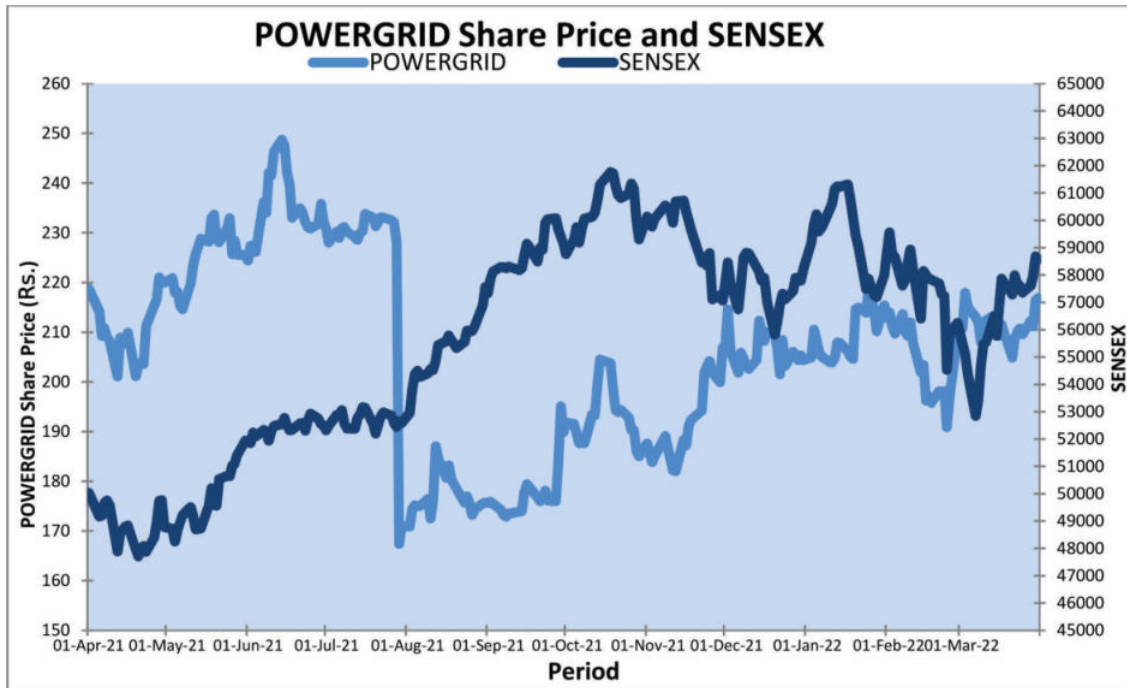
**viii. POWERGRID's Shares Market Price Data - BSE**

	High (₹)	Low (₹)	Sum of Turnover in Lac (₹) during the Month
April, 2021	224	198.5	17,893.70
May, 2021	239.8	213.5	22,438.22
June, 2021	251.5	223.85	26,198.19
July, 2021	236.3	167	25,981.39
August, 2021	187.7	169.45	28,900.41
September, 2021	197.9	170.25	28,822.57
October, 2021	209.75	181.35	33,269.45
November, 2021	209.55	180.30	17,223.74
December, 2021	216.35	198	30,137.14
January, 2022	220.85	201.30	31,499.16
February, 2022	217.75	189.75	20,600.90
March, 2022	223.35	202.90	16,201.61





**ix. Performance in comparison to indices NSE NIFTY, BSE Sensex and POWERGRID**



**x. Registrar and Transfer Agents.**

EQUITY SHARES	BONDS
KFin Technologies Ltd Selenium Tower B, Plot No. 31& 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032. Tele: +91-40-67162222, Fax: +91-40-23420814, Toll free No.1800-345-4001. E-mail: einward.ris@kfintech.com	BEETAL Financial & Computer Services Pvt Ltd. BEETAL HOUSE, 3rd Floor, 99, Madangir, Behind LSC, New Delhi - 110062. Ph. 011-29961281-283, 26051061, 26051064 Telefax.: 011-29961284 E-mail: beetalrta@gmail.com beetal@beetalfinancial.com

**xi. Share Transfer System**

As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from 1<sup>st</sup> April, 2019, except in case of request received for transmission or transportation of securities.

Pursuant to SEBI LODR, certificate confirmation due compliance of shares transfer formalities by the Company from a Practicing Company Secretary were submitted to Stock Exchanges within stipulated time.

**xii. Shareholding as on 31<sup>st</sup> March, 2022**

Shares held by different categories of shareholders and according to the size of the holdings as on 31<sup>st</sup> March, 2022 are given below:

**According to Size –**

**a. Distribution of shareholding according to size, % of holding as on 31<sup>st</sup> March, 2022:**

Category	Total Cases	Total Cases %	Total Shares	Total Amount (₹)	Total Amount %
1 – 5000	7,55,041	90.52	87,280,051	87,28,00,510.00	1.25
5001 – 10000	48,314	5.79	33,922,964	33,92,29,640.00	0.49
10001 – 20000	20,937	2.51	29,419,559	29,41,95,590.00	0.42
20001 – 30000	4,054	0.49	9,848,343	9,84,83,430.00	0.14
30001 – 40000	1,480	0.18	5,192,036	5,19,20,360.00	0.07
40001 – 50000	668	0.08	3,050,989	3,05,09,890.00	0.04
50001 – 100000	1,431	0.17	9,819,219	9,81,92,190.00	0.15
100001 & Above	2,149	0.26	6,796,919,703	67,96,91,97,030.00	97.44
<b>TOTAL</b>	<b>8,34,074</b>	<b>100.00</b>	<b>6,97,54,52,864</b>	<b>69,75,45,28,640.00</b>	<b>100.00</b>

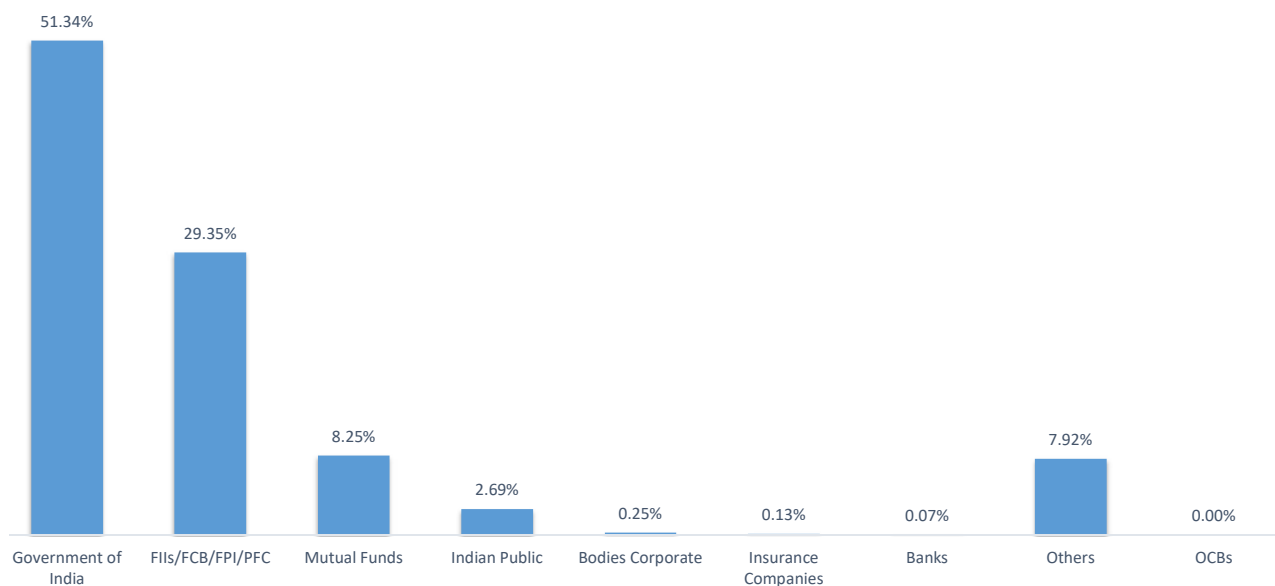




**b. Shareholding pattern as on 31<sup>st</sup> March, 2022**

Sl. No.	Category	Total Shares	% To Equity
1	Government of India	3,58,11,63,210	51.34
2	FII's /FCB/FPI/PFC	2,04,75,06,593	29.35
3	Mutual Funds	57,51,33,241	8.25
4	Indian Public	18,77,24,380	2.69
5	Bodies Corporate	1,73,37,181	0.25
6	Insurance Companies	91,58,559	0.13
7	Banks	51,77,429	0.07
8	Others	55,22,52,271	7.92
9	OCBs	0	0.00
	<b>Total</b>	<b>6,975,452,864</b>	<b>100.00</b>

Shareholding pattern



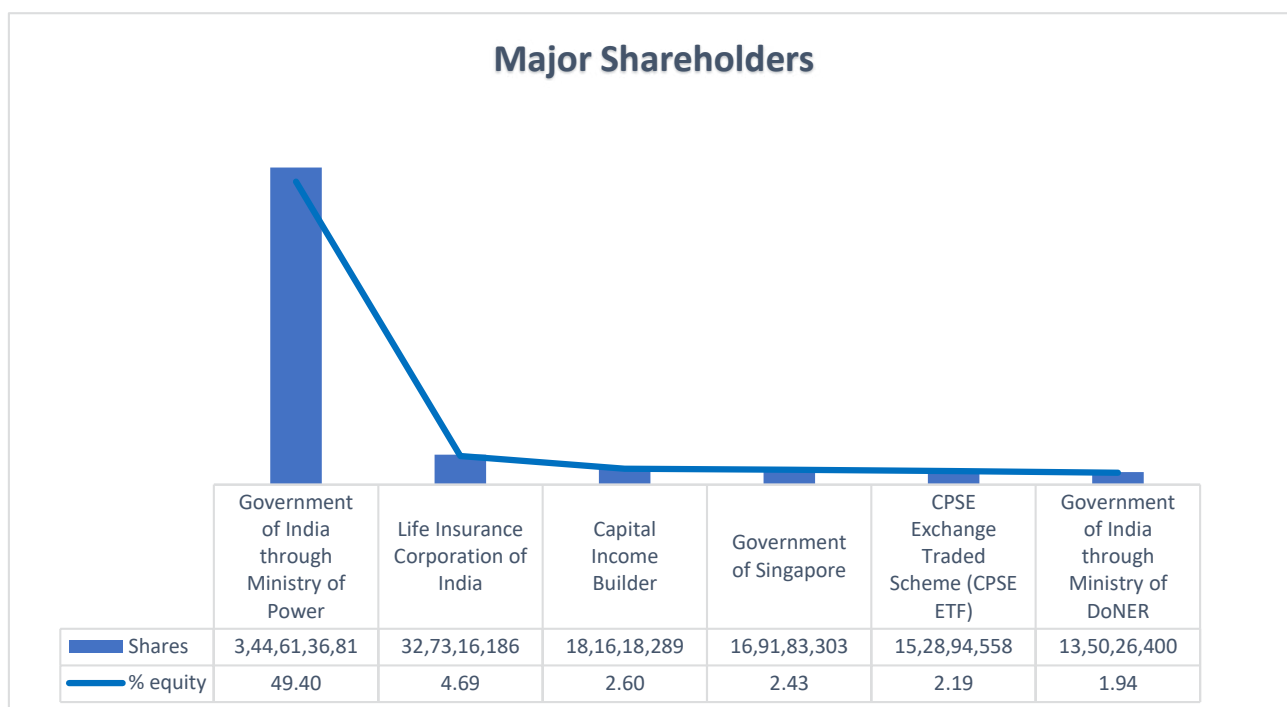
### c. Major Shareholders

Details of Shareholders holding more than 1% of the paid-up capital of the Company as on 31<sup>st</sup> March, 2022 are given below:

S. No.	Name of the shareholder	Shares	% equity	Category
1	Government of India <sup>^</sup>	3,446,136,810	49.40	GOI
2	Life Insurance Corporation of India	327,316,186	4.69	QIB
3	Capital Income Builder	181,618,289	2.60	FPC
4	Government of Singapore	169,183,303	2.43	FPC
5	CPSE Exchange Traded Scheme (CPSE ETF)	152,894,558	2.19	MUT
6	Government of India <sup>^^</sup>	135,026,400	1.94	GOI

<sup>^</sup> represented through Ministry of Power

<sup>^^</sup> represented through Ministry of DoNER



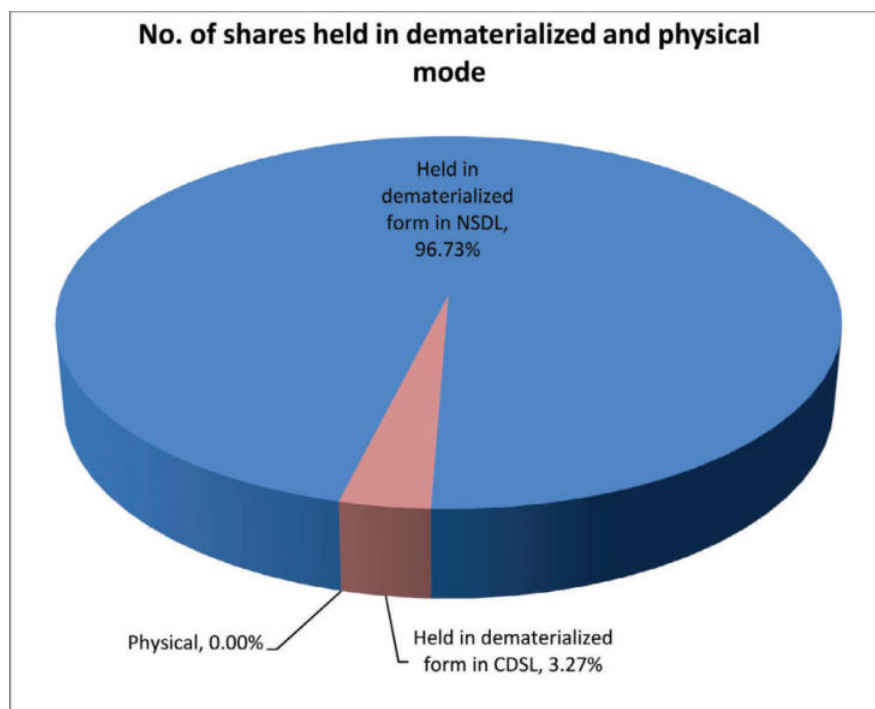


### xiii. Dematerialization of Shares

The shares of the Company are in compulsory dematerialized segment and are available for trading system of both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

#### No. of shares held in dematerialized and physical mode

S. No	Physical/Demat	Number of Holders	Number of Shares	% of total capital issued
1	Physical	13,500	64,163	0.00
2	Held in dematerialized form in NSDL	3,90,055	6,74,74,15,928	96.73
3	Held in dematerialized form in CDSL	4,30,519	22,79,72,773	3.27
	<b>Total</b>	<b>834,074</b>	<b>6,975,452,864</b>	<b>100.00</b>



The name and addresses of the Depositories are as under:

#### 1. National Securities Depository Limited

Trade World, 4<sup>th</sup> Floor, Kamala Mills Compound, Senapathi Bapat Marg, Lower Parel, Mumbai – 400 013.

#### 2. Central Depository Services (India) Limited

Marathon Futurex, 25<sup>th</sup> floor, NM Joshi Marg, Lower Parel (East), Mumbai-400013, Maharashtra.

### xiv. Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity

No GDRs/ADRs/Warrants or any Convertible instruments have been issued by the Company.

### xv. Commodity price risk or foreign exchange risk and hedging activities

The Company does not deal in commodities, hence disclosures pursuant to SEBI Circular dated November 15, 2018, is not required to be provided.

### xvi. Location of POWERGRID Plants

POWERGRID has 265 Sub-Stations located all over the country.

**xvii. Address for correspondence:**

Power Grid Corporation of India Limited,  
B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi – 110 016.

	Telephone No.	Fax No.
Registered Office	011-26560121, 26564812, 26564892	011-26601081
E-mail ID	investors@powergrid.co.in	

**Dispatch of Documents in electronic form**

Sections 101 and 136 of the Act read with the Companies (Management and Administration) Rules, 2014 and Regulation 36 of SEBI LODR and the Circular dated 5<sup>th</sup> May, 2022 read with circular dated 5<sup>th</sup> May, 2020 of Ministry of Corporate Affairs read with SEBI circular dated 13<sup>th</sup> May, 2022 requirement of sending physical copies of Annual Report to the Shareholders of the Company had been dispensed for FY 2021-22 and also permitted to send Annual Report containing notice of AGM, Board's Report, Financial Statements and other documents etc. through emails only to its shareholders who have registered their e-mail address(es) with their DP/the Company.


**15. Annexure-I**
**Non-Mandatory Requirements**

- The Board:** The Company is headed by an Executive Chairman. No person has been appointed as Independent Director who has been a Director, in the aggregate, exceeding a period of nine years on the Board of POWERGRID.
- Shareholder Rights:** The financial results for the half year ended 30<sup>th</sup> September, 2022 were published in Times of India and Economic Times on 10<sup>th</sup> November, 2021 and 11<sup>th</sup> November, 2021 respectively and also put up on website. Separate half year report has, however, not been sent to the shareholders. Significant events have been disclosed on the Company website: [www.powergrid.in](http://www.powergrid.in).
- Modified opinion(s) in audit report:** The Statutory Auditors have issued unmodified opinion on the standalone and the consolidated financial statements of the Company for the year ended 31<sup>st</sup> March, 2022.
- Reporting of Internal Auditor:** The Internal auditor directly reports to the Audit Committee.

**Certificate on Corporate Governance**

The Certificate on Corporate Governance is being published as an annexure to the Directors' Report.

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



**(K. Sreekant)**  
**Chairman & Managing Director**  
**DIN: 06615674**

**Date: 5<sup>th</sup> August, 2022**  
**Place: Gurugram**



## Annexure VII to the Directors' Report

### CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE FOR THE FY 2021-22

To,

The Members

**Power Grid Corporation of India Limited**

**CIN: L40101DL1989GOI038121**

1. We have examined the compliance of conditions of Corporate Governance by **Power Grid Corporation of India Limited** ("the Company"), for the financial year ended on **March 31, 2022**, as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") and as stipulated in the guidelines of Department of Public Enterprises (DPE) on Corporate Governance for Central Public Sector Undertakings issued in May 2010.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations and DPE guidelines on Corporate Governance.
3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the Listing Regulations and DPE guidelines on Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the SEBI Listing Regulations and DPE guidelines on Corporate Governance during the year ended **March 31, 2022** subject to the following:
  - i. The Company did not have requisite number of Independent Directors as required under Regulation 17 of SEBI (LODR) Regulations, 2015 and Para 3.1.4 of DPE Guidelines on Corporate Governance and the Company had a Woman Independent Director till 25<sup>th</sup> July, 2021.
  - ii. The composition of Audit committee was not in line with Regulation 18(1)(b) of SEBI (LODR) Regulations, 2015 from 23<sup>rd</sup> July, 2021 to 14<sup>th</sup> December, 2021; and
  - iii. The Composition of Nomination and Remuneration Committee was not in line with Regulation 19(1)(c) of SEBI (LODR) Regulations, 2015 from 26<sup>th</sup> July, 2021 to 14<sup>th</sup> December, 2021
5. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

**CS Naresh Kumar Sinha  
(Proprietor)  
FCS: 1807; C P No.: 14984  
PR: 610/2019  
FRN: S2015UP440500  
UDIN: F001807D000716741**

**Place: Noida  
Date: July 31<sup>st</sup> 2022**



**FORM NO. AOC -2**

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)**  
Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

<b>1. Details of contracts or arrangements or transactions not at arm's length basis</b>	
a) Name(s) of the related party and nature of relationship	-
b) Nature of contracts / arrangements / transactions	-
c) Duration of the contracts / arrangements / transactions	-
d) Salient terms of the contracts or arrangements or transactions including the value, if any	-
e) Justifications for entering into such contracts or arrangements or transactions	-
f) Date(s) of approval by the Board	-
g) Amount paid as advances, if any	-
h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188	-
<b>2. Details of material contracts or arrangement or transactions at arm's length basis</b>	
<b>(A) a) Name(s) of the related party and nature of relationship</b>	<ol style="list-style-type: none"> <li>1. POWERGRID NM Transmission Limited</li> <li>2. POWERGRID Unchahar Transmission Limited</li> <li>3. POWERGRID Southern Interconnector Transmission System Limited</li> <li>4. POWERGRID Medinipur Jeerat Transmission Limited</li> <li>5. POWERGRID Mithilanchal Transmission Limited</li> <li>6. POWERGRID Varanasi Transmission System Limited</li> <li>7. POWERGRID Jawaharpur Firozabad Transmission Limited</li> <li>8. POWERGRID Khetri Transmission System Limited</li> <li>9. POWERGRID Ajmer Phagi Transmission Limited</li> <li>10. POWERGRID Bhind Guna Transmission Limited</li> <li>11. POWERGRID Bhuj Transmission Limited</li> <li>12. POWERGRID Fatehgarh Transmission Limited</li> <li>13. POWERGRID Meerut Simbhavali Transmission Limited</li> <li>14. POWERGRID Rampur Sambhal Transmission Limited</li> <li>15. POWERGRID Ramgarh Transmission Limited</li> <li>16. POWERGRID Bikaner Transmission System Limited</li> <li>17. POWERGRID Bhadla Transmission Limited</li> <li>18. POWERGRID Sikar Transmission Limited</li> <li>19. POWERGRID Aligarh Sikar Transmission Limited</li> </ol> <p>The aforementioned Project SPVs are 100% wholly owned subsidiaries of POWERGRID acquired by POWERGRID under Tariff Based Competitive Bidding (TBCB).</p>



<p><b>b) Nature of contracts / arrangements / transactions</b></p>	<p>Part (A) POWERGRID to provide security (ies) / guarantee(s) in connection with loan (s) and / or any form of debt including ECBs and / or to provide inter corporate loan (s) on cost to cost basis, or a combination thereof, upto an amount of ₹18,568.50 Crore (Rupees Eighteen Thousand Five Hundred Sixty Eight and Fifty Paise Crore only) to aforementioned Project SPVs.</p> <p>However, the agreements entered are presently limited to ₹18,212.58 Crore (Rupees Eighteen Thousand Two Hundred Twelve Crore and Fifty Eight Paise Crore only) as per the following amounts:</p> <p>POWERGRID NM Transmission Limited ₹1175 Crore  POWERGRID Unchahar Transmission Limited ₹90 Crore  POWERGRID Southern Interconnector Transmission System Limited ₹2964 Crore  POWERGRID Medinipur Jeerat Transmission Limited ₹2800 Crore  POWERGRID Mithilanchal Transmission Limited ₹1000 Crore  POWERGRID Varanasi Transmission System Limited ₹795.58 Crore  POWERGRID Jawaharpur Firozabad Transmission Limited ₹378 Crore  POWERGRID Khetri Transmission System Limited ₹854 Crore  POWERGRID Ajmer Phagi Transmission Limited ₹506 Crore  POWERGRID Bhind Guna Transmission Limited ₹485 Crore  POWERGRID Bhuj Transmission Limited ₹885 Crore  POWERGRID Fatehgarh Transmission Limited ₹570 Crore  POWERGRID Meerut Simbhavali Transmission Limited ₹854 Crore  POWERGRID Rampur Sambhal Transmission Limited ₹691 Crore  POWERGRID Ramgarh Transmission Limited ₹290 Crore  POWERGRID Bikaner Transmission System Limited ₹1118 Crore  POWERGRID Bhadla Transmission Limited ₹590 Crore  POWERGRID Sikar Transmission Limited ₹1325 Crore  POWERGRID Aligarh Sikar Transmission Limited ₹842 Crore</p> <p>Part (B) POWERGRID to render all inputs and services as may be required by the aforementioned Projects SPVs.</p> <p>Part (C) POWERGRID to provide Post-CoD activities including O&amp;M consultancy as may be required by the Project SPVs.</p>
<p><b>c) Duration of the contracts / arrangements / transactions</b></p>	<p>Part (A) As mutually agreed  Part (B) As mutually agreed  Part (C) As mutually agreed</p>
<p><b>d) Salient terms of the contracts or arrangements or transactions including the value, if any</b></p>	<p>Refer (b)</p>
<p><b>e) Date(s) of approval by the Board, if any</b></p>	<p>1<sup>st</sup> February, 2018, 21<sup>st</sup> June, 2014, 12<sup>th</sup> September, 2020, 29<sup>th</sup> March, 2017, 2<sup>nd</sup> November, 2017, 20<sup>th</sup> June, 2020, 3<sup>rd</sup> January, 2019, 2<sup>nd</sup> August, 2019, 1<sup>st</sup> October, 2019, 19<sup>th</sup> December, 2019, 11<sup>th</sup> February, 2021, 9<sup>th</sup> February, 2022.</p>
<p><b>f) Amount paid as advances, if any:</b></p>	<p>NIL</p>
<p><b>(B) a) Name(s) of the related party and nature of relationship</b></p>	<p><b>POWERGRID Himachal Transmission Limited</b></p>
<p><b>b) Nature of contracts / arrangements / transactions</b></p>	<p>Loan agreement between POWERGRID and POWERGRID Himachal Transmission Limited entered on 29<sup>th</sup> April, 2021.</p>
<p><b>c) Duration of the contracts / arrangements / transactions</b></p>	<p>1<sup>st</sup> May, 2021 to 31<sup>st</sup> March, 2022</p>
<p><b>d) Salient terms of the contracts or arrangements or transactions including the value, if any</b></p>	<p>Inter Corporate Loan of ₹15,914.24 Lakh was provided by POWERGRID to POWERGRID Himachal Transmission Limited (PHTL) on 1<sup>st</sup> May, 2021 on cost to cost basis. Loan is repayable in monthly instalments of ₹4 crore each</p>
<p><b>e) Date(s) of approval by the Board, if any</b></p>	<p>21<sup>st</sup> April, 2021</p>
<p><b>f) Amount paid as advances, if any:</b></p>	<p>Nil</p>

(C)	a) Name(s) of the related party and nature of relationship	<b>POWERGRID Himachal Transmission Limited</b>
	b) Nature of contracts / arrangements / transactions	MOU dated 7 <sup>th</sup> January, 2020 entered between POWERGRID and PHTL for operation and maintenance (O&M) of all indoor and outdoor equipment installed in 400 kV Bays as detailed in MOU at Abdullapur substation.
	c) Duration of the contracts / arrangements / transactions	1 <sup>st</sup> April, 2019 to 31 <sup>st</sup> March, 2024
	d) Salient terms of the contracts or arrangements or transactions including the value, if any	O&M Charges payable by PHTL to POWERGRID on quarterly basis as per the year wise table given in MOU.
	e) Date(s) of approval by the Board, if any	Not applicable
	f) Amount paid as advances, if any:	Nil
(D)	a) Name(s) of the related party and nature of relationship	<b>Bihar Grid Company Limited (BGCL), Joint Venture Company</b>
	b) Nature of contracts / arrangements / transactions	Consultancy for post-award Techno Managerial services for Strengthening of Transmission System in Bihar-Phase-IV, (Part-II).
	c) Duration of the contracts / arrangements / transactions	24 months (Extendable automatically in case of delay till completion of the scope as per Agreement).
	d) Salient terms of the contracts or arrangements or transactions including the value, if any	Providing post-award engineering, design, quality assurance & inspection related services for the packages awarded by BGCL under strengthening of Transmission System in Bihar-Phase-IV, (Part-II). Agreement signed on 24 <sup>th</sup> April, 2018. The revised estimated cost of the project is ₹16,88.36 Crore. (excluding IEDC & IDC) and service charges payable to POWERGRID @ 2% of the actual executed cost of the project.
	e) Date(s) of approval by the Board, if any	16 <sup>th</sup> March, 2018 (351 <sup>st</sup> Board meeting of POWERGRID)
	f) Amount paid as advances, if any:	No amount was paid to BGCL as advance for this contract
(E)	a) Name(s) of the related party and nature of relationship	<b>Bihar Grid Company Limited (BGCL), Joint Venture Company</b>
	b) Nature of contracts / arrangements / transactions	Consultancy for Post-award Techno Managerial services (Post-award Engineering & QA&I only) for Strengthening of Transmission System in Bihar-Phase-IV (Part-I).
	c) Duration of the contracts / arrangements / transactions	24 months (Extendable automatically in case of delay till completion of the scope as per Agreement).
	d) Salient terms of the contracts or arrangements or transactions including the value, if any	Providing post-award engineering, quality assurance & inspection related services for the packages awarded by BGCL under strengthening of Transmission System in Bihar-Phase-IV, (Part-1). Agreement signed on 1 <sup>st</sup> January, 2015. The revised cost of the project is ₹2,024.11 Crore and service charges @ 2% of the actual executed cost of the project.
	e) Date(s) of approval by the Board, if any	24 <sup>th</sup> December, 2014 (308 <sup>th</sup> Board meeting of POWERGRID)
	f) Amount paid as advances, if any:	No amount was paid to BGCL as advance for this contract.
(F)	a) Name(s) of the related party and nature of relationship	<b>Bihar Grid Company Limited (BGCL), Joint Venture Company</b>
	b) Nature of contracts / arrangements / transactions	Consultancy for pre-award Techno Managerial services for Strengthening of Transmission System in Bihar-Phase-IV, (Part-II).
	c) Duration of the contracts / arrangements / transactions	Mutually agreed
	d) Salient terms of the contracts or arrangements or transactions including the value, if any	Providing pre-award engineering services to BGCL under strengthening of Transmission System in Bihar-Phase-IV, (Part-II). Agreement signed on 30 <sup>th</sup> May, 2019. The revised estimated cost of the project is ₹111.14 Crore.
	e) Date(s) of approval by the Board, if any	7 <sup>th</sup> May, 2019 (365 <sup>th</sup> Board meeting of POWERGRID)
	f) Amount paid as advances, if any:	No amount was paid to BGCL as advance for this contract.

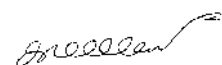


(G)	<b>a) Name(s) of the related party and nature of relationship</b>	<b>Teestavalley Power Transmission Company Limited (TPTL), Joint Venture Company</b>
	<b>b) Nature of contracts / arrangements / transactions</b>	1. Consultancy for execution of 2 nos. 400 kV AIS bays and 2x63 MVAR Reactors at Kishenganj POWERGRID S/S (Subsequently, scope revised to GIS from AIS)  2. O&M Consulting service for 02 nos 400kV Line bays alongwith 02 nos Line reactors at Kishenpur S/S for Rangpo & Teesta Line
	<b>c) Duration of the contracts / arrangements / transactions</b>	1. 26 months (Extendable automatically in case of delay till completion of the scope as per Agreement)  2. 72 Months commencing from FY 2018-19 to FY 2023-24
	<b>d) Salient terms of the contracts or arrangements or transactions including the value, if any</b>	1. Providing all services i.e. procurement, engineering, implementation including testing and commissioning for 2 nos. 400 kV GIS bays and 2x63 MVAR reactors at Kishenganj. Agreement signed on 1 <sup>st</sup> September, 2009 having revised project cost as on 31 <sup>st</sup> March, 2021 is ₹56.10 Crore and consultancy fee @15% of the actual executed cost of the project  2. O&M Consulting service for 02 nos 400kV Line bays alongwith 02 nos Line reactors at Kishenpur S/S for Rangpo& Teesta Line having estimated charges of ₹48.230 Lacs (FY2021-22) excluding applicable taxes.
	<b>e) Date(s) of approval by the Board, if any</b>	10 <sup>th</sup> August, 2020 (378 <sup>th</sup> Board meeting of POWERGRID)
	<b>f) Amount paid as advances, if any:</b>	No amount was paid to TPTL as advance for this contract.
(H)	<b>a) Name(s) of the related party and nature of relationship</b>	<b>North East Transmission Company Limited (NETC), Joint Venture Company</b>
	<b>b) Nature of contracts / arrangements / transactions</b>	Consultancy for Establishment of Office cum Store Complex at Guwahati.
	<b>c) Duration of the contracts / arrangements / transactions</b>	18 months (Mutually extendable)
	<b>d) Salient terms of the contracts or arrangements or transactions including the value, if any</b>	Agreement signed on 24 <sup>th</sup> August, 2018 having estimated project cost of ₹3.08 Crore and consultancy fee @10% of the final actual executed cost of the project.
	<b>e) Date(s) of approval by the Board, if any</b>	Not applicable
	<b>f) Amount paid as advances, if any:</b>	No amount was paid to NETC as advance for this contract.
(I)	<b>a) Name(s) of the related party and nature of relationship</b>	<b>North East Transmission Company Limited (NETC), Joint Venture Company</b>
	<b>b) Nature of contracts / arrangements / transactions</b>	Consultancy for Operation & Maintenance of 400 KV D/C Pallatana- Silchar-Byrnihat line (about 461.8 km).
	<b>c) Duration of the contracts / arrangements / transactions</b>	Extendable mutually.
	<b>d) Salient terms of the contracts or arrangements or transactions including the value, if any</b>	Providing all services for Operation & Maintenance of 400 KV D/C Pallatana-Silchar-Byrnihat line (about 461.8 km). Agreement signed on 26 <sup>th</sup> August, 2019. The consultancy fee is as per CERC tariff norms.
	<b>e) Date(s) of approval by the Board, if any</b>	2 <sup>nd</sup> August, 2019 (368 <sup>th</sup> Board meeting of POWERGRID)
	<b>f) Amount paid as advances, if any:</b>	No amount was paid to NETC as advance for this contract.
(J)	<b>a) Name(s) of the related party and nature of relationship</b>	<b>National High Power Test Laboratory Pvt. Ltd. (NHPTL), Joint Venture Company</b>
	<b>b) Nature of contracts / arrangements / transactions</b>	Consultancy for establishment of On-line High Power Short Circuit Test Facility at Bina Substation
	<b>c) Duration of the contracts / arrangements / transactions</b>	Mutually agreed
	<b>d) Salient terms of the contracts or arrangements or transactions including the value, if any</b>	Providing all services i.e. procurement, engineering, implementation including testing and commissioning for establishment of On-line High Power Short Circuit Test Facility at Bina Substation. Agreement Signed on 25 <sup>th</sup> November, 2010 having estimated project cost of ₹247.06 Crore and Consultancy fee @ 10% of the actual executed cost of the project.

	<b>e) Date(s) of approval by the Board, if any</b>	Not applicable
	<b>f) Amount paid as advances, if any:</b>	No amount was paid to NHPTL as advance for this contract.
<b>(K)</b>	<b>a) Name(s) of the related party and nature of relationship</b>	<b>Energy Efficiency Services Limited</b>
	<b>b) Nature of contracts / arrangements / transactions</b>	Subscription of 40,74,91,650 equity shares of Energy Efficiency Services Ltd (EESL) at ₹10/- each by POWERGRID.
	<b>c) Duration of the contracts / arrangements / transactions</b>	Nil
	<b>d) Salient terms of the contracts or arrangements or transactions including the value, if any</b>	₹407,49,16,500 (Four Hundred Seven Crore Forty-Nine Lakh Sixteen Thousand Five Hundred Only) towards subscribing 40,74,91,650 equity shares of Energy Efficiency Services Ltd. (EESL) at ₹10/-
	<b>e) Date(s) of approval by the Board, if any</b>	10 <sup>th</sup> August, 2021 (394 <sup>th</sup> Board meeting of POWERGRID)
	<b>f) Amount paid as advances, if any:</b>	No amount paid as advances thereafter.
<b>(L)</b>	<b>a) Name(s) of the related party and nature of relationship</b>	<b>Cross-Border Power Transmission Company Ltd, JV Company</b>
	<b>b) Nature of contracts / arrangements / transactions</b>	To provide O&M of Indian portion (Muzaffarpur to Sursand) of 400KV D/C Muzaffarpur (India) - Dhalkebar (Nepal) transmission line along with 2 nos of 220KV bays at Muzaffarpur substation
	<b>c) Duration of the contracts / arrangements / transactions</b>	03 years from 01 <sup>st</sup> April, 2019* (old contract dated 23 <sup>rd</sup> June, 2016 expired on 31 <sup>st</sup> March, 2019 and renewed from 01 <sup>st</sup> April, 2019 on 22 <sup>nd</sup> May, 2019)
	<b>d) Salient terms of the contracts or arrangements or transactions including the value, if any</b>	Routine and preventive maintenance of the above Transmission line i.e. works not requiring shut down such as a) Routine patrolling of the Transmission line at regular intervals and maintaining the records b) Inspection of the foundation and checking the completeness of the tower members. c) Loping & Chopping and bush clearance not involving Tree cutting / chopping and right of way issues. d) Attending to minor repairs of chimney and removal of excess soil. e) Replacement of missing tower members / damaged tower members. f) Tightening of fasteners in the towers up to safe working level / height. g) Visual inspection of Jumpers and Insulators. h) Special patrolling of the line in case of any tripping or Auto reclose.  Minor shutdown nature works such as: a) Replacement of missing Spacers / Spacer dampers, Conductor Vibration dampers, Arcing horns, broken insulators, tower members and tightening of the fasteners in the towers above the safe working height / level, earth wire VD. b) Rectification in respect of conductor and earth wire snapping not involving tower collapse, jumper cut. c) Attending to displacement of Conductor Vibration dampers. d) Repair to Conductor.
	<b>e) Date(s) of approval by the Board, if any</b>	27 <sup>th</sup> August, 2019
	<b>f) Amount paid as advances, if any:</b>	₹50 Lakh received on 16 <sup>th</sup> August, 2016 as revolving funds. No amount paid as advances thereafter.

\*New Agreement signed for 1 year w.e.f. 1<sup>st</sup> April, 2022.

**For & on behalf of  
POWER GRID CORPORATION OF INDIA LIMITED**



**(K. Sreekant)  
Chairman & Managing Director  
DIN: 06615674**

**Date: 5<sup>th</sup> August, 2022  
Place: Gurugram**



## Form No. AOC 1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

## Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

## Part "A": Subsidiaries

Sl. No.	Name of Subsidiaries	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of share holding
1	Powergrid Vemagiri Transmission Limited	N.A.	N.A.	0.05	(19.47)	-	19.42	Nil	-	(0.01)	-	(0.01)	Nil	100%
2	Powergrid NM Transmission Limited	N.A.	N.A.	488.95	(224.68)	1,137.02	872.75	Nil	117.42	9.99	2.49	7.50	Nil	100%
3	Powergrid Vizag Transmission Limited*	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	Nil	33.85	22.58	1.46	21.12	Nil	100%
4	Powergrid Unchahar Transmission Limited	N.A.	N.A.	12.96	12.07	65.00	39.97	Nil	30.28	18.45	1.68	16.77	Nil	100%
5	Powergrid Kala Amb Transmission Limited*	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	Nil	8.04	4.68	1.20	3.48	Nil	100%
6	Powergrid Jabalpur Transmission Limited*	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	Nil	29.55	14.32	1.29	13.03	Nil	100%
7	Powergrid Warora Transmission Limited*	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	Nil	43.17	21.80	2.95	18.85	Nil	100%
8	Powergrid Parli Transmission Limited*	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	Nil	38.67	20.82	2.93	17.89	Nil	100%
9	Powergrid Southern Interconnector Transmission System Limited	N.A.	N.A.	709.00	(69.20)	3,560.16	2,920.36	Nil	487.91	(49.76)	(12.25)	(37.51)	Nil	100%
10	Powergrid Medinipur Jeerat Transmission Limited	N.A.	N.A.	638.00	54.24	3,356.78	2,664.54	Nil	446.64	256.20	64.58	191.62	Nil	100%
11	Powergrid Mithilanchal Transmission Limited	N.A.	N.A.	233.20	21.31	1,233.82	979.31	Nil	143.42	50.90	12.81	38.09	Nil	100%
12	Powergrid Varanasi Transmission System Limited	N.A.	N.A.	186.00	9.01	977.94	782.93	Nil	79.63	26.94	6.78	20.16	Nil	100%
13	Powergrid Jawaharpur Firozabad Transmission Limited	N.A.	N.A.	89.60	12.00	481.13	379.53	Nil	51.70	23.07	5.95	17.12	Nil	100%
14	Powergrid Khetri Transmission System Limited	N.A.	N.A.	198.25	5.58	1,024.42	820.59	Nil	52.59	7.99	2.03	5.96	Nil	100%
15	Powergrid Bhuj Transmission Limited	N.A.	N.A.	180.00	(0.03)	1,054.81	874.84	Nil	-	(0.04)	(0.01)	(0.03)	Nil	100%
16	Powergrid Bhind Guna Transmission Limited	N.A.	N.A.	90.15	(0.71)	509.48	420.04	Nil	-	(0.04)	0.03	(0.07)	Nil	100%
17	Powergrid Ajmer Phagi Transmission Limited	N.A.	N.A.	115.00	0.57	595.75	480.18	Nil	47.82	1.24	0.33	0.91	Nil	100%

(₹ in crore)

Sl. No.	Name of Subsidiaries	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of share holding
18	Powergrid Fatehgarh Transmission Limited	N.A.	N.A.	141.00	2.26	685.52	542.26	Nil	36.69	3.02	0.76	2.26	Nil	100%
19	Powergrid Rampur Sambhal Transmission Limited	N.A.	N.A.	109.00	(0.94)	608.68	500.62	Nil	-	(0.01)	0.05	(0.06)	Nil	100%
20	Powergrid Meerut Simbhavali Transmission Limited	N.A.	N.A.	129.71	(0.02)	859.93	730.24	Nil	-	(0.03)	(0.01)	(0.02)	Nil	100%
21	Central Transmission Utility of India Limited	N.A.	N.A.	0.05	40.00	1,950.83	1,910.78	Nil	5.80	53.49	13.46	40.03	Nil	100%
22	Powergrid Ramgarh Transmission Limited	N.A.	N.A.	1.10	(0.52)	105.22	104.64	Nil	-	(0.01)	-	(0.01)	Nil	100%
23	Powergrid Himachal Transmission Limited	N.A.	N.A.	300.00	122.30	499.53	77.23	Nil	133.65	60.32	1.96	51.28	Nil	100%
24	Powergrid Bikaner Transmission System Limited	N.A.	N.A.	22.21	(0.02)	589.40	567.21	Nil	-	(0.03)	(0.01)	(0.02)	Nil	100%
25	Powergrid Sikar Transmission Limited	N.A.	N.A.	47.35	(0.47)	612.50	565.62	Nil	-	(0.04)	(0.16)	0.12	Nil	100%
26	Powergrid Bhadla Transmission Limited	N.A.	N.A.	20.31	(0.57)	348.23	328.49	Nil	-	(0.04)	(0.19)	0.15	Nil	100%
27	Powergrid Aligarh Sikar Transmission Limited	N.A.	N.A.	62.35	(0.01)	726.22	663.88	Nil	-	(0.01)	-	(0.01)	Nil	100%
28	Powergrid Teleservices Limited	N.A.	N.A.	9.00	(0.32)	9.06	0.38	Nil	-	(0.43)	(0.11)	(0.32)	Nil	100%
29	Powergrid Energy Services Limited	N.A.	N.A.	-	(0.07)	-	0.07	Nil	-	(0.09)	(0.02)	(0.07)	Nil	100%

**Names of subsidiaries which are yet to commence operations:**

1.	Powergrid Vemagiri Transmission Limited (not a going concern)	7.	Powergrid Bikaner Transmission System Limited
2.	Powergrid Bhuj Transmission Limited	8.	Powergrid Sikar Transmission Limited
3.	Powergrid Bhind Guna Transmission Limited	9.	Powergrid Bhadla Transmission Limited
4.	Powergrid Rampur Sambhal Transmission Limited	10.	Powergrid Aligarh Sikar Transmission Limited
5.	Powergrid Meerut Simbhavali Transmission Limited	11.	Powergrid Teleservices Limited
6.	Powergrid Ramgarh Transmission Limited	12.	Powergrid Energy Services Limited

**\*Names of subsidiaries which have been liquidated or sold during the year:**

1.	Powergrid Vizag Transmission Limited	4.	Powergrid Jabalpur Transmission Limited
2.	Powergrid Parli Transmission Limited	5.	Powergrid Kala Amb Transmission Limited
3.	Powergrid Warora Transmission Limited		

**Part "B": Associates and Joint Ventures**  
**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

(₹ in crore)

Name of Associates/Joint Ventures	Latest audited Balance Sheet Date	Shares of Associate / Joint Ventures held by the company on the year end		Description of how there is significant influence	Reason why the associate/joint venture is not consolidated	Net worth attributable to Shareholding as per latest audited Balance Sheet	Profit / Loss for the year	
		Number	Amount of Investment				Extend of Holding %	i. Considered in Consolidation
<b>Joint Ventures</b>								
Powerlinks Transmission Limited	31.03.2022	22,93,20,000	229.32	49%	Shareholding is more than 20%	N.A.	44.97	N.A.
Torrent Power Grid Limited	31.03.2022	2,34,00,000	23.40	26%	Shareholding is more than 20%	N.A.	4.80	N.A.
Parbati Koldam Transmission Company Limited	Unaudited	7,09,37,620	70.94	26%	Shareholding is more than 20%	N.A.	3.51	N.A.
Teestavalley Power Transmission Limited	Unaudited	12,01,20,000	120.12	30.92%	Shareholding is more than 20%	N.A.	4.97	N.A.
North East Transmission Company Limited	31.03.2022	10,69,64,000	106.96	26%	Shareholding is more than 20%	N.A.	18.09	N.A.
National High Power Test Laboratory Private Limited	Unaudited	3,04,00,000	30.40	20%	Shareholding is more than 20%	N.A.	(3.98)	N.A.
Bihar Grid Company Limited	Unaudited	32,25,35,036	322.54	50%	Shareholding is more than 20%	N.A.	48.56	N.A.
Energy Efficiency Services Limited	Unaudited	46,36,10,000	463.61	33.33%	Shareholding is more than 20%	N.A.	(49.70)	N.A.
Cross Border Power Transmission Company Limited	Unaudited	1,26,12,473	12.62	26%	Shareholding is more than 20%	N.A.	4.41	N.A.
RINL Powergrid TLT Private Limited	Unaudited	40,00,000	4.00	50%	Shareholding is more than 20%	N.A.	-	N.A.
Power Transmission Company Nepal Limited	Unaudited	11,70,000	6.50	26%	Shareholding is more than 20%	N.A.	2.14	N.A.
<b>Associates</b>								
Powergrid Kala Amb Transmission Limited	31.03.2022	1,58,60,000	15.86	26%	Shareholding is more than 20%	Accounted as Assets classified as held for sale as per Ind AS 105	N.A.	N.A.
Powergrid Jabalpur Transmission Limited	31.03.2022	5,89,96,600	59.00	26%	Shareholding is more than 20%	Accounted as Assets classified as held for sale as per Ind AS 105	N.A.	N.A.
Powergrid Warora Transmission Limited	31.03.2022	10,22,58,000	102.26	26%	Shareholding is more than 20%	Accounted as Assets classified as held for sale as per Ind AS 105	N.A.	N.A.
Powergrid Parli Transmission Limited	31.03.2022	8,37,46,000	83.74	26%	Shareholding is more than 20%	Accounted as Assets classified as held for sale as per Ind AS 105	N.A.	N.A.



Names of associates or joint ventures which are yet to commence operations:

RINL Powergrid TLT Pvt Limited (not a going concern)

Names of associates or joint ventures which have been liquidated or sold during the year:

NIL

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

**Mrinal Shrivastava**  
Company Secretary

**Mohammed Taj Mukarrum**  
Director (Finance)

**K. Sreekant**  
Chairman & Managing Director

**As per our report of even date**

**For T R CHADHA & CO LLP** For UMAMAHESWARA RAO & CO  
Chartered Accountants  
FRN : 006711N/N500028

**For B M CHATRATH & CO LLP**  
Chartered Accountants  
FRN : 301011E/E300025

**For PSD & ASSOCIATES**  
Chartered Accountants  
FRN : 004501C

**CA Neena Goel**  
Partner  
M. No. 057986

**CA R R Dakshinamurthy**  
Partner  
M. No. 211639

**CA Sanjay Sarkar**  
Partner  
M. No. 064305

**CA Prakash Sharma**  
Partner  
M. No. 072332

Date: 21 May 2022

Place: Gurugram



## Annexure - X to the Directors' Report

### ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL 2021-22

#### 1. Brief outline on CSR Policy of the Company

CSR Policy of the Company was approved by the Board of Directors in its 307<sup>th</sup> meeting held on 11<sup>th</sup> November, 2014 and was modified in its 323<sup>rd</sup> meeting held on 30<sup>th</sup> November, 2015. Major changes were incorporated in the Name of the Policy, inclusion of Vision and Mission Statements, defining local area and communication strategy. The Policy is available on Company's website at <https://www.powergrid.in/sites/default/files/CSR%26S%20policy.pdf>

#### **The main features of the Policy are:**

The Policy is named as POWERGRID's Corporate Social Responsibility and Sustainability Policy.

#### **Vision**

To be a Corporate that sets a long term strategy for Social & Economic Development of communities through initiatives in Healthcare, Education, Rural development, Skill development, Sanitation and other areas of national importance and adhere to sustainable environmental practices.

#### **Mission**

To align CSR and Sustainability Policy with the business policy so as to conduct business in a sustainable manner, adhering to the principles of Avoidance, Minimization and Mitigation in dealing with environmental & social issues and to undertake high impact community development projects of national & local importance in consultation with stakeholders.

#### **Activities under CSR**

The activities proposed to be undertaken under CSR shall include all the activities mentioned in Schedule VII of Section 135 (3) (a) of the Companies Act, 2013 (the Act).

The Corporation will give preference to the stakeholders who are directly impacted by its operation for CSR activities. Since such stakeholders are generally located in the periphery of the commercial operations of the Corporation, POWERGRID will accord priority for CSR activities in local areas and neighborhood areas of its operations.

The Geographical limits of a District where POWERGRID has its presence shall be considered as "local area" for CSR&S activities. In addition, POWERGRID shall also undertake CSR activities outside it. Ratio of CSR spends between local areas and outside would be approximately 75:25. However, projects/activities executed under directives of Government of India or of foremost concern of the national development agenda will be outside the purview of this ratio. The CSR&S Committee is authorized to approve any project, irrespective of the amount involved, which is beyond the above ratio.

Priority will be given for CSR activities to the stakeholders directly impacted by operations of the Corporation.

CSR Projects or Programmes or activities undertaken in India shall only amount to CSR expenditure.

Endeavour shall be made to promote sustainable development through initiatives by conducting business in a manner that is beneficial to both business and society.

#### **Mode of Execution of CSR activities**

CSR activities shall preferably be implemented in a project mode. Implementation of various activities will normally be done through placement of award by the Corporation as per Works & Procurement Policy of the Corporation. Services of various departments of Central, State Governments, Panchayati Raj Institutions, etc. may also be availed for implementation of CSR activities on deposit work basis.

CSR activities/projects/programmes, may also be taken up in association with a registered trust or a registered society or a company established by the Corporation or its holding or subsidiary or associate company, submitted to fulfilling requirements, as mentioned in the Act.

#### **Communication Strategy**

The electronic media shall be used for broader communication with the stakeholders. Display in website, emails, Annual CSR booklet, Annual Report, etc. will be key instruments to decipher the CSR initiatives of POWERGRID.



## Funding of CSR activities

The Corporation will be required to spend annually on CSR, two percent of the average net profit made during last three immediately preceding financial years.

### 2. Composition of CSR Committee:

S. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Shri K. Sreekant	CMD	7	7
2.	Shri Vinod Kumar Singh	Director (Personnel)	7	7
3.	Smt. A. R. Mahalakshmi (Upto 25.07.2021)	Independent Director	7	2
4.	Shri M. N. Venkatesan (w.e.f 03.08.2021 to 15.12.2021)	Independent Director	7	1
5.	Shri Ram Naresh Tiwari (w.e.f 15.12.2021)	Independent Director	7	4
6.	Shri Chetan Bansilal Kankariya (w.e.f 15.12.2021)	Independent Director	7	4
7.	Shri Onkarappa KN (w.e.f 15.12.2021)	Independent Director	7	4

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

Sr. No.	Access to details of	Web-Link
1.	Composition of CSR committee	<a href="https://www.powergrid.in/composition-committees-board-directors">https://www.powergrid.in/composition-committees-board-directors</a>
2.	CSR Policy	<a href="https://www.powergrid.in/aboutus-csr">https://www.powergrid.in/aboutus-csr</a>
3.	CSR projects approved by the Board	<a href="https://www.powergrid.in/annual-reports">https://www.powergrid.in/annual-reports</a>

### 4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014:

Detail of CSR projects eligible for Impact Assessment under sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is available at [https://apps.powergrid.in/pgdocs/2022/07/1/Annexure\\_A.pdf](https://apps.powergrid.in/pgdocs/2022/07/1/Annexure_A.pdf)  
Read the complete report on Impact Assessment at [https://apps.powergrid.in/pgdocs/2022/07/1/csr\\_Combine.pdf](https://apps.powergrid.in/pgdocs/2022/07/1/csr_Combine.pdf)

### 5. Details of the amount available for set off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year:

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1	FY2021-22	6,69,00,000.00	0
2	FY2022-23	14,06,87,826	20,75,87,826
<b>Total</b>		<b>20,75,87,826</b>	<b>20,75,87,826</b>

### 6. Average net profit of the company as per section 135(5): ₹12853.50 Crore

#### 7. (a) Two percent of average net profit of the company as per section 135(5): ₹257.07 Crore

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

(c) Amount required to be set off for the financial year: Nil

(d) Total CSR obligation for the financial year (7a+7b-7c): ₹257.07 Crore

8. (a) CSR amount spent or unspent for the financial year:

Amount Unspent (in ₹)			
Total Amount Spent for the Financial Year (in ₹)	Total Amount transferred to Unspent CSR Account as per section 135(6)	Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)	Date of transfer
2,71,13,87,826	0.00	PM CARES Fund	29.03.2022
			75,00,00,000

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration Number
1												
2	Details of Annexure-8 (b) is available at <a href="https://apps.powergrid.in/pgdocs/2022/07/1/Annexure_8b_ongoing_projects.pdf">https://apps.powergrid.in/pgdocs/2022/07/1/Annexure_8b_ongoing_projects.pdf</a>											
3												
<b>Total (₹ in Crore)</b>									<b>158.88</b>			



(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act	(4) Local area (Yes/ No)	(5) Location of the project		(6) Amount spent for the project (in ₹)	(7) Mode of implementation - Direct (Yes/No)	(8) Mode of implementation - Through implementing agency	
				State	District			Name	CSR Registration Number
1.									
2.	<b>Details of Annexure-8 (c) is available at <a href="https://apps.powergrid.in/pgdocs/2022/07/1/Annexure_8c_other_than_ongoing_projects.pdf">https://apps.powergrid.in/pgdocs/2022/07/1/Annexure_8c_other_than_ongoing_projects.pdf</a></b>								
3.									
						<b>101.87</b>			
						<b>Total (₹ In Crore)</b>			

(d) Amount spent in Administrative Overheads: ₹10.36 Crore

(e) Amount spent on Impact Assessment: ₹2.78 Lakh

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : ₹271.14 Crore

(g) Excess amount for set off:

Sl. No.	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	257,07,00,000
(ii)	Total amount spent for the Financial Year	2,71,13,87,826
(iii)	Excess amount spent for the financial year [(ii)-(i)]	14,06,87,826
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	14,06,87,826



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

Sl. No	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹ Crore)	Amount spent in the reporting Financial Year (in ₹ Crore)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years (in ₹ Crore)
				Name of the Fund	Amount (in ₹ Crore)	Date of transfer	
1.	2018-19	NA	195.52	NIL	0	NIL	NIL
2.	2019-20	NA	346.21	NIL	0	NIL	NIL
3.	2020-21	0	240.48	NIL	0	NIL	NIL
<b>Total</b>			<b>782.21</b>				

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹ Crore)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed / Ongoing
<b>Details of Annexure-9 (b) is available at <a href="https://apps.powergrid.in/pgdocs/2022/07/1/Annexure_9_b.pdf">https://apps.powergrid.in/pgdocs/2022/07/1/Annexure_9_b.pdf</a></b>								
<b>Total (In ₹ Crore)</b>						<b>30.13</b>		

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: NIL

**(asset-wise details)**

(a) Date of creation or acquisition of the capital asset(s): NIL

(b) Amount of CSR spent for creation or acquisition of capital asset: NIL

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: N.A.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): N.A.

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): N.A.

**Director (Personnel)**

**(Chairman CSR Committee)**

**Date: 5<sup>th</sup> August, 2022**

**Place: Gurugram**

**Balance Sheet as at 31 March 2022**

(₹ in crore)

Particulars	Note No	As at 31 March 2022	As at 31 March 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property Plant and Equipment	4	178,175.63	175,392.06
Capital work-in-progress	5	7,344.46	17,896.67
Investment Property	6	-	0.03
Intangible assets	7	1,556.13	1,551.44
Intangible assets under development	8	31.53	74.86
Financial Assets			
Investments	9	7,228.53	4,265.36
Loans	10	14,269.78	10,474.09
Other non-current financial assets	11	4,144.46	4,313.62
Other non-current assets	12	4,797.73	4,744.56
		<b>217,548.25</b>	<b>218,712.69</b>
Assets Classified as Held for Sale	19A	245.00	260.86
		<b>217,793.25</b>	<b>218,973.55</b>
<b>Current assets</b>			
Inventories	13	1,352.60	1,362.82
Financial Assets			
Trade receivables	14	9,106.82	8,470.20
Cash and cash equivalents	15	2,457.47	4,430.05
Bank balances other than Cash and cash equivalents	16	513.57	843.49
Loans	17	328.27	5,428.83
Other current financial assets	18	6,125.77	3,031.53
Other current assets	19	210.99	173.28
		<b>20,095.49</b>	<b>23,740.20</b>
Assets Classified as Held for Sale	19A	15.86	952.18
		<b>20,111.35</b>	<b>24,692.38</b>
<b>Regulatory Deferral Account Balances</b>	20	<b>9,973.04</b>	10,606.35
<b>Total Assets</b>		<b>247,877.64</b>	<b>254,272.28</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	21	6,975.45	5,231.59
Other Equity	22	69,176.12	64,347.25
		<b>76,151.57</b>	69,578.84
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial Liabilities			
Borrowings	23	114,199.40	129,080.07
Lease liabilities		27.04	17.66
Other non-current financial liabilities	24	3,523.00	3,696.39
Provisions	25	517.05	461.93
Deferred tax liabilities(Net)	26	11,424.78	11,941.88



## Balance Sheet as at 31 March 2022 (Contd.)

(₹ in crore)

Particulars	Note No	As at 31 March 2022	As at 31 March 2021
Other non-current liabilities	27	240.89	218.06
		<b>129,932.16</b>	<b>145,415.99</b>
<b>Current liabilities</b>			
Financial Liabilities			
Borrowings	28	20,465.87	13,971.41
Lease liabilities		2.74	3.93
Trade payables			
(A) total outstanding dues of micro enterprises and small enterprises	29	47.19	29.76
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	29	218.95	156.54
Other current financial liabilities	30	7,408.90	10,228.58
Other current liabilities	31	3,203.41	3,871.69
Provisions	32	932.31	835.88
Current Tax Liabilities (Net)	33	-	425.51
		<b>32,279.37</b>	<b>29,523.30</b>
<b>Deferred Revenue</b>	34	<b>9,514.54</b>	9,754.15
<b>Total Equity and Liabilities</b>		<b>247,877.64</b>	<b>254,272.28</b>

The accompanying notes (1 to 67) form an integral part of financial statements

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

**Mrinal Shrivastava**  
Company Secretary

**Mohammed Taj Mukarrum**  
Director (Finance)

**K. Sreekant**  
Chairman & Managing Director

### As per our report of even date

**For T R CHADHA & CO LLP**  
Chartered Accountants  
FRN : 006711N/N500028

**For UMAMAHESWARA RAO & CO**  
Chartered Accountants  
FRN : 0044535

**For B M CHATRATH & CO LLP**  
Chartered Accountants  
FRN : 301011E/E300025

**For PSD & ASSOCIATES**  
Chartered Accountants  
FRN : 004501C

**CA Neena Goel**  
Partner  
M. No. 057986

**CA R R Dakshinamurthy**  
Partner  
M. No. 211639

**CA Sanjay Sarkar**  
Partner  
M. No. 064305

**CA Prakash Sharma**  
Partner  
M. No. 072332

Date: 21 May 2022

Place: Gurugram



## Statement of Profit and Loss for the year ended 31 March 2022

(₹ in crore)

Particulars	Note No.	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue From Operations	35	39,928.09	37,665.65
Other Income	36	2,407.78	2,861.46
<b>Total Income</b>		<b>42,335.87</b>	<b>40,527.11</b>
<b>EXPENSES</b>			
Employee benefits expense	37	2,234.76	2,110.74
Finance costs	38	8,210.94	8,501.01
Depreciation and amortization expense	39	12,550.58	11,711.68
Other expenses	40	2,771.62	2,498.97
<b>Total expenses</b>		<b>25,767.90</b>	<b>24,822.40</b>
<b>Profit before Exceptional Items, Tax and Regulatory Deferral Account Balances</b>		<b>16,567.97</b>	<b>15,704.71</b>
Exceptional Items		(3,759.51)	1,078.64
<b>Profit Before Tax &amp; Regulatory Deferral Account Balances</b>		<b>20,327.48</b>	<b>14,626.07</b>
Tax expense:			
Current tax - Current Year		3,320.52	2,527.55
- Earlier Years		(38.46)	1.56
Deferred tax	26	(571.00)	560.03
		<b>2,711.06</b>	<b>3,089.14</b>
<b>Profit for the period before Regulatory Deferral Account Balances</b>		<b>17,616.42</b>	<b>11,536.93</b>
Net movement in Regulatory Deferral Account Balances- Income/(Expenses) (net of tax)	41	(522.66)	398.85
<b>Profit for the period</b>		<b>17,093.76</b>	<b>11,935.78</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss (net of tax)	42	290.93	25.36
<b>Total Comprehensive Income for the period</b>		<b>17,384.69</b>	<b>11,961.14</b>
Earnings per equity share including movement in Regulatory Deferral Account Balances (Par value ₹ 10/- each):			
Basic & Diluted (₹)	60	24.51	17.11
Earnings per equity share excluding movement in Regulatory Deferral Account Balances (Par value ₹ 10/- each):			
Basic & Diluted (₹)	60	25.25	16.54

The accompanying notes (1 to 67) form an integral part of financial statements

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

**Mrinal Shrivastava**

Company Secretary

**Mohammed Taj Mukarrum**

Director (Finance)

**K. Sreekant**

Chairman & Managing Director

### As per our report of even date

**For T R CHADHA & CO LLP**

Chartered Accountants

FRN : 006711N/N500028

**For UMAMAHESWARA RAO & CO**

Chartered Accountants

FRN : 004453S

**For B M CHATRATH & CO LLP**

Chartered Accountants

FRN : 301011E/E300025

**For PSD & ASSOCIATES**

Chartered Accountants

FRN : 004501C

**CA Neena Goel**

Partner

M. No. 057986

**CA R R Dakshinamurthy**

Partner

M. No. 211639

**CA Sanjay Sarkar**

Partner

M. No. 064305

**CA Prakash Sharma**

Partner

M. No. 072332

Date: 21 May 2022

Place: Gurugram



### Statement of Changes in Equity for the year ended 31 March 2022

A. Equity Share Capital		(₹ in crore)
As at 01 April 2021		5,231.59
Changes during the year (refer note 21)		1,743.86
As at 31 March 2022		6,975.45
As at 01 April 2020		5,231.59
Changes during the year		-
As at 31 March 2021		5,231.59

B. Other Equity		(₹ in crore)					
Particulars	Reserve and Surplus					Other Comprehensive Income (OCI)	Total
	Securities Premium	Bond Redemption Reserve	Self Insurance Reserve	General Reserve	Retained Earnings		
As at 01 April 2021	9,578.29	7,387.97	722.99	43,191.78	3,399.08	67.14	64,347.25
Profit for the year					17,093.76		17,093.76
Other Comprehensive Income					(187.92)	478.85	290.93
<b>Total Comprehensive Income</b>					<b>16,905.84</b>	<b>478.85</b>	<b>17,384.69</b>
<b>Adjustments during the year</b>							
Transfer to General Reserve				7,000.00	(7,000.00)		-
Transfer to Bond redemption reserve					-		-
Transfer from Bond Redemption Reserve		(1,855.17)			1,855.17		-
Utilised for issue of bonus equity shares	(1,743.86)						(1,743.86)
Transfer to Self Insurance Reserve			291.14		(291.14)		-
Transfer from Self Insurance Reserve			(161.04)	161.04	-		-
Final Dividend F.Y. 2020-21					(2,092.64)		(2,092.64)
Interim Dividend F.Y. 2021-22					(8,719.32)		(8,719.32)
As at 31 March 2022	7,834.43	5,532.80	853.09	50,352.82	4,056.99	545.99	69,176.12

**Statement of Changes in Equity for the year ended 31 March 2022 (Contd.)**
**B. Other Equity (Contd.)**

(₹ in crore)

Particulars	Reserve and Surplus					Other Comprehensive Income (OCI)		Total
	Securities Premium	Bond Redemption Reserve	Self Insurance Reserve	General Reserve	Retained Earnings	Equity instruments through other comprehensive income		
As at 01 April 2020	9,578.29	8,638.92	807.93	36,828.05	3,327.57	27.34	59,208.10	
Profit for the year					11,935.78		11,935.78	
Other Comprehensive Income					(14.44)	39.80	25.36	
<b>Total Comprehensive Income</b>					<b>11,921.34</b>	<b>39.80</b>	<b>11,961.14</b>	
<b>Adjustments during the year</b>								
Transfer to General Reserve				6,000.00	(6,000.00)		-	
Transfer to Bond redemption reserve							-	
Transfer from Bond Redemption Reserve		(1,250.95)			1,250.95		-	
Transfer to Self Insurance Reserve			278.79		(278.79)		-	
Transfer from Self Insurance Reserve			(363.73)		363.73		-	
Final Dividend F.Y. 2019-20					(2,113.56)		(2,113.56)	
Interim Dividend F.Y. 2020-21					(4,708.43)		(4,708.43)	
<b>As at 31 March 2021</b>	<b>9,578.29</b>	<b>7,387.97</b>	<b>722.99</b>	<b>43,191.78</b>	<b>3,399.08</b>	<b>67.14</b>	<b>64,347.25</b>	

The accompanying notes (1 to 67) form an integral part of financial statements  
 Refer to Note No 22 for nature and movement of Reserve and Surplus.

**For and on behalf of the Board of Directors**
**Mirinal Shrivastava**  
 Company Secretary

**Mohammed Taj Mukarrum**  
 Director (Finance)

**K. Sreekant**  
 Chairman & Managing Director

**As per our report of even date**

**For T R CHADHA & CO LLP** For UMAMAHESWARA RAO & CO For B M CHATRATH & CO LLP For PSD & ASSOCIATES  
 Chartered Accountants Chartered Accountants Chartered Accountants Chartered Accountants  
 FRN : 006711N/N500028 FRN : 0044535 FRN : 301011E/E300025 FRN : 004501C

**CA Neena Goel**  
 Partner  
 M. No. 057986

**CA R R Dakshinamurthy**  
 Partner  
 M. No. 211639

**CA Sanjay Sarkar**  
 Partner  
 M. No. 064305

**CA Prakash Sharma**  
 Partner  
 M. No. 072332

 Date: 21 May 2022  
 Place: Gurugram


**Statement of Cash Flows for the year ended 31 March 2022**

(₹ in crore)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit Before Tax & Regulatory Deferral Account Balances	<b>20,327.48</b>	<b>14,626.07</b>
Add: Net movement in Regulatory Deferral Account Balances (net of tax)	<b>(522.66)</b>	398.85
Add: Tax on Net movement in Regulatory Deferral Account Balances	<b>(110.65)</b>	84.44
<b>Profit Before Tax (including net movement in Regulatory Deferral Account Balances)</b>	<b>19,694.17</b>	<b>15,109.36</b>
<b>Adjustment for :</b>		
Depreciation & amortization expenses	<b>12,550.58</b>	11,711.68
Transfer from Grants in Aid	<b>(300.26)</b>	(328.89)
Deferred revenue - Advance against Depreciation	<b>(152.46)</b>	(160.05)
Provisions	<b>4.21</b>	7.49
Changes in fair value of financial assets through profit or loss	<b>(16.44)</b>	(16.92)
Profit on sale of Investment in Subsidiaries	<b>(3,759.51)</b>	-
Net Loss on Disposal / Write off of Property, Plant & Equipment	<b>28.39</b>	2.49
Deferred Foreign Currency Fluctuation Asset	<b>(42.69)</b>	1,022.09
Deferred Income from Foreign Currency Fluctuation	<b>191.07</b>	(780.92)
Regulatory Deferral Account Debit Balances	<b>633.31</b>	(483.29)
Finance Costs	<b>8,210.94</b>	8,501.01
Provisions Written Back	<b>(13.13)</b>	(24.55)
FERV loss / (gain)	<b>(0.03)</b>	(0.02)
Profit on sale of Investment in Mutual Funds	<b>(15.95)</b>	-
Interest income on Deposits, Bonds and loans to Subsidiaries & JVs, PG InvIT etc	<b>(1,075.96)</b>	(1,126.07)
Surcharge income	<b>(364.46)</b>	(714.15)
Income from finance lease	<b>(73.12)</b>	(81.18)
Dividend income	<b>(664.38)</b>	(662.78)
	<b>15,140.11</b>	<b>16,865.94</b>
<b>Operating profit before Changes in Assets and Liabilities</b>	<b>34,834.28</b>	<b>31,975.30</b>
<b>Adjustment for Changes in Assets and Liabilities:</b>		
(Increase)/Decrease in Inventories	<b>13.96</b>	38.67
(Increase)/Decrease in Trade Receivables	<b>(520.95)</b>	(3,358.73)
(Increase)/Decrease in Other Financial Assets	<b>(2,789.46)</b>	2,189.85
(Increase)/Decrease in Other Non-current Assets	<b>68.23</b>	123.69
(Increase)/Decrease in Other Current Assets	<b>(37.71)</b>	49.99
Increase/(Decrease) in Liabilities & Provisions	<b>(3,218.91)</b>	(1,197.28)
	<b>(6,484.84)</b>	<b>(2,153.81)</b>
<b>Cash generated from operations</b>	<b>28,349.44</b>	<b>29,821.49</b>
Direct taxes paid	<b>(3,709.24)</b>	(2,207.76)
<b>Net Cash from Operating Activities</b>	<b>24,640.20</b>	<b>27,613.73</b>

**Statement of Cash Flows for the year ended 31 March 2022 (Contd.)**

(₹ in crore)

<b>Particulars</b>	<b>For the year ended 31 March 2022</b>	<b>For the year ended 31 March 2021</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Property, Plant & Equipment and Capital Work in Progress (Including Advances for Capital Expenditure)	<b>(3,645.32)</b>	(6,389.23)
Receipt of Grant	<b>131.42</b>	8.13
Investment in Mutual Funds	<b>(1,470.00)</b>	-
Sale of Mutual Funds	<b>1,485.95</b>	-
Sale of Investment in Subsidiaries/Associate (Net)	<b>3,346.69</b>	-
Investments in Subsidiaries, JVs & others	<b>(1,122.13)</b>	(1,665.59)
Loans & Advances to Subsidiaries, JVs & Associates (Including repayments)	<b>1,228.83</b>	(2,141.35)
Financial lease receipts	<b>84.87</b>	76.40
Interest received on Deposits, Bonds and Loans to Subsidiaries & JVs, PG InvIT etc	<b>1,239.26</b>	1,100.67
Surcharge received	<b>244.59</b>	545.20
Dividend received	<b>664.38</b>	662.78
<b>Net Cash from/(used in) Investing Activities</b>	<b>2,188.54</b>	<b>(7,802.99)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Borrowings		
Non Current	<b>2,584.70</b>	7,840.37
Current	<b>7,400.00</b>	11,750.00
Repayment of Borrowings		
Non Current	<b>(15,251.97)</b>	(10,913.32)
Current	<b>(3,900.00)</b>	(12,950.00)
Repayment of Lease Liabilities (Including interest)	<b>(8.14)</b>	(6.23)
Finance Costs paid	<b>(8,813.95)</b>	(9,084.66)
Dividend paid	<b>(10,811.96)</b>	(6,821.99)
<b>Net Cash used in Financing Activities</b>	<b>(28,801.32)</b>	<b>(20,185.83)</b>
<b>D. Net change in Cash and Cash equivalents (A+B+C)</b>	<b>(1,972.58)</b>	<b>(375.09)</b>
E. Cash and Cash equivalents (Opening balance)	<b>4,430.05</b>	4,805.14
F. Cash and Cash equivalents (Closing balance) (Refer Note No 15)*	<b>2,457.47</b>	<b>4,430.05</b>

The accompanying notes (1 to 67) form an integral part of financial statements

\* Includes ₹ 1341.75 crore (Previous Year ₹ 3122.48 crore) held in designated accounts which is not available for use by the Company.

**Further Notes:**

- Cash and cash equivalents consist of cheques, drafts, stamps in hands, balances with banks and deposits with original maturity of upto three months.
- Previous year figures have been re-grouped / re-arranged wherever necessary.
- Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities.



## Statement of Cash Flows for the year ended 31 March 2022 (Contd.)

(₹ in crore)

Particulars	Non-current borrowings	Current borrowings
Opening Balance as at 1st April, 2021	144,353.00	1,800.00
Net Cash Flows during the year	(20,837.83)	3,500.00
Non-cash changes due to :		
- Interest on borrowings	7,845.08	
- Variation in exchange rates	781.06	
- Fair value adjustments	5.73	
<b>Closing Balance as at 31 March 2022</b>	<b>132,147.04</b>	<b>5,300.00</b>

(₹ in crore)

Particulars	Non-current borrowings	Current borrowings
Opening Balance as at 1st April, 2020	148,233.26	3,000.00
Net Cash Flows during the year	(11,918.49)	(1,200.00)
Non-cash changes due to :		
- Interest on borrowings	8,652.51	
- Variation in exchange rates	(655.21)	
- Fair value adjustments	40.93	
<b>Closing Balance as at 31st March, 2021</b>	<b>144,353.00</b>	<b>1,800.00</b>

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

**Mrinal Shrivastava**

Company Secretary

**Mohammed Taj Mukarrum**

Director (Finance)

**K. Sreekant**

Chairman & Managing Director

### As per our report of even date

**For T R CHADHA & CO LLP**

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Chartered Accountants

FRN : 301011E/E300025

**For PSD & ASSOCIATES**

Chartered Accountants

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**CA R R Dakshinamurthy**

Partner

M. No. 211639

**CA Sanjay Sarkar**

Partner

M. No. 064305

**CA Prakash Sharma**

Partner

M. No. 072332

Date: 21 May 2022

Place: Gurugram



## Notes to Standalone Financial Statements

### 1. Corporate and General Information

Power Grid Corporation of India Limited ('the Company') is a public company domiciled and incorporated in India under the provisions of The Companies Act and its shares are listed on the National Stock Exchange (NSE) and BSE Limited (BSE) in India. The registered office of the Company is situated at B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi, India and its Corporate Office is located at Saudamini, Plot No.2, Sector-29, Gurgaon, Haryana.

The Company is notified as the deemed transmission licensee under The Electricity Act, 2003. It is principally engaged in implementation, operation and maintenance of Inter-State Transmission System (ISTS), Telecom and consultancy services.

The financial statements of the company for the year ended 31 March 2022 were approved for issue by the Board of Directors on 21 May 2022.

### 2. Significant Accounting Policies

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

#### 2.1 Basis of Preparation

##### i) Compliance with Ind AS

The financial statements are prepared in compliance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act), Companies (Indian Accounting Standards) Rules, 2015, the relevant provisions of the Companies Act, 2013 (to the extent notified), The Companies Act, 1956 and the provisions of Electricity Act, 2003, in each case, to the extent applicable and as amended thereafter.

##### ii) Basis of Measurement

The financial statements have been prepared on accrual basis and under the historical cost convention except following which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value (refer Note no. 2.13 for accounting policy regarding financial instruments),
- Defined benefit plans – plan assets measured at fair value

##### iii) Functional and presentation currency

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

##### iv) Use of estimates

The preparation of financial statements requires estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses during the reporting period. Although, such estimates and assumptions are made on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future years (refer Note no. 3 on critical accounting estimates, assumptions and judgments).

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

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

An asset is current when it is:



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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

The Company recognizes twelve months period as its operating cycle.

## 2.2 Property, Plant and Equipment

The Company had opted to consider the carrying value of Property, Plant and Equipment as per previous GAAP on the date of transition to Ind AS (1st April, 2015) to be the deemed cost as per Ind AS 101 'First time Adoption of Indian Accounting Standards'.

### Initial Recognition and Measurement

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

Property, Plant and Equipment acquired as replacement of the existing assets are capitalized and its corresponding replaced assets removed/ retired from active use are derecognized.

If the cost of the replaced part or earlier inspection component is not available, the estimated cost of similar new parts/ inspection component is used as an indication of what the cost of the existing part/ inspection component was when the item was acquired or inspection was carried out.

In the case of commissioned assets, deposit works/cost- plus contracts where final settlement of bills with contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustments in the year of final settlement.

Assets and systems common to more than one transmission system are capitalized on the basis of technical estimates/ assessments.

Transmission system assets are considered as ready for intended use from the date of commercial operation declared in terms of CERC Tariff Regulations and capitalized accordingly.

The cost of land includes provisional deposits, payments/liabilities towards compensation, rehabilitation and other expenses wherever possession of land is taken.

Expenditure on levelling, clearing and grading of land if incurred for construction of building is capitalized as part of cost of the related building.

Spares parts whose cost is ₹5,00,000/- and above, standby equipment and servicing equipment which meets the recognition criteria of Property, Plant and Equipment are capitalized.

The acquisition or construction of some items of property, plant and equipment although not directly increasing the future economic benefits of any particular existing item of property, plant and equipment, may be necessary for the company to obtain future economic benefits from its other assets. Such items are recognized as property, plant and equipment.

### **Subsequent costs**

Subsequent expenditure is recognized as an increase in carrying amount of assets when it is probable that future economic benefits deriving from the cost incurred will flow to the company and cost of the item can be measured reliably.

The cost of replacing part of an item of Property, Plant & Equipment is recognized in the carrying amount of the item if it is probable that future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognised in the Statement of Profit & Loss as incurred.

### **Derecognition**

An item of Property, Plant and Equipment is derecognized when no future economic benefits are expected from their use or upon their disposal.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss on the date of disposal or retirement.

## **2.3 Capital Work-In-Progress (CWIP)**

Cost of material, erection charges and other expenses incurred for the construction of Property, Plant and Equipment are shown as CWIP based on progress of erection work till the date of capitalization.

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

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

Deposit works/cost-plus contracts are accounted for on the basis of statement received from the contractors or technical assessment of work completed.

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

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

The Company had opted to consider the carrying value of Intangible Assets as per previous GAAP on the date of transition to Ind AS (1st April, 2015) to be the deemed cost as per Ind AS 101 'First time Adoption of Indian Accounting Standards'.

Intangible assets are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Subsequent expenditure on already capitalized Intangible assets is capitalised when it increases the future economic benefits embodied in an existing asset and is amortised prospectively.

The cost of software (which is not an integral part of the related hardware) acquired for internal use and resulting in significant future economic benefits is recognized as an intangible asset when the same is ready for its use.

Afforestation charges for acquiring right-of-way for laying transmission lines are accounted for as intangible assets on the date of capitalization of related transmission lines.

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



Expenditure on research is recognised as an expense when it is incurred.

Expenditure on development activities shall be recognised as Intangible asset if it meets the eligibility criteria as per Ind AS 38 'Intangible Assets', otherwise it shall be recognised as an expense.

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

## 2.5 Investment property

The Company had opted to consider the carrying value of Investment Property as per previous GAAP on the date of transition to Ind AS (1st April, 2015) to be the deemed cost as per Ind AS 101 'First time Adoption of Indian Accounting Standards'.

Investment property comprises portions of land and/or buildings that are held for long term rental yields and/or for capital appreciation.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are carried at cost less accumulated depreciation and accumulated impairment loss, if any.

Transfers to or from investment property is made when there is a change in use i.e. an asset meets or ceases to meet the definition of investment property and there is evidence of the change in use.

Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised as profit or loss in the period of derecognition.

## 2.6 Depreciation / Amortisation

### Property, Plant and Equipment

Depreciation/amortisation on the items of property, plant and equipment related to transmission business is provided on straight line method following the rates and methodology notified by the CERC for the purpose of recovery of tariff and on property, plant and equipment of telecom and consultancy business is provided on straight line method as per useful life specified in Schedule II of the Companies Act, 2013 except for property, plant and equipment specified in the following paragraphs.

ULDC assets commissioned prior to 1st April 2014 are depreciated on Straight Line Method @ 6.67% per annum. Such assets commissioned on or after 1st April 2014 are depreciated on straight line method following the rates and methodology notified by the CERC for the purpose of recovery of tariff.

In the case of property, plant and equipment of National Thermal Power Corporation Limited (NTPC), National Hydro-Electric Power Corporation Limited (NHPC), North-Eastern Electric Power Corporation Limited (NEEPCO), Neyveli Lignite Corporation Limited (NLC) transferred w.e.f. April 1, 1992, Jammu and Kashmir Lines w.e.f. April 1, 1993, and Tehri Hydro Development Corporation Limited (THDC) w.e.f. August 1, 1993, depreciation is charged based on gross block as indicated in transferor's books with necessary adjustments so that the life of the assets as laid down in the CERC notification for tariff is maintained.

Depreciation on buildings held as investment property is provided on straight line method as specified in Schedule II of The Companies Act, 2013.

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

Depreciation on following items of property, plant and equipment is provided based on estimated useful life as per technical assessment.

Particulars	Useful life
a. Computers & Peripherals	3 Years
b. Servers & Network Components	5 years

Residual value of above assets is considered as Nil.

Mobile phones are charged off in the year of purchase.

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

Where the cost of depreciable property, plant and equipment has undergone a change due to increase/decrease in long term monetary items on account of exchange rate fluctuation, price adjustment, change in duties or similar factors, the unamortized balance of such asset is depreciated prospectively at the rates and methodology as specified by the CERC Tariff Regulations, except for telecom and consultancy business assets where residual life is determined on the basis of useful life of property, plant and equipment as specified in Schedule II of the Companies Act, 2013.

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

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

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

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

Leasehold land is fully amortized over lease period or life of the related plant whichever is lower in accordance with the rates and methodology specified in CERC Tariff Regulation. Leasehold land acquired on perpetual lease is not amortized.

#### **Intangible Assets**

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

Afforestation charges are amortized over thirty five years from the date of capitalization of related transmission assets following the rates and methodology notified by Central Electricity Regulatory Commission (CERC) Tariff Regulations.

Telecom Licenses are amortised on straight line basis over their respective useful lives.

Expenditure on development of 1200kv Transmission System shall be amortised over a period of 10 years.

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

The amortization period and the amortization method for an intangible asset are reviewed at each financial year-end and are accounted for as change in accounting estimates in accordance with Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors."

## **2.7 Borrowing Costs**

All the borrowed funds (except short term funds for working capital) are earmarked to specific projects. The borrowing costs (including bond issue expenses, interest, discount on bonds, front end fee, guarantee fee, management fee etc.) are allocated to the projects in proportion to the funds so earmarked.

Exchange differences arising from foreign currency borrowing to the extent regarded as an adjustment to interest costs are treated as borrowing cost.

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalised (net of income on temporary deployment of funds) as part of the cost of such assets till the assets are ready for the intended use. Qualifying assets are assets which take a substantial period of time to get ready for their intended use.

All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

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

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

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-



tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the “cash-generating unit”, or “CGU”).

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

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

## 2.9 Cash and cash equivalents

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

## 2.10 Inventories

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

Steel scrap and conductor scrap are valued at estimated realizable value or book value, whichever is less.

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

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

The diminution in the value of obsolete/unserviceable/surplus stores and spares and non-moving unserviceable inventories is ascertained on review and provided for.

## 2.11 Leases

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

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves use of an identified assets, (ii) the customer has substantially all the economic benefits from the use of the asset through the period of the lease and (iii) the customer has the right to direct the use of the asset.

### i) As a Lessee

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

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the inception date of the lease along with any initial direct costs, restoration obligations and lease incentives received.

Subsequently, the right-of-use assets is measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The Company applies Ind AS 36 to determine whether a ROU asset is impaired and accounts for any identified impairment loss as described in the accounting policy 2.8 on “Impairment of non-financial assets”.

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



The interest cost on lease liability is expensed in the Statement of Profit and Loss, unless eligible for capitalization as per accounting policy 2.7 on "Borrowing costs".

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

## ii) As a Lessor

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

### a) Finance leases

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

State sector Unified Load Dispatch Centre (ULDC)/ Fiber Optic Communication Assets (FOC)/Bilateral line assets leased to the beneficiaries are considered as Finance Lease. Net investment in such leased assets are recorded as receivable at the lower of the fair value of the leased property and the present value of the minimum lease payments along with accretion in subsequent years is accounted for as Lease Receivables under current and non-current other financial assets. Wherever grant-in-aid is received for construction of State Sector ULDC, lease receivable is accounted for net of such grant.

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

FERV on foreign currency loans relating to leased assets is adjusted to the amount of lease receivables and is amortised over the remaining tenure of lease. FERV recovery (as per CERC norms) from the constituents is recognised net of such amortised amount.

### b) Operating leases

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

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

## 2.12 Employee benefits

### 2.12.1 Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into separate entities (Funds) and will have no legal or constructive obligation to pay further contributions, if the Fund does not hold sufficient assets to pay all employee's benefits related to employee service in the current and prior periods. Obligations for contribution to defined contribution plans are recognized as an employee benefits expense in the statement of profit and loss in the period during which services are rendered by employees.

The Company has a defined contribution pension scheme which is administered through a separate trust. The obligation of the Company is to contribute to the trust to the extent of amount not exceeding 30% of basic pay and dearness allowance less employer's contribution towards provident fund, gratuity, post-retirement medical facility (PRMF) or any other retirement benefits. The contributions to the fund for the year are recognized as an expense and charged to the statement of profit and loss.

### 2.12.2 Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's liability towards gratuity, post-retirement medical facility, baggage allowance for settlement at home town after retirement, long service award on retirement and provident fund scheme to the extent of interest liability on provident fund contribution are in the nature of defined benefit plans.

The gratuity is funded by the Company and is managed by separate trust. The Company has Post-Retirement Medical Facility (PRMF), under which retired employee and the spouse are provided medical facilities in the Company empanelled hospitals. They can also avail treatment as out-patient subject to a ceiling fixed by the Company.

The Company pays fixed contribution to Provident Fund at predetermined rates to a separate trust, which invests the funds in permitted securities. The contributions to the fund for the year are recognized as expense and are charged to the statement of profit and loss. The obligation of the Company is limited to such fixed contributions and to ensure a



minimum rate of interest on contributions to the members as specified by the Government of India (GoI).

The Company has schemes for payment of baggage allowance towards expenses for settlement at hometown for the superannuated employees & their dependents and for providing a Long Service Award to all regular employees of the Company on superannuation.

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognized asset is limited to the total of any unrecognized past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. An economic benefit is available to the Company if it is realizable during the life of the plan, or on settlement of the plan liabilities. Any actuarial gains or losses are recognized in OCI in the period in which they arise and subsequently not reclassified to profit or loss.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized in the statement of profit and loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognized immediately in the statement of profit and loss.

### 2.12.3 Other long-term employee benefits

Benefits under the Company's leave encashment and employee family economic rehabilitation scheme constitute other long term employee benefits.

The Company's net obligation in respect of leave encashment is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Company's obligations. The calculation is performed using the projected unit credit method. Any actuarial gains or losses are recognized in the statement of profit and loss in the period in which they arise.

As per 'POWERGRID Employee Family Economic Rehabilitation Scheme', which is optional, in the event of death or permanent total disability of an employee, the dependent(s) or the employee, as the case may be, is paid a fixed amount based on the last salary drawn by the employee till the notional date of super annuation of the employee upon depositing the final provident fund and gratuity amount which will be interest free.

### 2.12.4 Short-term benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under performance related pay if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

## 2.13 Financial instruments

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

### Financial Assets

#### Classification

The Company classifies its financial assets in the following categories:

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

The classification depends on the following:

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

#### **Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs, if any, that are attributable to the acquisition of the financial asset.

#### **Subsequent measurement**

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

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

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

#### **Equity investments**

All equity investments in scope of Ind AS 109 'Financial Instruments' are measured at fair value. The company may, on initial recognition, make an irrevocable election to present subsequent changes in the fair value in other comprehensive income (FVOCI) on an instrument by-instrument basis.

For equity instruments classified as at FVOCI, all fair value changes on the instrument, excluding dividends are recognized in the OCI. There is no recycling of the amounts from OCI to Profit or Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

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

A financial asset is derecognized only when

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

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

#### **Impairment of financial assets:**

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

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



## Financial Liabilities

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

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

### Classification, initial recognition and measurement

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

### Subsequent measurement

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

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

### Derecognition of financial liability

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

### Offsetting of financial instruments

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

## 2.14 Investment in Subsidiaries

A subsidiary is an entity controlled by the Company. Control exists when the Company has power over the entity, is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity.

Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns.

Investments in subsidiaries are carried at cost less impairment, if any. The cost comprises price paid to acquire investment and directly attributable cost.

## 2.15 Investment in Joint Ventures and Associates

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The investment in joint ventures and associates are carried at cost less impairment, if any. The cost comprises price paid to acquire investment and directly attributable cost.

## 2.16 Foreign Currency Translation

### (a) Functional and presentation currency

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

## (b) Transactions and balances

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

Foreign exchange gains and losses (other than related to foreign currency loans outstanding) are presented in the statement of profit and loss on a net basis within other gains/ (losses).

The Company has availed the exemption available in Ind AS 101, to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary liabilities outstanding as on March 31, 2016.

### Foreign currency loans outstanding as on March 31, 2016:

Foreign Exchange Rate Variation (FERV) arising on settlement / translation of such foreign currency loans relating to property, plant and equipment/ capital work-in-progress is adjusted to the carrying cost of related assets and is recoverable/payable from the beneficiaries on actual payment basis as per Central Electricity Regulatory Commission (CERC) norms w.e.f. 1st April, 2004 or Date of Commercial Operation (DOC) whichever is later. The above FERV to the extent recoverable or payable as per the CERC norms is accounted for as follows:

- i) FERV recoverable/payable adjusted to carrying cost of property, plant and equipment is accounted for as 'Deferred foreign currency fluctuation asset/liability a/c' with a corresponding credit/debit to 'Deferred income/expenditure from foreign currency fluctuation a/c'.
- ii) 'Deferred income/expenditure from foreign currency fluctuation a/c' is amortized in the proportion in which depreciation is charged on such FERV.
- iii) The amount recoverable/payable as per CERC norms on year to year basis is adjusted to the 'Deferred foreign currency fluctuation asset/liability a/c' with corresponding debit / credit to the trade receivables.

FERV earlier charged to Statement of Profit and Loss & included in the capital cost for the purpose of tariff is adjusted against 'Deferred foreign currency fluctuation asset/liability a/c'.

FERV arising out of settlement/translation of long term monetary items (other than foreign currency loans) relating to Property Plant & Equipment /CWIP is adjusted in the carrying cost of related assets.

FERV arising during the construction period from settlement/translation of monetary items (other than non-current loans) denominated in foreign currency to the extent recoverable/payable to the beneficiaries as capital cost as per CERC tariff Regulation are accounted as Regulatory Deferral Account Balances. Transmission charges recognised on such amount is adjusted against above account. Other exchange differences are recognized as income or expenses in the period in which they arise.

### Foreign currency loans drawn on or after April 1, 2016:

Exchange differences arising from foreign currency borrowing to the extent regarded as an adjustment to interest costs are treated as borrowing cost. Other exchange differences are recognized in the Statement of Profit and Loss.

Exchange difference to the extent recoverable as per CERC tariff regulations are recognized as Regulatory Deferral Account Balances through Statement of Profit and Loss.

## 2.17 Income Tax

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

### Current income tax

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



## Deferred tax

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

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

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

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

### 2.18 Regulatory Deferral Account Balances

Certain expenses and income, allowed under CERC regulations to be reimbursed by/passed on to beneficiaries in future, are to be accounted in the Statement of Profit and Loss as per the provisions of Ind AS 114 'Regulatory Deferral Accounts' and Guidance Note on "Accounting for Rate Regulated Activities" issued by the Institute of Chartered Accountants of India (ICAI). Such expenses and income, to the extent recoverable /payable as part of tariff under CERC Regulations are treated as Regulatory Deferral Assets/Liabilities.

The Company presents separate line items in the Balance Sheet for:

- (a) the total of all Regulatory Deferral Account Debit Balances; and
- (b) the total of all Regulatory Deferral Account Credit Balances.

A separate line item is presented in the profit or loss section of the Statement of Profit and Loss for the net movement in all Regulatory Deferral Account Balances for the reporting period.

Regulatory deferral accounts balances are adjusted in the year in which the same become recoverable from or payable to the beneficiaries.

### 2.19 Revenue

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognizes revenue when it transfers control over a product or service to a customer.

#### Significant Financing Component

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

#### 2.19.1 Revenue from Operations

##### Transmission

Transmission Income is accounted for based on tariff orders notified by the CERC. In case of transmission projects where final tariff orders are yet to be notified, transmission income is accounted for on provisional basis as per tariff regulations and orders of the CERC in similar cases. Difference, if any, is accounted on issuance of final tariff orders by the CERC. Transmission Income in respect of additional capital expenditure incurred after the date of commercial operation is accounted for based on expenditure incurred on year to year basis as per CERC tariff regulations. As at each reporting date, transmission income includes an accrual for services rendered to the customers but not yet billed.

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



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

Advance against depreciation (AAD), forming part of tariff pertaining upto the block period 2004-09, to facilitate repayment of loans, was reduced from transmission income and considered as deferred income to be included in transmission income in subsequent years. The outstanding deferred income in respect of AAD is recognized as transmission income, after twelve years from the end of the financial year in which the asset was commissioned, to the extent depreciation recovered in the tariff during the year is lower than depreciation charged in the accounts.

#### **Telecom Services**

Income from Telecom Services, net of downtime credit, is recognised on the basis of terms of agreements/purchase orders from the customers. Upfront fee received in advance under long term contracts providing Indefeasible Right to Use (IRU), is recognised as revenue on the basis of estimation of revenue over the period of contract.

#### **Consultancy Services**

In respect of 'Cost-plus-consultancy contracts', involving execution on behalf of the client, revenue is recognized in proportion to the stage of completion of the work performed at the reporting date, which is determined based on input method.

Income from other consultancy contracts are accounted for on technical assessment of progress of services rendered.

### **2.19.2 Other Income**

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

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

Application Fees towards Long Term Open Access (LTOA) as per CERC Guidelines is accounted for on receipt.

Scrap other than steel scrap & conductor scrap are accounted for as and when sold.

Dividend income is recognized when right to receive payment is established.

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

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

### **2.20 Government Grants**

Grants-in-aid from Central Government or other authorities towards capital expenditure for projects, betterment of transmission systems and specific depreciable assets initially are treated as deferred income when there is a reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant. Deferred Income is recognized in the Statement of Profit and Loss over the useful life of related asset in proportion to which depreciation on these assets is provided. In case of non-monetary government grants, both asset and grant are recorded at nominal value.

Grants that compensate the Company for expenses incurred are recognized over the period in which the related costs are incurred and deducted from the related expenses.

### **2.21 Dividends**

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

### **2.22 Provisions and Contingencies**

#### **a) Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event,



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

### **b) Contingencies**

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

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

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

## **2.23 Share capital and Other Equity**

Ordinary shares are classified as equity.

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

Self-insurance reserve is created @ 0.12% p.a. on Original Gross Block of Property, Plant and Equipment and value of Inventory except ROU assets and assets covered under insurance as at the end of the year by appropriation of current year profit to mitigate future losses from un-insured risks and for taking care of contingencies in future by procurement of towers and other transmission line materials including strengthening of towers and equipment of AC substation. The Reserve created as above is shown as "Self Insurance Reserve" under 'Other Equity'.

## **2.24 Prior Period Items**

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

## **2.25 Operating Segments**

The Board of Directors is the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108 'Operating Segments'. CODM monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

The operating segments have been identified on the basis of the nature of products / services.

- Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter-segment transactions.
- Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result. Expenses which relate to the Company as a whole and not allocable to segments are included under unallocable expenditure.
- Income which relates to the Company as a whole and not allocable to segments is included in unallocable income.
- Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.
- Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets.

## 2.26 Earnings per Share

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

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

Additionally, basic and diluted earnings per share are computed using the earnings amounts excluding the movements in Regulatory Deferral Account Balances.

## 2.27 Statement of Cash Flows

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

## 2.28 Non-current assets (or disposal groups) held for sale and Discontinued Operation

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets (or disposal groups) and its sale is highly probable.

Assets and liabilities classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell and presented separately in the Balance Sheet. An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

A discontinued operation is a component of the company that comprises the operations and cash flows of which can be clearly distinguished from the rest of the Company which either has been disposed of, or classified as held for sale, and

- represents a separate major line of business or geographic area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss.

## 3. Critical Estimates and Judgments

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

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

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

#### Revenue Recognition:

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

#### Regulatory Deferral Balances:

Recognition of Regulatory Deferral Balances involves significant judgments including about future tariff regulations since these are based on estimation of the amounts expected to be recoverable/payable through tariff in future.

**Estimation of defined benefit obligation:**

Estimation of defined benefit obligation involves certain significant actuarial assumptions which are listed in Note 63.

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

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

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

The Company reviews at the end of each reporting date the useful life of plant and equipment, other than the assets of transmission business which are governed by CERC Regulations, and are adjusted prospectively, if appropriate.

**Provisions and contingencies:**

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

**Estimation of uncertainties relating to the global health pandemic from COVID-19:**

In assessing the recoverability of trade receivables, contract assets and investments, the company has considered internal and external information up to the date of approval of these financial statements including credit reports and economic forecasts. In view of the nature of the Company's business, the regulated tariff mechanism applicable to the major part of the company's revenue and based on the current indicators of future economic conditions, the company expects to recover the carrying amount of these assets.

**Assets held for sale:**

Significant judgment is required to apply the accounting of non-current assets held for sale under Ind AS 105 – "Noncurrent assets held for sale and discontinued operations". In assessing the applicability, management has exercised judgment to evaluate the availability of the asset for immediate sale, management's commitment for the sale and probability of sale within one year to conclude if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

**Income Taxes:**

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

### Note 4 Property Plant and Equipment

Particulars	Cost						Accumulated depreciation				Net Book Value	
	As at 01 April 2021	Additions during the year	Disposal	Adjustment during the year	As at 31 March 2022	As at 01 April 2021	Additions during the year	Disposal	Adjustment during the year	As at 31 March 2022	As at 31 March 2022	As at 31 March 2021
	(₹ in crore)											
<b>Land</b>												
Freehold	2,264.49	26.38	-	2.31	<b>2,288.56</b>	-	-	-	-	-	<b>2,288.56</b>	2,264.49
<b>Buildings</b>												
a) Sub-Stations & Office	2,281.00	571.95	-	(31.49)	<b>2,884.44</b>	287.25	96.71	-	(4.09)	<b>388.05</b>	<b>2,496.39</b>	1,993.75
b) Township	687.43	85.65	0.04	1.09	<b>771.95</b>	143.48	29.29	0.03	(0.27)	<b>173.01</b>	<b>598.94</b>	543.95
Temporary Erection	1.19	-	-	-	<b>1.19</b>	1.17	0.02	-	-	<b>1.19</b>	-	0.02
Roads & Bridges	263.37	51.48	-	0.67	<b>314.18</b>	44.84	12.30	-	-	<b>57.14</b>	<b>257.04</b>	218.53
Water Supply Drainage & Sewerage	120.56	56.68	-	(0.01)	<b>177.25</b>	26.43	6.17	-	-	<b>32.60</b>	<b>144.65</b>	94.13
<b>Plant &amp; Equipment</b>												
a) Transmission	139,031.50	5,801.97	51.32	(389.75)	<b>145,171.90</b>	35,335.12	7,494.27	19.31	6.82	<b>42,803.26</b>	<b>102,368.64</b>	103,696.38
b) Sub-station	82,424.51	7,872.58	22.61	(133.80)	<b>90,408.28</b>	19,378.21	4,796.76	8.09	4.93	<b>24,161.95</b>	<b>66,246.33</b>	63,046.30
c) Unified Load Despatch & Communication	1,448.59	238.89	-	(2.51)	<b>1,689.99</b>	366.58	98.31	-	(0.12)	<b>465.01</b>	<b>1,224.98</b>	1,082.01
d) Telecom	1,305.38	204.15	-	0.91	<b>1,508.62</b>	595.89	113.80	-	0.57	<b>709.12</b>	<b>799.50</b>	709.49
Furniture Fixtures	159.75	30.61	1.06	(1.61)	<b>190.91</b>	48.86	12.73	0.19	(0.42)	<b>61.82</b>	<b>129.09</b>	110.89
Vehicles	3.04	1.78	0.05	-	<b>4.77</b>	1.27	0.25	0.04	-	<b>1.48</b>	<b>3.29</b>	1.77
Office equipment	246.51	46.92	1.97	0.26	<b>291.20</b>	71.15	18.14	0.75	(0.04)	<b>88.58</b>	<b>202.62</b>	175.36
Electronic Data Processing & Word Processing Machines	243.57	17.83	35.61	0.07	<b>225.72</b>	138.51	51.72	32.54	0.05	<b>157.64</b>	<b>68.08</b>	105.06
Construction and Workshop equipment	599.54	18.54	1.46	0.26	<b>616.36</b>	104.33	33.32	0.30	0.18	<b>137.17</b>	<b>479.19</b>	495.21
Electrical Installation	154.57	10.65	0.01	(0.76)	<b>165.97</b>	39.54	8.79	-	(0.04)	<b>48.37</b>	<b>117.60</b>	115.03
Laboratory Equipments	87.85	3.73	0.01	0.04	<b>91.53</b>	22.44	4.60	-	-	<b>27.04</b>	<b>64.49</b>	65.41
Workshop & Testing Equipments	325.90	27.31	0.21	1.78	<b>351.22</b>	57.28	18.09	0.07	(0.13)	<b>75.43</b>	<b>275.79</b>	268.62
Miscellaneous Assets/ Equipments	0.46	0.23	-	0.46	<b>0.23</b>	0.08	0.02	-	0.07	<b>0.03</b>	<b>0.20</b>	0.38
<b>Right-of-use (ROU) Assets</b>												
a) ROU Assets- Land	469.66	25.18	-	(0.80)	<b>495.64</b>	70.41	18.13	-	-	<b>88.54</b>	<b>407.10</b>	399.25
b) ROU Assets- Buildings	13.54	1.00	1.15	0.25	<b>13.14</b>	5.98	3.73	1.03	0.24	<b>8.44</b>	<b>4.70</b>	7.56
c) ROU Assets- Plant & Machinery- Telecom	0.27	0.01	0.06	-	<b>0.22</b>	0.06	0.03	0.06	-	<b>0.03</b>	<b>0.19</b>	0.21
<b>Total</b>	<b>232,132.68</b>	<b>15,093.52</b>	<b>115.56</b>	<b>(552.63)</b>	<b>247,663.27</b>	<b>56,738.88</b>	<b>12,817.18</b>	<b>62.41</b>	<b>7.75</b>	<b>69,485.90</b>	<b>178,177.37</b>	<b>175,393.80</b>
Less: Provision for assets discarded	1.74	-	-	-	<b>1.74</b>	-	-	-	-	-	<b>1.74</b>	1.74
<b>Grand Total</b>	<b>232,130.94</b>	<b>15,093.52</b>	<b>115.56</b>	<b>(552.63)</b>	<b>247,661.53</b>	<b>56,738.88</b>	<b>12,817.18</b>	<b>62.41</b>	<b>7.75</b>	<b>69,485.90</b>	<b>178,175.63</b>	<b>175,392.06</b>

### Note 4 Property Plant and Equipment (Contd.)

Particulars	Cost						Accumulated depreciation				Net Book Value	
	As at 01 April 2020	Additions during the year	Disposal	Adjustment during the year	As at 31 March 2021	As at 01 April 2020	Additions during the year	Disposal	Adjustment during the year	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
	(₹ in crore)											
<b>Land</b>												
Freehold	2,252.71	5.07	-	(6.71)	2,264.49	-	-	-	-	-	2,264.49	2,252.71
<b>Buildings</b>												
a) Sub-Stations & Office	1,667.58	610.63	-	(2.79)	2,281.00	217.49	69.74	-	(0.02)	287.25	1,993.75	1,450.09
b) Township	635.39	52.04	-	-	687.43	114.35	29.08	-	(0.05)	143.48	543.95	521.04
Temporary Erection	1.19	0.03	-	0.03	1.19	1.14	0.06	-	0.03	1.17	0.02	0.05
Roads & Bridges	182.97	80.40	-	-	263.37	36.66	8.18	-	-	44.84	218.53	146.31
Water Supply Drainage & Sewerage	101.00	19.58	-	0.02	120.56	21.50	4.72	-	(0.21)	26.43	94.13	79.50
<b>Plant &amp; Equipment</b>												
a) Transmission	129,322.45	10,151.16	34.00	408.11	139,031.50	28,188.01	7,153.35	7.16	(0.92)	35,335.12	103,696.38	101,134.44
b) Sub-station	74,781.19	7,765.01	77.99	43.70	82,424.51	15,088.01	4,353.32	69.11	(5.99)	19,378.21	63,046.30	59,693.18
c) Unified Load Despatch & Communication	1,116.69	238.50	-	(93.40)	1,448.59	274.44	76.65	-	(15.49)	366.58	1,082.01	842.25
d) Telecom	1,281.23	125.26	-	101.11	1,305.38	507.22	104.67	-	16.00	595.89	709.49	774.01
Furniture Fixtures	140.78	19.12	0.31	(0.16)	159.75	38.27	10.29	0.08	(0.38)	48.86	110.89	102.51
Vehicles	2.78	0.70	0.46	(0.02)	3.04	1.19	0.15	0.09	(0.02)	1.27	1.77	1.59
Office equipment	228.07	19.28	0.47	0.37	246.51	55.55	15.36	0.21	(0.45)	71.15	175.36	172.52
Electronic Data Processing & Word Processing Machines	165.21	85.34	6.83	0.15	243.57	100.20	43.09	4.34	0.44	138.51	105.06	65.01
Construction and Workshop equipment	344.14	255.96	0.52	0.04	599.54	78.78	25.48	0.03	(0.10)	104.33	495.21	265.36
Electrical Installation	144.89	10.00	-	0.32	154.57	31.61	6.32	-	(1.61)	39.54	115.03	113.28
Laboratory Equipments	80.91	1.96	0.33	(5.31)	87.85	16.93	4.20	0.25	(1.56)	22.44	65.41	63.98
Workshop & Testing Equipments	292.31	33.19	-	(0.40)	325.90	40.13	16.71	-	(0.44)	57.28	268.62	252.18
Miscellaneous Assets/ Equipments	0.43	0.03	-	-	0.46	0.06	0.02	-	-	0.08	0.38	0.37
<b>Right-of-use (ROU) Assets</b>												
a) ROU Assets- Land	460.43	38.00	-	28.77	469.66	55.83	14.58	-	-	70.41	399.25	404.60
b) ROU Assets- Buildings	9.51	7.32	3.03	0.26	13.54	3.76	5.45	2.97	0.26	5.98	7.56	5.75
c) ROU Assets- Plant & Machinery- Telecom	0.06	0.21	-	-	0.27	0.03	0.03	-	-	0.06	0.21	0.03
<b>Total</b>	<b>213,211.92</b>	<b>19,518.79</b>	<b>123.94</b>	<b>474.09</b>	<b>232,132.68</b>	<b>44,871.16</b>	<b>11,941.45</b>	<b>84.24</b>	<b>(10.51)</b>	<b>56,738.88</b>	<b>175,393.80</b>	<b>168,340.76</b>
Less: Provision for assets discarded	1.74	-	-	-	1.74	-	-	-	-	-	1.74	1.74
<b>Grand Total</b>	<b>213,210.18</b>	<b>19,518.79</b>	<b>123.94</b>	<b>474.09</b>	<b>232,130.94</b>	<b>44,871.16</b>	<b>11,941.45</b>	<b>84.24</b>	<b>(10.51)</b>	<b>56,738.88</b>	<b>175,392.06</b>	<b>168,339.02</b>





**Note 4. Property, Plant and Equipment (Contd.)****Further Notes:**

- a) The Company owns 7,387 hectare (Previous Year 7,368 hectare) of land amounting to ₹2,784.20 crore (Previous Year ₹2,734.15crore) which has been classified into freehold land 6,268 hectare (Previous Year 6,256 hectare) amounting to ₹2,288.56 crore (Previous Year ₹2,264.49 crore) and Right of Use - Land 1,119 hectare (Previous Year 1,112 hectare) amounting to ₹495.64crore (Previous Year ₹469.66 crore) based on available documentation.
- b) Freehold land acquired by the company includes 32.27 hectare (Previous Year 80.57 hectare) amounting to ₹9.13 crore (Previous Year ₹49.92 crore) in respect of land acquired by the company for which only mutation in revenue records is pending.
- c) The transmission system situated in the state of Jammu and Kashmir have been taken over by the company w.e.f. 01.04.1993 from National Hydroelectric Power Corporation of India Limited (NHPC) upon mutually agreed terms pending completion of legal formalities.
- d) Right of Use - Land includes area of 12.23 hectare (Previous Year 12.23 hectare) amounting to ₹8.88 crore (Previous Year ₹8.88 crore) in respect of land acquired for office complex on perpetual lease basis and hence not amortised.
- e) 5.63 hectare (Previous Year 5.63 hectare) having value of ₹0.04crore (Previous Year ₹0.04 crore) has been transferred to National High Power Test Laboratory Pvt. Ltd. on right to use without granting ownership.
- f) Refer note no. 50 for disclosure on Right of Use Assets as per Ind AS 116 – “Leases”.
- g) Refer note no. 23 for information on property, plant and equipment pledged as security by the company.
- h) Refer note no. 64 (a) for details of immovable properties where title deeds are not in the name of the company.

**Note 5 Capital work in progress**

(₹ in crore)

Particulars	As at 01 April 2021	Additions during the year	Adjustments	Capitalised during the year	As at 31 March 2022
<b>Land</b>					
Development of land	0.18	-	0.18	-	-
<b>Buildings</b>					
a) Sub-Stations & Office	75.00	478.78	-	481.73	<b>72.05</b>
b) Township	158.84	37.69	32.14	89.04	<b>75.35</b>
Roads & Bridges	28.86	0.48	14.50	2.54	<b>12.30</b>
Water Supply Drainage and Sewerage	4.12	0.74	1.02	2.86	<b>0.98</b>
<b>Plant &amp; Equipments (including associated civil works)</b>					
a) Transmission	4,969.59	1,333.89	-	4,687.04	<b>1,616.44</b>
b) Sub-Station	7,503.24	2,508.90	-	7,245.49	<b>2,766.65</b>
c) Unified Load Despatch & Communication	254.86	200.17	20.33	183.32	<b>251.38</b>
d) Telecom	130.07	166.73	60.26	175.20	<b>61.34</b>
Furniture & Fixtures	-	0.54	-	0.54	-
Other office equipments	0.20	2.99	-	2.17	<b>1.02</b>
Electrical Installations	2.64	0.62	0.12	0.52	<b>2.62</b>
Construction Stores (Net of Provision)	2,448.34	346.39	1,543.46	-	<b>1,251.27</b>
<b>Expenditure pending allocation</b>					
i) Survey, investigation, consultancy & supervision Charges	2.63	1.11	0.23	0.08	<b>3.43</b>
ii) Difference in Exchange on foreign currency loans	36.46	34.50	-	58.96	<b>12.00</b>
iii) Expenditure during construction period(net) (Note 43)	2,283.90	752.37	27.68	1,788.70	<b>1,219.89</b>
	<b>17,898.93</b>	<b>5,865.90</b>	<b>1,699.92</b>	<b>14,718.19</b>	<b>7,346.72</b>
Less: Provision for unserviceable Assets	2.26	-	-	-	<b>2.26</b>
<b>Grand Total</b>	<b>17,896.67</b>	<b>5,865.90</b>	<b>1,699.92</b>	<b>14,718.19</b>	<b>7,344.46</b>


**Note 5 Capital work in progress (Contd.)**

(₹ in crore)

Particulars	As at 01 April 2020	Additions during the year	Adjustments	Capitalised during the year	As at 31 March 2021
<b>Land</b>					
Development of land	0.18	35.18	-	35.18	0.18
<b>Buildings</b>					
a) Sub-Stations & Office	95.67	41.03	(534.73)	596.43	75.00
b) Township	136.77	57.06	-	34.99	158.84
Roads & Bridges	25.34	6.87	(73.99)	77.34	28.86
Water Supply Drainage and Sewerage	5.17	1.95	1.55	1.45	4.12
<b>Plant &amp; Equipments (including associated civil works)</b>					
a) Transmission	9,616.82	2,966.94	-	7,614.17	4,969.59
b) Sub-Station	11,873.21	2,910.44	630.57	6,649.84	7,503.24
c) Unified Load Despatch & Communication	370.65	170.56	47.10	239.25	254.86
d) Telecom	99.67	91.99	-	61.59	130.07
Other office equipments	1.99	0.50	0.05	2.24	0.20
Electrical Installations	2.61	2.78	2.02	0.73	2.64
Construction Stores (Net of Provision)	4,457.49	2,775.07	4,784.22	-	2,448.34
<b>Expenditure pending allocation</b>					
i) Survey, investigation, consultancy & supervision Charges	6.16	1.72	0.17	5.08	2.63
ii) Difference in Exchange on foreign currency loans	79.03	(12.68)	1.60	28.29	36.46
iii) Expenditure during construction period(net) (Note 43)	3,411.58	978.11	(47.44)	2,153.23	2,283.90
	<b>30,182.34</b>	<b>10,027.52</b>	<b>4,811.12</b>	<b>17,499.81</b>	<b>17,898.93</b>
Less: Provision for unserviceable Assets	2.26	-	-	-	2.26
<b>Grand Total</b>	<b>30,180.08</b>	<b>10,027.52</b>	<b>4,811.12</b>	<b>17,499.81</b>	<b>17,896.67</b>

**Note 5 Capital work in progress (Contd.)****(Details of Construction stores) (At cost)**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Construction Stores</b>		
Towers	177.71	245.96
Conductors	309.88	432.22
Other Line Materials	94.69	152.15
Sub-Station Equipments	330.99	974.73
High Voltage Direct Current (HVDC) Equipments	151.16	328.85
Unified Load Despatch & Communication(ULDC) Materials	103.47	205.20
Telecom Materials	60.12	71.78
Others	23.25	37.45
<b>Total</b>	<b>1,251.27</b>	<b>2,448.34</b>
<b>Construction Stores include:</b>		
<b>i) Material in transit</b>		
Towers	-	-
Conductors	-	-
Other Line Materials	-	2.12
Sub-Station Equipments	20.49	99.44
High Voltage Direct Current (HVDC) Equipments	-	34.78
Unified Load Despatch & Communication(ULDC) Materials	0.44	0.86
Telecom Materials	-	0.25
Others	-	0.70
<b>Total</b>	<b>20.93</b>	<b>138.15</b>
<b>ii) Material with Contractors</b>		
Towers	177.71	245.96
Conductors	309.88	432.22
Other Line Materials	94.69	150.03
Sub-Station Equipments	310.50	875.29
High Voltage Direct Current (HVDC) Equipments	151.16	294.07
Unified Load Despatch & Communication (ULDC) Materials	103.03	204.34
Telecom Materials	60.12	71.53
Others	23.25	36.75
<b>Total</b>	<b>1,230.34</b>	<b>2,310.19</b>
<b>Grand total</b>	<b>1,251.27</b>	<b>2,448.34</b>

**Further Notes:**

1. Materials with Contractors amounting to ₹1.30 crore (Previous Year ₹175.71 crore) in respect of commissioned lines is pending for reconciliation. However reconciliation are carried out on ongoing basis.
2. Refer Note No 64 (b) for ageing of Capital Work in Progress (CWIP) & Refer Note No 64 (c) for CWIP completion schedule for the projects whose completion is overdue or has exceeded its cost compared to original plan.

### Note 6 : Investment Property

Particulars	Cost					Accumulated Amortisation					Net Book Value		
	As at 01 April 2021	Additions during the year	Disposal	Adjustment during the year	As at 31 March 2022	As at 01 April 2021	Additions during the year	Disposal	Adjustment during the year	As at 31 March 2022	As at 31 March 2022	As at 31 March 2021	As at 31 March 2021
	Land (Freehold)	0.02	-	-	0.02	-	-	-	-	-	-	-	-
Buildings	0.01	-	-	0.01	-	-	-	-	-	-	-	-	0.01
<b>Total</b>	<b>0.03</b>	-	-	<b>0.03</b>	-	-	-	-	-	-	-	-	<b>0.03</b>

(₹ in crore)

Particulars	Cost					Accumulated Amortisation					Net Book Value		
	As at 01 April 2020	Additions during the year	Disposal	Adjustment during the year	As at 31 March 2021	As at 01 April 2020	Additions during the year	Disposal	Adjustment during the year	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020	As at 31 March 2020
	Land (Freehold)	0.02	-	-	-	0.02	-	-	-	-	-	-	-
Buildings	0.01	-	-	-	0.01	-	-	-	-	-	-	-	0.01
<b>Total</b>	<b>0.03</b>	-	-	-	<b>0.03</b>	-	-	-	-	-	-	-	<b>0.03</b>

(₹ in crore)



## 6. Investment Property (Contd.)

### Further Notes:

The property is now being used for administrative/business purposes of the company and not held for rentals or capital appreciation. As there is a change in use of property as per Ind AS 40 "Investment property", the property is reclassified as Owner-occupied property by transferring from Investment Property to Property, Plant and Equipment.

Disclosures for Investment Property with respect to previous financial year are as under:

(i) Amount recognised in profit or loss for investment property

(₹ in crore)

Particulars	For the year ended 31.03.2021
Rental income	Nil
Direct operating expenses from property that generated rental income	Nil
Direct operating expenses from property that did not generate rental income	Nil
Profit from investment property before depreciation	Nil
Depreciation	Nil
Profit from investment property	Nil

(ii) There is no contractual obligation for future repairs and maintenance which not recognised as a liability as at 31.03.2021.

(iii) There are no Leasing arrangements as at 31.03.2021.

(iv) Fair value

(₹ in crore)

Particulars	As at 31.03.2021
Investment property	3.52

### Estimation of fair value

The fair value of investment property has been determined by independent valuer. The main inputs used are the rental growth rates, expected vacancy rates, terminal yields and discount rates based on comparable transactions and industry data. All resulting fair value estimates for investment property are included in level 2.

## Note 7: Intangible assets

Particulars	Cost					Accumulated Amortisation					Net Book Value	
	As at 01 April 2021	Additions during the year	Disposal	Adjustment during the year	As at 31 March 2022	As at 01 April 2021	Additions during the year	Disposal	Adjustment during the year	As at 31 March 2022	As at 31 March 2022	As at 31 March 2021
	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)
Electronic Data Processing Software	68.01	6.37	-	(5.09)	79.47	57.43	6.38	-	(5.09)	68.90	10.57	10.58
Right of Way-Afforestation Expenses	2,010.71	117.73	-	(9.60)	2,138.04	509.24	109.19	-	(6.05)	624.48	1,513.56	1,501.47
Telecom Licenses	2.80	-	-	-	2.80	0.55	0.14	-	-	0.69	2.11	2.25
Development of 1200 KV TS*	71.86	-	-	-	71.86	34.72	7.25	-	-	41.97	29.89	37.14
<b>Total</b>	<b>2,153.38</b>	<b>124.10</b>	<b>-</b>	<b>(14.69)</b>	<b>2,292.17</b>	<b>601.94</b>	<b>122.96</b>	<b>-</b>	<b>(11.14)</b>	<b>736.04</b>	<b>1,556.13</b>	<b>1,551.44</b>

\*Internally generated intangible asset

Particulars	Cost					Accumulated Amortisation					Net Book Value	
	As at 01 April 2020	Additions during the year	Disposal	Adjustment during the year	As at 31 March 2021	As at 01 April 2020	Additions during the year	Disposal	Adjustment during the year	As at 31 March 2021	As at 31 March 2020	As at 31 March 2020
	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)
Electronic Data Processing Software	57.87	10.17	0.03	-	68.01	51.52	5.94	0.03	-	57.43	10.58	6.35
Right of Way-Afforestation Expenses	1,848.13	163.28	-	0.70	2,010.71	403.83	105.41	-	-	509.24	1,501.47	1,444.30
Telecom Licenses	2.80	-	-	-	2.80	0.41	0.14	-	-	0.55	2.25	2.39
Development of 1200 KV TS*	71.86	-	-	-	71.86	27.49	7.23	-	-	34.72	37.14	44.37
<b>Total</b>	<b>1,980.66</b>	<b>173.45</b>	<b>0.03</b>	<b>0.70</b>	<b>2,153.38</b>	<b>483.25</b>	<b>118.72</b>	<b>0.03</b>	<b>-</b>	<b>601.94</b>	<b>1,551.44</b>	<b>1,497.41</b>

\*Internally generated intangible asset





**Note 8 Intangible assets under development**

(₹ in crore)

Particulars	As at 01 April 2021	Additions	Adjustments	Capitalised during the year	As at 31 March 2022
Right of Way-Afforestation expenses	74.86	26.09	-	69.42	<b>31.53</b>
<b>Total</b>	<b>74.86</b>	<b>26.09</b>	-	<b>69.42</b>	<b>31.53</b>

(₹ in crore)

Particulars	As at 01 April 2020	Additions	Adjustments	Capitalised during the year	As at 31 March 2021
Right of Way-Afforestation expenses	219.55	13.15	-	157.84	74.86
<b>Total</b>	<b>219.55</b>	<b>13.15</b>	-	<b>157.84</b>	<b>74.86</b>

**Further Notes:**

Refer Note No 64 (d) for ageing of Intangible assets under development & Refer Note No 64 (e) for Intangible assets under development completion schedule for the projects whose completion is overdue or has exceeded its cost compared to original plan.

**Note 9 Investments**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Investments in Equity Instruments (fully paid up)</b>		
<b>Investments at Fair Value through Other Comprehensive Income (OCI)</b>		
<b>Quoted</b>		
PTC India Limited		
12000006 (Previous Year 12000006) Equity Shares of ₹10/- each	<b>98.69</b>	93.30
Investment in Units of POWERGRID Infrastructure Investment Trust (PG InvIT) 136500100 (Previous Year NIL) units (issue price ₹ 100 each)	<b>1,827.74</b>	-
<b>Unquoted</b>		
Energy Efficiency Services Limited		
Previous Year 56118350 Equity Shares of ₹10/- each (Refer further note 5 below)	-	45.40
<b>Investments at Cost (Fully paid up)</b>		
<b>Unquoted</b>		
<b>i) Subsidiary Companies</b>		
Powergrid NM Transmission Limited		
488950000 (Previous Year 485050000) Equity Shares of ₹10 each.	<b>488.95</b>	485.05
Powergrid Vemagiri Transmission Limited		
50000 (Previous Year 50000) Equity Shares of ₹10 each. (Refer further note 4 below)	<b>0.05</b>	0.05
Less: Provision for diminution in the value of Investment	<b>0.05</b>	0.05
	-	-
Powergrid Vizag Transmission Limited		



**Note 9 Investments (Contd.)**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
NIL (Previous Year 209730000) Equity Shares of ₹10 each. (Refer note 19A "Assets classified as held for sale")	-	-
Powergrid Unchahar Transmission Limited		
12961067 (Previous Year 12961067) Equity Shares of ₹10 each.	<b>12.96</b>	12.96
Powergrid Kala Amb Transmission Limited		
15860000 (Previous Year 61000000) Equity Shares of ₹10 each. (Refer note 19A "Assets classified as held for sale")	-	-
Powergrid Jabalpur Transmission Limited		
58996600 (Previous Year 226910000) Equity Shares of ₹10 each (Refer note 19A "Assets classified as held for sale")	-	-
Powergrid Warora Transmission Limited		
102258000 (Previous Year 393300000) Equity Shares of ₹10 each (Refer note 19A "Assets classified as held for sale")	-	-
Powergrid Parli Transmission Limited		
83746000 (Previous Year 322100000) Equity Shares of ₹10 each (Refer note 19A "Assets classified as held for sale")	-	-
Powergrid Southern Interconnector Transmission System Limited		
709004000 (Previous Year 709004000) Equity Shares of ₹10 each	<b>709.00</b>	709.00
Powergrid Medinipur Jeerat Transmission Limited		
638000000 (Previous Year 549630000) Equity Shares of ₹10 each	<b>638.00</b>	549.63
Powergrid Mithilanchal Transmission Limited		
233200000 (Previous Year 213500000) Equity Shares of ₹10 each	<b>233.20</b>	213.50
Powergrid Varanasi Transmission System Limited		
186000000 (Previous Year 168050000) Equity Shares of ₹10 each	<b>186.00</b>	168.05
Powergrid Jawaharpur Firozabad Transmission Limited		
89600000 (Previous Year 77200000) Equity Shares of ₹10 each	<b>89.60</b>	77.20
Powergrid Khetri Transmission System Limited		
198250000 (Previous year 161400000) Equity Shares of ₹ 10 each	<b>198.25</b>	161.40
Powergrid Bhind Guna Transmission Limited		
90150000 (Previous year 50050000) Equity Shares of ₹ 10 each	<b>90.15</b>	50.05
Powergrid Ajmer Phagi Transmission Limited		
115000000 (Previous Year 112000000) Equity Shares of ₹10 each	<b>115.00</b>	112.00
Powergrid Fatehgarh Transmission Limited		
141000000 (Previous Year 113410000) Equity Shares of ₹10 each	<b>141.00</b>	113.41
Powergrid Bhuj Transmission Limited		
180000000 (Previous Year 97710000) Equity Shares of ₹10 each	<b>180.00</b>	97.71
Powergrid Rampur Sambhal Transmission Limited		
109000000 (Previous Year 21520000) Equity Shares of ₹10 each	<b>109.00</b>	21.52

**Note 9 Investments (Contd.)**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
Powergrid Meerut Simbhalvali Transmission Limited 129710000 (Previous Year 32010000) Equity Shares of ₹10 each	<b>129.71</b>	32.01
Central Transmission Utility of India Limited 50000 (Previous Year 50000) Equity Shares of ₹10 each	<b>0.05</b>	0.05
Powergrid Ramgarh Transmission Limited 1100000 (Previous Year 50000) Equity Shares of ₹10 each	<b>1.10</b>	0.05
Powergrid Himachal Transmission Limited 300000000 Equity Shares of ₹10 each	<b>432.50</b>	432.50
Powergrid Bikaner Transmission System Limited 22210000 (Previous Year 10000) Equity Shares of ₹10 each	<b>22.21</b>	0.01
Powergrid Sikar Transmission Limited 47350000 (Previous Year NIL) Equity Shares of ₹10 each	<b>47.35</b>	-
Powergrid Bhadla Transmission limited 20310000 (Previous Year NIL) Equity Shares of ₹10 each	<b>20.31</b>	-
POWERGRID Aligarh Sikar Transmission Limited 62350000 (Previous Year NIL) Equity Shares of ₹10 each	<b>62.35</b>	-
Powergrid Teleservices Limited 9000000 (Previous Year NIL) Equity Shares of ₹10 each	<b>9.00</b>	-
	<b>3,915.69</b>	<b>3,236.10</b>
<b>ii) Joint Venture Companies</b>		
Torrent Power Grid Limited 23400000 (Previous Year 23400000) Equity Shares of ₹10/- each.	<b>23.40</b>	23.40
Parbati Koldam Transmission Company Limited 70937620 (Previous Year 70937620) Equity Shares of ₹10/- each.	<b>70.94</b>	70.94
Teestavalley Power Transmission Limited 120120000 (Previous Year 120120000) Equity Shares of ₹10/- each.	<b>120.12</b>	120.12
Powerlinks Transmission Limited 229320000 (Previous Year 229320000) Equity Shares of ₹10/- each.	<b>229.32</b>	229.32
North East Transmission Company Limited 106964000 (Previous Year 106964000) Equity Shares of ₹10/- each.	<b>106.96</b>	106.96
National High Power Test Laboratory Private Limited 30400000 (Previous Year 30400000) Equity Shares of ₹10/- each.	<b>30.40</b>	30.40
Cross Border Power Transmission Company Limited 12612473 (Previous Year 12612473) Equity Shares of ₹10/- each.	<b>12.62</b>	12.62
Bihar Grid Company Limited 322535036 (Previous Year 290296935) Equity Shares of ₹10/- each.	<b>322.54</b>	290.30



## Note 9 Investments (Contd.)

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
Power Transmission Company Nepal Limited 1170000 (Previous Year 1170000) Equity Shares of Nepali ₹100/- each.	6.50	6.50
RINL POWERGRID TLT Private Limited 4000000 (Previous Year 4000000) Equity Shares of ₹10/- each. (Refer further note 3 below)	4.00	4.00
Less: Provision for diminution in the value of Investment	4.00	4.00
	-	-
Energy Efficiency Services Limited 463610000 Equity Shares of ₹10/- each (Refer further note 5 below)	463.61	-
	<b>1,386.41</b>	890.56
<b>iii) Others</b>		
Bharat Broadband Network Limited (₹ 10/-) 1 (Previous Year 1) share of ₹10/- each.	-	-
<b>Total</b>	<b>7,228.53</b>	<b>4,265.36</b>

### Further notes:

- 1) a) Aggregate amount of Quoted Investments
 

At Cost	1,377.00	12.00
Market Value	1,926.43	93.30
- b) Aggregate amount of Unquoted Investments
 

	5,302.10	4,172.06
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- c) Aggregate amount of impairment in value of Investment
 

	4.05	4.05
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- 2) Investments have been valued as per accounting policy no. 2.13, 2.14 & 2.15.
- 3) POWERGRID's Board of Directors in its meeting held on 01.05.2018 accorded in principle approval to close RINL Powergrid TLT Private Limited (RPTPL) and seek consent of other JV Partner Rashtriya Ispat Nigam Limited (RINL). RINL's Board of Directors in its meeting held on 08.03.2019 has agreed in principle for winding up proceedings of RPTPL & to seek the approval from Ministry of Steel, Government of India, for closure of RPTPL. RINL's Board of Directors in its meeting held on 05.11.2019 has advised to put up the closure proposal again to Ministry of steel for onward submission to NITI Ayog. The Ministry of Steel vide letter dated 29.09.2020 informed RINL that closure of RPTPL is being examined and seeks further clarifications from RINL. Accordingly, relevant information was forwarded by RINL to The Ministry of Steel. The Approval from Government is still awaited.
- 4) Refer remarks at Note No 11 for Powergrid Vemagiri Transmission Limited.
- 5) The Company has invested ₹ 407.49 crore during the year in Energy Efficiency Services Limited (EESL), thereby increasing its shareholding from 5.71% to 33.33%. EESL has been considered as Joint Venture w.ef. 01.09.2021 as the Joint control has been reinstated vide Agreement dated 01.09.2021.

**Note 10 Loans (considered good unless otherwise stated)**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Loans to Related Parties **</b>		
Loans to Subsidiaries-Unsecured	<b>13,863.33</b>	10,151.51
Loans to JVs-Unsecured	<b>17.48</b>	12.40
Loan to Directors & Key Managerial Personnel (KMP)		
Secured #	-	0.02
Unsecured	<b>0.03</b>	0.04
	<b>13,880.84</b>	10,163.97
<b>Loans to Employees (including interest accrued)</b>		
Secured #	<b>352.86</b>	278.39
Unsecured	<b>36.08</b>	31.73
	<b>388.94</b>	310.12
<b>Total</b>	<b>14,269.78</b>	<b>10,474.09</b>

**Further notes:**

\*\* Details of loans to related parties is provided in Note 55.

# House building loans and conveyance advance to Directors, KMP and Employees are secured against the mortgage of the house properties or hypothecation of vehicles for which such loans have been given in line with the policies of the Company.

**Note 11 Other Non-current Financial Assets**

(Unsecured considered good unless otherwise stated)

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
Lease receivables	<b>590.94</b>	606.42
Bank deposits with more than 12 months maturity #	<b>66.02</b>	92.66
Recoverable for GOI fully serviced bonds ##	<b>3,487.50</b>	3,487.50
Advances to related parties (Subsidiaries and Others)*		
Considered good	-	-
Considered doubtful**	<b>19.42</b>	19.41
	<b>19.42</b>	19.41
Less: Provision for doubtful advances**	<b>19.42</b>	19.41
	-	-
Others ###	-	127.04
<b>Total</b>	<b>4,144.46</b>	<b>4,313.62</b>

**Further notes:**

# Bank deposits against designated accounts for consultancy work.

## In the FY 2018-19, the Company issued 'Gol fully serviced bonds' for an amount of ₹ 3487.50 crore for raising of Extra Budgetary Resources (EBR) for Gol scheme of Power System Development Fund (PSDF) in terms of letter No: 7/1/2018-OM dated 21st January, 2019 of Ministry of Power, Govt. of India (Gol) for meeting accrued liabilities for creation of Capital Assets. The repayment of principal and the interest payment on such bonds shall be met by Gol. An amount of ₹ 3487.50 Crore from bond issue has been recognised as Grant in aid in Previous Years.



## Note 11 Other Non-current Financial Assets (Contd.)

\* Details of advances to related parties are provided in Note 55.

\*\* CERC vide order dated 06/04/2015 in petition no.127/2012 had directed that 80% of the acquisition price incurred by the Company for Vemagiri Transmission Company Limited (VTSL) shall be reimbursed by the Long Term Transmission Customers (LTTCS) and balance 20% along with the expenditure incurred by VTSL from the date of acquisition till the liquidation of the company shall be borne by the Company. Subsequently, on a review petition filed by the Company, CERC vide order dated 20/10/2016 held that there are sufficient reasons to review the liability of the Company to pay 20% of the acquisition price and accordingly, directed that the issue shall be decided afresh by taking a holistic view in the matter after disposal of appeals filed by the LTTCS on the issue in Appellate Tribunal of Electricity (ATE).

The final hearing in the appeals filed in APTEL was held on 02.03.2020 and Hon'ble APTEL directed all parties to file written submission and reserved the Judgement. However, due to COVID pandemic lock down during Mar'20-May'20, the matter was relisted & heard on 24.08.2020 and Hon'ble APTEL directed all the parties to file concise comprehensive written submissions through email and reserved the Judgement again. Accordingly, concise comprehensive written submissions were filed in APTEL.

As one of the Hon'ble Members of APTEL retired during Dec'20 before pronouncement of the judgement, the matter may need to be heard again. An application for early hearing of the appeal was filed in APTEL in Mar'21 to expedite the matter. The said IA for Early Hearing (IA No. 599 of 2021) was listed and allowed on 5.7.2021, and matter was listed on 27.08.2021. Further, the hearing was adjourned and listed on 20.09.2021, 27.09.2021, 11.01.2022, 11.03.2022 and 02.05.2022. However, the matter was adjourned as the quorum for the bench did not assemble due to vacancies on each of those occasions. The next hearing is scheduled on 25.07.2022.

### Others include amount recoverable from Customers.

## Note 12 Other non-current Assets

(Unsecured considered good unless otherwise stated)

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Advances for Capital Expenditure</b>		
Unsecured		
a. Against bank guarantees	158.14	260.06
b. Others	124.80	84.87
Unsecured considered doubtful	1.19	1.19
	<b>284.13</b>	346.12
Less: Provision for bad & doubtful Advances	1.19	1.19
	<b>282.94</b>	344.93
<b>Advances other than for Capital Expenditure</b>		
Security Deposits	24.86	22.24
Deferred Employee Cost	36.62	49.09
Deferred Foreign currency Fluctuation Asset	4,268.56	4,225.87
Advances recoverable in kind or for value to be received		
Employees	0.01	0.09
Balance with Customs Port Trust and other authorities	11.01	10.25
Advance tax and Tax deducted at source #	140.70	-
Others**		
Considered Good	33.03	92.09
Considered doubtful	0.37	0.37
	<b>33.40</b>	92.46
Less: Provision for doubtful Advances	0.37	0.37
	<b>33.03</b>	92.09
	<b>184.75</b>	102.43
<b>Total</b>	<b>4,797.73</b>	<b>4,744.56</b>

### Further notes:

\*\*Others include amount recoverable from Customers & State Governments, insurance claims etc.

# Net of Current Tax Liabilities - Note 33.



**Note 13 Inventories**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>(For mode of valuation refer Note 2.10)</b>		
Components, Spares & other spare parts	<b>1,320.97</b>	1,346.18
Loose tools	<b>26.94</b>	23.70
Consumable stores	<b>11.56</b>	11.44
	<b>1,359.47</b>	1,381.32
Less Provision for Shortages/damages etc.	<b>6.87</b>	18.50
<b>Total</b>	<b>1,352.60</b>	<b>1,362.82</b>

**Note 14 Trade receivables**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Trade receivables - Unsecured</b>		
Considered good	<b>9,063.04</b>	8,434.38
Credit Impaired	<b>300.73</b>	300.40
	<b>9,363.77</b>	8,734.78
Receivable from related parties - Unsecured		
Considered good	<b>43.78</b>	35.82
	<b>9,407.55</b>	8,770.60
Less: Loss Allowance	<b>300.73</b>	300.40
<b>TOTAL</b>	<b>9,106.82</b>	<b>8,470.20</b>

**Further Notes:**

- Refer note no. 46 for disclosure as per Ind AS 115 'Revenue from Contracts with Customers' & note no. 55. for details of trade receivables from related parties.
- Trade Receivables includes Unbilled Receivables relating to transmission segment amounting to ₹ 4,446.93 Crores (Previous Year ₹ 4,807.27 Crores) out of which transmission charges for the month of March including arrear bills for previous quarters, of the financial year amounting to ₹ 2941.38 crore (Previous Year ₹ 2512.28 crore) billed to beneficiaries in the month of April of subsequent financial year.
- Based on arrangements between the Company, banks and beneficiaries, the bills of the beneficiaries have been discounted. Accordingly, trade receivables have been disclosed net off bills discounted amounting to ₹ 4180.23 crore (Previous Year ₹ 2871.49 crore). Refer note no. 58 for details.



### Note 14 Trade receivables (Contd.)

d) Aging of Trade Receivables is as follows:

(₹ in crore)

Particulars		Unbilled	Not Due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>As at 31.03.2022</b>									
Considered – Good	Disputed	-	118.99	564.30	108.41	119.26	66.55	78.60	1,056.11
	Undisputed	4,487.41	1,506.30	1,006.72	607.12	399.37	25.69	18.10	8,050.71
Significant increase in Credit Risk	Disputed	-	-	-	-	-	-	-	-
	Undisputed	-	-	-	-	-	-	-	-
Credit Impaired	Disputed	-	-	-	-	-	0.58	277.76	278.34
	Undisputed	-	-	0.56	0.56	0.88	1.60	18.79	22.39
<b>Total</b>		<b>4,487.41</b>	<b>1,625.29</b>	<b>1,571.58</b>	<b>716.09</b>	<b>519.51</b>	<b>94.42</b>	<b>393.25</b>	<b>9,407.55</b>
<b>As at 31.03.2021</b>									
Considered – Good	Disputed	-	28.57	43.06	148.50	21.16	60.28	38.58	340.15
	Undisputed	4,848.86	1,714.31	848.52	374.65	207.30	49.30	87.11	8,130.05
Significant increase in Credit Risk	Disputed	-	-	-	-	-	-	-	-
	Undisputed	-	-	-	-	-	-	-	-
Credit Impaired	Disputed	-	-	-	-	0.49	20.34	258.94	279.77
	Undisputed	-	-	0.01	0.17	1.07	0.50	18.88	20.63
<b>Total</b>		<b>4,848.86</b>	<b>1,742.88</b>	<b>891.59</b>	<b>523.32</b>	<b>230.02</b>	<b>130.42</b>	<b>403.51</b>	<b>8,770.60</b>

e) Disputed Trade receivables amounting to ₹799.33 crore (Previous Year ₹55.16 crore) are related to disputed proportion of ISTS charges attributed to concerned Designated ISTS Customer (DICs) from ISTS pool as per CERC Sharing Regulations. On settlement of dispute, these receivables shall either be received from concerned DICs or shall be re-apportioned to other DICs as per Sharing Regulations.

### Note 15 Cash and Cash Equivalents

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Balance with banks-</b>		
-In Current accounts	<b>594.58</b>	928.52
-In designated Current accounts (For Consultancy clients and others)	<b>151.41</b>	71.64
In term deposits (with maturity less than 3 months)(including interest accrued)*	<b>1,711.46</b>	3,429.87
Others (Stamps and Imprest)	<b>0.02</b>	0.02
<b>Total</b>	<b>2,457.47</b>	<b>4,430.05</b>

#### Further notes:

\*Term deposit includes ₹ 1190.34 crore (Previous Year ₹ 3050.84 crore) for Consultancy clients and others.

**Note 16 Bank Balances other than Cash & cash equivalents**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
Earmarked balance with banks*	28.64	152.91
In Term Deposits having maturity over 3 months but upto 12 months (For Consultancy clients and others) (including interest accrued)	484.93	690.58
<b>Total</b>	<b>513.57</b>	<b>843.49</b>

**Further notes:**

\*Earmarked balance with Bank includes unpaid dividend, dividend payable, TDS on Dividend etc.

**Note 17 Loans**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Loans to Related Parties (including interest accrued)**</b>		
Loans to Subsidiaries - Unsecured	229.68	5,301.78
Loans to Joint Venture - Unsecured	4.26	40.48
Loan to Directors & Key Managerial Personnel (KMP)		
Secured #	-	0.01
Unsecured Considered good	0.08	0.07
	<b>234.02</b>	<b>5,342.34</b>
<b>Loans to Employees (including interest accrued)</b>		
Secured #	53.22	46.08
Unsecured Considered good	41.03	40.41
	<b>94.25</b>	<b>86.49</b>
<b>Total</b>	<b>328.27</b>	<b>5,428.83</b>

**Further notes:**

\*\* Details of loans to related parties is provided in Note No 55.

# House building loans and conveyance advance to Directors, KMP and Employees are secured against the mortgage of the house properties or hypothecation of vehicles for which such loans have been given in line with the policies of the Company.

**Note 18 Other Current Financial Assets**

(Unsecured considered good unless otherwise stated)

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
Lease Receivables	52.06	48.33
Contract Assets #	5,588.82	2,157.17
Recoverable for GOI fully Service Bonds (including interest accrued)	36.22	36.22
Advance to/Receivable from Related Parties ##	5.55	24.66
Others ###		
Considered Good	443.12	765.15
<b>Total</b>	<b>6,125.77</b>	<b>3,031.53</b>

**Further notes:**

# Contract Assets includes ₹ 0.15 Crore (Previous Year Nil) from related parties (refer Note 55). Refer Note 46 for disclosure as per Ind AS 115 'Revenue from Contracts with Customers'.


**Note 18 Other Current Financial Assets (Contd.)**

## Details of related parties are provided in Note 55.

### Others include:-

- (a) an amount of ₹ 59.88 crore (Previous Year ₹ 59.88 crore) recoverable from M/s Delhi Transco Limited towards transfer of 2.427 hectare (Previous Year 2.427 hectare) land at Tughlaqabad and Dwarka Sub-station pending completion of legal formalities for transfer of title.
- (b) amount recoverable from Customers, Advance rent for Residential and Office accommodation, Other advance etc.

**Note 19 Other Current Assets**

(Unsecured considered good unless otherwise stated)

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Advances other than for Capital Expenditure</b>		
<b>Advances recoverable in kind or for value to be received</b>		
Contractors & Suppliers	5.20	9.75
Employees	8.25	5.98
Balance with Customs Port Trust and other authorities	32.31	35.34
Claims recoverable	15.24	0.54
	<b>61.00</b>	51.61
<b>Others*</b>		
Considered Good	149.99	121.67
Considered Doubtful	0.55	0.55
	<b>150.54</b>	122.22
<b>Less: Provision for Doubtful Advances</b>	<b>0.55</b>	0.55
	<b>149.99</b>	121.67
<b>Total</b>	<b>210.99</b>	<b>173.28</b>

**Further notes:**

\*Others include advance given for CSR activities, input tax credit - GST etc.

**Note 19A Assets classified as held for sale**

(₹ in crore)

Particulars	As at 31 March 2022		As at 31 March 2021	
	Current	Non-Current	Current	Non-Current
<b>Investments in Equity Instruments (fully paid up)</b>				
<b>Associates Companies</b>				
Powergrid Vizag Transmission Limited				
NIL (Previous Year 209730000) Equity Shares of ₹10 each	-	-	209.73	-
Powergrid Kala Amb Transmission Limited				
15860000 (Previous Year 61000000) Equity Shares of ₹10 each	15.86	-	45.14	15.86
Powergrid Jabalpur Transmission Limited				
58996600 (Previous Year 226910000) Equity Shares of ₹10 each	-	59.00	167.91	59.00
Powergrid Warora Transmission Limited				
102258000 (Previous Year 393300000) Equity Shares of ₹10 each	-	102.26	291.04	102.26
Powergrid Parli Transmission Limited				
83746000 (Previous Year 322100000) Equity Shares of ₹10 each	-	83.74	238.36	83.74
<b>TOTAL</b>	<b>15.86</b>	<b>245.00</b>	<b>952.18</b>	<b>260.86</b>

## Note 19A Assets classified as held for sale (Contd.)

### Further notes:

The Company has monetised five (05) of its Subsidiaries, namely Powergrid Vizag Transmission Limited (PVTL), Powergrid Kala Amb Transmission Limited (PKATL), Powergrid Jabalpur Transmission Limited (PJTL), Powergrid Warora Transmission Limited (PWTL) and Powergrid Parli Transmission Limited (PPTL) through POWERGRID Infrastructure Investment Trust ('PGInvIT/ Trust'). PGInvIT has been registered by SEBI under SEBI (Infrastructure Investment Trusts) Regulations, 2014 ('InvIT Regulations') as an Infrastructure Investment Trust vide registration no. IN/InvIT/20-21/0016 dated 07 January 2021. The company is the Sponsor of PGInvIT and acts as the Project Manager to PGInvIT. IDBI Trusteeship Services Limited is the Trustee and Powergrid Unchahar Transmission Limited (PUTL), a wholly owned subsidiary of the company, has been appointed as Investment Manager to PGInvIT. The Offer Document for initial public offer was filed by PGInvIT with the SEBI and Stock Exchanges on 22 April 2021 and units got listed on stock exchanges on 14 May 2021. The 74% shares in the above five SPVs have been transferred to PGInvIT in May, 2021 and balance 26% shares of PVTL has been transferred in March 2022. The balance 26% of remaining SPVs i.e. PKATL, PJTL, PWTL & PPTL will be transferred in line with Transmission Service Agreement (TSA) & the same has been classified as "Assets Classified as Held for Sale" as on 31.03.2022.

In lieu of consideration of shareholding so transferred, 41,06,50,900 Units at the price of ₹ 100 each were allotted by PGInvIT to the company and ₹330.78 crore towards transfer of 26% share of PVTL. Further, the Company received ₹304.15 crore on relinquishment of right on additional revenue in PPTL, PWTL & PJTL. The company retained 13,65,00,100 units being 15% of total units of PGInvIT outstanding on post issue basis pursuant to InvIT Regulations and remaining 27,41,50,800 units were sold by way of 'Offer for Sale (OFS)'. The company received an amount of ₹2736.02 crore (net of STT) against the OFS. The Profit on above transactions (net of related expenses) amounting to ₹ 3759.51 crore has been disclosed under "Exceptional items".

## Note 20 Regulatory Deferral Account Balances

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Assets</b>		
Deferred assets for deferred tax liability	<b>8,654.71</b>	9,382.65
Foreign Currency Fluctuation	<b>1,182.57</b>	1,089.54
Employee Benefits and Other Expense	<b>135.76</b>	134.16
<b>Total</b>	<b>9,973.04</b>	<b>10,606.35</b>

### Further Note:

Refer to note no 51 for detailed disclosure on Regulatory Deferral Account Balances.

## Note 21 Equity Share capital

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Equity Share Capital</b>		
<b>Authorised</b>		
10,00,00,00,000 (Previous Year 10,00,00,00,000) equity shares of ₹10/- each at par	<b>10,000.00</b>	10,000.00
<b>Issued, subscribed and paid up</b>		
6,97,54,52,864 (Previous Year 5,23,15,89,648) equity shares of ₹10/-each at par fully paid up	<b>6,975.45</b>	5,231.59

### Further Notes:

1) Reconciliation of number and amount of share capital outstanding at the beginning and at the end of the reporting period

Particulars	For the year ended 31 March 2022		For the year ended 31 March 2021	
	No. of Shares	Amount (₹ in crore)	No. of Shares	Amount (₹ in crore)
Shares outstanding at the beginning of the year	<b>5231589648</b>	<b>5,231.59</b>	5231589648	5,231.59
Additions during the year *	<b>1743863216</b>	<b>1,743.86</b>	-	-
Deduction during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>6975452864</b>	<b>6,975.45</b>	<b>5231589648</b>	<b>5,231.59</b>



## Note 21 Equity Share capital (Contd.)

- \* During the year, the Company has issued 174,38,63,216 equity shares of ₹ 10/- each as fully paid bonus shares in the ratio of one equity share of ₹ 10/- each for every three equity shares held on record date of 30 July 2021 by utilising Securities Premium.
- 2) The Company has only one class of equity shares having a par value of ₹10/- per share.
  - 3) The holders of equity shares are entitled to receive dividends as declared from time to time and to voting rights proportionate to their shareholding at meetings of the Shareholders.
  - 4) Shareholding of Promoters and Shareholders holding more than 5% equity shares of the Company

Particulars	As at 31 March 2022		As at 31 March 2021		% Change
	No. of Shares	% of holding	No. of Shares	% of holding	
Government of India (Promoter)	3581163210	51.34	2685872408	51.34	-
Life Insurance Corporation of India	415775810	5.96	310294907	5.93	0.03

## Note 22 Other Equity

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Reserves and Surplus</b>		
Securities Premium	7,834.43	9,578.29
Bonds Redemption Reserve	5,532.80	7,387.97
Self Insurance Reserve	853.09	722.99
General Reserve	50,352.82	43,191.78
Retained Earnings	4,056.99	3,399.08
<b>Other Reserves</b>		
Other Comprehensive Income Reserve	545.99	67.14
<b>Total</b>	<b>69,176.12</b>	<b>64,347.25</b>

### 22.1 Securities Premium

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	9,578.29	9,578.29
Addition during the year	-	-
Deduction during the year	1,743.86	-
<b>Balance at the end of the year</b>	<b>7,834.43</b>	<b>9,578.29</b>

The premium on issue of shares is recorded in Securities premium and the same has been utilised to issue fully paid bonus shares during the year in accordance with provisions of the Companies Act, 2013.

### 22.2 Bonds Redemption Reserve

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	7,387.97	8,638.92
Addition during the year	-	-
Deduction during the year	1,855.17	1,250.95
<b>Balance at the end of the year</b>	<b>5,532.80</b>	<b>7,387.97</b>

Bonds Redemption Reserve is created for the purpose of redemption of debentures in term of the Companies Act 2013. As per the Companies (Share Capital and Debentures) rule 2014, listed companies are not required to create Bonds Redemption Reserve w.e.f. 16.08.2019.



## 22.3 Self Insurance Reserve

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	722.99	807.93
Addition during the year	291.14	278.79
Deduction during the year	161.04	363.73
<b>Balance at the end of the year</b>	<b>853.09</b>	<b>722.99</b>

Self-Insurance Reserve is created @ 0.12% p.a. (0.12% p.a. in previous year) on the Original Gross Block of Property, Plant and Equipment and value of Inventory except ROU assets and assets covered under insurance as at the end of the year to meet future losses which may arise from un-insured risks and for procurement of towers and other transmission line materials including strengthening of towers and equipments of AC sub-station to take care of future contingencies.

## 22.4 General Reserve

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	43,191.78	36,828.05
Addition during the year	7,161.04	6,363.73
Deduction during the year	-	-
<b>Balance at the end of the year</b>	<b>50,352.82</b>	<b>43,191.78</b>

General Reserve is retained earnings of the company which are kept aside out of company's profits. It is a free reserve which can be utilized to meet any unknown future contingencies and to pay dividends to shareholders.

## 22.5 Retained Earnings

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	3,399.08	3,327.57
Add: Additions		
Net Profit for the period	17,093.76	11,935.78
Items of other comprehensive income recognised directly in surplus balance		
- Remeasurements of post employment benefit obligations	(187.92)	(14.44)
Transfer from Bond Redemption Reserve	1,855.17	1,250.95
Less: Appropriations		
General Reserve	7,000.00	6,000.00
Bonds Redemption Reserve	-	-
Self Insurance Reserve	291.14	278.79
Interim dividend paid	8,719.32	4,708.43
Final Dividend (refer note 59(b))	2,092.64	2,113.56
<b>Balance at the end of the year</b>	<b>4,056.99</b>	<b>3,399.08</b>

## 22.6 Other Comprehensive Income Reserve

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	67.14	27.34
Addition during the year	478.85	39.80
Deduction during the year	-	-
<b>Balance at the end of the year</b>	<b>545.99</b>	<b>67.14</b>

Other Comprehensive Income Reserve is created from increase/decrease in valuation of Non Current Investments classified as fair valued through Other Comprehensive Income (FVOCI).



## Note 23 Borrowings

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>A) BONDS</b>		
<b>A1) Secured (Taxable, Redeemable, Non-Cumulative, Non-Convertible)</b>		
A1.1 i) Bonds of ₹10 Lakh each		
<b>LV Issue-7.55% Redeemable at par on 21.09.2031</b>	<b>1,289.06</b>	1,289.04
<b>LX Issue-7.20% Redeemable at par on 09.08.2027</b>	<b>3,201.69</b>	3,201.67
<b>LIX Issue-7.30% Redeemable at par on 19.06.2027</b>	<b>3,245.45</b>	3,245.43
<b>XXXIX Issue-9.40% redeemable at par on 29.03.2027</b>	<b>1,801.34</b>	1,801.33
<b>LVIII Issue-7.89% redeemable at par on 09.03.2027</b>	<b>2,070.09</b>	2,070.07
<b>XXXVIII Issue-9.25% redeemable at par on 09.03.2027</b>	<b>859.93</b>	859.92
<b>LVI Issue-7.36% redeemable at par on 18.10.2026</b>	<b>1,100.30</b>	1,100.06
<b>LXII Issue-8.36% Redeemable at par in 05 (five) equal installments w.e.f. 07.01.2025</b>	<b>2,038.31</b>	2,038.28
<b>XLII Issue-8.80% redeemable at par on 13.03.2023</b>	<b>1,999.08</b>	1,999.05
<b>LVII Issue-7.20% redeemable at par on 21.12.2021</b>	<b>-</b>	2,162.20
ii) Bonds of ₹30 Lakh each consisting of 3 STRPPs of ₹10 lakh each redeemable at par in 3 (Three) equal installments on 15.07.2021, 15.07.2026 and 15.07.2031		
<b>LIV Issue-7.97% Redeemable w.e.f. 15.07.2021</b>	<b>2,113.41</b>	3,170.17
iii) Bonds of ₹30 Lakh each consisting of 3 STRPPs of ₹10 lakh each redeemable at par in 3 (Three) equal installments on 23.12.2020, 23.12.2025 and 23.12.2030		
<b>LII Issue-8.32% redeemable w.e.f. 23.12.2020</b>	<b>952.91</b>	952.89
iv) Bonds of ₹1.20 crore each consisting of 12 STRPPs of ₹10 lakh each redeemable at par in 12 (Twelve) equal installments		
<b>LIII Issue-8.13% Redeemable w.e.f 25.04.2020</b>	<b>3,582.07</b>	3,939.45
v) Bonds of ₹30 Lakh each consisting of 3 STRPPs of ₹10 lakh each redeemable at par in 3 (Three) equal installments on 09.03.2020, 09.03.2025 and 09.03.2030		
<b>XLIX Issue-8.15% redeemable w.e.f. 09.03.2020</b>	<b>874.36</b>	874.34
vi) Bonds of ₹40 Lakh each consisting of 4 STRPPs of ₹10 lakh each redeemable at par in 4 (Four) equal installments on 23.01.2020, 23.01.2022, 23.01.2025 and 23.01.2030		
<b>XLVIII Issue-8.20% redeemable w.e.f. 23.01.2020</b>	<b>1,309.62</b>	1,963.59
vii) Bonds of ₹1.20 crore each consisting of 12 STRPPs of ₹10 lakh each redeemable at par in 12 (Twelve) equal installments		
<b>LI Issue-8.40% redeemable w.e.f. 14.09.2019</b>	<b>2,352.94</b>	2,614.37
viii) Bonds of ₹30 Lakh each consisting of 3 STRPPs of ₹10 lakh each redeemable at par in 3 (Three) equal installments on 04.09.2019, 04.09.2024 and 04.09.2029		
<b>XLVI Issue-9.30% redeemable w.e.f. 04.09.2019</b>	<b>3,062.76</b>	3,062.74
ix) Bonds of ₹1.20 crore each consisting of 12 STRPPs of ₹10 lakh each redeemable at par in 12 (Twelve) equal installments		
<b>L Issue-8.40% redeemable w.e.f. 27.05.2019</b>	<b>2,352.06</b>	2,613.39
x) Bonds of ₹1.20 crore each consisting of 12 STRPPs of ₹10 lakh each redeemable at par in 12 (Twelve) equal installments		
<b>XLVII Issue-8.93% redeemable w.e.f. 20.10.2018</b>	<b>1,830.10</b>	2,058.85

**Note 23 Borrowings (Contd.)**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
xi) Bonds of ₹30 Lakh each redeemable at par in 3 equal instalments on 15.07.2018, 15.07.2023 and 15.07.2028 <b>XLIV Issue-8.70% redeemable w.e.f. 15.07.2018</b>	<b>2,807.78</b>	2,807.76
xii) Bonds of ₹1.2 crores each consisting of 12 STRPPs of ₹10 lakhs each redeemable at par in 12 (Twelve) equal annual instalments <b>XLV Issue-9.65% redeemable w.e.f. 28.02.2018</b> <b>XLIII Issue-7.93% redeemable w.e.f. 20.05.2017</b>	<b>1,175.99</b> <b>1,948.63</b>	1,343.63 2,227.00
xiii) Bonds of ₹1.5 crores each consisting of 12 STRPPs of ₹ 12.50 Lakhs each redeemable at par in 12 (Twelve) equal annual instalments. <b>XLI Issue-8.85% redeemable w.e.f. 19.10.2016</b>	<b>1,477.73</b>	1,724.01
xiv) Bonds of ₹1.50 crores each, consisting of 15 STRPPs of ₹10.00 Lakhs each redeemable at par in 15 (Fifteen) equal annual instalments <b>XXXVI Issue- 9.35% redeemable w.e.f. 29.08.2016</b>	<b>1,956.08</b>	2,173.42
xv) Bonds of ₹1.5 crores each consisting of 12 STRPPs of ₹12.50 Lakhs each redeemable at par in 12 (Twelve) equal annual instalments. <b>XL Issue-9.30% redeemable w.e.f. 28.06.2016</b> <b>XXXVII Issue- 9.25% redeemable w.e.f 26.12.2015</b> <b>XXXV Issue- 9.64% redeemable w.e.f 31.05.2015</b> <b>XXXIV Issue- 8.84% redeemable w.e.f 21.10.2014</b> <b>XXXIII Issue- 8.64% redeemable w.e.f 08.07.2014</b> <b>XXXII Issue- 8.84% redeemable w.e.f 29.03.2014</b> <b>XXXI Issue- 8.90% redeemable w.e.f 25.02.2014</b> <b>XXX Issue- 8.80% redeemable w.e.f 29.09.2013</b> <b>XXIX Issue- 9.20% redeemable w.e.f 12.03.2013</b> <b>XXVIII Issue- 9.33% redeemable w.e.f 15.12.2012</b> <b>XXVII Issue- 9.47% redeemable w.e.f 31.03.2012</b> <b>XXVI Issue- 9.30% redeemable w.e.f 07.03.2012</b> <b>XXV Issue- 10.10% redeemable w.e.f 12.06.2011</b> <b>XXIV Issue- 9.95% redeemable w.e.f 26.03.2011</b> <b>XXIII Issue- 9.25% redeemable w.e.f 09.02.2011</b> <b>XXII Issue- 8.68% redeemable w.e.f 07.12.2010</b> <b>XXI Issue- 8.73% redeemable w.e.f 11.10.2010</b> <b>XX Issue- 8.93% redeemable w.e.f 07.09.2010</b> <b>XIX Issue- 9.25% redeemable w.e.f 24.07.2010</b>	<b>2,139.80</b> <b>851.46</b> <b>881.31</b> <b>1,208.10</b> <b>1,020.66</b> <b>258.93</b> <b>516.24</b> <b>608.99</b> <b>217.34</b> <b>410.94</b> <b>58.76</b> <b>83.78</b> <b>95.95</b> - - - - - -	2,496.43 1,021.74 1,057.57 1,510.12 1,275.83 345.24 688.31 811.98 326.00 616.40 117.53 167.56 191.89 66.73 25.96 59.07 44.25 131.30 43.87
	<b>53,753.95</b>	<b>62,290.44</b>


**Note 23 Borrowings (Contd.)**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>A2) Unsecured</b>		
<b>A2.1 Redeemable Domestic Bonds</b>		
i) Bonds of ₹10 Lakh each		
<b>LXVIII Issue-6.28% redeemable at par on 11.04.2031</b>	<b>520.54</b>	520.54
<b>LXVI Issue-7.38% Redeemable at par on 12.04.2030</b>	<b>508.18</b>	508.16
ii) Bonds of ₹50 Lakhs each consisting of 05 STRPPs of ₹10.00 Lakhs each redeemable at par in 05 (Five) equal annual instalments.		
<b>LXI Issue-7.74% redeemable w.e.f. 12.12.2028</b>	<b>3,069.79</b>	3,069.77
iii) Bonds of ₹ 10 Lakh each		
<b>LXIX Issue-6.05% Redeemable at par on 25.03.2027</b>	<b>530.49</b>	-
<b>LXVII Issue-6.85% redeemable at par on 15.04.2025</b>	<b>2,984.28</b>	2,984.24
iv) Bonds of ₹10 Lakhs each consisting of 03 STRPPs of ₹ 3.00 Lakhs, ₹ 3.00 Lakhs & ₹ 4.00 Lakhs each redeemable at par in 03 (Three) equal annual instalments.		
<b>LXIV Issue-7.49% redeemable w.e.f. 25.10.2024</b>	<b>2,601.50</b>	2,601.48
v) Bonds of ₹ 30 Lakhs each consisting of 03 STRPPs of ₹10.00 Lakhs each redeemable at par in 03 (Three) equal annual instalments.		
<b>LXIII Issue-7.34% redeemable w.e.f. 15.07.2024</b>	<b>1,893.92</b>	1,893.90
vi) Bonds of ₹10 Lakh each		
<b>LXV Issue-6.35% Redeemable at par on 14.04.2023</b>	<b>202.85</b>	202.82
<b>A2.2 Redeemable Foreign Currency Bonds</b>		
<b>3.875% Foreign Currency Bonds to be redeemed at par on 17.01.2023</b>	<b>3,843.81</b>	3,723.90
	<b>16,155.36</b>	<b>15,504.81</b>
<b>Total (A)</b>	<b>69,909.31</b>	<b>77,795.25</b>
<b>B) Term Loan</b>		
<b>From Banks</b>		
<b>Secured</b>		
Foreign Currency Loans (Guaranted by Government of India (GOI))	<b>24,778.09</b>	25,983.53
Other Foreign Currency Loans	<b>7,024.30</b>	7,256.11
Rupee Loans	<b>9,275.02</b>	10,388.85
	<b>41,077.41</b>	<b>43,469.64</b>
<b>Unsecured</b>		
Foreign Currency Loans (Guaranted by GOI)	<b>3,386.96</b>	3,891.20
Other Foreign Currency Loans	<b>2,832.34</b>	3,222.26
Rupee Loans	<b>14,941.02</b>	15,974.65
	<b>21,160.32</b>	<b>23,088.11</b>
<b>Total (B)</b>	<b>62,237.73</b>	<b>66,557.75</b>
<b>TOTAL (A to B)</b>	<b>132,147.04</b>	<b>144,353.00</b>
Less: Current maturities of Non Current Borrowing (refer note 28)	<b>15,165.87</b>	12,171.41
Less: Interest Accrued but not due on borrowings (refer note 30)	<b>2,781.77</b>	3,101.52
<b>TOTAL</b>	<b>114,199.40</b>	<b>129,080.07</b>

## Note 23 Borrowings (Contd.)

### Further notes:

#### Details of terms of repayment and rate of interest

- 1 Secured Foreign Currency Loans (Guaranteed by Gol) carry floating rate of interest linked to 6M SOFR. These loans are repayable in semi annual installment, as per terms of the respective loan agreement, commencing after moratorium period of 3 to 5 years except for one loan ₹ 376.13 Crore (Previous year ₹ 364.64 Crore) which carry fixed rate of interest of 0.25% p.a.
- 2 Secured other Foreign Currency Loans carry floating rate of interest linked to 6M (LIBOR/SOFR/EURIBOR). These loans are repayable in semi annual installment, as per terms of the respective loan agreements, commencing after moratorium period of 3 to 5 years.
- 3 Secured Rupee loan from banks carry floating rate of interest linked to 3M MCLR. These loans are repayable in semi annual installments, as per terms of the respective loan agreements, commencing after moratorium period of 5 years.
- 4 Unsecured Foreign Currency Loans (Guaranteed by Gol) carry fixed rate of interest ranging from 1.63%p.a. to 2.30%p.a. These loans are repayable in semi annual installments as per terms of the respective loan agreements.
- 5 Unsecured Foreign Currency Loans carry floating rate of interest linked to 6M (STIBOR/EURIBOR). These loans are repayable in semi annual installments as per terms of the respective loan agreements, commencing after moratorium period as per terms of the respective loan agreements.
- 6 Unsecured Foreign Currency Loans carry floating rate of interest linked to 3M TONA. This loan is repayable in five equal annual installment as per the terms of the loan agreement.
- 7 Unsecured Rupee loan from bank carry floating rate of interest linked to 3 months MCLR or Repo rate. These loans are repayable in semi annual installments, as per terms of the respective loan agreements, commencing after moratorium period as per terms of the respective loan agreements.
- 8 There has been no default in repayment of loans or payment of interest thereon as at the end of the year.
- 9 The company has used the borrowings from banks and financial institutions for the specified purpose for which it was taken as at balance sheet date.

#### Details of Securities

- 1 Domestic Bonds are Secured by way of Registered Bond Trust Deed ranking pari passu on immovable property situated at Mouje Ambheti Taluka Kaparada in district Valsad Gujarat and floating charge on the assets of the company.
- 2 Secured Foreign Currency Loans (Guaranteed by Gol) are secured by pari passu interest in the lien created on the assets as security for the debts.
- 3 Secured Other Foreign Currency Loans and Rupee Loans are secured by the way of
  - (i) pari passu charge on the assets of the company except investments, land and building, roads and bridges, water supply, drainage and sewerage and current assets or
  - (ii) pari passu charge on the assets of the company except investments and current assets or
  - (iii) floating charge on the immovable properties of the company.
 as per the terms of respective loan agreements.

## Note 24 Other Non-current financial liabilities

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
Deposits/Retention money from contractors and others	19.80	69.37
Govt. of India fully serviced bonds *	3,487.50	3,487.50
Dues for Capital Expenditure	15.70	12.48
Others#	-	127.04
<b>Total</b>	<b>3,523.00</b>	<b>3,696.39</b>

### Further Notes:

Disclosure with regard to Micro and Small enterprises as required under "The Micro, Small and Medium Enterprises Development Act, 2006" is given in Note No 49.

\* Govt. of India fully serviced bonds issued @ 8.24% redeemable at par on 14.02.2029. Refer Note No 11 for details.

# Others includes amount payable to Customers upon recovery.



## Note 25 Provisions

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Employee Benefits</b>		
As per last balance sheet	461.93	424.71
Additions/(adjustments) during the year	55.12	37.22
<b>Closing Balance</b>	<b>517.05</b>	<b>461.93</b>

### Further Notes:

Provision is created for the purpose of leave encashment, Settlement Allowance, Long Service Award and other benefits. Refer Note No 63 for detailed disclosure related to Employee Benefit Obligations.

## Note 26 Deferred tax liabilities (Net)

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>A. Deferred Tax Liability</b>		
Difference in book depreciation and tax depreciation	25,172.68	22,623.11
Finance lease assets	72.18	72.47
Others	207.61	23.42
<b>Deferred Tax Liability (A)</b>	<b>25,452.47</b>	<b>22,719.00</b>
<b>B. Deferred Tax Assets</b>		
Income during Construction Period	18.26	17.95
Provisions allowable on payment basis	532.23	514.70
Advance Against Depreciation	299.92	353.20
MAT Credit Entitlement	13,157.43	9,869.07
Others	19.85	22.20
<b>Deferred Tax Assets (B)</b>	<b>14,027.69</b>	<b>10,777.12</b>
<b>Deferred Tax Liability (Net) (A-B)</b>	<b>11,424.78</b>	<b>11,941.88</b>

### Further Notes:

#### Movement in Deferred Tax Liabilities

(₹ in crore)

Particulars	Property Plant and Equipment	Finance Leased Assets	Others	Total
<b>As at 01.04.2020</b>	<b>19,898.33</b>	<b>76.96</b>	<b>43.15</b>	<b>20,018.44</b>
Charged/(credited) to profit or loss	2,724.78	(4.49)	(19.73)	2,700.56
<b>As at 31.03.2021</b>	<b>22,623.11</b>	<b>72.47</b>	<b>23.42</b>	<b>22,719.00</b>
Charged/(credited) to profit or loss	2,549.57	(0.29)	130.29	2,679.57
Charged/(credited) to OCI			53.90	53.90
<b>As at 31.03.2022</b>	<b>25,172.68</b>	<b>72.18</b>	<b>207.61</b>	<b>25,452.47</b>



**Note 26 Deferred tax liabilities (Net) (Contd.)**

Movement in Deferred Tax Asset

(₹ in crore)

Particulars	Property Plant & Equipment- Income during construction period	Provisions allowable on payment basis	Advance against depreciation	MAT Credit	Others	Total
<b>As at 01.04.2020</b>	<b>24.88</b>	<b>467.85</b>	<b>409.12</b>	<b>7,710.30</b>	<b>24.44</b>	<b>8,636.59</b>
Charged/(credited) to profit or loss	(6.93)	46.85	(55.92)	2,158.77	(2.24)	2,140.53
<b>As at 31.03.2021</b>	<b>17.95</b>	<b>514.70</b>	<b>353.20</b>	<b>9,869.07</b>	<b>22.20</b>	<b>10,777.12</b>
Charged/(credited) to profit or loss	0.31	17.53	(53.28)	3,288.36	(2.35)	3,250.57
<b>As at 31.03.2022</b>	<b>18.26</b>	<b>532.23</b>	<b>299.92</b>	<b>13,157.43</b>	<b>19.85</b>	<b>14,027.69</b>

Recognised in Statement of Profit and Loss/Other Comprehensive Income(OCI)

(₹ in crore)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Increase/ (Decrease) in Deferred Tax Liabilities	2,679.57	2,700.56
Decrease / (Increase) in Deferred Tax Assets	(3,250.57)	(2,140.53)
<b>Amount charged/(credited) to profit or loss</b>	<b>(571.00)</b>	<b>560.03</b>
Increase/ (Decrease) in Deferred Tax Liabilities	53.90	-
<b>Amount charged/(credited) to OCI</b>	<b>53.90</b>	<b>-</b>

- a) In the opinion of the management, it is probable that future economic benefits will flow to the company in the form of availability of set off against future income tax liability by recognizing MAT credit as follows:

Future taxable profits will be adjusted against (a) tax holiday u/s 80-IA of Income Tax Act, 1961 for the projects commissioned up to 31.03.2017 (b) initial depreciation on the assets to be commissioned in future and (c) regular income tax depreciation u/s 32 of Income Tax Act, 1961 and thereafter tax amount will be set off against MAT credit to the extent of ₹3,288.36crore (Previous Year ₹2,158.77 crore). Hence, the same has been recognised as Deferred Tax Assets during the year.

- b) MAT credit available to the company in future but not recognised in the books:

(₹ in crore)

For the Financial Year	As at 31.03.2022	Expiry Date	As at 31.03.2021	Expiry Date
2015-16	1,421.20	31.03.2026	1,421.20	31.03.2026
2014-15	1,281.23	31.03.2025	1,281.23	31.03.2025
2013-14	1,085.14	31.03.2024	1,085.14	31.03.2024
2012-13	1,071.31	31.03.2023	1,071.31	31.03.2023
2011-12	-	31.03.2022	239.01	31.03.2022

**Note 27 Other non-current liabilities**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
Advance from customers (Consultancy/Telecom services) *	<b>238.08</b>	215.76
Others	<b>2.81</b>	2.30
<b>Total</b>	<b>240.89</b>	<b>218.06</b>

**Further Notes:**

\* Refer Note 46 for disclosure as per Ind AS 115 'Revenue from Contracts with Customers'



## Note 28 Borrowings

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Current maturities of long term borrowings</b>		
<b>Secured</b>		
Bonds	6,090.23	8,223.72
Rupee Term Loans	1,454.00	954.00
Foreign Currency Loans	2,585.90	2,722.35
	<b>10,130.13</b>	<b>11,900.07</b>
<b>Un-secured</b>		
Bonds	3,813.41	-
Rupee Term Loans	550.00	-
Foreign Currency Loans	672.33	271.34
	<b>5,035.74</b>	271.34
	<b>15,165.87</b>	12,171.41
<b>Short Term - Unsecured</b>		
From Banks	5,300.00	600.00
Commercial Paper	-	1,200.00
<b>Total</b>	<b>20,465.87</b>	<b>13,971.41</b>

### Further Notes:

- Commercial Papers/short term loan are unsecured in nature, with rate of interest ranging from 3.75% to 3.95% (Previous Year from 3.07% to 5.59%) and repayable within 90 days to 180 days (Previous Year in 44 days to 270 days) from the date of drawl.
- There has been no default in repayment of loans or payment of interest thereon as at the end of the year.

## Note 29 Trade payables

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
For goods and services		
(A) total outstanding dues of micro enterprises and small enterprises	47.19	29.76
(B) total outstanding dues of creditors other than micro enterprises and small enterprises*	218.95	156.54
<b>Total</b>	<b>266.14</b>	<b>186.30</b>

### Further Notes:

Disclosure with regard to Micro and Small enterprises as required under "Division II of Schedule III of The Companies Act, 2013" and "The Micro, Small and Medium Enterprises Development Act, 2006" is given in Note No 49.

\*Trade payables includes ₹ 0.12 Crore (Previous Year Nil) from related parties (Refer Note No 55).

Aging of Trade Payables is as follows:

(₹ in crore)

Particulars	Not Billed	<1Y	1Y-2Y	2Y-3Y	>3Y	Total
<b>As at 31.03.2022</b>						
<b>MSME</b>						
Disputed	-	-	-	-	-	-
Undisputed	12.65	34.54	-	-	-	47.19
<b>Total</b>	<b>12.65</b>	<b>34.54</b>	-	-	-	<b>47.19</b>
<b>Others</b>						
Disputed	-	-	-	-	-	-
Undisputed	85.39	126.66	3.29	1.19	2.42	218.95
<b>Total</b>	<b>85.39</b>	<b>126.66</b>	<b>3.29</b>	<b>1.19</b>	<b>2.42</b>	<b>218.95</b>
<b>Total Trade payables</b>	<b>98.04</b>	<b>161.20</b>	<b>3.29</b>	<b>1.19</b>	<b>2.42</b>	<b>266.14</b>

**Note 29 Trade payables (Contd.)**

(₹ in crore)

Particulars	Not Billed	<1Y	1Y-2Y	2Y-3Y	>3Y	Total
<b>As at 31.03.2021</b>						
<b>MSME</b>						
Disputed	-	-	-	-	-	-
Undisputed	2.80	26.96	-	-	-	29.76
<b>Total</b>	<b>2.80</b>	<b>26.96</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29.76</b>
<b>Others</b>						
Disputed	-	-	-	-	-	-
Undisputed	45.61	98.53	5.14	2.53	4.73	156.54
<b>Total</b>	<b>45.61</b>	<b>98.53</b>	<b>5.14</b>	<b>2.53</b>	<b>4.73</b>	<b>156.54</b>
<b>Total Trade payables</b>	<b>48.41</b>	<b>125.49</b>	<b>5.14</b>	<b>2.53</b>	<b>4.73</b>	<b>186.30</b>

**Note 30 Other Current Financial Liabilities**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Interest accrued but not due on borrowings from</b>		
Foreign Banks & Financial Institutions	86.13	94.09
Secured/Unsecured redeemable Bonds	2,695.64	3,007.43
	<b>2,781.77</b>	<b>3,101.52</b>
<b>Interest accrued but not due from Govt. of India fully serviced bonds</b>	<b>36.22</b>	<b>36.22</b>
<b>Others</b>		
Dues for capital expenditure	734.44	1,060.31
Employee related liabilities	51.25	72.90
Unclaimed dividends & FPO*	28.64	20.88
Deposits/Retention money from contractors and others	3,010.03	3,510.37
Related parties**	2.63	-
Dividend Payable	-	2.85
Others #	763.92	2,423.53
	<b>4,590.91</b>	<b>7,090.84</b>
<b>Total</b>	<b>7,408.90</b>	<b>10,228.58</b>

**Further notes:**

Disclosure with regard to Micro and Small enterprises as required under "The Micro, Small and Medium Enterprises Development Act, 2006" is given in Note No 49.

\* No amount is due for payment to Investor Education and Protection Fund.

\*\* Details of amount payable to related parties are provided in Note 55.

# Others include liability for payment against Long Term Access (LTA), Short Term Open Access (STOA), ISTS License recovery, Price variation, etc.

**Note 31 Other current liabilities**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
Advances from customers *	3,022.08	3,531.15
Advances from customers - related parties #	82.20	81.45
Statutory dues	99.13	259.09
<b>Total</b>	<b>3,203.41</b>	<b>3,871.69</b>



## Note 31 Other current liabilities (Contd.)

### Further notes:

\* Refer Note 46 for disclosure as per Ind AS 115 'Revenue from Contracts with Customers'.

# Details of amount payable to related parties are provided in Note 55.

## Note 32 Provisions

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>A) Employee Benefits</b>		
<b>i) Performance related pay /special incentive</b>		
As per last balance sheet	509.83	461.00
Addition during the year	438.74	509.83
Amount paid/adjusted during the year	509.83	461.00
Closing Balance	438.74	509.83
<b>ii) Other Employee Benefits (Leave Encashment, Settlement Allowance and Long Service Award etc.)</b>		
As per last balance sheet	67.65	76.77
Additions/(adjustments) during the year	184.21	(9.12)
Closing Balance	251.86	67.65
<b>Total (A)</b>	<b>690.60</b>	<b>577.48</b>
<b>B) Others</b>		
<b>i) Downtime Service Credit-Telecom</b>		
As per last balance sheet	8.86	11.36
Additions during the year	3.42	12.38
Amounts adjusted during the year	9.03	14.88
Closing Balance	3.25	8.86
<b>ii) Provision Others</b>		
As per last balance sheet	249.54	192.82
Additions/(adjustments) during the year	(11.08)	56.72
Closing Balance	238.46	249.54
<b>Total (B)</b>	<b>241.71</b>	<b>258.40</b>
<b>Total (A+B)</b>	<b>932.31</b>	<b>835.88</b>

### Further Notes:

#### A) Employee Benefits

##### i) Performance Related Pay/Special Incentive:

Provision is created for Performance Related Pay to Executives and Non-Executives

##### ii) Other Employee Benefits:

Provision is created for the purpose of meeting out leave encashment, settlement allowance, long service award and POWERGRID Employee Family Rehabilitation Scheme. Refer Note No 63 for detailed disclosure related to Employee Benefit Obligations.

#### B) Others:

##### i) Downtime Service Credit –Telecom:

Provision is created in case when actual downtime is in excess of the permissible service level agreement, in such cases the necessary credit is passed on to the customer on demand.

However, in some cases, the downtime is not claimed by the customers then in such cases necessary provision on account of downtime is made in the books of accounts as per the links availability reports received from National Telecom Control Centre (NTCC) for the period of non-operation of links given to the customers. The calculation of downtime credit is based on the SLA signed with various customers.

### Note 32 Provisions (Contd.)

#### ii) Provision Others:

It includes provision for entry tax ₹165.24crore (Previous Year ₹156.98crore) as per demand raised by revenue authorities disputed by the company and are under litigation. An amount of ₹8.94crore (Previous Year ₹8.24crore) has been paid under court order and shown as "Balance with custom port trust and other authorities" in note no. 19.

Also includes provision of ₹0.00crore (Previous Year ₹0.46crore) towards demand raised by the commercial taxes department of Telangana in relation to absence of statutory form and other evidence on account of inter-state sale not covered by 'C' form.

### Note 33 Current Tax Liabilities (Net)

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Taxation (Including interest on tax)</b>		
As per last balance sheet	9,061.76	6,453.47
Additions during the year	3,143.03	2,610.49
Amount adjusted during the year	3,961.75	2.20
<b>Total</b>	<b>8,243.04</b>	<b>9,061.76</b>
Net off against Advance tax and TDS	8,243.04	8,636.25
<b>Closing Balance</b>	<b>-</b>	<b>425.51</b>

### Note 34 Deferred Revenue

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
Advance against depreciation	858.29	1,010.75
Grants in aid (Refer Further Notes)		
As per last Balance Sheet	3,926.11	4,147.01
Addition during the year	22.04	107.99
Adjustments during the year	300.26	328.89
Closing balance	3,647.89	3,926.11
Deferred income from foreign currency fluctuation (Net)	5,008.36	4,817.29
<b>TOTAL</b>	<b>9,514.54</b>	<b>9,754.15</b>

#### Further Notes:

- Grant in Aid of ₹0.00crore (Previous Year ₹5.95crore) was received from Power System Development Fund (PSDF) under Ministry of Power (MoP), Govt. of India (Gol) for installation of STATCOM in ER (ERSS-XI) and SR (System Strengthening in SR-XXI). In addition to Grant received, an interest of ₹0.02crore (Previous Year ₹1.43crore) credited to the Grant. An amount of ₹ 8.99 crore is repayable to Ministry of Power (MoP), Govt. of India (Gol) on account of cost savings in the projects. Accordingly, the said amount is shown as payable under Other Current Financial Liabilities.
- Grant in Aid of ₹0.41crore (Previous Year ₹0.75crore) including interest has been recognised, from Power System Development Fund (PSDF) under MoP, Gol for establishment of Unified Real Time Dynamic State Measurement (URTDMS).
- Grant in Aid, of ₹27.59crore (Previous Year ₹99.83crore) including interest has been recognised, from Ministry of New & Renewable Energy (MNRE), Gol for establishment of transmission system associated with Ultra Mega Solar Parks in Andhra Pradesh, Karnataka, Madhya Pradesh, Rajasthan and Gujarat.
- Grant in Aid of ₹0.02crore (Previous Year ₹0.03crore) has been recognised under achievement linked/incentive award scheme for Government Sector by Ministry of New & Renewable Energy (MNRE), Gol for establishing solar roof top plants in various buildings of the company.
- Grant in Aid of ₹ 2.99Crore (Previous Year ₹ 0.00crore) was received from Ministry of New & Renewal Energy (MNRE) for creating awareness activities for Pradhan Mantri Kisan Urja Suraksha evam Utthaan Mahabhiyaan (PM KUSUM) in Andhra Pradesh, Kerala and Rajasthan.


**Note 35 Revenue from operations**

(₹ in crore)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Sales of services</b>		
<b>Transmission Business</b>		
Transmission Charges	<b>37,654.68</b>	35,960.86
Add: Revenue recognised out of Advance Against Depreciation	<b>152.46</b>	160.06
	<b>37,807.14</b>	36,120.92
<b>Other Operating Revenue</b>		
Interest on differential Provisional and Final Tariff	<b>480.78</b>	2.48
Income from lease lines	<b>6.23</b>	4.63
Recognised from deferred revenue - Grant in aid	<b>300.26</b>	328.89
	<b>787.27</b>	336.00
	<b>38,594.41</b>	36,456.92
<b>Telecom Business</b>	<b>580.34</b>	707.45
<b>Consultancy Project Management and Supervision</b>	<b>753.34</b>	501.28
<b>Total</b>	<b>39,928.09</b>	<b>37,665.65</b>

**Further notes:**

- In exercise of powers u/s 178 of the Electricity Act 2003, Central Electricity Regulatory Commission (CERC) has notified "CERC (Terms and Conditions of Tariff) Regulations, 2019" vide order dated 07.03.2019 for the determination of transmission tariff for the block period 2019-24.
- The company has recognised transmission income during the year as per the following:
  - ₹20,297.33 crore (Previous Year ₹9,407.16 crore) as per final tariff orders issued by CERC for block period 2019-24 and
  - ₹17,509.81 crore (Previous Year ₹26,713.76 crore) provisionally as per CERC Tariff Regulations for the block period 2019-24 and other orders in similar cases, in respect of transmission assets for which final tariff orders are yet to be issued.
- Consequent to the final order issued by CERC, transmission income includes ₹628.80 crore (increase) (Previous Year ₹538.30 crore (increase)) pertaining to earlier years.
- Refer note no. 66 for disclosure on formation of wholly owned subsidiary of the company to undertake Telecommunications and Digital Technology Business of the company.
- Refer note no. 46 for disclosure as per Ind AS 115 "Revenue from Contracts with Customers".

**Note 36 Other income**

(₹ in crore)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Interest income from</b>		
Indian Banks	<b>122.01</b>	58.59
loans to Subsidiaries	<b>883.07</b>	1,055.77
Loans to Joint Ventures (JVs)	<b>2.36</b>	11.71
Investment in PG InvIT	<b>68.52</b>	-
Others*	<b>36.96</b>	99.78
	<b>1,112.92</b>	1,225.85
<b>Interest from advances to contractors</b>	<b>13.64</b>	13.68
	<b>1,126.56</b>	1,239.53



**Note 36 Other income**

(₹ in crore)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Dividend income from</b>		
Subsidiaries	436.40	546.63
Joint Ventures	68.38	107.15
Associates	116.75	-
Investment in PG InvIT	33.85	-
Equity Investments designated at fair value through other comprehensive income	9.00	9.00
	<b>664.38</b>	662.78
<b>Others</b>		
Profit on sale of Property, Plant and Equipment	0.02	12.60
Profit on sale of Investment in Mutual Funds	15.95	-
Finance Income from finance lease	73.12	81.18
Surcharge	364.46	714.15
FERV gain	0.03	0.02
Provisions written back	13.13	24.55
Fair Value gain on initial recognition of Financial liability/investment	21.37	19.31
Miscellaneous income **	152.86	129.41
	<b>640.94</b>	981.22
	<b>2,431.88</b>	<b>2,883.53</b>
Less: Transferred to expenditure during construction (Net) - Note 43	24.10	22.07
<b>TOTAL</b>	<b>2,407.78</b>	<b>2,861.46</b>

**Further Notes:**

\* Others include interest on employee loans, unwinding of finance cost on employee loans etc.

\*\* Miscellaneous income include Sale of Scrap, Insurance Claim Recovery, UI Charges, other income etc.

**Note 37 Employee benefits expense**

(₹ in crore)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries, wages, allowances & benefits	2,087.20	2,068.18
Contribution to provident and other funds	269.31	322.95
Staff Welfare expenses (Including Deferred Employee cost)	271.41	203.24
	<b>2,627.92</b>	2,594.37
Less: Transferred to Expenditure during Construction(Net)-Note 43	383.65	483.63
Transferred to CSR expenses- Note 40	9.51	-
<b>Total</b>	<b>2,234.76</b>	<b>2,110.74</b>

**Further Notes:**

a) Refer note no 55 for Remuneration to Key Managerial Personnel (KMPs).

b) Refer note no 63 for details of Employee Benefit Obligations.

c) Employee benefits expense includes ₹ 29.32 crore for FY 2021-22 related to Central Transmission Utility of India Limited (Refer Note No 66 D).


**Note 38 Finance costs**

(₹ in crore)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Interest and finance charges on financial liabilities at amortised cost</b>		
Indian Banks & Financial Institutions	1,720.44	1,870.82
Foreign Banks and Financial Institutions	396.36	562.31
Secured/Unsecured redeemable Bonds	5,569.52	6,062.56
Foreign Currency Bonds	158.76	156.82
<b>Unwinding of discount on financial liabilities</b>	<b>52.86</b>	60.17
<b>Interest - Others</b>	<b>1.99</b>	5.26
<b>Interest on Lease Liability</b>	<b>3.84</b>	1.75
	<b>7,903.77</b>	8,719.69
<b>Other Finance charges</b>		
Commitment charges	0.01	1.28
Guarantee Fee	354.83	376.44
Others*	22.94	58.25
	<b>377.78</b>	435.97
<b>Exchange differences regarded as adjustment to Borrowing Cost</b>	<b>212.65</b>	(223.10)
	<b>590.43</b>	212.87
	<b>8,494.20</b>	8,932.56
Less: Transferred to Expenditure during Construction(Net)-Note 43	283.26	431.55
<b>Total</b>	<b>8,210.94</b>	<b>8,501.01</b>

**Further Notes:**

\*Others includes agency fees, trustee fees, RTA & Listing Fees, Rating Fees, interest on land compensation, tree & crop compensation etc.

**Note 39 Depreciation and amortization expense**

(₹ in crore)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation of Property, Plant and Equipment	12,795.29	11,921.39
Amortization of Intangible assets	122.96	118.72
Depreciation on ROU Assets	21.89	20.06
	<b>12,940.14</b>	12,060.17
Less: Transferred to Expenditure During Construction(Net)-Note 43	12.66	12.56
	<b>12,927.48</b>	<b>12,047.61</b>
Less: Depreciation amortised due to FERV adjustment	376.90	335.93
<b>Charged to Statement of Profit &amp; Loss</b>	<b>12,550.58</b>	<b>11,711.68</b>

**Note 40 Other expenses**

(₹ in crore)

<b>Particulars</b>	<b>For the year ended 31 March 2022</b>	<b>For the year ended 31 March 2021</b>
<b>Repair &amp; Maintenance</b>		
Buildings	99.19	90.00
Plant & Machinery		
Sub-Stations	431.43	385.10
Transmission lines	190.03	204.36
Telecom equipments	52.55	45.02
Others	44.99	39.10
	<b>719.00</b>	673.58
System and Market Operation Charges	99.99	55.24
Power charges	291.73	264.42
Less: Recovery from contractors	0.89	2.68
	<b>290.84</b>	261.74
Expenses of Diesel Generating sets	4.91	3.52
Stores consumed	5.22	5.45
Water charges	4.34	4.51
Right of Way charges-Telecom	68.73	62.59
Patrolling Expenses-Telecom	2.27	0.68
Last Mile connectivity-Telecom	7.26	7.44
Training & Recruitment Expenses	20.03	17.78
Less:Fees for training and application	0.94	0.12
	<b>19.09</b>	17.66
Legal expenses	15.51	13.23
Professional charges	31.32	20.95
Consultancy expenses	1.07	0.40
Communication expenses	24.28	20.92
Inland Travelling Expenses	111.44	90.32
Foreign travel	3.46	1.78
	<b>114.90</b>	92.10
Tender expenses	2.23	1.93
Less: Sale of tenders	1.14	1.53
	<b>1.09</b>	0.40
<b>Payments to Statutory Auditors</b>		
Audit Fees	1.57	1.43
Tax Audit Fees	0.44	0.40
In Other Capacity	1.27	1.15
Out of pocket Expenses	0.27	0.13
	<b>3.55</b>	3.11
Advertisement and publicity	8.94	6.97
Printing and stationery	4.73	4.41
Books Periodicals and Journals	1.20	0.84
EDP hire and other charges	11.76	10.51
Entertainment expenses	4.13	3.78


**Note 40 Other expenses**

(₹ in crore)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Brokerage & Commission	1.84	0.91
Research & Development expenses	0.34	4.55
Cost Audit and Physical verification Fees	1.28	1.39
Rent #	34.81	39.80
CERC petition & Other charges	85.99	73.55
Miscellaneous expenses	79.90	58.17
Horticulture Expenses	39.08	33.64
Security Expenses	310.38	290.98
Hiring of Vehicle	138.44	117.98
Insurance	134.40	110.44
Rates and taxes	39.92	36.93
License Fees to DOT	54.09	62.47
Bandwidth charges dark fibre lease charges (Telecom)	22.84	23.15
Corporate Social Responsibility (CSR) Expenses *	271.14	240.48
Transit Accomodation Expenses	38.32	32.21
Less : Income from Transit Accomodation	1.25	0.97
	<b>37.07</b>	31.24
Foreign Exchange Rate Variation	6.72	60.68
Provisions for doubtful loans, advances, debts, claims etc.	4.21	7.49
	<b>2,805.77</b>	2,553.88
Less:Transferred to Expenditure during Construction (Net) - Note 43	62.56	70.00
	<b>2,743.21</b>	2,483.88
Loss on Disposal/Write off of Property, Plant & Equipment	28.41	15.09
<b>Total**</b>	<b>2,771.62</b>	<b>2,498.97</b>

**Further Note:**

\* Includes an amount of ₹ 9.51 crore (Previous Year NIL) transferred from Note No 37- 'Employee Benefits Expense'

# Refer Note No 50 for Short-term leases expenses.

\*\* includes consumption of imported materials during the year amounting to ₹ 2.45 crore (Previous Year ₹ 2.86 crore).

Other expenses includes ₹ 6.55 crore for FY 2021-22 related to Central Transmission Utility of India Limited (Refer Note No 66 D).

**Note 41 Net Movement in Regulatory Deferral Account Balances-Incomes/(expenses) (net of tax)**

(₹ in crore)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Deferred assets for deferred tax liability	(727.94)	568.46
Foreign Currency Fluctuation	93.03	(85.17)
Employee Benefits and Other Expense	1.60	-
	<b>(633.31)</b>	483.29
Tax on net movement in regulatory deferral account balances	(110.65)	84.44
<b>TOTAL</b>	<b>(522.66)</b>	<b>398.85</b>

**Further Note:**

Refer to note no 51 for detailed disclosure on Regulatory Deferral Account Balances.

**Note 42 Other Comprehensive Income**

(₹ in crore)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Items that will not be reclassified to Profit or Loss		
Gain/(Loss) on valuation of Investment in Equity	<b>478.85</b>	39.80
Provisions for actuarial valuation	<b>(196.74)</b>	(19.94)
	<b>282.11</b>	19.86
Less: Transferred to Expenditure during Construction(Net)-Note 43	<b>(34.34)</b>	(2.44)
	<b>316.45</b>	<b>22.30</b>
Less: Income Tax relating to items that will not be reclassified to Profit or Loss		
Current Tax	<b>(28.38)</b>	(3.06)
Deferred Tax	<b>53.90</b>	-
	<b>25.52</b>	(3.06)
<b>Items that will not be reclassified to Profit or Loss (net of tax)</b>	<b>290.93</b>	<b>25.36</b>

**Further Note:**

Other Comprehensive Income includes ₹ 0.05 crore for FY 2021-22 related to Central Transmission Utility of India Limited (Refer Note No 66 D).

**Note 43 Expenditure during Construction (Net)**

(₹ in crore)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>A. Employees Remuneration &amp; Benefits</b>		
Salaries wages allowances and benefits	<b>319.75</b>	419.65
Contribution to provident and other funds	<b>43.07</b>	41.13
Welfare expenses	<b>20.83</b>	22.85
<b>Total (A)</b>	<b>383.65</b>	<b>483.63</b>
<b>B. Other Expenses</b>		
Repair and maintenance	<b>1.04</b>	7.39
Power charges	<b>3.15</b>	7.22
Less: Recovery from contractors	<b>0.20</b>	2.22
	<b>2.95</b>	5.00
Expenses on Diesel Generating sets	<b>0.06</b>	0.06
Water charges	<b>0.08</b>	0.04
Legal expenses	<b>1.47</b>	1.61
Professional charges	<b>3.80</b>	1.32
Consultancy expenses	<b>0.19</b>	0.04
Communication expenses	<b>2.58</b>	2.96
Travelling & Conv.exp. (Including Foreign Travel)	<b>19.52</b>	17.81
Tender expenses	<b>1.08</b>	1.84
Less: Sale of tenders	<b>1.06</b>	1.46
	<b>0.02</b>	0.38
Payment to Auditors	-	0.10
Advertisement and Publicity	-	0.07
Printing and stationery	<b>0.16</b>	0.32
EDP hire and other charges	<b>0.06</b>	0.11
Entertainment expenses	<b>0.03</b>	0.31
Brokerage and commission	<b>0.01</b>	0.16


**Note 43 Expenditure during Construction (Net) (Contd.)**

(₹ in crore)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Rent	0.76	2.40
Miscellaneous expenses	4.11	1.79
Horticulture Expenses	-	0.17
Security Expenses	12.80	11.13
Hiring of Vehicles	9.53	14.04
Insurance	-	0.01
Rates and taxes	1.95	1.94
Bandwidth charges, dark fibre lease charges(Telecom)	0.38	0.01
Transit Accomodation Expenses	1.08	0.83
Less : Income from Transit Accomodation	0.02	-
	1.06	0.83
<b>Total (B)</b>	<b>62.56</b>	<b>70.00</b>
<b>C. Depreciation/Amortisation</b>	<b>12.66</b>	<b>12.56</b>
<b>Total (C)</b>	<b>12.66</b>	<b>12.56</b>
<b>D. Finance Costs</b>		
a) Interest and finance charges on financial liabilities at amortised cost		
Indian Banks and Financial Institutions	109.55	199.64
Foreign Banks and Financial Institutions	16.82	128.42
Secured/Unsecured Redeemable Bonds	107.78	190.65
Foreign Currency Bonds	0.84	0.80
Others	3.74	8.19
	238.73	527.70
b) Other finance charges		
Commitment charges	-	0.85
Guarantee fee & others	11.12	46.30
	11.12	47.15
c) FERV adjustment to borrowing cost	33.41	(143.30)
<b>Total (D)</b>	<b>283.26</b>	<b>431.55</b>
<b>E. Less: Other Income</b>		
Interest from		
Contractors	12.75	13.05
Others	0.93	1.71
	13.68	14.76
Miscellaneous income	10.42	7.31
<b>Total (E)</b>	<b>24.10</b>	<b>22.07</b>
<b>F. Less: Other Comprehensive Income</b>		
Other Comprehensive Income	(34.34)	(2.44)
<b>Total (F)</b>	<b>(34.34)</b>	<b>(2.44)</b>
<b>Grand Total (A+B+C+D-E-F)</b>	<b>752.37</b>	<b>978.11</b>



44. Cash equivalent of deemed export benefits availed of ₹209.99crore in respect of supplies effected for East South Inter Connector-II Transmission Project (ESI) and Sasaram Transmission Project (STP), were paid to the Customs and Central Excise Authorities in accordance with direction from Ministry of Power (GOI) during 2002-03 due to non-availability of World Bank loan for the entire supplies in respect of ESI project and for the supplies prior to March 2000 in respect of STP project and the same was capitalised in the books of accounts. Thereafter, World Bank had financed both the ESI project and STP project as originally envisaged and they became eligible for deemed export benefits. Consequently, the company has lodged claims with the Customs and Excise Authorities.

In this regard the Cumulative amount received and de-capitalized up to 31.03.2022 is ₹12.12crore (Previous Year ₹12.12crore). The company continued to show the balance of ₹197.87crore (Previous Year ₹197.87crore) in the capital cost of the respective assets / projects pending receipt of the same from Customs and Excise Authorities.

45. a) Some balances of Trade Receivables and recoverable shown under Assets and Trade and Other Payables shown under Liabilities include balances subject to confirmation/ reconciliation and consequential adjustments if any. However, reconciliations are carried out on ongoing basis. The management does not expect any material adjustment in the books of accounts as a result of the reconciliation.

b) In the opinion of the management, the value of any of the assets other than Property, Plant and Equipment and non-current investments on realization in the ordinary course of business will not be less than the value at which they are stated in the Balance Sheet.

#### 46. Disclosure as per Ind AS 115 - "Revenue from Contracts with Customers"

a) For milestone-based contracts (consultancy contracts), unsatisfied performance obligations are as follows:

(₹ in crore)

Particulars	As at 31.03.2022	As at 31.03.2021
Transaction price related to unsatisfied (or partially satisfied) performance obligation	1,845.97	2,477.46
These performance obligations are expected to be satisfied within	3 Years	3 Years

b) The movement in contract assets during the year is as follows:

(₹ in crore)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Balance at the beginning	2,157.17	1,172.13
Add: Revenue recognised during the period	8,301.35	4,987.15
Less: Invoiced/transferred to trade receivables during the period	4,869.70	4,002.11
Balance at the end	5,588.82	2,157.17

c) The movement in contract liability during the year is as follows:

(₹ in crore)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Balance at the beginning	1,035.14	1,164.02
Add: Advance billing during the period	865.78	548.83
Less: revenue recognised during the period		
a) From contract liability as at beginning of the period	691.95	588.09
b) From contract liability recognised during the period	186.42	89.45
Add: Translation gain/(Loss)	0.18	(0.17)
Balance at the end	1,022.73	1,035.14

d) The entity determines transaction price based on expected value method considering its past experiences of refunds or significant reversals in amount of revenue. In estimating significant financing component, management considers the financing element in-built in the transaction price based on imputed rate of return. Reconciliation of Contracted Price vis-a-vis revenue recognized in profit or loss statement is as follows:



**46. Disclosure as per Ind AS 115 - “Revenue from Contracts with Customers” (Contd.)**

(₹ in crore)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Contracted price	38,670.15	36,790.75
Add/ (Less)- Discounts/ rebates provided to customer	(163.40)	(107.79)
Add/ (Less)- Performance bonus	400.96	413.53
Add/ (Less)- Adjustment for significant financing component	80.65	73.10
Add/ (Less)- Other adjustments	939.73	496.06
Revenue recognised in profit or loss statement	39,928.09	37,665.65

47. (i) FERV Loss of ₹568.13crore (Previous Year FERV Gain of ₹450.57crore) has been adjusted in the respective carrying amount of Property, Plant and Equipment/Capital work in Progress (CWIP)/Lease Receivables.

(ii) FERV Loss of ₹6.69crore (Previous Year FERV Loss of ₹60.66crore) has been recognised in the Statement of Profit and Loss.

48. Borrowing cost capitalised during the year is ₹283.26crore (Previous Year ₹431.55crore) in the respective carrying amount of Property, Plant and Equipment/Capital work in Progress (CWIP) as per Ind AS 23 ‘Borrowing Costs’.

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

(₹ in crore)

Sr. No	Particulars	Trade Payables		Others	
		As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
1	Principal amount and interest due thereon remaining unpaid to any supplier as at end of each accounting year:				
	Principal	47.19	29.75	5.43	3.65
	Interest	-	0.01	-	-
2	The amount of Interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-	-	-
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	0.01	-	-
4	The amount of interest accrued and remaining unpaid at the end of each accounting year	-	0.01	-	-
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-	-	-

**50. Disclosure as per Ind AS 116 - “Leases”**

**a) As a Lessor - Finance Leases:**

The Company has classified and accounted for the arrangements for state sector ULDC assets and bilateral assets as finance leases. Agreements for State Sector ULDC are for a period of 15 years and Bilateral Line Assets with the beneficiary are for the period as specified in CERC Regulations.

Other Non-Current Financial Assets and Other Current Financial Assets include lease receivables representing the present value of future lease rentals receivable on the finance lease transactions entered into by the company with the constituents in respect of State Sector ULDC and Bilateral Line Assets. Disclosure requirements of Ind AS 116 ‘Leases’ notified under the Companies Act, 2013 are given as under:

(i) Details of gross investment in lease, un-earned finance income and present value of minimum lease payments receivables at the end of financial year are given as under:

**50. Disclosure as per Ind AS 116 - "Leases" (Contd.)**

(₹ in crore)

Particulars	As at 31.03.2022	As at 31.03.2021
Gross investment in Lease	1,377.63	1452.27
Un-earned Finance Income	835.91	902.54
Present value of Minimum Lease Payment (MLP)	541.72	549.73

(ii) The value of contractual maturity of such leases is as under:

(₹ in crore)

Particulars	Gross Investment in Lease		Present Value of MLPs	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Not later than one year	131.32	129.19	51.92	48.46
Later than one year and not later than two years	131.32	129.00	53.03	49.27
Later than two years and not later than three years	131.32	129.00	54.29	50.39
Later than three years and not later than four years	131.32	129.00	55.71	51.65
Later than four years and not later than five years	131.32	129.00	57.31	53.07
Later than five years	721.03	807.08	269.46	296.89
<b>Total</b>	<b>1,377.63</b>	<b>1,452.27</b>	<b>541.72</b>	<b>549.73</b>

(iii) There are differences in balance lease receivable as at year end as per accounts and tariff records on account of Undischarged liabilities & Unamortized FERV on loans amounting to ₹101.28crore (Previous Year ₹105.02crore). Undischarged liabilities become part of project cost only on discharge of such liabilities & FERV are allowed to be recovered as part of tariff on actual payment basis.

**b) As a Lessee:**

The company has taken assets on lease such as dark fibre, colocation & repeater shelter spaces and office buildings etc. for various periods which are assessed and accounted as per the requirements of Ind AS 116 – "Leases" and required disclosures as per the said Ind AS are as follows:

**(i) ROU Assets:**

Additions, termination/disposal and depreciation charge on right of use assets for the year and carrying amount of the same as at the end of the financial year by class of underlying asset has been disclosed in note no. 4 as a separate line item.

**(ii) Lease Liabilities:**

Interest expense on lease liabilities for the year is shown under note no. 38 and total cash outflow for leases for the year has been disclosed in statement of cash flow under financing activities as separate line item and maturity analysis of lease liabilities has been disclosed in note no. 61.

**(iii) Short term leases:**

The company, during the financial year, has incurred ₹32.90crore (Previous Year ₹37.56crore) with respect to short term leases.

The company was committed to short term leases and the total commitment of such leases at the end of financial year was ₹7.09crore (Previous Year ₹5.94crore).

**51. Disclosures relating to Regulatory Deferral Account Balances****i) Nature of rate regulated activities**

The company is mainly engaged in the business of transmission of power. The tariff for transmission of power is determined by the CERC through tariff regulations. The tariff is based on capital cost admitted by CERC and provides for transmission charges recovery of annual fixed cost consisting of Return on equity, Interest on loan capital, Depreciation, interest on working capital and Operation & Maintenance expenses.

**ii) Recognition and measurement**

FERV arising during the construction period for settlement/translation of monetary items (other than non-current loans) denominated in foreign currency to the extent recoverable/payable to the beneficiaries as capital cost as per CERC Tariff Regulations are accounted as Regulatory Deferral Account Balances. In respect of long term foreign currency loan drawn on or after 01.04.2016, exchange difference to the extent recoverable as per CERC Tariff Regulations are recognised as Regulatory Deferral Account Balances. The company expects to recover these amounts through depreciation component of the tariff over the life of the asset or as exchange rate variation on repayment of the loan.



### 51. Disclosures relating to Regulatory Deferral Account Balances (Contd.)

The tariff norms for the block period 2019-2024 notified by the Central Electricity Regulatory Commission (CERC) provide for grossing up of the return on equity based on effective tax rate for the financial year based on the actual tax paid during the year on the transmission income. Accordingly, deferred tax provided during the year ended 31.03.2022 on the transmission income is accounted as 'Deferred Assets against Deferred Tax Liability'. Deferred Assets against Deferred Tax Liability for the year will be reversed in future years (including tax holiday period) when the related deferred tax liability forms a part of current tax.

The cumulative amount of ₹ 135.76 crore (cumulative previous year amount of ₹134.16 crore) on account of pay revision and other expenses which are not capitalised but allowed as capital cost as per CERC Tariff Regulations is recoverable from the beneficiaries is included in Regulatory Deferral Account Balances and will be adjusted in the year in which they become recoverable from beneficiaries as per CERC. Amount of regulatory deferral account balances is on undiscounted basis.

#### iii) Risk associated with future recovery/ reversal of regulatory deferral account balances

- (a) regulatory risk on account of changes in regulations.
- (b) other risks including currency or other market risks, if any.

Any change in the Tariff regulations beyond the current tariff period ending on 31.03.2024 may have an impact on the recovery of Regulatory Deferral Account Balances.

The Regulatory Deferral Account Balances (assets) recognized in the books to be recovered from the beneficiaries in future periods are as follows:

(₹ in crore)

Particulars	As at 31.03.2022	As at 31.03.2021
A. Opening Balance	10,606.35	10,123.06
B. Addition/(deduction) during the year	(557.90)	553.94
C. Amount collected/refunded during the year	75.41	70.65
D. Regulated Income/(Expense) recognised in the statement of Profit and Loss (B-C)	(633.31)	483.29
E. Closing Balance (A+D)	9,973.04	10,606.35
F. Tax on Regulated Income/(Expense) recognised in the statement of Profit and Loss	(110.65)	84.44

### 52. Disclosure as required by Regulation 34 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

- A. Loans and Advances in nature of Loans:
  - 1. To Subsidiary Companies and Joint Ventures

(₹ in crore)

Name of the Company	Outstanding balance		Maximum amount outstanding	
	As at 31.03.2022	As at 31.03.2021	For the year ended 31.03.2022	For the year ended 31.03.2021
<b>Subsidiaries</b>				
Powergrid NM Transmission Limited	905.06	891.36	908.36	1,094.41
Powergrid Vizag Transmission Limited	-	783.99	783.99	813.31
Powergrid Unchahar Transmission Limited	34.59	36.06	36.06	40.32
Powergrid Kala Amb Transmission Limited	-	186.00	186.00	203.26
Powergrid Jabalpur Transmission Limited	-	1,183.00	1,183.00	1,221.56
Powergrid Warora Transmission Limited	-	1,540.00	1,540.00	1,567.50
Powergrid Parli Transmission Limited	-	1,300.50	1,300.50	1,366.50
Powergrid Southern Interconnector Transmission System Limited	2,651.33	2,745.28	2,745.28	2,923.66
Powergrid Medinipur Jeerat Transmission Limited	2,523.54	2,373.02	2,523.54	2,373.02
Powergrid Mithilanchal Transmission Limited	927.38	864.16	927.38	864.16
Powergrid Varanasi Transmission System Limited	739.49	658.05	744.72	658.05
Powergrid Jawaharpur Firozabad Transmission Limited	345.66	325.66	348.15	325.66

**52. Disclosure as required by Regulation 34 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Contd.)**

(₹ in crore)

Name of the Company	Outstanding balance		Maximum amount outstanding	
	As at 31.03.2022	As at 31.03.2021	For the year ended 31.03.2022	For the year ended 31.03.2021
Powergrid Khetri Transmission System Limited	786.71	632.97	786.71	632.97
Powergrid Bhuj Transmission Limited	765.75	331.53	765.75	331.53
Powergrid Bhind Guna Transmission Limited	366.65	241.90	366.65	241.90
Powergrid Ajmer Phagi Transmission Limited	466.79	432.32	473.18	432.32
Powergrid Fatehgarh Transmission Limited	517.06	446.86	520.82	446.86
Powergrid Rampur Sambhal Transmission Limited	439.80	105.38	439.80	105.38
Powergrid Meerut Simbhavali Transmission Limited	614.99	161.99	614.99	161.99
Powergrid Ramgarh Transmission Limited	91.84	5.82	91.84	5.82
Powergrid Himachal Transmission Limited	115.14	-	159.14	-
Powergrid Bikaner Transmission System Limited	424.59	-	424.59	-
Powergrid Sikar Transmission Limited	478.97	-	478.97	-
Powergrid Bhadla Transmission Limited	279.72	-	279.72	-
Powergrid Aligarh Sikar Transmission Limited	571.25	-	571.25	-
<b>Joint Ventures</b>				
National High Power Test Laboratory Private Limited	18.40	18.40	18.40	18.40
Teestavalley Power Transmission Limited	-	29.29	29.29	95.00
<b>Total</b>	<b>14,064.71</b>	<b>15,293.54</b>	<b>19,248.08</b>	<b>15,923.58</b>

2. To firms/companies in which directors are interested: NIL

B. Investment by the loanee (as detailed above) in the shares of Power Grid Corporation of India Ltd: NIL

**53. Corporate Social Responsibility (CSR) Expenses**

As per Section 135 of the Companies Act, 2013 along with Companies (Corporate Social Responsibility Policy) Rules, 2014 read with DPE guidelines no F.No.15 (13)/2013-DPE (GM), the Company is required to spend, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years in accordance with its CSR Policy. The details of CSR expenses for the year are as under:

(₹ in crore)

Sl. No.	PARTICULARS	For the year ended 31.03.2022	For the year ended 31.03.2021
A	Gross Amount required to be spent during the year	257.07	233.79
B	Amount approved by the Board to be spent during the year	257.07	233.79
C	Amount spent on CSR –		
(i)	Construction or acquisition of any asset	117.30	115.72
(ii)	on Purpose other than (i) above	153.84	124.76
D	Total Shortfall/(Excess) amount	(14.07)	(6.69)
E	Break-up of the amount spent on CSR		
1	Education and Skill Development expenses	53.33	37.54
2	Ecology and Environment Expenses	5.28	7.26
3	Health and Sanitation expenses	189.72	171.96
4	Sports, Art and Culture expenses	1.74	1.85
5	Protection of national heritage, art and culture including restoration of building and sites of historical importance	1.36	0.01
6	Other CSR activities	9.74	21.50



### 53. Corporate Social Responsibility (CSR) Expenses (Contd.)

(₹ in crore)

Sl. No.	PARTICULARS	For the year ended 31.03.2022	For the year ended 31.03.2021
7	Salaries, wages and other benefits of Company's own CSR personnel limited to 5% of total amount required to be spent on CSR	9.97	0.36
	<b>Total Amount spent on CSR</b>	<b>271.14</b>	<b>240.48</b>
	Opening CSR Liability/Provision	6.81	8.56
	Add: CSR Expense	271.14	240.48
	Less: Amount paid in Cash	266.63	242.23
	Closing CSR Liability/Provision	11.32	6.81

Excess amount spent and carried forward to next financial year:

(₹ in crore)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Opening Balance	6.69	-
Amount required to be spent during the year	257.07	233.79
Amount spent during the year	271.14	240.48
Closing Balance	20.76	6.69

### 54. Fair Value Measurement

(₹ in crore)

Financial Instruments by category	As at 31.03.2022		As at 31.03.2021	
	FVOCI	Amortised cost	FVOCI	Amortised cost
<b>Financial Assets</b>				
<u>Investments</u>				
<u>Equity Instruments</u>				
PTC India Limited (12000006 shares of ₹ 10 each)	98.69		93.30	
Energy Efficiency Services Limited (Previous year 56118350 shares of ₹ 10 each)	-		45.40	
POWERGRID Infrastructure Investment Trust (136500100 units (Previous year NIL))	1,827.74		-	
Trade Receivables		9,106.82		8,470.20
Loans		14,598.05		15,902.92
Cash & cash Equivalents		2,457.47		4,430.05
Bank Balance		579.59		936.15
<b>Other Financial Assets</b>				
Current		6,125.77		3,031.53
Non-Current		4,078.44		4,220.96
<b>Total Financial assets</b>	<b>1,926.43</b>	<b>36,946.14</b>	<b>138.70</b>	<b>36,991.81</b>
<b>Financial Liabilities</b>				
Borrowings		1,37,447.04		1,46,153.00
Trade Payables		266.14		186.30
<b>Other Financial Liabilities</b>				
Current		4,627.13		7,127.06
Non-Current		3,523.00		3,696.39
<b>Total financial liabilities</b>	<b>-</b>	<b>1,45,863.31</b>	<b>-</b>	<b>1,57,162.75</b>

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are measured at fair value and financial instruments that are measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.



**54. Fair Value Measurement (Contd.)**

Financial instruments that are measured at Fair value:

(₹ in crore)

Particulars	Level 1	Level 2	Level 3	Total
<b>As at 31.03.2022</b>				
<b>Financial Assets</b>				
<u>Investments</u>				
<u>Equity Instruments</u>				
PTC India Limited (12000006 shares of ₹ 10 each)	98.69	-	-	98.69
POWERGRID Infrastructure Investment Trust (136500100 units)	1,827.74	-	-	1,827.74
<b>Total Financial Assets</b>	<b>1,926.43</b>	-	-	<b>1,926.43</b>

(₹ in crore)

Particulars	Level 1	Level 2	Level 3	Total
<b>As at 31.03.2021</b>				
<b>Financial Assets</b>				
<u>Investments</u>				
<u>Equity Instruments</u>				
PTC India Limited (12000006 shares of ₹ 10 each)	93.30	-	-	93.30
Energy Efficiency Services Limited (56118350 shares of ₹ 10 each)	-	45.40	-	45.40
<b>Total Financial Assets</b>	<b>93.30</b>	<b>45.40</b>	-	<b>138.70</b>

Financial instruments that are measured at Amortised Cost:

(₹ in crore)

Particulars	Level	As at 31.03.2022		As at 31.03.2021	
		Carrying Amount	Fair value	Carrying Amount	Fair value
<b>Financial Assets</b>					
<b>Loans</b>					
Loans to Subsidiaries	2	14,093.01	13,984.84	15,453.29	15,421.01
Loans to Joint Venture	2	21.74	18.27	52.88	49.04
Loans to employees	2	483.30	448.43	396.75	379.82
<b>Total Financial Assets</b>		<b>14,598.05</b>	<b>14,451.54</b>	<b>15,902.92</b>	<b>15,849.87</b>
<b>Financial Liabilities</b>					
Borrowings	2	1,37,447.04	1,41,617.91	1,46,153.00	1,52,058.52
Deposits/retention money from contractors and others	2	3,559.22	3,844.04	3,732.61	4,082.65
<b>Total financial liabilities</b>		<b>1,41,006.26</b>	<b>1,45,461.95</b>	<b>1,49,885.61</b>	<b>1,56,141.17</b>

The carrying amounts of trade receivables, trade payables, cash and cash equivalents and other current financial liabilities are considered to be the same as their fair values, due to their short-term nature. The carrying values for finance lease receivables approximates the fair value as these are periodically evaluated based on credit worthiness of customer and allowance for estimated losses is recorded based on this evaluation.

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

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

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

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

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



#### 54. Fair Value Measurement (Contd.)

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

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of Energy Efficiency Services Limited for the previous year has been determined by making qualitative adjustment to trading multiples such as P/E, EV/EBITDA of comparable listed prices. The same has been included in Level 2 fair value hierarchy.
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

All of the resulting fair value estimates are included in level 2 apart from equity instruments of PTC India Limited and POWERGRID Infrastructure Investment Trust which is included in Level 1 fair value hierarchy.

Fair value of financial instruments has been determined by an independent valuer.

#### 55. Disclosure as per Ind AS 24 - "Related Party Disclosures"

##### (a) Subsidiaries

Name of entity	Place of business/ Country of incorporation	Proportion of Ownership Interest	
		As at 31.03.2022	As at 31.03.2021
Powergrid Vemagiri Transmission Limited	India	100%	100%
Powergrid NM Transmission Limited	India	100%	100%
Powergrid Vizag Transmission Limited <sup>1</sup>	India	NA	100%
Powergrid Unchahar Transmission Limited	India	100%	100%
Powergrid Kala Amb Transmission Limited <sup>1</sup>	India	NA	100%
Powergrid Jabalpur Transmission Limited <sup>1</sup>	India	NA	100%
Powergrid Warora Transmission Limited <sup>1</sup>	India	NA	100%
Powergrid Parli Transmission Limited <sup>1</sup>	India	NA	100%
Powergrid Southern Interconnector Transmission System Limited	India	100%	100%
Powergrid Medinipur Jeerat Transmission Limited	India	100%	100%
Powergrid Mithilanchal Transmission Limited (Erstwhile ERSS XXI Transmission Limited)	India	100%	100%
Powergrid Varanasi Transmission System Limited (Erstwhile WR-NR Power Transmission Limited)	India	100%	100%
Powergrid Jawaharpur Firozabad Transmission Limited (Erstwhile Jawaharpur Firozabad Transmission Limited)	India	100%	100%
Powergrid Khetri Transmission System Limited (Erstwhile Khetri Transco Limited)	India	100%	100%
Powergrid Bhuj Transmission Limited (Erstwhile Bhuj-II Transmission Limited)	India	100%	100%
Powergrid Bhind Guna Transmission Limited (Erstwhile Bhind Guna Transmission Limited)	India	100%	100%
Powergrid Ajmer Phagi Transmission Limited (Erstwhile Ajmer Phagi Transco Limited)	India	100%	100%
Powergrid Fatehgarh Transmission Limited (Erstwhile Fatehgarh-II Transco Limited)	India	100%	100%
Powergrid Rampur Sambhal Transmission Limited (Erstwhile Rampur Sambhal Transco Limited)	India	100%	100%
Powergrid Meerut Simbhavali Transmission Limited (Erstwhile Meerut-Simbhavali Transmission Limited)	India	100%	100%
Central Transmission Utility of India Limited	India	100%	100%
Powergrid Ramgarh Transmission Limited (Erstwhile Ramgarh New Transmission Limited)	India	100%	100%
Powergrid Himachal Transmission Limited (Erstwhile Jaypee Powergrid Limited)	India	100%	100%

**55. Disclosure as per Ind AS 24 - "Related Party Disclosures" (Contd.)**

Name of entity	Place of business/ Country of incorporation	Proportion of Ownership Interest	
		As at 31.03.2022	As at 31.03.2021
Powergrid Bikaner Transmission System Limited (Erstwhile Bikaner-II Bhiwadi Transco Limited)	India	100%	100%
Powergrid Sikar Transmission Limited (Erstwhile Sikar New Transmission Limited) <sup>2</sup>	India	100%	NA
Powergrid Bhadla Transmission Limited (Erstwhile Fatehgarh Bhadla Transco Limited) <sup>2</sup>	India	100%	NA
Powergrid Aligarh Sikar Transmission Limited (Erstwhile Sikar II Aligarh Transmission Limited) <sup>3</sup>	India	100%	NA
Powergrid Teleservices Limited <sup>4</sup>	India	100%	NA
Powergrid Energy Services Limited <sup>5</sup>	India	100%	NA
<sup>1</sup> Subsidiary till 12.05.2021 (Associate from 13.05.2021 onwards) and Refer note 19A "Assets classified as held for sale"			
<sup>2</sup> 100% equity acquired from REC Power Distribution Company Limited on 04.06.2021.			
<sup>3</sup> 100% equity acquired from PFC Consulting Limited on 08.06.2021			
<sup>4</sup> Incorporated on 25.11.2021			
<sup>5</sup> Incorporated on 14.03.2022 as a wholly owned subsidiary of the Company to undertake the Energy Management Projects in India and abroad as an investor and/or Project Management Consultant (PMC) to provide services, products, investment & consultancy related to Energy Management.			

**(b) Joint Ventures**

Name of entity	Place of business/ Country of incorporation	Proportion of Ownership Interest	
		As at 31.03.2022	As at 31.03.2021
Powerlinks Transmission Limited	India	49%	49%
Torrent Power Grid Limited	India	26%	26%
Parbati Koldam Transmission Company Limited	India	26%	26%
Teestavalley Power Transmission Limited <sup>1</sup>	India	30.92%	30.92%
North East Transmission Company Limited	India	26%	26%
National High Power Test Laboratory Private Limited	India	20%	20%
Bihar Grid Company Limited	India	50%	50%
Energy Efficiency Services Limited <sup>2</sup>	India	33.33%	NA
Cross Border Power Transmission Company Limited <sup>3</sup>	India	26%	26%
RINL Powergrid TLT Private Limited <sup>4</sup>	India	50%	50%
Power Transmission Company Nepal Limited	Nepal	26%	26%
<sup>1</sup> POWERGRID & Teesta Urja Ltd are the Joint venture partners in Teestavalley Power Transmission Limited & holds 26% & 74 % equity, respectively as per Shareholding agreement. On call of additional equity by Teestavalley Power Transmission limited, POWERGRID contributed their share while the other JV partner has not yet contributed their share of money. Consequently, the holding of POWERGRID increased to 30.92% against 26% provided in shareholding agreement.			
<sup>2</sup> The Company has invested ₹ 407.49 crore during the year in Energy Efficiency Services Limited (EESL), thereby increasing its shareholding from 5.71% to 33.33%. EESL has been considered as Joint Venture w.e.f. 01.09.2021 being the Joint control has been reinstated vide Agreement dated 01.09.2021.			
<sup>3</sup> The Board of Directors of the company have, in its meeting held on 01 May 2022, approved the proposal for purchase of 77,30,225 no. equity shares held by IL&FS Energy Development Company Limited in Cross Border Power Transmission Company Limited (Joint venture of the company).			
<sup>4</sup> POWERGRID's Board of Directors in its meeting held on 01.05.2018 accorded in principle approval to close RINL Powergrid TLT Private Limited (RPTPL) and seek consent of other JV Partner Rashtriya Ispat Nigam Limited (RINL). RINL's Board of Directors in its meeting held on 08.03.2019 has agreed in principle for winding up proceedings of RPTPL & to seek the approval from Ministry of Steel, Government of India, for closure of RPTPL. RINL's Board of Directors in its meeting held on 05.11.2019 has advised to put up the closure proposal again to Ministry of steel for onward submission to NITI Ayog. The Ministry of Steel vide letter dated 29.09.2020 informed RINL that closure of RPTPL is being examined and seeks further clarifications from RINL. Accordingly, relevant information was forwarded by RINL to The Ministry of Steel. The Approval from Government is still awaited.			



## 55. Disclosure as per Ind AS 24 - "Related Party Disclosures" (Contd.)

### (c) Associates

Name of entity	Place of business/ Country of incorporation	Proportion of Ownership Interest	
		As at 31.03.2022	As at 31.03.2021
Powergrid Vizag Transmission Limited <sup>1</sup>	India	0%	NA
Powergrid Kala Amb Transmission Limited <sup>2</sup>	India	26%	NA
Powergrid Jabalpur Transmission Limited <sup>2</sup>	India	26%	NA
Powergrid Warora Transmission Limited <sup>2</sup>	India	26%	NA
Powergrid Parli Transmission Limited <sup>2</sup>	India	26%	NA
<sup>1</sup> Associate with holding of 26% from 13.05.2021 and transferred to PG InvIT on 31.03.2022 (Subsidiary till 12.05.2021) and Refer note 19A "Assets classified as held for sale"			
<sup>2</sup> Associate from 13.05.2021 onwards (Subsidiary till 12.05.2021) and Refer note 19A "Assets classified as held for sale"			

### (d) Key Managerial Personnel

#### Whole Time Directors

Name	Designation
Shri K. Sreekant	Chairman & Managing Director
Smt. Seema Gupta	Director (Operations)
Shri Vinod Kumar Singh	Director (Personnel)
Shri M. Taj Mukarrum	Director (Finance) and CFO
Shri Abhay Choudhary	Director (Projects)

#### Independent Directors

Name	Designation
Shri M.N. Venkatesan	Independent Director
Shri Sunil Kumar Sharma	Independent Director up to 22.07.2021
Smt. A.R. Mahalakshmi	Independent Director up to 25.07.2021
Shri Onkarappa K.N.	Independent Director from 17.11.2021
Shri Chetan Bansilal Kankariya	Independent Director from 17.11.2021
Shri Ram Naresh Tiwari	Independent Director from 18.11.2021

#### Government Nominee Directors and other KMP

Name	Designation
Shri Dilip Nigam	Government Nominee Director
Shri Mritunjay Kumar Narayan	Government Nominee Director [ceased to be director on 06.12.2021]
Shri Ghanshyam Prasad	Government Nominee Director w.e.f. 21.12.2021
Shri Mrinal Shrivastava	Company Secretary w.e.f. 01.07.2020

### (e) List of Other Related Parties

Name of Entity	Place of business/ country of incorporation	Nature of Relationship
Powergrid Employees P.F. Trust	India	Post-employment benefit plan of Powergrid
Powergrid Employees Defined Contribution Superannuation Benefit (Pension) Scheme Trust	India	Post-employment benefit plan of Powergrid
Powergrid Employees Gratuity Fund Trust	India	Post-employment benefit plan of Powergrid
Powergrid Employees Post-Retirement Medical Benefit Trust	India	Post Retirement Benefit plan of Powergrid
Powergrid Infrastructure Investment Trust	India	Sponsor

**55. Disclosure as per Ind AS 24 - "Related Party Disclosures" (Contd.)****(f) Government Related Entities**

The company is controlled by the Government of India (GOI), being a Central Public Sector Enterprise (CPSE) under the Ministry of Power, with GOI holding 51.34% (Previous Year 51.34%) of equity shares capital issued and paid up.

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

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

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

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

(₹ in crore)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Amounts Receivable</b>		
<b>Loans to Subsidiaries</b>		
Powergrid NM Transmission Limited	905.06	891.36
Powergrid Vizag Transmission Limited	-	783.99
Powergrid Unchahar Transmission Limited	34.59	36.06
Powergrid Kala Amb Transmission Limited	-	186.00
Powergrid Jabalpur Transmission Limited	-	1,183.00
Powergrid Warora Transmission Limited	-	1,540.00
Powergrid Parli Transmission Limited	-	1,300.50
Powergrid Southern Interconnector Transmission System Limited	2,651.33	2,745.28
Powergrid Medinipur Jeerat Transmission Limited	2,523.54	2,373.02
Powergrid Mithilanchal Transmission Limited	927.38	864.16
Powergrid Varanasi Transmission System Limited	739.49	658.05
Powergrid Jawaharpur Firozabad Transmission Limited	345.66	325.66
Powergrid Khetri Transmission System Limited	786.71	632.97
Powergrid Bhuj Transmission Limited	765.75	331.53
Powergrid Bhind Guna Transmission Limited	366.65	241.90
Powergrid Ajmer Phagi Transmission Limited	466.79	432.32
Powergrid Fatehgarh Transmission Limited	517.06	446.86
Powergrid Rampur Sambhal Transmission Limited	439.80	105.38
Powergrid Meerut Simbhavali Transmission Limited	614.99	161.99
Powergrid Ramgarh Transmission Limited	91.84	5.82
Powergrid Himachal Transmission Limited	115.14	-
Powergrid Bikaner Transmission System Limited	424.59	-
Powergrid Sikar Transmission Limited	478.97	-
Powergrid Bhadla Transmission Limited	279.72	-
Powergrid Aligarh Sikar Transmission Limited	571.25	-
<b>Total</b>	<b>14,046.31</b>	<b>15,245.85</b>
<b>Loans to Joint Ventures</b>		
National High Power Test Laboratory Private Limited	18.40	18.40
Teestavalley Power Transmission Limited	-	29.29
<b>Total</b>	<b>18.40</b>	<b>47.69</b>
<b>Interest Accrued on loan to Subsidiaries</b>		



**55. Disclosure as per Ind AS 24 - "Related Party Disclosures" (Contd.)**

(₹ in crore)

<b>Particulars</b>	<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
Powergrid NM Transmission Limited	-	53.35
Powergrid Medinipur Jeerat Transmission Limited	0.10	50.67
Powergrid Mithilanchal Transmission Limited	0.02	18.33
Powergrid Varanasi Transmission System Limited	0.11	14.34
Powergrid Jawaharpur Firozabad Transmission Limited	0.04	10.68
Powergrid Khetri Transmission System Limited	4.04	16.13
Powergrid Bhuj Transmission Limited	12.77	8.25
Powergrid Bhind Guna Transmission Limited	7.71	5.48
Powergrid Ajmer Phagi Transmission Limited	-	13.01
Powergrid Fatehgarh Transmission Limited	2.68	12.17
Powergrid Rampur Sambhal Transmission Limited	3.53	1.37
Powergrid Meerut Simbhavali Transmission Limited	6.77	3.64
Powergrid Ramgarh Transmission Limited	0.45	0.02
Powergrid Bikaner Transmission System Limited	2.03	-
Powergrid Sikar Transmission Limited	2.41	-
Powergrid Bhadla Transmission Limited	1.42	-
Powergrid Aligarh Sikar Transmission Limited	2.62	-
<b>Total</b>	<b>46.70</b>	<b>207.44</b>
<b>Interest Accrued on loan to Joint Ventures</b>		
National High Power Test Laboratory Private Limited	3.34	1.58
Teestavalley Power Transmission Limited	-	3.61
<b>Total</b>	<b>3.34</b>	<b>5.19</b>
<b>Loans to Key Managerial Personnel</b>		
	0.11	0.14
<b>Other receivables</b>		
<b>Subsidiaries</b>		
Powergrid Vemagiri Transmission Limited (fully provided - refer note no. 11)	19.42	19.41
Powergrid NM Transmission Limited	0.12	0.40
Powergrid Unchahar Transmission Limited	2.51	1.39
Powergrid Kala Amb Transmission Limited	-	1.88
Powergrid Parli Transmission Limited	-	0.07
Powergrid Southern Interconnector Transmission System Limited	0.18	0.14
Powergrid Medinipur Jeerat Transmission Limited	1.93	5.24
Powergrid Mithilanchal Transmission Limited	-	1.83
Powergrid Varanasi Transmission System Limited	0.74	-
Powergrid Jawaharpur Firozabad Transmission Limited	8.27	0.80
Powergrid Khetri Transmission System Limited	5.07	3.58
Powergrid Bhuj Transmission Limited	0.94	2.89
Powergrid Bhind Guna Transmission Limited	0.28	1.77
Powergrid Ajmer Phagi Transmission Limited	0.13	0.43
Powergrid Fatehgarh Transmission Limited	2.48	1.61
Powergrid Rampur Sambhal Transmission Limited	3.44	0.80
Powergrid Meerut Simbhavali Transmission Limited	1.98	1.30
Central Transmission Utility of India Limited	-	0.03



**55. Disclosure as per Ind AS 24 - "Related Party Disclosures" (Contd.)**

(₹ in crore)

<b>Particulars</b>	<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
Powergrid Ramgarh Transmission Limited	0.31	1.05
Powergrid Himachal Transmission Limited	0.78	0.49
Powergrid Bikaner Transmission System Limited	3.06	24.55
Powergrid Sikar Transmission Limited	1.35	-
Powergrid Bhadla Transmission Limited	1.11	-
Powergrid Aligarh Sikar Transmission Limited	5.03	-
Powergrid Teleservices Limited	0.48	-
Powergrid Energy Services Limited	0.09	-
<b>Total</b>	<b>59.70</b>	<b>69.66</b>
<b>Joint Ventures</b>		
Powerlinks Transmission Limited	0.13	0.21
Torrent Power Grid Limited	0.17	0.44
Parbati Koldam Transmission Company Limited	0.38	0.38
Teestavalley Power Transmission Limited	6.55	6.12
North East Transmission Company Limited	-	0.25
National High Power Test Laboratory Private Limited	0.01	0.46
Bihar Grid Company Limited	0.01	1.63
Energy Efficiency Services Limited	1.12	-
Cross Border Power Transmission Company Limited	0.02	0.74
<b>Total</b>	<b>8.39</b>	<b>10.23</b>
<b>Associates</b>		
Powergrid Kala Amb Transmission Limited	0.15	-
Powergrid Jabalpur Transmission Limited	0.09	-
Powergrid Warora Transmission Limited	0.28	-
Powergrid Parli Transmission Limited	0.29	-
<b>Total</b>	<b>0.81</b>	<b>-</b>
<b>Other receivables</b>	<b>68.90</b>	<b>79.89</b>
<b>Advances /Amounts Payable</b>		
<b>Subsidiaries</b>		
Powergrid Kala Amb Transmission Limited	-	1.67
Powergrid Khetri Transmission System Limited	0.06	-
Central Transmission Utility of India Limited	0.13	-
<b>Joint Ventures</b>		
Powerlinks Transmission Limited	0.04	0.54
Torrent Power Grid Limited	-	0.20
Teestavalley Power Transmission Limited	55.93	48.03
North East Transmission Company Limited	14.93	19.73
Bihar Grid Company Limited	-	0.01
Energy Efficiency Services Limited	2.56	-
Cross Border Power Transmission Company Limited	11.26	11.27
<b>Associates</b>		
Powergrid Warora Transmission Limited	0.01	-
Powergrid Parli Transmission Limited	0.03	-
<b>Total payables to related parties</b>	<b>84.95</b>	<b>81.45</b>
<b>Other Related Parties</b>		



**55. Disclosure as per Ind AS 24 - "Related Party Disclosures" (Contd.)**

(₹ in crore)

Particulars	As at 31.03.2022	As at 31.03.2021
Outstanding balances with Employees Benefit Trust		
Powergrid Employees P.F. Trust	0.21	0.01
Powergrid Employees Defined Contribution Superannuation Benefit (Pension) Scheme Trust	0.07	-
Powergrid Employees Gratuity Fund Trust	12.70	(0.42)
Powergrid Employees Post-Retirement Medical Benefit Trust	(0.58)	3.44
<b>Total</b>	<b>12.40</b>	<b>3.03</b>

Refer note no. 58 for guarantee given on behalf of related parties.

**(h) Transactions with related parties**

The following transactions occurred with related parties:

(₹ in crore)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
<b>Services provided by the Company</b>		
<b>Consultancy Income</b>		
<b>Subsidiaries</b>		
Powergrid NM Transmission Limited	2.90	2.88
Powergrid Vizag Transmission Limited	0.40	3.43
Powergrid Unchahar Transmission Limited	1.32	1.27
Powergrid Kala Amb Transmission Limited	0.50	3.63
Powergrid Jabalpur Transmission Limited	0.32	3.89
Powergrid Warora Transmission Limited	1.25	9.20
Powergrid Parli Transmission Limited	1.25	8.16
Powergrid Southern Interconnector Transmission System Limited	10.79	10.36
Powergrid Medinipur Jeerat Transmission Limited	16.14	13.32
Powergrid Mithilanchal Transmission Limited	14.04	10.67
Powergrid Varanasi Transmission System Limited	2.89	0.60
Powergrid Jawaharpur Firozabad Transmission Limited	6.61	4.24
Powergrid Khetri Transmission System Limited	5.76	10.62
Powergrid Bhuj Transmission Limited	9.54	6.72
Powergrid Bhind Guna Transmission Limited	3.36	4.44
Powergrid Ajmer Phagi Transmission Limited	2.63	6.38
Powergrid Fatehgarh Transmission Limited	3.06	7.58
Powergrid Rampur Sambhal Transmission Limited	7.66	1.80
Powergrid Meerut Simbhavali Transmission Limited	9.76	3.45
Powergrid Ramgarh Transmission Limited	1.55	1.00
Powergrid Himachal Transmission Limited	0.69	0.01
Powergrid Bikaner Transmission System Limited	9.08	3.78
Powergrid Sikar Transmission Limited	13.35	-
Powergrid Bhadla Transmission Limited	7.31	-
Powergrid Aligarh Sikar Transmission Limited	14.38	-
Powergrid Teleservices Limited	-	-
<b>Total</b>	<b>146.54</b>	<b>117.43</b>
<b>Joint Ventures</b>		
Torrent Power Grid Limited	0.69	0.67
Powergrid Himachal Transmission Limited	-	0.66

**55. Disclosure as per Ind AS 24 - "Related Party Disclosures" (Contd.)**

(₹ in crore)

<b>Particulars</b>	<b>For the year ended 31.03.2022</b>	<b>For the year ended 31.03.2021</b>
Teestavalley Power Transmission Limited	0.53	1.12
North East Transmission Company Limited	1.25	2.49
National High Power Test Laboratory Private Limited	-	0.81
Bihar Grid Company Limited	1.03	3.98
Cross Border Power Transmission Company Limited	1.88	1.75
<b>Total</b>	<b>5.38</b>	<b>11.48</b>
<b>Associates</b>		
Powergrid Vizag Transmission Limited	3.15	-
Powergrid Kala Amb Transmission Limited	4.66	-
Powergrid Jabalpur Transmission Limited	2.67	-
Powergrid Warora Transmission Limited	7.89	-
Powergrid Parli Transmission Limited	7.75	-
<b>Total</b>	<b>26.12</b>	<b>-</b>
<b>Consultancy Income</b>	<b>178.04</b>	<b>128.91</b>
<b>Interest Income</b>		
<b>Subsidiaries</b>		
Powergrid NM Transmission Limited	70.60	79.31
Powergrid Vizag Transmission Limited	6.91	58.02
Powergrid Unchahar Transmission Limited	2.90	3.14
Powergrid Kala Amb Transmission Limited	1.60	14.51
Powergrid Jabalpur Transmission Limited	9.85	89.06
Powergrid Warora Transmission Limited	12.73	114.99
Powergrid Parli Transmission Limited	10.91	99.47
Powergrid Southern Interconnector Transmission System Limited	190.97	211.73
Powergrid Medinipur Jeerat Transmission Limited	174.34	162.92
Powergrid Mithilanchal Transmission Limited	62.72	54.58
Powergrid Varanasi Transmission System Limited	48.92	42.96
Powergrid Jawaharpur Firozabad Transmission Limited	23.79	20.22
Powergrid Khetri Transmission System Limited	49.41	28.96
Powergrid Bhuj Transmission Limited	34.93	13.55
Powergrid Bhind Guna Transmission Limited	20.90	9.27
Powergrid Ajmer Phagi Transmission Limited	31.72	22.61
Powergrid Fatehgarh Transmission Limited	33.83	21.40
Powergrid Rampur Sambhal Transmission Limited	14.43	2.84
Powergrid Meerut Simbhavali Transmission Limited	20.45	6.21
Powergrid Ramgarh Transmission Limited	2.57	0.02
Powergrid Himachal Transmission Limited	8.19	-
Powergrid Bikaner Transmission System Limited	11.24	-
Powergrid Sikar Transmission Limited	16.40	-
Powergrid Bhadla Transmission Limited	8.90	-
Powergrid Aligarh Sikar Transmission Limited	13.86	-
<b>Total</b>	<b>883.07</b>	<b>1,055.77</b>
<b>Joint Ventures</b>		
National High Power Test Laboratory Private Limited	1.96	1.89
Teestavalley Power Transmission Limited	0.40	9.82



**55. Disclosure as per Ind AS 24 - "Related Party Disclosures" (Contd.)**

(₹ in crore)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
<b>Total</b>	<b>2.36</b>	<b>11.71</b>
<b>Other Related Parties</b>		
POWERGRID Infrastructure Investment Trust	68.52	-
<b>Total</b>	<b>68.52</b>	<b>-</b>
<b>Interest Income</b>	<b>953.95</b>	<b>1,067.48</b>
<b>Dividend received</b>		
<b>Subsidiaries</b>		
Powergrid Vizag Transmission Limited	-	159.39
Powergrid Unchahar Transmission Limited	13.35	7.78
Powergrid Kala Amb Transmission Limited	-	27.15
Powergrid Jabalpur Transmission Limited	-	85.08
Powergrid Warora Transmission Limited	-	154.17
Powergrid Parli Transmission Limited	-	113.06
Powergrid Southern Interconnector Transmission System Limited	147.47	-
Powergrid Medinipur Jeerat Transmission Limited	156.53	-
Powergrid Mithilanchal Transmission Limited	17.72	-
Powergrid Varanasi Transmission System Limited	11.16	-
Powergrid Jawaharpur Firozabad Transmission Limited	6.17	-
Powergrid Himachal Transmission Limited	84.00	-
<b>Total</b>	<b>436.40</b>	<b>546.63</b>
<b>Joint Ventures</b>		
Powerlinks Transmission Limited	36.69	45.86
Torrent Power Grid Limited	5.15	4.21
Powergrid Himachal Transmission Limited	-	1.95
Parbati Koldam Transmission Company Limited	9.93	35.11
North East Transmission Company Limited	13.90	16.05
Cross Border Power Transmission Company Limited	1.39	2.65
Power Transmission Company Nepal Limited	1.32	1.32
<b>Total</b>	<b>68.38</b>	<b>107.15</b>
<b>Associates</b>		
Powergrid Vizag Transmission Limited	35.34	-
Powergrid Kala Amb Transmission Limited	8.25	-
Powergrid Jabalpur Transmission Limited	18.05	-
Powergrid Warora Transmission Limited	26.89	-
Powergrid Parli Transmission Limited	28.22	-
<b>Total</b>	<b>116.75</b>	<b>-</b>
<b>Other Related Parties</b>		
POWERGRID Infrastructure Investment Trust	33.85	-
<b>Total</b>	<b>33.85</b>	<b>-</b>
<b>Dividend received</b>	<b>655.38</b>	<b>653.78</b>
<b>Other income</b>		
<u>Subsidiaries:</u>		
Powergrid Unchahar Transmission Limited	0.29	0.28
Powergrid Khetri Transmission System Limited	0.37	-

## 55. Disclosure as per Ind AS 24 - "Related Party Disclosures" (Contd.)

(₹ in crore)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
<b>Joint Ventures:</b>		
Bihar Grid Company Limited	0.09	-
Energy Efficiency Services Limited	1.97	-
<b>Other income</b>	<b>2.72</b>	<b>0.28</b>
<b>Investments made during the year</b>		
<b>Subsidiaries</b>		
Powergrid NM Transmission Limited	3.90	206.65
Powergrid Jabalpur Transmission Limited	-	9.76
Powergrid Parli Transmission Limited	-	2.60
Powergrid Medinipur Jeerat Transmission Limited	88.37	260.30
Powergrid Mithilanchal Transmission Limited	19.70	93.50
Powergrid Varanasi Transmission System Limited	17.95	43.00
Powergrid Jawaharpur Firozabad Transmission Limited	12.40	77.15
Powergrid Khetri Transmission System Limited	36.85	161.35
Powergrid Bhuj Transmission Limited	82.29	97.70
Powergrid Bhind Guna Transmission Limited	40.10	50.00
Powergrid Ajmer Phagi Transmission Limited	3.00	111.95
Powergrid Fatehgarh Transmission Limited	27.59	113.40
Powergrid Rampur Sambhal Transmission Limited	87.48	21.47
Powergrid Meerut Simbhavali Transmission Limited	97.70	32.00
Central Transmission Utility of India Limited	-	0.05
Powergrid Ramgarh Transmission Limited	1.05	0.05
Powergrid Himachal Transmission Limited	-	354.50
Powergrid Bikaner Transmission System Limited	22.20	0.01
Powergrid Sikar Transmission Limited	47.35	-
Powergrid Bhadla Transmission Limited	20.31	-
Powergrid Aligarh Sikar Transmission Limited	62.35	-
Powergrid Teleservices Limited	9.00	-
<b>Total</b>	<b>679.59</b>	<b>1,635.44</b>
<b>Joint Ventures</b>		
Bihar Grid Company Limited	32.24	33.00
Energy Efficiency Services Limited	407.49	-
<b>Total</b>	<b>439.73</b>	<b>33.00</b>
<b>Investments made during the year</b>	<b>1,119.32</b>	<b>1,668.44</b>
<b>Loans given during the year</b>		
<b>Subsidiaries</b>		
Powergrid NM Transmission Limited	17.00	6.00
Powergrid Vizag Transmission Limited	-	315.81
Powergrid Kala Amb Transmission Limited	-	7.57
Powergrid Warora Transmission Limited	-	11.60
Powergrid Southern Interconnector Transmission System Limited	3.10	79.87
Powergrid Medinipur Jeerat Transmission Limited	185.52	290.76
Powergrid Mithilanchal Transmission Limited	66.92	216.20
Powergrid Varanasi Transmission System Limited	86.67	121.79



**55. Disclosure as per Ind AS 24 - "Related Party Disclosures" (Contd.)**

(₹ in crore)

<b>Particulars</b>	<b>For the year ended 31.03.2022</b>	<b>For the year ended 31.03.2021</b>
Powergrid Jawaharpur Firozabad Transmission Limited	22.49	114.32
Powergrid Khetri Transmission System Limited	153.74	420.50
Powergrid Bhuj Transmission Limited	434.22	248.51
Powergrid Bhind Guna Transmission Limited	124.75	193.85
Powergrid Ajmer Phagi Transmission Limited	41.37	269.62
Powergrid Fatehgarh Transmission Limited	73.96	300.07
Powergrid Rampur Sambhal Transmission Limited	334.42	90.24
Powergrid Meerut Simbhavali Transmission Limited	453.00	131.01
Powergrid Ramgarh Transmission Limited	86.02	5.82
Powergrid Himachal Transmission Limited	159.14	-
Powergrid Bikaner Transmission System Limited	424.59	-
Powergrid Sikar Transmission Limited	478.97	-
Powergrid Bhadla Transmission Limited	279.72	-
Powergrid Aligarh Sikar Transmission Limited	571.25	-
<b>Total</b>	<b>3,996.85</b>	<b>2,823.54</b>
<b>Joint Ventures</b>		
Teestavalley Power Transmission Limited	-	95.00
<b>Total</b>	<b>-</b>	<b>95.00</b>
<b>Loans given during the year</b>	<b>3,996.85</b>	<b>2,918.54</b>
<b>Loans repayment received during the year</b>		
<b>Subsidiaries</b>		
Powergrid NM Transmission Limited	3.30	203.55
Powergrid Vizag Transmission Limited	-	63.32
Powergrid Unchahar Transmission Limited	1.47	4.25
Powergrid Kala Amb Transmission Limited	-	24.83
Powergrid Jabalpur Transmission Limited	-	38.56
Powergrid Warora Transmission Limited	-	35.60
Powergrid Parli Transmission Limited	-	66.00
Powergrid Southern Interconnector Transmission System Limited	97.05	198.25
Powergrid Medinipur Jeerat Transmission Limited	35.00	-
Powergrid Mithilanchal Transmission Limited	3.70	-
Powergrid Varanasi Transmission System Limited	5.23	-
Powergrid Jawaharpur Firozabad Transmission Limited	2.49	-
Powergrid Ajmer Phagi Transmission Limited	6.90	-
Powergrid Fatehgarh Transmission Limited	3.76	-
Powergrid Himachal Transmission Limited	44.00	-
<b>Total</b>	<b>202.90</b>	<b>634.36</b>
<b>Joint Ventures</b>		
Teestavalley Power Transmission Limited	29.29	142.83
<b>Total</b>	<b>29.29</b>	<b>142.83</b>
<b>Associates</b>		
Powergrid Vizag Transmission Limited	783.99	-
Powergrid Kala Amb Transmission Limited	186.00	-
Powergrid Jabalpur Transmission Limited	1,183.00	-
Powergrid Warora Transmission Limited	1,540.00	-



## 55. Disclosure as per Ind AS 24 - "Related Party Disclosures" (Contd.)

(₹ in crore)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Powergrid Parli Transmission Limited	1,300.50	-
<b>Total</b>	<b>4,993.49</b>	<b>-</b>
<b>Loans repayment received during the year</b>	<b>5,225.68</b>	<b>777.19</b>
<b>Reimbursement of Expenses</b>		
<u>Subsidiaries:</u>		
Powergrid Vizag Transmission Limited	-	3.92
Powergrid Kala Amb Transmission Limited	-	1.28
Powergrid Jabalpur Transmission Limited	-	4.38
Powergrid Warora Transmission Limited	-	7.61
Powergrid Parli Transmission Limited	-	6.00
Powergrid Southern Interconnector Transmission System Limited	0.10	0.60
Powergrid Medinipur Jeerat Transmission Limited	0.05	0.24
Powergrid Mithilanchal Transmission Limited	0.05	-
Powergrid Jawaharpur Firozabad Transmission Limited	0.68	-
Powergrid Khetri Transmission System Limited	0.09	0.01
Powergrid Bhuj Transmission Limited	0.04	-
Powergrid Bhind Guna Transmission Limited	0.02	-
Powergrid Ajmer Phagi Transmission Limited	-	0.02
Powergrid Fatehgarh Transmission Limited	-	0.03
Powergrid Rampur Sambhal Transmission Limited	0.01	-
Powergrid Meerut Simbhavali Transmission Limited	0.01	-
Central Transmission Utility of India Limited	0.19	0.03
Powergrid Ramgarh Transmission Limited	-	0.37
Powergrid Bikaner Transmission System Limited	0.02	0.52
Powergrid Sikar Transmission Limited	0.11	-
Powergrid Bhadla Transmission Limited	0.03	-
Powergrid Aligarh Sikar Transmission Limited	0.05	-
Powergrid Teleservices Limited	0.48	-
Powergrid Energy Services Limited	0.09	-
<b>Total</b>	<b>2.02</b>	<b>25.01</b>
<u>Joint Ventures</u>		
Energy Efficiency Services Limited	1.24	-
<b>Total</b>	<b>1.24</b>	<b>-</b>
<b>Other Related Parties</b>		
<u>Contribution made during the year</u>		
Powergrid Employees P.F. Trust	117.07	114.14
Powergrid Employees Defined Contribution Superannuation Benefit (Pension) Scheme Trust	100.77	120.46
Powergrid Employees Gratuity Fund Trust	37.86	21.81
Powergrid Employees Post-Retirement Medical Benefit Trust	35.54	12.02
<b>Total</b>	<b>291.24</b>	<b>268.43</b>
<u>Transaction with POWERGRID Infrastructure Investment Trust</u>		
Units Received for transfer of Investments	1,365.00	-
Amount Received on transfer of Investments including Offer For Sale	3,370.95	-


**55. Disclosure as per Ind AS 24 - "Related Party Disclosures" (Contd.)**

(₹ in crore)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
<b>Total</b>	<b>4,735.95</b>	-
<b>Recovery for Deputation of Employees</b>		
<u>Subsidiaries:</u>		
Powergrid Unchahar Transmission Limited	<b>4.98</b>	3.71
Powergrid Himachal Transmission Limited	<b>2.31</b>	-
<u>Joint Ventures:</u>		
Torrent Power Grid Limited	-	0.51
Powergrid Himachal Transmission Limited (wholly owned subsidiary from 26.03.2021).	-	1.11
Energy Efficiency Services Limited	<b>0.89</b>	-
Teestavalley Power Transmission Limited	<b>0.79</b>	0.95
North East Transmission Company Limited	<b>0.25</b>	0.90
Cross Border Power Transmission Company Limited	<b>0.67</b>	0.77
<b>Total</b>	<b>9.89</b>	<b>7.95</b>

**Terms and Conditions**

The loans to key management personnel are on the same terms and conditions as applicable to all other employees.

All other transactions were made on normal commercial terms and conditions and at market rates. All outstanding balances are unsecured and are repayable in cash.

Loans to Subsidiaries & JVs are provided with interest rate ranging from 6.52% to 10.00% repayable as per agreed terms & conditions.

**(i) Transactions in the capacity of Central Transmission Utility (CTU) with the related parties**

(₹ in crore)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
<b>Transactions for the period the company was acting as CTU:</b>		
<u>Subsidiaries:</u>		
Powergrid NM Transmission Limited	-	126.94
Powergrid Vizag Transmission Limited	-	323.60
Powergrid Unchahar Transmission Limited	-	22.73
Powergrid Kala Amb Transmission Limited	-	12.71
Powergrid Jabalpur Transmission Limited	-	263.29
Powergrid Warora Transmission Limited	-	191.41
Powergrid Parli Transmission Limited	-	346.28
Powergrid Southern Interconnector Transmission System Limited	-	458.42
<u>Joint Ventures:</u>		
Powerlinks Transmission Limited	-	237.70
Torrent Power Grid Limited	-	50.96
Powergrid Himachal Transmission Limited	-	171.94
Parbati Koldam Transmission Company Limited	-	192.00
Teestavalley Power Transmission Limited	-	341.63
North East Transmission Company Limited	-	388.15
<b>Total</b>	-	<b>3,127.76</b>
<b>For the period CTUIL acting as CTU</b>		
Transactions with Central Transmission Utility of India Limited in the capacity of CTU	<b>34,369.61</b>	-

**55. Disclosure as per Ind AS 24 - "Related Party Disclosures" (Contd.)****(j) Remuneration to Key Managerial Personnel**

(₹ in crore)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Short Term Employee Benefits	5.12	4.68
Post-Employment Benefits	0.15	0.67
Long Term Employee Benefits	0.64	0.46
<b>Total</b>	<b>5.91</b>	<b>5.81</b>
Sitting fee	0.44	0.32

In addition to the above remuneration, the whole time directors have been allowed to use the staff car (including for private journeys) on payment of ₹ 2000/- p.m. as contained in the Department of Public Enterprises (DPE) OM No. 2 (23)/11-DPE (WC)-GL-V/13 dated 21/01/2013.

**56. Operating Segments****a) Business Segment**

The Board of Directors is the Company's Chief Operating Decision Maker (CODM) who monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Three reportable segments have been identified on the basis of services provided.

- **Transmission Services-** Company's principal business is transmission of bulk power across different states of India.
- **Telecom Services-** The Company utilizes the spare Optical fibres available in the Optical Ground Wire (OPGW) laid on the transmission network for providing telecom services. It operates as a neutral carrier in the point to point bandwidth leasing business. Refer note no. 66 for disclosure on formation of wholly owned subsidiary of the company to undertake Telecommunications and Digital Technology Business of the company.
- **Consultancy Services-** Provides Consultancy Services in the Transmission, Distribution and Telecom sectors, including Planning Design, Engineering, Load Dispatch, OPGW on intra state Transmission network, Procurement Management, Operation & Maintenance, Financing and Project Management.

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

**c)** Information about major customer: Revenue from any single customer is not equal to or exceeds 10% of the company's total revenue.

**d) Segment Revenue and Expenses**

Revenue directly attributable to the segments is considered as Segment Revenue. Expenses directly attributable to the segments and common expenses allocated on a reasonable basis are considered as segment expenses.

Revenue from external customer in India is ₹40,511.50crore (Previous Year ₹38,615.03crore) and outside India is ₹47.12crore (Previous Year ₹22.86crore).

**e) Segment Assets and Liabilities**

Segment assets include all operating assets comprising of Property, Plant and Equipment, current assets and loan and advances. Construction, Work-in-progress, construction stores and advances and investments are included in unallocated assets. Segment liabilities include operating liabilities and provisions.



56. Operating Segments (Contd.)

(₹ in crore)

Particulars	Transmission Services		Consultancy Services		Telecom Services		Elimination		Total	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
<b>Revenue:</b>										
Revenue from Operations (including allocable other income)	39,187.62	37,418.50	771.22	506.16	599.78	713.23	-	-	40,558.62	38,637.89
Inter Segment Revenue					69.08	69.96	(69.08)	(69.96)	-	-
Net Revenue from Operations	39,187.62	37,418.50	771.22	506.16	668.86	783.19	(69.08)	(69.96)	40,558.62	38,637.89
Segment results	21,797.33	22,283.23	347.48	150.84	223.53	365.72			22,368.34	22,799.79
Exceptional Item									3,759.51	(1,078.64)
Unallocated Interest and Other Income									1,777.26	1,889.22
Unallocated Finance Costs									8,210.94	8,501.01
Profit before Tax (Including movement in Regulatory Deferral Account Balances)									19,694.17	15,109.36
Provision for Taxes									2,600.41	3,173.58
Profit after Tax									17,093.76	11,935.78
<b>Other information:</b>										
Segment Assets	2,12,132.74	2,08,039.47	1,895.00	2,426.68	925.48	981.45			2,14,953.22	2,11,447.60
Unallocated Assets									32,663.56	41,611.64
Asset Classified as Held for Sale									260.86	1,213.04
Total Assets									2,47,877.64	2,54,272.28
Segment Liabilities	12,144.91	13,971.60	2,741.83	3,428.90	648.01	454.89			15,534.75	17,855.39
Unallocated Other Liabilities (including loans)									1,56,191.32	1,66,838.05
Total liabilities									1,71,726.07	1,84,693.44
Depreciation and Amortisation	12,441.30	11,609.32	5.75	5.60	103.53	96.76			12,550.58	11,711.68
Non-cash expenditure other than Depreciation	26.50	15.50	4.02	1.10	2.10	5.98			32.62	22.58
Capital Expenditure	15,466.66	19,000.84	3.73	82.50	199.00	10.13			15,669.39	19,093.47

**57. Capital and other Commitments**

(₹ in crore)

Particulars	As at 31.03.2022	As at 31.03.2021
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	<b>4,300.63</b>	3,867.64
Company's commitment towards further investment/loan in joint venture entities	<b>116.69</b>	148.92
Company's commitment towards further investment/loan in subsidiary companies	<b>4,951.48</b>	4,809.38
Company's commitment towards further investment in other entities	<b>452.05</b>	713.17

**58. Contingent Liabilities and contingent assets****A. Contingent Liabilities**

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

**(i) Capital Works**

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

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

**(ii) Land compensation cases**

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

**(iii) Other claims**

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

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

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

**(v) Others**

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



## 58. Contingent Liabilities and contingent assets (Contd.)

(₹ in crore)

Name of SPV	As at 31.03.2022	As at 31.03.2021
Powergrid Jabalpur Transmission Limited	2.23	6.09
Powergrid Southern Interconnector Transmission System Limited	110.04	110.04
Powergrid Medinipur Jeerat Transmission Limited	55.93	141.89
Powergrid Mithilanchal Transmission Limited	23.61	84.32
Powergrid Varanasi Transmission System Limited	-	30.38
Powergrid Jawaharpur Firozabad Transmission Limited	16.44	41.85
Powergrid Khetri Transmission System Limited	-	66.15
Powergrid Bhuj Transmission Limited	23.55	58.95
Powergrid Bhind Guna Transmission Limited	25.63	65.48
Powergrid Ajmer Phagi Transmission Limited	-	14.85
Powergrid Fatehgarh Transmission Limited	-	17.55
Powergrid Rampur Sambhal Transmission Limited	28.14	70.65
Powergrid Meerut Simbhavali Transmission Limited	33.75	85.05
Powergrid Ramgarh Transmission Limited	14.04	35.46
Powergrid Bikaner Transmission System Limited	34.65	89.10
Powergrid Sikar Transmission Limited	37.13	-
Powergrid Bhadla Transmission Limited	10.50	-
Powergrid Aligarh Sikar Transmission Limited	17.33	-

### B. Contingent Assets

While determining the tariff for some of the Company's Transmission Systems, CERC has disallowed certain capital expenditure incurred by the Company. The Company aggrieved over such issues has filed appeals with the Appellate Tribunal for Electricity (APTEL)/Hon'ble Supreme Court against the tariff orders issued by the CERC. Based on past experience, the Company believes that a favourable outcome is probable. However, it is impracticable to estimate the financial effect of the same as its receipt is dependent on the outcome of the judgement.

### 59. Capital management

#### a) Risk Management

The company's objectives when managing capital are to

- maximize the shareholder value;
- safeguard its ability to continue as a going concern;
- maintain an optimal capital structure to reduce the cost of capital.

For the purpose of the company's capital management, equity capital includes issued equity capital, securities premium Account and all other equity reserves attributable to the equity holders of the company. The company manages its capital structure and makes adjustments in light of changes in economic conditions, regulatory framework and requirements of financial covenants with lenders. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, regulate investments in new projects, return capital to shareholders or issue new shares. The company monitors capital using debt-equity ratio, which is the ratio of long term debt to total net worth. The policy is to keep the debt-equity ratio wherein the debt is less than 75% of total capital employed (i.e. debt to equity ratio less than 75:25). The company includes within long term debt, interest bearing loans and borrowings and current maturities of long term debt.

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

Particulars	As at 31.03.2022	As at 31.03.2021
Total borrowings (₹ in crore)	1,34,665.27	1,43,051.48
Equity (₹ in crore)	76,151.57	69,578.84
Debt - Equity ratio	1.77	2.06

Under the terms of the major borrowing facilities, the company is required to comply with the financial covenants. Breaches in meeting the financial covenants would permit the lenders to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current reporting period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31.03.2022 and 31.03.2021.



**59. Capital management (Contd.)****b) Dividends**

(₹ in crore)

Particular	For the year ended 31.03.2022	For the year ended 31.03.2021
Equity shares		
Final dividend for the year ended 31.03.2021 of ₹3.00 (31.03.2020 – ₹3.03*) per fully paid up share	2,092.64	2,113.56
Interim dividend for the year ended 31.03.2022 of ₹12.50 (31.03.2021 – ₹6.75*) per fully paid up share	8,719.32	4,708.43

\*after considering bonus shares

Dividend not recognized at the end of the reporting period:

In addition to above dividend, the Board of Directors on 21.05.2022 recommended the payment of a final dividend of ₹2.25 per fully paid up equity share. This proposed dividend is subject to the approval of shareholders in the ensuing Annual general meeting.

**60. Earnings per share**

(Amount in ₹)

(a) Basic and diluted earnings per share attributable to the equity holders of the company	For the year ended 31.03.2022	For the year ended 31.03.2021
Including movement in Regulatory Deferral Account Balances	24.51	17.11
Excluding movement in Regulatory Deferral Account Balances	25.25	16.54
<b>Total basic and diluted earnings per share attributable to the equity holders of the company</b>	<b>24.51</b>	<b>17.11</b>

(₹ in crore)

(b) Reconciliation of earnings used as numerator in calculating earnings per share	For the year ended 31.03.2022	For the year ended 31.03.2021
Earnings attributable to the equity holders of the company including movement in Regulatory Deferral Account Balances	17,093.76	11,935.78
Earnings attributable to the equity holders of the company excluding movement in Regulatory Deferral Account Balances	17,616.42	11,536.93
<b>Total Earnings attributable to the equity holders of the company</b>	<b>17,093.76</b>	<b>11,935.78</b>

(c) Weighted average number of shares used as the denominator	For the year ended 31.03.2022	For the year ended 31.03.2021
Weighted average number of equity shares used as the denominator in calculating basic earnings per share*	6975452864	6975452864
Adjustments for calculation of diluted earnings per share	-	-
<b>Total weighted average number of equity shares used as the denominator in calculating diluted earnings per share</b>	<b>6975452864</b>	<b>6975452864</b>

\*The Company has issued 1743863216 equity shares of ₹ 10/- each as fully paid bonus shares during the year in the ratio of 1 equity share of ₹ 10/- each for every 3 equity shares held. This has been considered for calculating weighted average number of equity shares for all comparative periods. In line with the above, EPS for the year ended 31.03.2021 has been restated.

**61. Financial Risk Management**

The Company's principal financial liabilities comprise loans and borrowings denominated in Indian rupees or foreign currencies, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's capital investments and operations.

The Company's principal financial assets include loans and advances, trade and other receivables, and cash and cash equivalents that are generated from its operations.

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

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



## 61. Financial Risk Management (Contd.)

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

### Risk management framework

The Company has a duly constituted Risk Management Committee headed by Director (Projects) with Director (Operations), Director (Finance) and 2 independent directors as members. For the purpose of evaluating and managing the uncertainties the enterprise faces, Enterprise Risk Management framework has been implemented in the Company. The framework is a structured, consistent and continuous process for identification, assessment, monitoring and management of risks. As per this framework, the significant business processes / risks are monitored and controlled through various Key Performance Indicators (KPIs). The Committee meets at regular intervals and reviews KPIs and provides updates to the Audit Committee/Board.

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

#### (A) CREDIT RISK:

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities on account of trade receivables and loans and advances and from its financing activities due to deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

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

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

#### (i) Trade Receivables and Contract Assets

The Company primarily provides transmission facilities to inter-state transmission service customers (DICs) comprising mainly state utilities owned by State Governments and the main revenue is from transmission charges. CERC (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020 ("CERC Sharing Regulations") allow payment against monthly bills towards transmission charges within due date i.e., 45 days from the date of presentation of the bill and levy of surcharge on delayed payment beyond 45 days. However, in order to improve the cash flows of company, a graded rebate is provided for payments made within 45 days. If a DIC fails to pay any bill or part thereof by the Due Date, the Central Transmission Utility (CTU) may encash the Letter of Credit provided by the DIC and utilise the same towards the amount of the bill or part thereof that is overdue plus Late Payment Surcharge, if applicable.

The Company has a robust payment security mechanism in the form of Letter of Credit (LC) backed by the Tri-Partite Agreements (TPA). The TPA was signed among the GOI, Reserve Bank of India and the individual State Governments subsequent to the issuance of the One Time Settlement Scheme of State Electricity Boards dues during 2001-02 by the GOI. The TPA also provides that if there is any default in payment of current dues by any State Utility, the outstanding dues can be deducted from the State's RBI account and paid to the concerned CPSU.

As per provisions of CERC Sharing Regulations, in case tripartite agreement exists, the Letter of Credit shall be for an amount equal to 1.05 (one point zero five) times the average amount of the first bill of a year; Provided that where such tripartite agreement does not exist, the DIC shall open the Letter of Credit for an amount equal to 2.10 (two point one times) the average amount of the first bill of a year.

In addition to the encashment of letter of credit, on non-payment of outstanding dues, the CTU has power to regulate the power supply on the defaulting entity as per CERC (Regulation of Power Supply) Regulation, 2010 or deny Short Term Open Access.

Trade receivables consist of receivables relating to transmission services of ₹9,060.38crore (Previous Year ₹8,248.42crore), receivables relating to consultancy services of ₹167.37crore (Previous Year ₹200.91crore) and receivables relating to telecom business of ₹179.80crore (Previous Year ₹321.27crore).

Contract Assets primarily relates to the Company's right to consideration for work completed but not billed at the reporting date and has substantially the same risk characteristics as the trade receivables for the same type of contracts.

#### (ii) Other Financial Assets (excluding trade receivables and contract assets)

##### • Cash and cash equivalents

The Company held cash and cash equivalents of ₹746.01crore (Previous Year ₹1,000.18crore). The cash and cash equivalents are held with public sector banks and high rated private sector banks and do not have any significant credit risk.

##### • Deposits with banks and financial institutions

The Company held deposits with banks and financial institutions of ₹2,291.05crore (Previous Year ₹4,366.02crore). Term deposits are placed with public sector banks and have negligible credit risk.

**61. Financial Risk Management (Contd.)****• Loans**

The Company has given loans to employees, subsidiaries, Joint Venture companies, Government of India and other parties. House building loans and conveyance advance to the employees are secured against the mortgage of the house properties or hypothecation of vehicles for which such loans have been given in line with the policies of the Company. The loans provided to group companies are for projects under Tariff Based Competitive Bidding route and Public private partnership. The risk of default in respect of these loans is considered negligible.

**(iii) Exposure to credit risk**

(₹ in crore)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)</b>		
Non-Current Loans	<b>14,269.78</b>	10,474.09
Other non-current financial assets	<b>4,097.86</b>	4,240.37
Cash and cash equivalents	<b>746.01</b>	1,000.18
Deposits with banks and financial institutions	<b>2,291.05</b>	4,366.02
Current loans	<b>328.27</b>	5,428.83
Other current financial assets	<b>536.95</b>	874.36
<b>Total</b>	<b>22,269.92</b>	<b>26,383.85</b>
<b>Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)</b>		
Trade receivables	<b>9,407.55</b>	8,770.60
Contract Assets	<b>5,588.82</b>	2,157.17

**(iv) Provision for expected credit losses****(a) Financial assets for which loss allowance is measured using 12 month expected credit losses**

The Company has assets where the counter- parties have sufficient capacity to meet the obligations and where the risk of default is very low. At initial recognition, financial assets (excluding trade receivables and contract assets) are considered as having negligible credit risk and the risk has not increased from initial recognition. Therefore, no loss allowance for impairment has been recognised.

**(b) Financial assets for which loss allowance is measured using life time expected credit losses**

In respect of trade receivables and contract assets from Telecom and Consultancy, customer credit risk is managed by regular monitoring of the outstanding receivables and follow-up with the consumer for realization.

With regard to transmission segment, the Company has customers most of whom are state government utilities with capacity to meet the obligations and therefore the risk of default is negligible. Further, management believes that the unimpaired amounts that are 30 days past due date are still collectible in full, based on the payment security mechanism in place and historical payment behaviour.

Considering the above factors and the prevalent regulations, the trade receivables and contract assets continue to have a negligible credit risk on initial recognition and thereafter on each reporting date.

**(v) Aging analysis of trade receivables**

The aging analysis of the trade receivables is as below:

(₹ in crore)

Aging	Unbilled	Not Due	0-30 days past due	31-60 days past due	61-90 days past due	91-120 days past due	More than 120 days past due	Total
<b>Gross carrying amount as on 31.03.2022</b>	<b>4,487.41</b>	<b>1,625.29</b>	<b>542.60</b>	<b>316.67</b>	<b>227.34</b>	<b>192.45</b>	<b>2,015.79</b>	<b>9,407.55</b>
Gross carrying amount as on 31.03.2021	4,848.86	1,742.88	375.46	135.38	133.83	113.70	1,420.49	8,770.60



## 61. Financial Risk Management (Contd.)

### (vi) Reconciliation of impairment loss provisions

The movement in the allowance for impairment in respect of financial assets during the year was as follows:

(₹ in crore)

Particulars	Trade receivables	Investments	Advances	Total
<b>Balance as at 01.04.2020</b>	<b>315.82</b>	<b>4.05</b>	<b>19.40</b>	<b>339.27</b>
Impairment loss recognised/ (reversed)	(15.42)	-	0.01	(15.41)
Amounts written off				-
<b>Balance as at 31.03.2021</b>	<b>300.40</b>	<b>4.05</b>	<b>19.41</b>	<b>323.86</b>
Impairment loss recognised/ (reversed)	0.33	-	0.01	0.34
Amounts written off				-
<b>Balance as at 31.03.2022</b>	<b>300.73</b>	<b>4.05</b>	<b>19.42</b>	<b>324.20</b>

Based on historic default rates, the Company believes that, apart from the above, no impairment allowance is necessary in respect of any other assets as the amounts are insignificant.

### (B) LIQUIDITY RISK

Liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. The Company monitors its risk of a shortage of funds using a liquidity planning tool. The Company has access to a variety of sources of funding such as commercial paper, bank loans, bonds and external commercial borrowings and retains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity position comprising the undrawn borrowing facilities below and cash and cash equivalents on the basis of expected cash flows.

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

#### (i) Financial Arrangement

The Company had access to the following undrawn borrowing facilities at the end of the reporting period.

(₹ in crore)

Particulars	As at 31.03.2022	As at 31.03.2021
Expiring within 1 year (bank overdraft and other facilities)	<b>6,332.01</b>	4,352.76
Expiring beyond one year (bank loans)	<b>4,080.44</b>	6,125.35

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time and have remaining availability period of 1 to 5 years (Previous Year 1 to 5 years).

#### (ii) Maturities of financial liabilities

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

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

(₹ in crore)

Contractual maturities of financial liabilities	Within a year	Between 1-5 years	Beyond 5 years	Total
<b>As at 31.03.2022</b>				
Borrowings (including interest outflows)	27,753.48	76,736.57	66,168.89	1,70,658.94
Trade payables	266.14			266.14
<b>Other financial liabilities</b>				
Lease liabilities	2.75	9.88	29.21	41.84
Others	4,878.28	1,173.60	4,074.89	10,126.77
<b>Total</b>	<b>32,900.65</b>	<b>77,920.05</b>	<b>70,272.99</b>	<b>1,81,093.69</b>
<b>As at 31.03.2021</b>				
Borrowings (including interest outflows)	22,041.83	76,725.17	89,916.93	1,88,683.93
Trade payables	186.30			186.30

**61. Financial Risk Management (Contd.)**

(₹ in crore)

Other financial liabilities				
Lease liabilities	3.93	9.96	69.26	83.15
Others	7,437.86	1,227.23	4,360.31	13,025.40
<b>Total</b>	<b>29,669.92</b>	<b>77,962.36</b>	<b>94,346.50</b>	<b>2,01,978.78</b>

**(C) MARKET RISK**

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

- (i) Currency risk
- (ii) Interest rate risk
- (iii) Other price risk, such as equity price risk and commodity risk.

**(i) Currency risk**

The Company is exposed to currency risk mainly in respect of foreign currency denominated loans and borrowings and procurement of goods and services whose purchase consideration is denominated in foreign currency. Transmission tariff is regulated by the CERC. According to the CERC tariff regulations for the block 2019-24 the Company may hedge foreign exchange exposure in respect of the interest on foreign currency loan and repayment of foreign loan acquired for the transmission system, in part or full in its discretion and recover the cost of hedging of foreign exchange rate variation corresponding to the normative foreign debt, in the relevant year.

If hedging of the foreign exchange exposure is not undertaken, the extra rupee liability towards interest payment and loan repayment corresponding to the normative foreign currency loan in the relevant year is permissible to be recovered as part of transmission tariff provided it is not attributable to the generating Company or the transmission licensee or its suppliers or contractors. During the Current financial year, no hedging for foreign exchange exposure has been undertaken by the Company. In respect of goods and services procured for Capital Investment, the exchange rate variation is part of the project cost, for determination of transmission tariff. The currency risk in respect of goods and services procured for operation activities is not significant.

The Company's exposure to foreign currency risk not hedged by a derivative instrument or otherwise at the end of the reporting period is as follows:

Particulars	Amount in Foreign Currency (in Crore)		Amount (₹ in Crore)		
		As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Borrowings	USD	443.34	474.37	33,840.14	35,131.84
	EURO	60.86	66.13	5,219.35	5,771.83
	SEK	150.35	175.51	1,246.40	1,495.35
	JPY	2,290.89	2,309.06	1,438.68	1,554.00
Interest accrued but not due thereon including Agency Fee, Commitment Fee & other Charges	USD	1.30	1.35	99.23	99.98
	EURO	0.16	0.19	13.72	16.58
	SEK	0.39	0.95	3.23	8.09
	JPY	0.23	5.37	0.14	3.61
Trade Payables/deposits and retention money	USD	4.36	4.95	332.80	366.60
	EURO	3.07	3.27	263.28	285.41
	SEK	11.49	15.79	95.25	134.53
	CHF	0.04	0.04	3.33	3.16
	GBP	1.54	1.75	154.99	178.92
	JPY	76.79	76.75	48.22	51.65
	CAD	-	0.01	-	0.59
Trade receivables and Bank balances	USD	0.07	0.05	5.27	3.65
	NPR	5.87	15.26	3.67	9.54
	EURO	-	0.01	-	0.85
	BDT	-	1.25	-	0.91


**61. Financial Risk Management (Contd.)**

Particulars	Amount in Foreign Currency (in Crore)		Amount (₹ in Crore)		
		As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Amount of contracts remaining to be executed	USD	0.43	1.70	32.82	125.90
	EURO	0.76	1.39	65.18	121.32
	SEK	0.57	1.41	4.73	12.01
	GBP	0.78	0.72	78.50	73.61
	JPY	-	1.72	-	1.16

**Sensitivity Analysis**

Since the impact of strengthening or weakening of Indian rupee against USD, Euro, JPY and other currencies on the statement of profit and loss would not be very significant; therefore, sensitivity analysis for currency risk is not disclosed.

**(ii) Interest rate risk**

The Company is exposed to interest rate risk arising mainly from long term borrowings with floating interest rates. The Company is exposed to interest rate risk because the cash flows associated with floating rate borrowings will fluctuate with changes in interest rates. The Company manages the interest rate risks by maintaining a debt portfolio comprising a mix of fixed and floating rate borrowings in domestic and foreign currencies.

At the reporting date, the interest rate profile of the Company's variable interest rate-bearing financial instruments is as follows:

(₹ in crore)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Long Term Debt with floating rate of interest</b>		
-Domestic	24,216.04	26,204.65
-Foreign	34,186.14	36,018.86
<b>Sub Total</b>	<b>58,402.18</b>	<b>62,223.51</b>
<b>Long Term Debt with fixed rate of interest</b>		
-Domestic	63,400.26	71,093.40
-Foreign	7,562.83	7,934.57
<b>Sub Total</b>	<b>70,963.09</b>	<b>79,027.97</b>
<b>Total Long Term Debt</b>	<b>1,29,365.27</b>	<b>1,41,251.48</b>
<b>% of Floating Interest Rate Debt to Total Long Term Debt</b>	<b>45.15%</b>	<b>44.05%</b>

**Fair value sensitivity analysis for interest-rate risk**

As per CERC Regulations, interest on loan during construction forms part of project cost for the purpose of tariff and after the date of commercial operation, interest on loans is recoverable through tariff calculated on the normative average loan of the year by applying the weighted average rate of interest of the actual loan portfolio.

Accordingly, the Company's interest rate risk is not considered significant; hence sensitivity analysis for the risk is not disclosed.

**(iii) Other price risk**

The Company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance sheet as fair value through OCI.

Considering the magnitude of equity investments, no significant risk is expected to arise.

**62. Income Tax expense**

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

**(a) Income tax expense**

(₹ in crore)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
<u>Current Tax</u>		
Current tax on profits for the year	3,320.52	2,527.55
Adjustments for current tax of prior periods	(38.46)	1.56



**62. Income Tax expense (Contd.)**

(₹ in crore)

Pertaining to regulatory deferral account balances (A)	(110.65)	84.44
<b>Total current tax expense (B)</b>	<b>3,171.41</b>	<b>2,613.55</b>
Deferred Tax expense		
Origination and reversal of temporary differences & previously unrecognised tax credit recognised as Deferred Tax Asset this year	(571.00)	560.03
<b>Total deferred tax expense /benefit (C)</b>	<b>(571.00)</b>	<b>560.03</b>
<b>Income tax expense (B+C-A)</b>	<b>2,711.06</b>	<b>3,089.14</b>
<b>Pertaining to regulatory deferral account balances</b>	<b>(110.65)</b>	<b>84.44</b>
<b>Total tax expense including tax on movement in regulatory deferral account balances</b>	<b>2,600.41</b>	<b>3,173.58</b>

**(b) Income Tax recognized in Regulatory Deferral Account Balances:**

(₹ in crore)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Deferred assets for Deferred tax liability	(727.94)	568.46
Foreign Currency Fluctuation	93.03	(85.17)
Employee Benefits and Other Expenses	1.60	-
Total Regulatory Deferral Account Balances Before Tax - Income / (Expenses)	(633.31)	483.29
Current Tax on Regulatory Deferral Account Balances	(110.65)	84.44
<b>Net Movement in Regulatory Deferral Account Balances - Income / (Expenses) (net of Tax)</b>	<b>(522.66)</b>	<b>398.85</b>

**(c) Income Tax recognized in other comprehensive income:**

(₹ in crore)

Particulars	For the year ended 31.03.2022			For the year ended 31.03.2021		
	Before Tax	Tax expense/ (benefit)	Net of Tax	Before Tax	Tax expense/ (benefit)	Net of Tax
Net gains/(losses) on fair valuation of equity instruments	478.85	53.90	424.95	39.80	-	39.80
Net actuarial losses on defined benefit plans	(196.74)	(34.38)	(162.36)	(19.94)	(3.49)	(16.45)
Less: Transferred to expenditure during construction (net)	(34.34)	(6.00)	(28.34)	(2.44)	(0.43)	(2.01)
<b>Other Comprehensive Income (Net of Tax)</b>	<b>316.45</b>	<b>25.52</b>	<b>290.93</b>	<b>22.30</b>	<b>(3.06)</b>	<b>25.36</b>

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

(₹ in crore)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Profit before income tax expense including movement in Regulatory Deferral Account Balances	19,694.17	15,109.36
<b>Tax at the Company's domestic tax rate of 34.944 %</b>	<b>6,881.93</b>	<b>5,279.81</b>
Tax effect of:		
Non Deductible tax items	(3,248.71)	(2,563.68)
Tax exempt income	(3,633.21)	(2,116.44)
Previous Years tax liability	(38.46)	1.56
Deferred Tax expense/(income)	(571.00)	560.03
Minimum alternate tax adjustments	3,209.86	2,012.30
<b>Income tax expense</b>	<b>2,600.41</b>	<b>3,173.58</b>



### 63. Employee Benefit Obligations

(₹ in crore)

Particulars	31 March 2022			31 March 2021		
	Current	Non-current	Total	Current	Non-current	Total
Leave Obligations	69.59	462.39	531.98	56.33	411.66	467.99
Post-Retirement Medical Facility (PRMF)	28.08	630.60	658.68	22.58	579.62	602.20
Other Employee benefits /Long Service Award	1.60	20.43	22.03	1.46	20.31	21.77
Gratuity	81.08	482.71	563.79	77.40	514.20	591.60
Other Defined retirement benefits (ODRB)/ Baggage Allowance	2.59	20.50	23.09	2.37	21.10	23.47
<b>Total employee benefit obligations</b>	<b>182.94</b>	<b>1616.63</b>	<b>1799.57</b>	<b>160.14</b>	<b>1546.89</b>	<b>1707.03</b>

#### (i) Long Term Employee Benefits

##### A. Leave Obligations

The Company provides for earned leave benefit (including compensated absences) and half-pay leave to the employees of the company which accrue annually at 30 days and 20 days respectively. Earned leave is encashable while in service. Half pay leaves (HPL) are encashable only on separation beyond the age of 55 years upto the maximum of 300 days (HPL). However, total number of leave that can be encashed on superannuation shall be restricted to 300 days and no commutation of half pay leave shall be permissible. The liability for same is recognized on the basis of actuarial valuation.

##### B. Other employee benefits – POWERGRID Employee family rehabilitation scheme

The company has introduced POWERGRID Employees Family Economic Rehabilitation Scheme on 24.06.2017. The Objective of the scheme is to provide monetary assistance and support to an employee in case of his/her permanent total disablement and to his/her family in case of death while in service. The beneficiary would be entitled to monthly payment equivalent to the employee's 50% of one month pay last drawn provided the beneficiary deposits with the company an amount equal to PF (excluding VPF) balance, Gratuity amount and Group Insurance (EDLI) amount. Such monthly payment would continue till the normal notional date on which the employee concerned would have attained the age of superannuation had the employee continued in the service of the company. The scheme is optional. Provision for POWERGRID Employees Family Economic Rehabilitation Scheme amounting to ₹ 5.96 crore (up to Previous Year ₹ 9.67 crore) for the year has been made during the year based on actuarial valuation.

#### (ii) Post-employment obligations (Defined Employee Benefit/Contribution Schemes)

##### A. Post-Retirement Medical Facility (PRMF)

The Company has Post-Retirement Medical Facility (PRMF), under which retired employees and the spouse are provided medical facilities in the empaneled hospitals. They can also avail treatment as Out-Patient subject to a ceiling fixed by the company. The liability for the same is recognized on the basis of actuarial valuation on annual basis on the Balance Sheet date. The scheme is funded by the company and is managed by a separate trust constituted on 01 May 2018.

##### B. Other employee benefits – Long Service Award

This benefit is applicable to all regular employees of the company (except for Directors and CMD) who have superannuated after completing at least 10 years of service. This scheme is unfunded and liability for the same is recognised on the basis of actuarial valuation on annual basis on the balance sheet date.

##### C. Gratuity

The company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to get gratuity at 15 days salary (15/26 x last drawn basic salary plus, dearness allowance) for each completed year of service on superannuation, resignation, termination, disablement or on death subject to a maximum of ₹ 20 lacs. The scheme is funded by the company and is managed by a separate trust. The liability for the same is recognized on the basis of actuarial valuation on annual basis on the Balance Sheet date. Company has carried out the actuarial valuation of Gratuity benefit considering ceiling of ₹20 Lakhs.

##### D. Other Defined Retirement Benefits (ODRB)/Baggage Allowance

The Company has a scheme for settlement at the time of superannuation at anywhere in India and dependents to superannuated employees. The scheme is unfunded and liability for the same is recognized on the basis of actuarial valuation on annual basis on the Balance Sheet date.

##### E. Provident Fund

Company pays fixed contribution to Provident Fund at predetermined rate to a separate trust, which invests the funds in permitted securities. Contribution to family pension scheme is paid to the appropriate authorities. The contribution to the

**63. Employee Benefit Obligations (Contd.)**

fund and EPS scheme for the year amounting to ₹ 130.74 crore (previous year ₹ 128.30 crore) has been recognized as expense and is charged to Statement of Profit and Loss. The obligation of the company is limited to such fixed contribution and to ensure a minimum rate of interest on contributions to the members as specified by GOI. As per the report of actuary overall interest earning and cumulative surplus is not more than statutory interest payment requirement. Hence, further provision of ₹171.06 Crore has been included in OCI based on actuarial valuation is considered necessary to meet the statutory interest payment during the FY 2021-22. Since the company does not have unconditional right over the PF corpus, the surplus has not been recognized in the Balance Sheet.

(₹ in crore)

Particulars	31 March 2022			31 March 2021		
	Current	Non-current	Total	Current	Non-current	Total
Provident Fund (PF)	694.61	2640.38	3334.99	438.42	2821.90	3260.32

Particulars	PF		
	Present value of obligation	Fair value of plan assets	Net amount
<b>01 April 2021</b>	<b>3260.32</b>	<b>3301.89</b>	<b>(41.57)</b>
Service cost	118.36	-	118.36
Interest expense (income)	251.83	87.97	163.86
<b>Total</b>	<b>370.19</b>	<b>87.97</b>	<b>282.22</b>
<b>Re measurements</b>			
Return on plan assets, excluding amount included in interest expense/(income)			
(Gain)/Loss from change in demographic assumptions	-	-	-
(Gain)/Loss from change in financial assumptions	-	-	-
Experience (Gain)/ Losses	48.77	-	48.77
<b>Total</b>	<b>48.77</b>	<b>-</b>	<b>48.77</b>
Employee contributions	196.46	314.82	(118.36)
Benefits payments	(540.75)	(540.75)	-
<b>31 March 2022</b>	<b>3334.99</b>	<b>3163.93</b>	<b>171.06</b>

(₹ in crore)

Particulars	PF		
	Present value of obligation	Fair value of plan assets	Net amount
<b>01 April 2020</b>	<b>3055.87</b>	<b>3146.09</b>	<b>(90.22)</b>
Service cost	115.35	-	115.35
Interest expense (income)	254.71	207.78	46.93
<b>Total</b>	<b>370.06</b>	<b>207.78</b>	<b>162.28</b>
<b>Re measurements</b>			
Return on plan assets, excluding amount included in interest expense/(income)	-	-	-
(Gain)/Loss from change in demographic assumptions	-	-	-
(Gain)/Loss from change in financial assumptions	-	-	-
Experience (Gain)/ Losses	1.72	-	1.72
<b>Total</b>	<b>1.72</b>	<b>-</b>	<b>1.72</b>
Employee contributions	256.88	372.23	(115.35)
Benefits payments	(424.21)	(424.21)	-
<b>31 March 2021</b>	<b>3260.32</b>	<b>3301.89</b>	<b>(41.57)</b>



### 63. Employee Benefit Obligations (Contd.)

The net liability disclosed above relates to Provident Fund is as follows:

(₹ in crore)

Particulars	PF	
	31 March 2022	31 March 2021
Present value of funded obligations	3334.99	3260.32
Fair value of plan assets	3163.93	3301.89
<b>Deficit/(Surplus) of funded plan</b>	<b>171.06</b>	<b>(41.57)</b>

Sensitivity Analysis of Provident Fund:

(₹ in crore)

Particulars	PF
a) Impact of change in discount rate	
Present value of Obligation at the end of period	3334.99
- Impact due to increase of 0.5%	(0.62)
- Impact due to decrease of 0.5%	0.65

The major categories of plan assets (PF) are as follows

(₹ in crore)

Particulars	31 March 2022				31 March 2021			
	Quoted	Unquoted	Total	In %	Quoted	Unquoted	Total	In %
Equity instruments (ETF)	102.83	-	102.83	3%	60.56	-	60.56	2%
<b>Debt instruments</b>								
Govt/State Bonds	1831.84	-	1831.84	58%	1774.95	-	1774.95	54%
PSU and Private Bonds	1120.02	-	1120.02	36%	1308.56	-	1308.56	40%
Bank Balance	73.80	-	73.80	2%	51.12	-	51.12	1%
Other Receivables	35.44	-	35.44	1%	106.70	-	106.70	3%
<b>Total</b>	<b>3163.93</b>	<b>-</b>	<b>3163.93</b>		<b>3301.89</b>	<b>-</b>	<b>3301.89</b>	

Fair value of company's own transferable financial instruments held as plan assets is ₹54.03crore as on 31 March 2022 (₹ 73.52 crore as on 31 March 2021).

The expected maturity analysis of provident fund is as follows:

(₹ in crore)

Particulars	Less than a year	Between 1-2 year	Between 2-5 years	Over 5 years	Total
<b>31 March 2022</b>	<b>694.61</b>	<b>297.11</b>	<b>616.26</b>	<b>1727.01</b>	<b>3334.99</b>
<b>31 March 2021</b>	438.42	338.33	737.81	1745.76	3260.32

#### F. Pension

The Company has scheme of employees defined Pension Contribution. Company contribution is paid to separate trust. Amount of contribution paid/payable for the year is ₹ 115.31crore (previous year ₹ 62.63crore) has been recognized as expense and is charged to Statement of Profit & Loss.

The summarized position of various employee benefit obligations is as follows:

(₹ in crore)

Particulars	Gratuity			ODRB			Leaves			PRMF		
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount
<b>01 April 2021</b>	<b>591.60</b>	<b>592.66</b>	<b>(1.06)</b>	<b>23.47</b>	-	<b>23.47</b>	<b>467.99</b>	-	<b>467.99</b>	<b>602.20</b>	<b>601.13</b>	<b>1.07</b>
Service cost	24.02	-	24.02	1.40	-	1.40	65.63	-	65.63	19.47	-	19.47
Interest expense (income)	39.93	7.29	32.64	1.58	-	1.58	31.59	-	31.59	40.65	-	40.65

**63. Employee Benefit Obligations (Contd.)**

(₹ in crore)

Particulars	Gratuity			ODRB			Leaves			PRMF		
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount
<b>Total amount recognized in profit or loss</b>	<b>63.95</b>	<b>7.29</b>	<b>56.66</b>	<b>2.98</b>		<b>2.98</b>	<b>97.22</b>		<b>97.22</b>	<b>60.12</b>	-	<b>60.12</b>
<b>Re measurements</b>												
Return on plan assets, excluding amount included in interest expense/ (income)	-	-	-	-	-	-	-	-	-	-	54.37	(54.37)
(Gain)/Loss from change in demographic assumptions	-	-	-	-	-	-	-	-	-	-	-	-
(Gain)/Loss from change in financial assumptions	-	-	-	-	-	-	-	-	-	-	-	-
Experience (Gain)/ Losses	(18.79)	-	(18.79)	(3.35)	-	(3.35)	56.34	-	56.34	30.4	-	30.4
<b>Total amount recognized in other comprehensive income</b>	<b>(18.79)</b>	<b>-</b>	<b>(18.79)</b>	<b>(3.35)</b>		<b>(3.35)</b>	<b>56.34</b>		<b>56.34</b>	<b>30.4</b>	<b>54.37</b>	<b>(23.97)</b>
Employer contributions	-	26.31	(26.31)	-	-	-	-	-	-	-	37.32	(37.32)
Benefits payments	(72.97)	(72.97)	-	(0.01)	-	(0.01)	(89.57)	-	(89.57)	(34.04)	<b>(34.04)</b>	-
<b>31 March 2022</b>	<b>563.79</b>	<b>553.29</b>	<b>10.5</b>	<b>23.09</b>	-	<b>23.09</b>	<b>531.98</b>	-	<b>531.98</b>	<b>658.68</b>	<b>658.78</b>	<b>(0.1)</b>

(₹ in crore)

Particulars	Gratuity			ODRB			Leaves			PRMF		
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount
<b>01 April, 2020</b>	<b>601.91</b>	<b>554.99</b>	<b>46.92</b>	<b>20.96</b>		<b>20.96</b>	<b>424.46</b>	-	<b>424.46</b>	<b>542.87</b>	<b>518.16</b>	<b>24.71</b>
Service cost	24.57		24.57	1.44		1.44	47.35		47.35	18.15		18.15
Interest expense (income)	40.63	39.91	0.72	1.41		1.41	28.65		28.65	36.65		36.65
<b>Total amount recognized in profit or loss</b>	<b>65.20</b>	<b>39.91</b>	<b>25.29</b>	<b>2.85</b>		<b>2.85</b>	<b>76.00</b>		<b>76.00</b>	<b>54.80</b>	<b>0.00</b>	<b>54.80</b>
<b>Re measurements</b>												
Return on plan assets, excluding amount included in interest expense/ (income)	-	-	-	-	-	-	-	-	-	-	73.33	(73.33)
(Gain)/Loss from change in demographic assumptions	-	-	-	-	-	-	-	-	-	-	-	-
(Gain)/Loss from change in financial assumptions	-	-	-	-	-	-	-	-	-	-	-	-
Experience (Gain)/ Losses	(3.46)	-	(3.46)	(0.31)	-	(0.31)	47.97	-	47.97	29.77	-	29.77
<b>Total amount recognized in other comprehensive income</b>	<b>(3.46)</b>	<b>0.00</b>	<b>(3.46)</b>	<b>(0.31)</b>		<b>(0.31)</b>	<b>47.97</b>		<b>47.97</b>	<b>29.77</b>	<b>73.33</b>	<b>(43.56)</b>
Employer contributions	-	69.81	(69.81)	-	-	-	-	-	-	-	9.64	(9.64)
Benefits payments	(72.05)	(72.05)	0.00	(0.03)	-	(0.03)	(80.44)	-	(80.44)	(25.24)	-	(25.24)
<b>31 March 2021</b>	<b>591.60</b>	<b>592.66</b>	<b>(1.06)</b>	<b>23.47</b>	-	<b>23.47</b>	<b>467.99</b>	-	<b>467.99</b>	<b>602.20</b>	<b>601.13</b>	<b>1.07</b>

The net disclosed above relates to funded and unfunded plans are as follows: -



### 63. Employee Benefit Obligations (Contd.)

(₹ in crore)

Particulars	Gratuity		ODRB		Leaves		PRMF	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Present value of funded obligations	563.79	591.60	-	-	-	-	658.68	602.20
Fair value of plan assets	553.29	592.66	-	-	-	-	658.78	601.13
<b>Deficit/(Surplus) of funded plan</b>	<b>10.50</b>	<b>(1.06)</b>	-	-	-	-	<b>(0.10)</b>	<b>1.07</b>
<b>Unfunded plans</b>		-	<b>23.09</b>	<b>23.47</b>	<b>531.98</b>	<b>467.99</b>	-	-

The company expects to contribute ₹ 35.67 crore to the gratuity trust during the FY 2022-23.

#### (iii) Significant actuarial assumptions for Post-Employment Benefits:

##### Economic Assumptions

Particulars	Gratuity, ODRB, Pension, PRMF, PF	
	31 March 2022	31 March 2021
Discount rate	7.00%	6.75%
Salary growth rate (except for PF)	6.50%	6.50%

The discount rate is generally based upon the market yields available on Govt. Bonds at the accounting date relevant to currency of benefit payments for a term that matches the liabilities. Salary growth rate is companies' long term best estimate as to salary increases and takes account of inflation, seniority, promotion, business plan, HR Policy and other relevant factors on long term basis.

##### Demographic Assumptions

Particulars	31 March 2022	31 March 2021
i) Retirement Age	60	60
ii) Mortality rates inclusive of provision for disability	100% of IALM (2012-14)	100% of IALM (2012-14)
iii) Ages		
	Withdrawal rate %	Withdrawal %
Upto 30 years	3	3
From 31 to 44 years	2	2
Above 44 years	1	1

##### Mortality rates for specimen ages

Age	Mortality rate	Age	Mortality rate	Age	Mortality rate
15	0.000698	45	0.002579	75	0.038221
20	0.000924	50	0.004436	80	0.061985
25	0.000931	55	0.007513	85	0.100979
30	0.000977	60	0.011162	90	0.163507
35	0.001202	65	0.015932	95	0.259706
40	0.00168	70	0.024058	100	0.397733

#### (iv) Sensitivity Analysis of the defined benefit obligation

(₹ in crore)

Particulars	Gratuity	ODRB	Leave	PRMF
a) Impact of change in discount rate				
Present value of Obligation at the end of period	563.79	23.09	531.98	658.68
- Impact due to increase of 0.5%	(22.61)	(1.01)	(25.62)	(36.21)



**63. Employee Benefit Obligations (Contd.)**

Particulars	Gratuity	ODRB	Leave	PRMF
- Impact due to decrease of 0.5%	24.68	1.13	27.95	38.18
b) Impact of change in salary increase				
Present value of Obligation at the end of period	563.79	23.09	531.98	658.68
- Impact due to increase of 0.5%	7.93	1.12	27.95	38.99
- Impact due to decrease of 0.5%	(8.49)	(1.05)	(25.73)	(36.59)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

The sensitivity analysis above has been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. This analysis may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

**(v) The major categories of plan assets (Gratuity) are as follows:**

(₹ in crore)

Particulars	31 March 2022				31 March 2021			
	Quoted	Unquoted	Total	In %	Quoted	Unquoted	Total	In %
Equity instruments (ETF)	4.98	-	4.98	1%	3.14	-	3.14	1%
<b>Debt instruments</b>								
Govt/State Bonds	326.56	-	326.56	62%	316.42	-	316.42	54%
PSU and Private Bonds	197.95	-	197.95	37%	266.28	-	266.28	45%
<b>Total*</b>	<b>529.49</b>	<b>-</b>	<b>529.49</b>		<b>585.84</b>	<b>-</b>	<b>585.84</b>	

\*Fair valuation as per actuarial valuation is ₹ 553.29 crore (Previous Year ₹ 592.66 crore).

Fair value of company's own transferable financial instruments held as plan assets is ₹43.38 Crore (Previous Year ₹ 56.03 crore).

**(vi) The major categories of plan assets (PRMF) are as follows:**

(₹ in crore)

Particulars	31 March 2022				31 March 2021			
	Quoted	Unquoted	Total	In %	Quoted	Unquoted	Total	In %
Equity instruments (ETF)	-	-	-		-	-	-	-
<b>Debt instruments</b>								
Govt/State Bonds	344.06	-	344.06	54%	296.17	-	296.17	51%
PSU and Private Bonds	298.85	-	298.85	46%	288.93	-	288.93	49%
<b>Total#</b>	<b>642.91</b>	<b>-</b>	<b>642.91</b>		<b>585.10</b>	<b>-</b>	<b>585.10</b>	

#Fair valuation as per actuarial valuation is ₹ 658.78crore (Previous Year ₹ 601.13crore)

**(vii) Description of Risk exposures**

Valuation is based on certain assumptions which are dynamic in nature and vary over time. As such company is exposed to various risks as follows:

- Salary Increases (except for PF) – Actual salary increase will increase the plan's liability. Increase in salary increase rate assumptions in future valuation will also increase the liability.
- Investment risk – If plan is funded then assets liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability
- Discount Rate – Reduction in discount rate in subsequent valuations can increase the plan's liability.
- Mortality & disability – Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.



### 63. Employee Benefit Obligations (Contd.)

E) Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

#### (viii) Defined benefit liability and employee contribution

The weighted average duration of the defined benefit obligations is 39.61 years (Previous Year 39.57years). The expected maturity analysis of undiscounted pension, gratuity, other defined retirement benefit and post-employment medical benefits is as follows:

(₹ in crore)

Particulars	Less than a year	Between 1-2 year	Between 2-5 years	Over 5 years	Total
<b>31 March 2022</b>					
Defined benefit obligation (Gratuity)	81.08	63.44	125.20	294.07	563.79
Post-employment medical benefits	28.08	35.84	140.27	454.49	658.68
ODRB	2.59	2.18	4.58	13.74	23.09
Other employee benefits (LSA)	1.60	1.14	2.50	16.79	22.03
<b>Total</b>	<b>113.35</b>	<b>102.60</b>	<b>272.55</b>	<b>779.09</b>	<b>1267.59</b>
<b>31 March 2021</b>					
Defined benefit obligation (Gratuity)	77.40	73.30	148.99	291.91	591.60
Post-employment medical benefits	22.58	28.78	112.44	438.40	602.20
ODRB	2.37	2.42	5.27	13.41	23.47
Other employee benefits (LSA)	1.46	1.46	3.42	15.43	21.77
<b>Total</b>	<b>103.81</b>	<b>105.96</b>	<b>270.12</b>	<b>759.15</b>	<b>1239.04</b>

**64. Additional Regulatory Information as per Schedule III to the Companies Act, 2013**

a) Details of immovable properties where title deeds are not in the name of the company:

**Type of Property:** Property, plant and Equipment

Description of item of property	Gross carrying value as at 31.03.2022	Gross carrying value as at 31.03.2021	Title deeds held in the name of	Whether title deed holder is a promoter, director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
<b>Freehold land</b>	<b>192.49</b>	<b>190.21</b>				
Township-Sector 46, Gurgaon	11.00	11.00	Haryana Shahari Vikas Pradhikaran(HSVP)	No	02-12-1998	Pending the outcome of representation made to HSVP by Company for waiver of penalty, the title deed is pending for transfer in favour of the Company.
Birpara	0.00	0.00	Govt. Of West Bengal	No	01-11-1996	Survey work of Birpara Mouza is under progress by Block Land Reforms Office & mutation will be done after survey work is completed.
Maithon	0.00	0.00	Multiple Private Owner	No	01-04-1992	The Company is in the process of getting the title deed registered from office of District Land and Land Reforms Officer (DLLRO). There is procedural delay in transfer of title deed.
Maithon	0.02	0.02	CLW-Indian Railway	No	01-04-1992	Matter is being followed up with CLW (Chittaranjan Locomotive works) for execution of registration deed. There is procedural delay in transfer of title deed.
Maithon	0.32	0.31	Multiple Private Owner	No	28-03-2018	NOC from Tribal Board is yet to be received pending which title deed is not transferred in name of the Company.
Alipourduar- Mathabhanga Earth Electrocode	0.67	0.67	Multiple Private Owner	No	31-12-2012	Transfer of title deed is pending on account of procedural delays.
Rajarhat	23.23	23.23	Multiple Private Owner	No	30-11-2014	
Aizawl	0.03	0.03	Govt. of Mizoram	No	1991	
Misa	0.31	0.31	Govt. of Assam	No	1994	Legal fees has been paid to the Govt. of Assam and transfer of title deeds in the name of Powergrid is under process with the concerned department of Govt. of Assam.
Fairidabad, NR-1, RHQ (Township)	6.42	6.42	Haryana Shahari Vikas Pradhikaran	No	01-04-1999	Pending disposal of appeal at High Court Chandigarh against enhancement and extension fees, demanded by HSVP, the title deed is pending to be transferred in favour of the Company.
Meerut SS	0.18	0.18	UP Govt	No	01-04-2003	Land acquired for Meerut Sub station includes Gram Samaj Land. Concerned authority is being approached for completion of Legal formalities.
Hisar S/S	0.57	0.57	NHPC	No	30-09-1991	The company is dealing with multiple authorities for transfer of land situated at multiple locations. The transfer of title deed is pending on account of procedural delays.



64. Additional Regulatory Information as per Schedule III to the Companies Act, 2013 (Contd.)

Description of item of property	Gross carrying value as at 31.03.2022	Gross carrying value as at 31.03.2021	Title deeds held in the name of	Whether title deed holder is a promoter, director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Line Office Banikhet, Tehsil & Distt. Chamba (HP)	0.00	0.00	HP Govt	No	28-02-1994	Subject land is Govt./Forest Land in record of HP Govt. As per GOI guidelines, Forest Land diverted to Non Forestry purpose under FCA 1980 will be having legal status as "Forest" even after diversion.
Hiriyur	0.34	0.34	Karnataka Industrial Aread Development Board (KIADB)	No	01-02-2004	Pending title rectifications for few parcel of land, to be carried out by KIADB, title deed is yet to be registered in the name of POWERGRID.
Yelahanka	30.72	30.72	Karnataka Power Transmission Corporation Limited (KPTCL)	No	23-03-2011	Transfer of title deed is pending on account of procedural delays with office of M/s KPTCL.
Somanhalli	0.34	0.34	Karnataka Power Transmission Corporation Limited (KPTCL)	No	FY 1992-93 onwards	
Kolar Siddalagatta	0.91	0.91	Karnataka Industrial Aread Development Board (KIADB)	No	01-04-2002	Transfer of title deed is pending on account of procedural delays with office of KIADB.
Tumkur	42.29	42.29	Karnataka Industrial Aread Development Board (KIADB)	No	25-09-2013	
Kudugi	8.83	8.83	Karnataka Industrial Aread Development Board (KIADB) and Others	No	28-02-2014	
Bidadi	20.00	20.00	Karnataka Industrial Aread Development Board (KIADB)	No	23-03-2011	
Pavagada (Kyathaganacherlu Village)	0.64	0.31	Private Parties are Chowdappa S/o Akkanna, Mrs. Sanjeevamma D/o Venkatappa, M. Chaplainship S/o Venkatappa and Others	No	30-06-2017	Registration and mutation is pending on account of establishing the legal ownership of the land and consideration for the said land is also yet to be paid.
Pugalur HVDC	0.31	0.31	Bhoodan Trust Board	No	01-04-2017	The land has been allotted by Bhoodan Trust Board to the company. Due to delay in incumbency of meetings of Bhoodan Trust Board and other formalities, registration in the name of the company is pending.

## 64. Additional Regulatory Information as per Schedule III to the Companies Act, 2013 (Contd.)

Description of item of property	Gross carrying value as at 31.03.2022	Gross carrying value as at 31.03.2021	Title deeds held in the name of	Whether title deed holder is a promoter, director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Kovilpatti	45.36	43.42	Shri Ramesh and Shri R Rajan	No	19-10-2011	Pursuant to the directions of the Hon'ble High court of Chennai, Sole Arbitrator has been appointed and an award has been passed. Aggrieved by the award, both the parties has approached Hon'ble High Court for compensation award. Hon'ble. High court Chennai is yet to decide the case. Therefore, title deed is yet to be transferred in the name of the Company.
<b>ROU Asset- Land</b>	<b>274.76</b>	<b>264.61</b>				
Pandiabili	8.82	8.82	Govt. of Odisha	No	12-01-2018	The Company is in the process of getting the lease deed registered from Govt. of Odisha. There is procedural delay in creation of lease deed.
SAIL-Durgapur	21.65	21.65	SAIL-Durgapur	No	01-05-2017	The original Lease agreement with SAIL was expired and the same is under process for renewal.
Maithon	0.02	0.02	Govt. Of West Bengal	No	04-05-2019 & 24-04-2021	Renewal of lease request has been submitted to DLLRO-Asansol. Reply on the same is awaited.
Alipurduar- Mathabhanga Earth Electrocode	0.30	0.30	Govt. Of West Bengal	No	17-03-2017	Lease agreement of 4.85 Hectares of Lease land is approved by the State Cabinet on 23.11.21. Signing of lease agreement is under process. For Balance land of 1.16 Hectares process is on for approval at State Cabinet.
Jamshedpur	0.13	0.13	Forest Dept.	No	FY 1992-93 onwards	JIADA is trying to get clearance for land transfer from Forest Dept. for onward transfer to POWERGRID.
Ajmer Township	0.96	0.96	Ajmer Distt Authority	No	01-04-1999	Execution of lease deed is pending on account of disposal of the petition before Division Commissioner Ajmer for demand of interest on revised land cost.
400/220 KV S/S Dwarka	63.13	63.13	GNCTD	No	01-04-2018	Execution of lease deed is pending on account of procedural delays.
400/220 KV S/S Tuglakabad	35.52	35.52	GNCTD	No	01-04-2018	
400/220 KV GIS Pooling Station Chamba, Village Mohal Rajera Tehsil & Distt. Chamba (HP)	12.36	12.36	HP Govt	No	19-10-2011	As per GOI guidelines, Forest Land diverted to Non Forestry purpose under FCA 1980 will be having legal status as "Forest" even after diversion.
SLTS_Kargil Substation (UT of Ladakh)	0	0	PDD Kargil	No	23-03-2021	Govt of India (MOP) has declared Srinagar Leh Transmission System (SLTS) project as Interstate Transmission System Projects (ISTS) and the same has been transferred to Powergrid. Pending signing of the MOU, the lease deed is not executed in the name of the Company.
SLTS_Drass Substation (UT of Ladakh)	0	0	PDD Kargil	No	23-03-2021	
SLTS_Leh Substation (UT of Ladakh)	0	0	PDD Leh	No	23-03-2021	
SLTS_Khalsti Substation (UT of Ladakh)	0	0	PDD Leh	No	23-03-2021	



**64. Additional Regulatory Information as per Schedule III to the Companies Act, 2013 (Contd.)**

Description of item of property	Gross carrying value as at 31.03.2022	Gross carrying value as at 31.03.2021	Title deeds held in the name of	Whether title deed holder is a promoter, director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Wagoora_400/220 kV Sub-Station Wagoora, Village Wagoora Tehsil & Distt. Budgam, Kashmir	1.33	1.33	Govt of J&K	No	FY 1993-94 onwards	Land in UT of J&K is acquired by State Government under state land acquisition act. As per law the state government remains the owner of the land acquired and company is only given possession for specific use.
New wanpoh_400/220 kV Sub-Station New Wanpoh, Village Damjan, Tehsil Dooru, Distt. Anantnag, Kashmir	25.45	25.45	Govt of J&K	No	30-11-2010	
Kishenpur Township_800/400/220 kV Sub-Station Kishenpur, Village Kharta Tehsil Jindhra & Distt. Jammu (TOWNSHIP LAND)	0.06	0.06	Govt of J&K	No	31-03-1995, 31-03-1996	
Kishenpur_800/400/220 kV Sub-Station Kishenpur, Village Kharta Tehsil Jindhra & Distt. Jammu	0.34	0.34	Govt of J&K	No	31-03-1993, 31-12-1994	
Narwal_Line Office Narwal	-	-	Govt of J&K	No	FY 1993-94 onwards	
Samba_Samba S/S Land	11.60	11.60	Govt of J&K	No	19-04-2012	
TL Land in UR of Jammu and Kashmir	93.09	82.94	Govt of J&K	No	FY 1993-94 onwards	
<b>Building</b>	<b>2.96</b>	<b>2.96</b>				
Buildings (Flats in Mumbai)	2.96	2.96	MHADA	No	02-01-2017	Transfer of title deed is pending on account of procedural delays.



**64. Additional Regulatory Information as per Schedule III to the Companies Act, 2013 (Contd.)**

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

(₹ in crore)

Particulars	<1 Year	1-2 Years	2-3 Years	>3 Years	Total
<b>As at 31.03.2022</b>					
<b>Projects in progress</b>	<b>3,265.50</b>	<b>1,429.12</b>	<b>1,073.09</b>	<b>1,579.01</b>	<b>7,346.72</b>
<b>Projects temporarily suspended</b>	-	-	-	-	-
<b>Total</b>	<b>3,265.50</b>	<b>1,429.12</b>	<b>1,073.09</b>	<b>1,579.01</b>	<b>7,346.72</b>
<b>As at 31.03.2021</b>					
Projects in progress	8,234.34	5,692.09	1,525.13	2,447.37	<b>17,898.93</b>
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>8,234.34</b>	<b>5,692.09</b>	<b>1,525.13</b>	<b>2,447.37</b>	<b>17,898.93</b>

c) For capital-work-in progress (CWIP), whose completion is overdue or has exceeded its cost compared to its original plan, CWIP completion schedule is as follows:

(₹ in crore)

Particulars	Project	<1 Year	1-2 Years	2-3 Years	>3 Years	Total
Projects in progress	North East - Northern / Western Interconnector - I project	1,007.06	-	-	-	1,007.06
Projects in progress	Transmission System associated with Tehri Pump Storage Plant (PSP)	180.93	-	-	-	180.93
Projects in progress	Western Region System Strengthening Scheme - V	450.52	-	-	-	450.52
Projects in progress	Transmission System Associated with Mundra Ultra Mega Power Project	-	108.96	-	-	108.96
Projects in progress	Eastern Region Strengthening Scheme - V (ERSS-V)	26.61	-	-	-	26.61
Projects in progress	Establishment of Fibre Optic Communication System in Western Region under Master Communication Plan	0.74	-	-	-	0.74
Projects in progress	Phase-I Unified Real Time Dynamic State Measurement (URTDSM)	2.71	-	-	-	2.71
Projects in progress	Northern Region System Strengthening Scheme - XXXV (NRSS-XXXV)	93.93	-	-	-	93.93
Projects in progress	Fibre optic communication system in Eastern Region under expansion of Wideband Communication network in Eastern Region	6.05	-	-	-	6.05
Projects in progress	Fibre optic communication system for Central Sector Sub-Stations & generating stations in Southern Region	0.80	-	-	-	0.80
Projects in progress	Eastern Region Strengthening Scheme - XII (ERSS-XII)	22.31	-	-	-	22.31
Projects in progress	POWERGRID works associated with North Eastern Region Strengthening Scheme - II, Part-B (NERSS-II-B)	83.27	-	-	-	83.27
Projects in progress	North Eastern Region Strengthening Scheme - III (NERSS-III)	53.05	-	-	-	53.05
Projects in progress	Creation of 400/220kV Substations in NCT of Delhi during 12th Plan Period (Part-A)	260.91	-	-	-	260.91



**64. Additional Regulatory Information as per Schedule III to the Companies Act, 2013 (Contd.)**

(₹ in crore)

Particulars	Project	<1 Year	1-2 Years	2-3 Years	>3 Years	Total
Projects in progress	Establishment of Fibre Optic Communication System in Northern Region under Fibre Optic Expansion Project (Additional Requirement)	72.56	-	-	-	72.56
Projects in progress	Transmission System for Ultra Mega Solar Park (750 MW) in Rewa District, Madhya Pradesh	12.53	-	-	-	12.53
Projects in progress	Transmission System for Ultra Mega Solar Park in Anantpur District, Andhra Pradesh - Part B (Phase-II)	50.93	-	-	-	50.93
Projects in progress	Establishment of 220/66kV, 2X160MVA GIS at UT Chandigarh along with 220kV D/C line from Chandigarh GIS to 400/220kV Panchkula (PG) substation	302.64	-	-	-	302.64
Projects in progress	Eastern Region Strengthening Scheme-XVII (Part-B) [ERSS-XVII (Part-B)]	43.82	-	-	-	43.82
Projects in progress	System Strengthening Scheme in Northern Region-XXXVII (NRSS-XXXVII)	344.64	-	-	-	344.64
Projects in progress	ICTs & Bays associated with Northern Region System Strengthening Scheme - XXXVIII (NRSS-XXXVIII)	262.59	-	-	-	262.59
Projects in progress	Line bays associated with Northern Region System Strengthening Scheme -XXXVI	23.03	-	-	-	23.03
Projects in progress	Establishment of Fibre Optic Communication System under Wide Band Communication Expansion Plan in North-Eastern Region	34.86	-	-	-	34.86
Projects in progress	Establishment of Fibre Optic Communication System in Western Region under Master Communication Plan (Additional Requirement)	9.85	-	-	-	9.85
Projects in progress	POWERGRID works associated with Transmission System Strengthening in Indian System for transfer of power from new HEPs in Bhutan	54.50	-	-	-	54.50
Projects in progress	Establishment of Communication System under Expansion/Up-gradation of SCADA/EMS system at SLDCs of Eastern Region (BSPTCL and DVC)	15.86	-	-	-	15.86
Projects in progress	HVDC Bipole link between Western region (Raigarh, Chhattisgarh) and Southern region (Pugalur, Tamil Nadu) - North Trichur (Kerala) - Scheme#2: AC System Strengthening at Pugalur end	-	17.79	-	-	17.79
Projects in progress	POWERGRID works associated with North Eastern Region Strengthening Scheme - VI	18.43	-	-	-	18.43
Projects in progress	POWERGRID works associated with North Eastern Region Strengthening Scheme - V	66.36	-	-	-	66.36

**64. Additional Regulatory Information as per Schedule III to the Companies Act, 2013 (Contd.)**

(₹ in crore)

Particulars	Project	<1 Year	1-2 Years	2-3 Years	>3 Years	Total
Projects in progress	Sub-Station works associated with Additional Inter-Regional AC link for import into Southern Region i.e. Warora – Warangal and Chilakaluripeta - Hyderabad - Kurnool 765kV link	159.27	-	-	-	159.27
Projects in progress	Provision of 400kV line bays at Bhiwani (PG)	18.17	-	-	-	18.17
Projects in progress	Transmission System for evacuation of power from 2X500 MW Neyveli Lignite Corp. Ltd. TS-1 (Replacement) (NNTPS) in Neyveli, Tamil Nadu	39.07	-	-	-	39.07
Projects in progress	POWERGRID works associated with Transmission System Strengthening in WR associated with Khargone TPS	99.32	-	-	-	99.32
Projects in progress	POWERGRID works associated with immediate evacuation for North Karanpura (3X660 MW) generation project of NTPC	40.63	-	-	-	40.63
Projects in progress	Eastern Region Strengthening Scheme-XVIII (ERSS-XVIII)	10.45	-	-	-	10.45
Projects in progress	Transmission System for Ultra Mega Solar Power Park (700 MW) at Banaskantha (Radhanesda), Gujarat	153.01	-	-	-	153.01
Projects in progress	Communication System under Eastern Region Fibre Optic Expansion Project (Additional Requirement)	34.51	-	-	-	34.51
Projects in progress	POWERGRID Works associated with Additional 400kV feed to Goa	21.78	-	-	-	21.78
Projects in progress	Additional System for Power Evacuation from Generation Projects pooled at Raigarh (Tamnar) Pool	78.41	-	-	-	78.41
Projects in progress	Establishment of Fibre Optic Communication Scheme (Additional) under Central Sector for North Eastern Region	15.78	-	-	-	15.78
Projects in progress	Establishment of Reliable Communication Scheme under Central Sector for Eastern Region	9.32	-	-	-	9.32
Projects in progress	Reliable Communication Scheme under Central Sector for Southern Region	101.59	-	-	-	101.59
Projects in progress	Reliable Communication Scheme under Central Sector for Western Region	53.28	-	-	-	53.28
Projects in progress	Baharampur (POWERGRID) – Bheramara (Bangladesh) 2nd 400kV D/c Transmission Line (Indian Portion)	170.35	-	-	-	170.35
Projects in progress	Supplementary Transmission System for Ultra Mega Solar Power Park (700 MW) at Banaskantha (Radhanesda), Gujarat	164.81	-	-	-	164.81
Projects in progress	Scheme to control fault level at Wardha substation	46.01	-	-	-	46.01



**64. Additional Regulatory Information as per Schedule III to the Companies Act, 2013 (Contd.)**

(₹ in crore)

Particulars	Project	<1 Year	1-2 Years	2-3 Years	>3 Years	Total
Projects in progress	Implementation of 500 MVAR Thyristor Controlled Reactor at Kurukshetra 400 kV bus	92.80	-	-	-	92.80
Projects in progress	Reliable Communication Scheme under Central Sector for Northern Region	66.72	-	-	-	66.72
Projects in progress	Northern Region System Strengthening - XL (NRSS-XL)	79.72	-	-	-	79.72
Projects in progress	Northern Region System Strengthening - XLI (NRSS-XLI)	17.89	-	-	-	17.89
Projects in progress	System Strengthening - XXV in Southern Region	36.15	-	-	-	36.15
Projects in progress	Extension works at POWERGRID substations for Interconnection of RE projects	5.46	-	-	-	5.46
Projects in progress	Transmission System for Solar Energy Zones in Rajasthan	203.28	-	-	-	203.28
Projects in progress	Northern Region System Strengthening - XLII (NRSS-XLII)	8.31	-	-	-	8.31
Projects in progress	Scheme to control fault level in Northern Region (Phase-II)	65.65	-	-	-	65.65
Projects in progress	Eastern Region Strengthening Scheme-XXII	22.04	-	-	-	22.04
Projects in progress	Transmission System for providing connectivity to RE projects at Bikaner (PG), Fatehgarh-II & Bhadla-II	248.06	-	-	-	248.06
Projects in progress	Transmission System for controlling high short circuit current level at 400 kV Thiruvalem S/s	74.74	-	-	-	74.74
Projects in progress	Construction of 2 nos. of 400kV Hybrid/GIS Line bays at Varanasi (PG) substation	34.21	-	-	-	34.21
Projects in progress	2 Nos. of 220 kV line bays at Saharanpur (PG)	2.63	-	-	-	2.63
Projects in progress	Transmission system strengthening scheme for evacuation of power from solar energy zones in Rajasthan (8.1 GW) under Phase II- Part-A1	10.98	-	-	-	10.98
Projects in progress	North Eastern Region Strengthening Scheme - X (NERSS-X)	16.10	-	-	-	16.10
Projects in progress	Eastern Region Strengthening Scheme-XXIII	182.99	-	-	-	182.99
Projects in progress	Transmission System for North Eastern Region Strengthening Scheme - XIV (NERSS-XIV)	31.56	-	-	-	31.56
Projects in progress	North Eastern Region Strengthening Scheme - XI (NERSS-XI)	8.23	-	-	-	8.23
Projects in progress	Eastern Region System Strengthening Scheme-XXIV (ERSS-XXIV)	1.89	-	-	-	1.89
Projects in progress	Transmission System for Solar Power Parks at Bhadla, Rajasthan	92.95	-	-	-	92.95

**64. Additional Regulatory Information as per Schedule III to the Companies Act, 2013 (Contd.)**

d) Aging of Intangible assets under development is as follows:

(₹ in crore)

Particulars	<1 Year	1-2 Years	2-3 Years	>3 Years	Total
<b>As at 31.03.2022</b>					
Projects in progress	25.29	-	-	6.24	<b>31.53</b>
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>25.29</b>	<b>-</b>	<b>-</b>	<b>6.24</b>	<b>31.53</b>
<b>As at 31.03.2021</b>					
Projects in progress	2.18	-	66.44	6.24	<b>74.86</b>
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>2.18</b>	<b>-</b>	<b>66.44</b>	<b>6.24</b>	<b>74.86</b>

e) For Intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan, Intangible assets under development completion schedule is as follows:

(₹ in crore)

Particulars	Project	<1 Year	1-2 Years	2-3 Years	>3 Years	Total
Projects in progress	Western Region System Strengthening Scheme - V	6.24	-	-	-	6.24
Projects in progress	North East - Northern / Western Interconnector - I project	24.66	-	-	-	24.66
Projects in progress	Eastern Region Strengthening Scheme-XXIII	0.63	-	-	-	0.63

f) No proceeding has been initiated or pending against the company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder as at the end of the financial year.

g) The Company was sanctioned a working capital limit of ₹ 5,700 crore (Previous Year ₹ 5,700 crore) secured against current assets by consortium of banks. The quarterly returns of current assets have been filed by the company during the financial year and are in agreement with books of accounts.

h) The company was not declared as a wilful defaulter by any bank or financial Institution or other lender during the financial year.

i) Relationship with Struck off Companies:

(₹ in crore)

Name of struck off Company	Nature of transactions with struck off Company	Balance outstanding as at 31.03.2022	Balance outstanding as at 31.03.2021	Relationship with the Struck off company
Ace Consultants Pvt Ltd	Payables	<b>0.00</b>	0.00	Not a Related Party
Beautex Advertising Media Private Limited	Payables	<b>0.03</b>	0.03	Not a Related Party
Vitalink Wealth Advisory Services Private Limited	Shares held by struck off company	<b>0.00</b>	0.00	Not a Related Party
Zenith Insurance Services Pvt Ltd	Shares held by struck off company	<b>0.00</b>	0.00	Not a Related Party
J V A Enterprises Private Ltd.	Shares held by struck off company	<b>0.00</b>	0.00	Not a Related Party
Isairis Trading Private Limited	Shares held by struck off company	<b>0.00</b>	0.00	Not a Related Party
Kothari Intergroup Ltd.	Shares held by struck off company	<b>0.00</b>	0.00	Not a Related Party
Vaishak Shares Limited	Shares held by struck off company	<b>0.00</b>	0.00	Not a Related Party



**64. Additional Regulatory Information as per Schedule III to the Companies Act, 2013 (Contd.)**

(₹ in crore)

Name of struck off Company	Nature of transactions with struck off Company	Balance outstanding as at 31.03.2022	Balance outstanding as at 31.03.2021	Relationship with the Struck off company
Shubhra Communications Private Limited	Receivables	0.04	0.04	Not a Related Party
Roofers Media Private Limited	Receivables	0.02	0.02	Not a Related Party
Expeditive Infotech Private Limited	Receivables	0.11	0.06	Not a Related Party
Glan Solution India Private Limited	Receivables	0.03	0.03	Not a Related Party
Arctos Telecom Private Limited(OPC)	Receivables	0.08	0.08	Not a Related Party
Yash Techno Media Private Limited	Receivables	0.06	0.06	Not a Related Party
Viscom Media Private Limited	Receivables	0.02	0.02	Not a Related Party
Business Standard Ltd	Payables	0.01	0.01	Not a Related Party
Imperial Foundation Pvt Ltd	Payables	0.21	0.21	Not a related party
Hindusthan Vidyut Products Limited	Payables	0.01	0.01	Not a related party
SIDDHARAM	Payables	0.04	0.09	Not a related party
Yumiko Global Infra Tech Pvt Ltd	Payables	0.10	0.16	Not a related party
Mittsoo Solutions Pvt Ltd	Payables	0.00	0.00	Not a related party
TGN Networks Private Limited	Payables	0.00	0.00	Not a related party
Jai Ambey Trading Private Limited	Payables	0.01	0.01	Not a related party
Visaag Technologies Private Limited	Payables	0.00	0.00	Not a related party
Braintech Infra Private Limited	Payables	0.01	0.01	Not a related party
Techsoul Energy Private Limited	Payables	0.00	0.00	Not a related party
Baur Instruments (India) Private Limited	Payables	0.00	0.00	Not a related party
Synergy Telecommunications Private Limited	Payables	0.16	0.16	Not a related party
Sigma Security Services Private Limited	Payables	0.01	0.01	Not a related party
Quality Reserch Services Private Limited	Payables	0.00	0.00	Not a related party

- j) The Company has registered charges or satisfaction of charges during the financial year with Registrar within statutory period.
- k) The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017 during the financial year.
- l) Ratios

Ratio	Numerator	Denominator	Current Year	Previous Year	Variance	Reason for variance >25%
(a) Current Ratio	Current Assets	Current Liabilities	0.62	0.84	-26%	Due to increase in current maturities of Longterm borrowings and Short-term borrowing
(b) Debt-Equity Ratio	Total Debt	Shareholder's Equity	1.77	2.06	-14%	



**64. Additional Regulatory Information as per Schedule III to the Companies Act, 2013 (Contd.)**

Ratio	Numerator	Denominator	Current Year	Previous Year	Variance	Reason for variance >25%
(c) Debt Service Coverage Ratio	Profit for the period + Depreciation and amortization expense + Finance costs + FERV + Loss on Sale of Fixed Assets	Finance costs + Lease Payments + Principal Repayments	<b>1.61</b>	1.66	-3%	
(d) Return on Equity Ratio	Profit for the period	Average Shareholder's Equity	<b>23%</b>	18%	28%	Due to profit on sale of share in subsidiaries/associate to PG InvIT
(e) Inventory turnover ratio	Revenue from Operations	Average Inventory	<b>29.14</b>	26.91	8%	
(f) Trade Receivables turnover ratio	Revenue from Operations	Average Trade Receivables (before deducting provision)	<b>4.39</b>	4.19	5%	
(g) Trade payables turnover ratio	Gross Other Expense (-) FERV, Provisions, Loss on disposal of PPE	Average Trade payables	<b>12.35</b>	12.07	2%	
(h) Net capital turnover ratio*	Revenue from Operations	Current Assets - Current Liabilities	-	-	-	
(i) Net profit ratio	Profit for the period	Revenue from Operations	<b>43%</b>	32%	34%	Due to profit on sale of share in subsidiaries/associate to PG InvIT
(j) Return on Capital employed	Earnings before interest and taxes	Tangible Net Worth + Total Debt + Deferred Tax Liability	<b>11%</b>	11%	0%	
(k) Return on investment	Income from Investments & Capital Appreciation	Time weighted Investments	<b>18%</b>	17%	6%	

\* Ratio cannot be calculated as denominator is negative.

- m) The company has not received/advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) through Intermediaries during the financial year.
- n) The Company does not have any transaction that was not recorded in the books of accounts and has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- o) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

**65. Disclosure of material impact of COVID-19 pandemic on listed entities under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

The Company is mainly engaged in the business of transmission of electricity and the tariffs for the transmission services are regulated in terms of the CERC Tariff Regulations which provide for recovery of the annual transmission charges based on system availability.

Due to the continuing COVID-19 pandemic, various lockdowns were declared by the Central/ State Governments/ Local Authorities from time to time. However, as per the Government guidelines, transmission units and services were exempted



from the said lockdown restrictions. The Company has issued guidelines and protocols to be followed by its various units for the operation and maintenance of its transmission network during the pandemic. The Company has also implemented digital solutions such as e-office, ERP systems, Virtual Private Network, Video Conferencing etc. to facilitate Work from Home of its employees. Due to the various steps taken by the Company, there has been no significant impact due to the pandemic on the availability of the transmission system of the Company.

In the above backdrop, the Company has considered various internal and external information available up to the date of approval of financial statements in assessing the impact of COVID-19 pandemic on the financial statements for the year ended 31 March 2022.

Based on the above, there has been no material impact on the operations or profitability of the company during the financial year due to the pandemic. However, during the previous year, a consolidated one-time rebate of ₹ 1,078.64 crore given to DISCOMs and Power Departments of States / Union Territories for passing on to end consumers on account of COVID-19 pandemic against the billing of April 2020 and May 2020. Due to said consolidated one-time rebate, there was a reduction in the profit for the previous year and the same has been disclosed under "Exceptional items" in the Statement of Profit and loss.

The Company has made an assessment of the liquidity position for the next one year and of the recoverability and carrying value of its assets comprising of Property Plant and equipment, trade receivables and investments as at Balance Sheet date and the management is of the view that there are no material adjustments required in the financial statements. However, the impact assessment of COVID 19 is a continuing process given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions.

## 66. Other Notes

### A. Exceptional Items:

- a) In lieu of consideration of shareholding transferred to PG InvIT, 41,06,50,900 Units at the price of ₹100 each were allotted by PGInvIT to the company and ₹330.78 crore towards transfer of 26% share of PVTL. Further, the company received an amount of ₹304.15 crore on relinquishment of right on additional revenue in PPTL, PWTL and PJTL. The company retained 13,65,00,100 units being 15% of total units of PGInvIT outstanding on post issue basis pursuant to InvIT Regulations and remaining 27,41,50,800 units were sold by way of 'Offer for Sale (OFS)'. The company received an amount of ₹2736.02 crore (net of STT) against the OFS. The Profit on above transactions (net of related expenses) amounting to ₹ 3759.51 crore has been disclosed under "Exceptional items".
- b) In previous year, a consolidated one-time rebate of ₹ 1078.64 crore has been disclosed under "Exceptional items" in the Statement of Profit and loss. (refer note no.65)

### B. Incorporation of wholly owned subsidiary of POWERGRID to undertake Telecommunications and Digital Technology Business of the company

A company "Powergrid Teleservices Limited" was incorporated on 25.11.2021 as a wholly owned subsidiary of the company with an objective to undertake Telecommunications and Digital Technology business. The Company is evaluating the methodology/ Transaction Scheme for transfer of said business including but not limited to identification of assets and liabilities. The approval from CERC regarding above transfer are yet to be received.

The Company will continue to operate the Telecommunication and Digital Technology business until the above significant activities are completed. As the said business is not available for immediate sale in its present condition, hence the same is not classified as "disposal group held for sale"

### C. Acquisitions under process

The Company was the successful bidder in TBCB Projects under the SPVs namely Khetri-Narela Transmission Limited (KNL) and Mohanlalganj Transmission Limited (MTL). Further, the company has acquired KNL from concerned Bid Process Coordinator on 11.05.2022 & Letter of Intent (LoI) in respect of MTL has been obtained from concerned Bid Process Coordinator on 12.05.2022.

### D. Transfer of function of Central Transmission Utility (CTU) from the company

Ministry of Power vide Gazette notification dated 09.03.2021 notified that, with effect from 01.04.2021, "Central Transmission Utility of India Limited (CTUIL), a wholly owned subsidiary of the company incorporated on 28.12.2020" to undertake and discharge all functions of CTU pursuant to the provisions of the Electricity Act, 2003 or any regulations or directions of the central commission or authority or any other directions or functions prescribed by the Central Government in that regard. In pursuant to referred notification, the functions of CTU are transferred to CTUIL w.e.f. 01.04.2021.

Central Electricity Regulatory Commission (CERC) vide order dated 25.02.2022 stated that expenses related to employees and other related expenses of CTUIL shall continue to be taken care of by the company for the period till 31.3.2024 or until further orders, whichever is earlier as the same was allowed through various tariff orders. Hence, the expenses related to functions of CTU are being borne by the company. For impact on employee cost, other expenses and other comprehensive income refer note no. 37, 40 and 42 respectively.

**E. Recent Pronouncements**

On 23.03.2022, Ministry of Corporate Affairs (“MCA”) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2022 applicable from 01.04.2022. The Company will assess and implement the amendments to Division II in the FY 2022-23, as applicable.

F. The Code on Social Security, 2020 (‘Code’) relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

67. a) Figures have been rounded off to nearest rupees in crore up to two decimals.

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

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

Company Secretary

**Mohammed Taj Mukarrum**

Director (Finance)

**K. Sreekant**

Chairman &amp; Managing Director

**As per our report of even date****For T R CHADHA & CO LLP**

Chartered Accountants

FRN : 006711N/N500028

**For UMAMAHESWARA RAO & CO**

Chartered Accountants

FRN : 004453S

**For B M CHATRATH & CO LLP**

Chartered Accountants

FRN : 301011E/E300025

**For PSD & ASSOCIATES**

Chartered Accountants

FRN : 004501C

**CA Neena Goel**

Partner

M. No. 057986

**CA R R Dakshinamurthy**

Partner

M. No. 211639

**CA Sanjay Sarkar**

Partner

M. No. 064305

**CA Prakash Sharma**

Partner

M. No. 072332

Date: 21 May 2022

Place: Gurugram



## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF POWER GRID CORPORATION OF INDIA LIMITED

#### Report on the Audit of the Standalone Financial Statements

##### Opinion

We have audited the accompanying Standalone Financial Statements of Power Grid Corporation of India Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, the profit & total comprehensive income, changes in equity and its cash flows for the year ended on that date.

##### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

##### Emphasis of Matter

We draw attention to the following matter in the notes to the Standalone financial statements:

- In respect of provisional recognition of revenue from transmission assets for which final tariff orders are yet to be issued by the CERC [Refer Note No. 35(b)(ii)]

Our opinion is not modified in respect of the above matter.

##### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year ended 31 March 2022. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
1.	<p><b><u>Recognition of Revenue from Transmission Income</u></b></p> <p>Transmission Income is accounted for, based on tariff orders notified by the CERC. In case of transmission projects where final tariff orders are yet to be notified, transmission income is accounted for on provisional basis as per Tariff Regulations and Orders of the CERC in earlier cases. Difference, if any, is accounted for on issuance of final Tariff Orders by the CERC. As at each reporting date, transmission income also includes an accrual for services rendered to the customers but not yet billed i.e., Unbilled Revenue.</p> <p>This is considered as Key Audit Matter due to the nature and extent of estimates made as per CERC Tariff Regulations and contracts with customers for recognition of revenue.</p> <p>(Refer Note No. 35(b)(ii) Standalone Financial Statement)</p>	<p>Our audit approach involved:</p> <p>Obtaining an understanding of the CERC Tariff Regulations, Orders, Circulars, Guidelines and the Company's internal circulars and procedures in respect of recognition and measurement of revenue from transmission of power.</p> <ul style="list-style-type: none"> <li>• Evaluated and tested the effectiveness of the design of Internal controls relating to recognition and measurement of revenue from Transmission.</li> <li>• Verified the transmission revenue based on the CERC Tariff Regulation, Orders, Circulars, Guidelines and the company's internal circulars.</li> <li>• Verified on test basis, the income recognised on provisional basis as per the regulatory guidelines and orders of the CERC in recent cases where tariff orders were issued, for the assets whose final orders are yet to be notified by CERC, based on the date of commercial operation (DOCO) letters issued by Regional technical heads, and capital cost, as certified by the Management.</li> </ul> <p>Based on the above procedure performed, the recognition and measurement of revenue from transmission of power is considered to be adequate and reasonable.</p>
2.	<p><b><u>Deferred Tax Assets relating to MAT credit entitlement</u></b></p> <p>The Company has considered MAT credit in anticipation of set off against the tax payable in future years and created Deferred Tax Asset for the same during the year. Corresponding to the said MAT Credit Entitlement, a Deferred Regulatory liability payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations has been recognized.</p> <p>We identified this as a key audit matter because of the importance of this matter to the intended users of the financial statements and its materiality and requirement of judgement in assessing future taxable profits for recognition of MAT credit entitlement.</p> <p>(Refer Note No.26 of Standalone financial statements.)</p>	<p>Our audit approach involved:</p> <ul style="list-style-type: none"> <li>• Reviewing the current status of availability of MAT credits.</li> <li>• Assessing the related forecasts of future taxable profits, evaluated the reasonableness and consistency of the considerations/assumptions underlying the preparation of these forecasts.</li> </ul> <p>Based on the above procedures performed, the recognition and measurement of Deferred tax asset relating to MAT credit entitlement and corresponding Regulatory Deferral Liability towards customers, is considered adequate and reasonable.</p>
3.	<p><b><u>Assessment of Contingent liabilities in respect of certain litigations including land compensation, direct and indirect taxes, various claims filed by other parties not acknowledged as debt.</u></b></p> <p>There is a high level of judgement required in estimating the contingent liabilities. The company's assessment of contingent liabilities is supported by the facts of the matter, Company's judgement thereon, past experience and advices from legal and independent tax consultants wherever necessary.</p> <p>We identified the above area as Key Audit Matters in view of associated uncertainty relating to the outcome of these matters.</p> <p>(Refer Note No. 58 of Standalone financial statements)</p>	<p>We have obtained an understanding of the Company's procedure in respect of estimation and disclosure of contingent liabilities and adopted the following audit procedure:</p> <ul style="list-style-type: none"> <li>• Reviewing the current status and material developments of legal matters.</li> <li>• Examining recent orders from competent authorities and/or communication received from various authorities, judicial forums and follow-up action thereon.</li> <li>• Review and analysis of evaluation of the contentions of the company through discussions, collection of details of the subject matter under consideration, the likely outcome and consequent potential outflows on those issues.</li> </ul> <p>Based on the above procedures performed, the estimation and disclosures of contingent liabilities is considered to be adequate and reasonable.</p>



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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our Auditor's Report thereon. The other information as identified above is expected to be made available to us after the date of this Auditor's Report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read those documents including annexures, if any thereon, if we conclude that there is a material misstatement therein, we shall communicate the matter to those charged with the governance.

### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safe guarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

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

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

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



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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the IndAS specified under Section 133 of the Act, read with the relevant rules issued thereunder;
  - (e) In view of exemption given vide notification no. G.S.R. 463(E) dated June 5, 2015, issued by the Ministry of Corporate Affairs, provisions of Section 164(2) of the Act regarding disqualification of Directors, are not applicable to the Company;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting with reference to standalone financial statements of the company and the operating effectiveness of such controls, refer to our separate report in **Annexure '1'**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Standalone financial statements.
  - (g) Pursuant to Notification No. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of Section 197 of the Companies Act, 2013, are not applicable to the Company, being a Government Company; and
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The Company has disclosed the impact of pending litigations on its financial position in its Standalone financial statements – Refer Note 58 to the Standalone financial statements.



- ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement
  - v) (a) The final dividend proposed for the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
  - (b) Interim dividend (including special dividend) declared and paid by the Company during the year is in accordance with Section 123 of the Act.
  - (c) As stated in note 59(b) to the financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.
2. In terms of section 143(5) of the Companies Act, 2013, we give in **Annexure '2'**, our report on the directions issued by the Comptroller and Auditor General of India.
  3. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in **Annexure '3'** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

**For T R CHADHA & CO LLP**

Chartered Accountants  
FRN : 006711N/N500028

**Neena Goel**

Partner

M. No. 057986

UDIN: 22057986AJJKS7958

Place: Gurugram

**For UMAMAHESWARA RAO & CO**

Chartered Accountants  
FRN : 004453S

**R R Dakshinamurthy**

Partner

M. No. 211639

UDIN: 22211639AJLJO9329

Place: Gurugram

**For B M CHATRATH & CO LLP**

Chartered Accountants  
FRN : 301011E/E300025

**Sanjay Sarkar**

Partner

M. No. 064305

UDIN: 22064305AJJILF8943

Place: Gurugram

**For PSD & ASSOCIATES**

Chartered Accountants  
FRN : 004501C

**Prakash Sharma**

Partner

M. No. 072332

UDIN: 22072332AJJHV7775

Place: Gurugram

Date: 21 May 2022

## Annexure '1' to the Auditors' Report

As referred to in our Independent Auditors' Report of even date to the members of the **Power Grid Corporation of India Limited**, on the standalone Ind AS financial statements for the year ended 31 March 2022

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

We have audited the internal financial controls over financial reporting with reference to Ind AS financial statements of the company as at 31 March 2022 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

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

#### Auditors' Responsibility

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

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

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

#### Meaning of Internal Financial Controls Over Financial Reporting With Reference to Ind AS Financial Statements

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

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

**Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to Ind AS Financial Statements**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to Ind AS financial statements and such internal financial controls over financial reporting with reference to Ind AS financial statements were operating effectively as at 31 March 2022, based on the internal financial controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For T R CHADHA & CO LLP**

Chartered Accountants  
FRN : 006711N/N500028

**Neena Goel**

Partner  
M. No. 057986  
UDIN: 22057986AJJKS7958  
Place: Gurugram

**For UMAMAHESWARA RAO  
& CO**

Chartered Accountants  
FRN : 004453S

**R R Dakshinamurthy**

Partner  
M. No. 211639  
UDIN: 22211639AJLJO9329  
Place: Gurugram

**For B M CHATRATH & CO LLP**

Chartered Accountants  
FRN : 301011E/E300025

**Sanjay Sarkar**

Partner  
M. No. 064305  
UDIN: 22064305AJJILF8943  
Place: Gurugram

**For PSD & ASSOCIATES**

Chartered Accountants  
FRN : 004501C

**Prakash Sharma**

Partner  
M. No. 072332  
UDIN: 22072332AJJHV7775  
Place: Gurugram

Date: 21 May 2022

## Annexure '2' to the Auditors Report

As referred to in our Independent Auditors' Report of even date to the members of the **Power Grid Corporation of India Limited**, on the standalone Ind AS financial statements for the year ended 31 March 2022

S. No.	Directions	Auditors' Comments	Impact on financial statement
1.	Whether the Company has a system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The company is having ERP system (SAP) in place for processing all accounting transactions. Based on our verification, no accounting transaction is being recorded/ processed other than through the ERP system in place.	NIL
2,	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/ interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (Incase, lender is a Government company, then this direction is also applicable for Statutory Auditor of lender company).	Based on our verification and explanations and information given to us, there were no cases of restructuring of an existing loan or cases of waiver/ write off of debts/loan/interest etc. made by a lender to the company due to the company's inability to repay the loan.	NIL
3.	Whether funds (grants/subsidy etc.) received/ receivable for specific schemes from Central/ State or its agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	Based on our verification and explanations and information given to us, funds received/receivable for specific scheme from Central/State agencies were properly accounted for and utilized as per its terms and conditions. No deviations were noticed by us.	NIL

**For T R CHADHA & CO LLP**

Chartered Accountants  
FRN : 006711N/N500028

**Neena Goel**

Partner

M. No. 057986

UDIN: 22057986AJJKS7958

Place: Gurugram

**For UMAMAHESWARA RAO & CO**

Chartered Accountants  
FRN : 004453S

**R R Dakshinamurthy**

Partner

M. No. 211639

UDIN: 22211639AJLJO9329

Place: Gurugram

**For B M CHATRATH & CO LLP**

Chartered Accountants  
FRN : 301011E/E300025

**Sanjay Sarkar**

Partner

M. No. 064305

UDIN: 22064305AJJILF8943

Place: Gurugram

**For PSD & ASSOCIATES**

Chartered Accountants  
FRN : 004501C

**Prakash Sharma**

Partner

M. No. 072332

UDIN: 22072332AJJIHV7775

Place: Gurugram

Date: 21 May 2022



### Annexure '3' to the Independent Auditors' Report

As referred to in our Independent Auditors' Report of even date to the members of the **Power Grid Corporation of India Limited**, on the standalone Ind AS financial statements for the year ended 31 March 2022, we report that:

- (i) a) (A) The Company has generally maintained records, showing full particulars including quantitative details and situation of Property, Plant & Equipment including details of right-of-use assets covered under Ind AS 116, 'Leases'.  
(B) The Company has generally maintained proper records, showing full particulars of intangible assets.
- b) The Property, Plant & Equipment have been physically verified by the management during the year. In our opinion, frequency of verification is reasonable having regard to the size of the Company and nature of its business. No material discrepancies were noticed on such verification.
- c) With respect to immovable properties disclosed in the financial statements included in property, plant and equipment, according to the information and explanations given to us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the company as at the balance sheet date, except for the following:

Description of the property	Gross Carrying Amount (₹ in Crore)	Held in the name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in name of company
<b>Leasehold Land</b>					
Pandiabili	8.82	Govt. of Odisha	No	12.01.2018	The Company is in the process of getting the lease deed registered from Govt. of Odisha. There is procedural delay in creation of lease deed.
Durgapur	21.65	SAIL-Durgapur	No	01.05.2017	The original Lease agreement with SAIL had expired and the same is under process for renewal.
Maithon	0.02	Govt. Of West Bengal	No	04.05.2019 & 24.04.2021	Renewal of lease request has been submitted to DLLRO-Asansol. Reply on the same is awaited.
Wagoora_400/220 kV Sub-Station	1.33	Govt of J&K	No	FY 1993-94 onwards	Land in UT of J&K is acquired by State Government under State Land Acquisition act. As per law, the state government remains the owner of the land acquired and company is only given possession for specific use.
New Wanpoh_400/220 kV Sub-Station	25.45	Govt of J&K	No	30.11.2010	Land in UT of J&K is acquired by State Government under State Land Acquisition act. As per law, the state government remains the owner of the land acquired and company is only given possession for specific use.
Kishenpur Township_800/400/220 kV Sub-Station Kishenpur	0.06	Govt of J&K	No	31.03.1995 & 31.03.1996	Land in UT of J&K is acquired by State Government under State Land Acquisition act. As per law, the state government remains the owner of the land acquired and company is only given possession for specific use.
Kishenpur_800/400/220 kV Sub- Station Kishenpur	0.34	Govt of J&K	No	31.03.1993 & 31.12.1994	Land in UT of J&K is acquired by State Government under State Land Acquisition act. As per law, the state government remains the owner of the land acquired and company is only given possession for specific use.



Description of the property	Gross Carrying Amount (₹ in Crore)	Held in the name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in name of company
Narwal_ Line Office Narwal	0.003	Govt of J&K	No	FY 1993-94 onwards	Land in UT of J&K is acquired by State Government under State Land Acquisition act. As per law, the state government remains the owner of the land acquired and company is only given possession for specific use.
Samba S/S Land	11.6	Govt of J&K	No	19.04.2012	Land in UT of J&K is acquired by State Government under State Land Acquisition act. As per law, the state government remains the owner of the land acquired and company is only given possession for specific use.
Transformer Land Land in UT of Jammu and Kashmir	93.09	Govt of J&K	No	FY 1993-94 onwards	Land in UT of J&K is acquired by State Government under State Land Acquisition act. As per law, the state government remains the owner of the land acquired and company is only given possession for specific use.
Alipurduar-Mathabhanga Earth Electrocode	0.30	Govt. Of West Bengal	No	17.03.2017	Lease agreement of 4.85 Hectares of Lease land is approved by the State Cabinet on 23.11.21. Signing of lease agreement is under process. For balance land of 1.16 hectares, process is on for approval at State Cabinet.
Jamshedpur	0.13	Forest Dept.	No	FY 1992-93 onwards	JIADA is trying to get clearance for land transfer from Forest Dept. for onward transfer to POWERGRID.
Ajmer Township	0.96	Ajmer Distt Authority	No	01-04-1999	Execution of lease deed is pending on account of disposal of the petition before Division Commissioner Ajmer for demand of interest on revised land cost.
400/220 KV S/S Dwarka	63.13	GNCTD	No	01-04-2018	Execution of lease deed is pending on account of procedural delays.
400/220 KV S/S Tuglakabad	35.52	GNCTD	No	01-04-2018	Execution of lease deed is pending on account of procedural delays.
400/220 kV GIS Pooling Station Chamba	12.36	HP Govt.	No	19.10.2011	As per GOI guidelines, Forest Land diverted to Non-Forestry purpose under FCA 1980 will be having legal status as "Forest" even after diversion.



Description of the property	Gross Carrying Amount (₹ in Crore)	Held in the name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in name of company
SLTS_Kargil Substation (UT of Ladakh)	0.00	JKPDD	No	23.03.2021	Govt of India (MOP) has declared Srinagar Leh Transmission System (SLTS) project as Interstate Transmission System Projects (ISTS) and the same has been transferred to Powergrid. Pending signing of the MOU, the lease deed is not executed in the name of the Company.
SLTS_Leh Substation (UT of Ladakh)	0.00	JKPDD	No	23.03.2021	
SLTS_Drass Substation (UT of Ladakh)	0.00	JKPDD	No	23.03.2021	
SLTS_Khalsti Substation (UT of Ladakh)	0.00	JKPDD	No	23.03.2021	
<b>Freehold Land</b>					
Birpara	0.004	Govt. Of West Bengal	No	01.11.1996	Survey work of Birpara Mouza is under progress by Block Land Reforms Office & mutation will be done after survey work is completed.
Maithon	0.002	Multiple Private Owner	No	01.04.1992	The Company is in the process of getting the title deed registered from office of District Land and Land Reforms Officer (DLLRO). There is procedural delay in transfer of title deed.
Maithon	0.02	CLW-Indian Railway	No	01.04.1992	Matter is being followed up with CLW (Chittaranjan Locomotive works) for execution of registration deed. There is procedural delay in transfer of title deed.
Maithon	0.32	Multiple Private Owners	No	28.03.2018	NOC from Tribal Board is yet to be received pending which title deed is not transferred in the name of the Company.
Alipurduar-Mathabhanga Earth Electrocode	0.67	Multiple Private Owners	No	31.12.2012	Transfer of title deed is pending on account of procedural delays.
Rajarhat	23.23	Multiple Private Owners	No	30.11.2014	Transfer of title deed is pending on account of procedural delays.
Aizawl	0.03	Govt.of Mizoram	No	1991	Transfer of title deed is pending on account of procedural delays.
Misa	0.31	Govt.of Assam	No	1994	Legal fees has been paid to the Govt. of Assam and transfer of title deeds in the name of Powergrid is under process with the concerned department of Govt. of Assam.

Description of the property	Gross Carrying Amount (₹ in Crore)	Held in the name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in name of company
Faridabad, NR-1, RHQ (Township)	6.42	HSVP, HARYANA	No	01-04-1999	Pending disposal of appeal against enhancement and extension fees, demanded by HSVP, the title deed is pending to be transferred in favour of the Company.
Meerut SS	0.18	UP Govt	No	01/04/2003	Land acquired for Meerut Sub station includes Gram Samaj Land. Concerned authority is being approached for completion of Legal formalities.
Hisar S/S	0.57	NHPC	No	30-09-1991	The company is dealing with multiple authorities for transfer of land situated at multiple locations. The transfer of title deed is pending on account of procedural delays.
Hiriyur 400/220 KV substation	0.34	Karnataka Industrial Area Development Board (KIADB)	No	01-02-2004	Pending title rectifications for few parcels of land, to be carried out by KIADB, title deed is yet to be registered in the name of POWERGRID.
Bidadi 400/220 KV GIS	20.00	Karnataka Industrial Area Development Board (KIADB)	No	23-03-2011	Transfer of title deed is pending on account of procedural delays with office of KIADB.
Yelahanka 400/220 KV substation	30.72	Karnataka Power Transmission Corporation Limited (KPTCL)	No	23-03-2011	Transfer of title deed is pending on account of procedural delays with office of M/s KPTCL
Kolar Siddalagatta HVDC SS	0.91	Karnataka Industrial Area Development Board (KIADB)	No	01-04-2002	Transfer of title deed is pending on account of procedural delays with office of KIADB.
Somanhalli 400/220 KV SS	0.34	Karnataka Power Transmission Corporation Limited (KPTCL)	No	FY 1992-93 onwards	Transfer of title deed is pending on account of procedural delays with office of M/s KPTCL
Tumkur 765/400/220 KV SS	42.29	Karnataka Industrial Area Development Board (KIADB)	No	25-09-2013	Transfer of title deed is pending on account of procedural delays with office of KIADB.
Kudugi 765/400 KV GIS	8.83	Karnataka Industrial Area Development Board (KIADB) and Others	No	28-02-2014	Transfer of title deed is pending on account of procedural delays with office of KIADB.



Description of the property	Gross Carrying Amount (₹ in Crore)	Held in the name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in name of company
Pavagada 400/220 KV SS	0.64	Private Parties are Chowdappa S/o Akkanna, Mrs. Sanjeevamma D/o Venkatappa, M. Chaplainship S/o Venkatappa and Others	No	30-06-2017	Registration and mutation is pending on account of establishing the legal ownership of the land and consideration for the said land is also yet to be paid.
Pugalur HVDC SS	0.31	Bhoodan Trust Board	No	01-04-2017	The land has been allotted by Bhoodan Trust Board to the company. Due to delay in incumbency of meetings of Bhoodan Trust Board and other formalities, registration in the name of the company is pending.
Kovilpatti 400/220 KV GIS	45.36	Shri Ramesh and Shri R Rajan	No	19-10-2011	Pursuant to the directions of the Hon'ble High court of Chennai, Sole Arbitrator has been appointed and an award has been passed. Aggrieved by the award, both the parties have approached Hon'ble High Court for compensation award. Hon'ble. High court Chennai is yet to decide the case. Therefore, title deed is yet to be transferred in the name of the Company.
Line Office Banikhet, Tehsil & Distt. Chamba (HP)	0.003	HP Govt.	No	28.02.1994	Subject land is Govt./Forest Land in the record of HP Govt. As per GOI guidelines, Forest Land diverted to Non-Forestry purpose under FCA 1980 will be having legal status as "Forest" even after diversion.
Township-Sector 46, Gurgaon	11.00	Haryana Shahari Vikas Pradhikaran (HSVP)	No	02-12-1998	Pending the outcome of representation made to HSVP by the Company for waiver of penalty, the title deed is pending for transfer in favour of the Company.
<b>Buildings</b>					
Flats in Mumbai	2.96	MHADA	No	02-01-2017	Transfer of title deed is pending on account of procedural delays.

- d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) and intangible assets during the year. Accordingly, the provisions of clause 3(i)(d) of the Order are not applicable.
- e) According to the information and explanations given to us, no proceedings have been initiated or are pending against the company for holding any Benami property under the "Benami Transactions (Prohibition) Act, 1988 and Rules made thereunder.
- (ii) (a) The inventories have been physically verified by the management during the year. In our opinion, frequency of verification,

coverage & procedure adopted by the company for verification is reasonable having regard to the size of the Company and nature of its business. No material discrepancies of 10% or more in the aggregate for each class of inventory between physical inventory and book records were noticed on physical verification.

- (b) The Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns/statements filed by the company with such banks are in agreement with the books of account of the Company.
- (iii) (a) According to the information and explanations given to us, the Company has made investments, provided bank guarantee and granted unsecured loans during the year to Subsidiaries, Joint Ventures and Associates.

(A) the aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances in the nature of loan or guarantees or security to subsidiaries, joint ventures and associates are as follows:

(₹ in crore)

Sl. No.	Particulars	Guarantees		Secured Loan		Unsecured Loan	
		Aggregate amount granted/ provided during the year	Balance outstanding as at 31.03.2022	Aggregate amount granted/ provided during the year	Balance outstanding as at 31.03.2022	Aggregate amount granted/ provided during the year	Balance outstanding as at 31.03.2022
1	Subsidiaries	64.96	430.74	-	-	3996.85	14046.31
2	Joint Ventures	-	-	-	-	-	18.40
3	Associates	-	2.23	-	-	-	-
4	Others	-	-	-	-	-	-

The Company has not provided any advances in the nature of loan or security to any Subsidiaries, Joint Ventures and Associates during the year.

(B) In our opinion and according to information and explanations given to us, the Company has not given loans or advances or guarantees or security to parties other than subsidiaries, joint ventures and associates during the period under Audit.

- (b) In our opinion and according to information and explanations given to us, the investments made, guarantees provided and the terms and conditions of the grant of all loans and guarantees provided are not prejudicial to the company's interest.
- (c) In our opinion and according to information and explanations given to us, in respect of loans the schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts are regular.
- (d) In our opinion and according to information and explanations given to us, no amount is overdue in respect of Loans.
- (e) In our opinion and according to information and explanations given to us, no loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (f) In our opinion and according to information and explanations given to us, the company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) In our opinion and according to information and explanation given to us, the company has complied with the provisions of section 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- (v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposit from the public & no amounts has been deemed to be deposits in accordance with the provisions of the sections 73 to 76 or any other relevant provisions of the Act, and the rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the company.
- (vi) We have broadly reviewed the cost records maintained by the company specified by the Central Government under sub section (1) of section 148 of the Companies Act, 2013, in respect of Transmission & Telecom Operations of the Company and we are of the opinion that prima facie the prescribed records have been made and maintained. However, we have not made detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed



statutory dues with appropriate authorities including Provident Fund, Income Tax, Goods and Services Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and other statutory dues applicable to the Company and that there are no undisputed statutory dues outstanding as at 31 March 2022 for a period of more than six months from the date they became payable. As informed, provisions of the Employees State Insurance Act are not applicable to the Company.

b) According to information and explanations given to us, there are no statutory dues referred to in sub-clause (a) have not been deposited on account of dispute. However, the following disputed demands of Income Tax, Sales Tax, Service Tax, Value Added Tax, Goods & Service tax and other Statutory dues have not been deposited as at March 31, 2022:

Name of the Statute	Nature of dues	Amount* (₹ in Crore)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	4.22	From the F.Y. 2007-08 to F.Y. 2016-17 & F.Y. 2018-19 to F.Y. 2021-22	Jurisdictional Assessing Officers of TANs
Income Tax Act, 1961	Income Tax	22.20	For the F.Y. 2018-19	CIT (A) Income Tax
Finance Act, 1994	Service Tax	1.88	FY 2016-17 & FY 2017-18	Assistant Commissioner
Finance Act 1994	Service Tax	0.05	FY 2017-18	Assistant Commissioner
Goods and Services tax Act 2017	Goods and Services tax (GST)	0.23	FY 2017-18	Assistant Commissioner
Chhattisgarh Entry Tax Act, 1976	Entry Tax	168.87	From the F.Y. 2011-12 to F.Y. 2014-15 & F.Y. 2016-17	Chhattisgarh High Court
Finance Act, 1994	Service Tax	0.28	For the F.Y. 2003-04	Patna High Court
Central Sales Tax and Sales Tax/VAT Acts of various states	Sales Tax/VAT	6.47	From F.Y. 1996-97 to F.Y. 2013-14	Sales Tax Authority and Appellate Tribunal, J&K
Punjab Tax on Entry of Goods into Local areas Act, 2000	Entry Tax	9.64	From F.Y. 2011-12 to F.Y. 2013-14	Hon'ble High Court Punjab, Haryana & Chandigarh
Central Sales Tax and Sales Tax/VAT Acts of various states	Sales Tax/VAT	62.83	From F.Y. 2014-15 to F.Y. 2017-18	Sales Tax Authority Appeal
Building & Other Construction Worker's Welfare (BOCW) Cess Act, 1996	Building & Other Construction Worker Cess	3.71	For F.Y. 2007-08	Hon'ble High Court Himachal Pradesh, Shimla
Delhi Municipal Corporation Act. 1957	Property Tax	201.87	From F.Y. 2004-05- to F.Y. 2013-14	Hon'ble High Court Delhi
MP Land Revenue Code, 1959	Diversion Tax	14.70	From F.Y. 1989-90 to F.Y. 2017-18	High Court of M.P. Jabalpur
Delhi Municipal Corporation Act. 1957	Property tax	90.66	From F.Y. 2007-08 to F.Y. 2017-18	Delhi High Court (LPA)
	<b>Total</b>	<b>587.61</b>		

\* Demand amount including interest, net of amount paid under protest.

(viii) In our opinion and according to the information and explanations given to us, the Company has not recorded in the books of account any transaction which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(ix) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared willful defaulter by any bank or financial institution or other lender.

(c) In our opinion and according to the information and explanations given to us, the term loans were applied for the



purposes for which the loans were obtained.

- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, we report that the Company has taken funds from the following entities on account of or to meet the obligations of its subsidiaries, associates or joint ventures as per details below:

<b>Nature of fund taken</b>	<b>Name of lender</b>	<b>Amount Disbursed/ Guarantee issued or renewed during the year (₹ in Crore)</b>	<b>Amount Repaid/ Guarantee reduced or discharged or renewed during the year (₹ in Crore)</b>	<b>Amount Outstanding as on 31st March 2022 (₹ in Crore)</b>	<b>Name of the subsidiary, joint venture, associate</b>	<b>Relation</b>	<b>Nature of Transaction for which Funds utilized</b>
Bonds	Bond Holders	-	724.17	-	Powergrid Jabalpur Transmission Ltd	Associate*	Capex
Term Loans	Bank	-	458.83	-	Powergrid Jabalpur Transmission Ltd	Associate*	Capex
Bonds	Bond Holders	-	1,151.71	-	Powergrid Warora Transmission Limited	Associate*	Capex
Term Loans	Bank	-	388.29	-	Powergrid Warora Transmission Limited	Associate*	Capex
Bonds	Bond Holders	-	993.91	-	Powergrid Parli Transmission Limited	Associate*	Capex
Term Loans	Bank	-	306.59	-	Powergrid Parli Transmission Limited	Associate*	Capex
Bonds	Bond Holders	-	766.16	-	Powergrid Vizag Transmission Limited	Associate*	Capex
Term Loans	Bank	-	17.83	-	Powergrid Vizag Transmission Limited	Associate*	Capex
Bonds	Bond Holders	-	165.61	-	Powergrid Kala Amb Transmission Limited	Associate*	Capex
Term Loans	Bank	-	20.39	-	Powergrid Kala Amb Transmission Limited	Associate*	Capex



Nature of fund taken	Name of lender	Amount Disbursed/ Guarantee issued or renewed during the year (₹ in Crore)	Amount Repaid/ Guarantee reduced or discharged or renewed during the year (₹ in Crore)	Amount Outstanding as on 31st March 2022 (₹ in Crore)	Name of the subsidiary, joint venture, associate	Relation	Nature of Transaction for which Funds utilized
Bonds	Bond Holders	-	-	891.36	Powergrid NM Transmission Limited	Subsidiary	Capex
Bonds	Bond Holders	-	1.43	33.68	Powergrid Unchahar Transmission Limited	Subsidiary	Capex
Term Loans	Bank	-	0.04	0.92	Powergrid Unchahar Transmission Limited	Subsidiary	Capex
Bonds	Bond Holders	-	51.64	1,450.64	Powergrid Southern Interconnector Transmission System Limited	Subsidiary	Capex
Term Loans	Bank	0.41	42.73	1,200.68	Powergrid Southern Interconnector Transmission System Limited	Subsidiary	Capex
Bonds	Bond Holders	9.11	19.44	1,342.65	Powergrid Medinipur Jeerat Transmission System Limited	Subsidiary	Capex
Term Loans	Bank	-	15.26	1,004.78	Powergrid Medinipur Jeerat Transmission System Limited	Subsidiary	Capex
Bonds	Bond Holders	5.48	1.89	474.68	Powergrid Mithilanchal Transmission Limited	Subsidiary	Capex
Term Loans	Bank	1.01	1.58	392.50	Powergrid Mithilanchal Transmission Limited	Subsidiary	Capex
Bonds	Bond Holders	3.81	2.92	400.96	Powergrid Varanasi Transmission System Limited	Subsidiary	Capex
Term Loans	Bank	10.30	1.88	266.40	Powergrid Varanasi Transmission System Limited	Subsidiary	Capex

Nature of fund taken	Name of lender	Amount Disbursed/ Guarantee issued or renewed during the year (₹ in Crore)	Amount Repaid/ Guarantee reduced or discharged or renewed during the year (₹ in Crore)	Amount Outstanding as on 31st March 2022 (₹ in Crore)	Name of the subsidiary, joint venture, associate	Relation	Nature of Transaction for which Funds utilized
Bonds	Bond Holders	-	2.11	286.81	Powergrid Jawaharpur Firozabad Transmission Limited	Subsidiary	Capex
Term Loans	Bank	-	0.27	36.46	Powergrid Jawaharpur Firozabad Transmission Limited	Subsidiary	Capex
Bonds	Bond Holders	0.70	-	466.97	Powergrid Khetri Transmission Limited	Subsidiary	Capex
Term Loans	Bank	2.30	-	169.00	Powergrid Khetri Transmission Limited	Subsidiary	Capex
Bonds	Bond Holders	14.20	-	249.92	Powergrid Bhuj Transmission Limited	Subsidiary	Capex
Term Loans	Bank	11.00	-	106.80	Powergrid Bhuj Transmission Limited	Subsidiary	Capex
Bonds	Bond Holders	4.20	-	165.30	Powergrid Bhind Guna Transmission Limited	Subsidiary	Capex
Term Loans	Bank	5.50	-	86.30	Powergrid Bhind Guna Transmission Limited	Subsidiary	Capex
Bonds	Bond Holders	-	5.83	393.27	Powergrid Ajmer Phagi Transmission Limited	Subsidiary	Capex
Term Loans	Bank	0.52	0.49	33.26	Powergrid Ajmer Phagi Transmission Limited	Subsidiary	Capex
Bonds	Bond Holders	0.25	2.70	367.05	Powergrid Fatehagarh-II Transmission Limited	Subsidiary	Capex
Term Loans	Bank	2.25	0.56	79.04	Powergrid Fatehagarh-II Transmission Limited	Subsidiary	Capex



Nature of fund taken	Name of lender	Amount Disbursed/ Guarantee issued or renewed during the year (₹ in Crore)	Amount Repaid/ Guarantee reduced or discharged or renewed during the year (₹ in Crore)	Amount Outstanding as on 31st March 2022 (₹ in Crore)	Name of the subsidiary, joint venture, associate	Relation	Nature of Transaction for which Funds utilized
Bonds	Bond Holders	12.05	-	49.02	Powergrid Rampur Sambhal Transmission Limited	Subsidiary	Capex
Term Loans	Bank	15.35	-	83.77	Powergrid Rampur Sambhal Transmission Limited	Subsidiary	Capex
Bonds	Bond Holders	59.77	-	168.19	Powergrid Meerut Simbhavali Transmission Limited	Subsidiary	Capex
Term Loans	Bank	55.55	-	109.12	Powergrid Meerut Simbhavali Transmission Limited	Subsidiary	Capex
Bonds	Bond Holders	5.20	-	5.20	Powergrid Sikar Transmission Limited	Subsidiary	Capex
Bonds	Bond Holders	3.95	-	3.95	Powergrid Ramgarh Transmission Limited	Subsidiary	Capex
Term Loans	Bank	-	-	5.82	Powergrid Ramgarh Transmission Limited	Subsidiary	Capex
Bonds	Bond Holders	53.71	-	53.71	Powergrid Aligarh Sikar Transmission Limited	Subsidiary	Capex
Term Loans	Bank	8.25	-	8.25	Powergrid Aligarh Sikar Transmission Limited	Subsidiary	Capex
Bonds	Bond Holders	23.90	-	23.90	Powergrid Bikaner Transmission System Limited	Subsidiary	Capex
Guarantee	Bank	-	14.85	-	Powergrid Ajmer Phagi Transmission Limited	Subsidiary	Performance Bank Guarantee

Nature of fund taken	Name of lender	Amount Disbursed/ Guarantee issued or renewed during the year (₹ in Crore)	Amount Repaid/ Guarantee reduced or discharged or renewed during the year (₹ in Crore)	Amount Outstanding as on 31st March 2022 (₹ in Crore)	Name of the subsidiary, joint venture, associate	Relation	Nature of Transaction for which Funds utilized
Guarantee	Bank	-	30.38	-	Powergrid Varanasi Transmission System Limited	Subsidiary	Performance Bank Guarantee
Guarantee	Bank	26.10	92.25	-	Powergrid Khetri Transmission Limited	Subsidiary	Performance Bank Guarantee
Guarantee	Bank	6.83	24.38	-	Powergrid Fatehgarh Transmission Limited	Subsidiary	Performance Bank Guarantee
Guarantee	Bank	18.26	22.12	2.23	Powergrid Jabalpur Transmission Limited	Associate*	Performance Bank Guarantee
Guarantee	Bank	66.88	127.59	23.61	Powergrid Mithilanchal Transmission Limited	Subsidiary	Performance Bank Guarantee
Guarantee	Bank	49.32	74.73	16.44	Powergrid Jawaharpur Firozabad Transmission Limited	Subsidiary	Performance Bank Guarantee
Guarantee	Bank	111.86	197.82	55.93	Powergrid Medinipur Jeerat Transmission Limited	Subsidiary	Performance Bank Guarantee
Guarantee	Bank	47.10	82.50	23.55	Powergrid Bhuj Transmission Limited	Subsidiary	Performance Bank Guarantee
Guarantee	Bank	67.50	118.80	33.75	Powergrid Meerut Simbhavali Transmission Limited	Subsidiary	Performance Bank Guarantee
Guarantee	Bank	56.28	98.79	28.14	Powergrid Rampur Sambhal Transmission Limited	Subsidiary	Performance Bank Guarantee



Nature of fund taken	Name of lender	Amount Disbursed/ Guarantee issued or renewed during the year (₹ in Crore)	Amount Repaid/ Guarantee reduced or discharged or renewed during the year (₹ in Crore)	Amount Outstanding as on 31st March 2022 (₹ in Crore)	Name of the subsidiary, joint venture, associate	Relation	Nature of Transaction for which Funds utilized
Guarantee	Bank	440.16	440.16	110.04	Powergrid Southern Interconnector Transmission System Limited	Subsidiary	Performance Bank Guarantee
Guarantee	Bank	-	21.42	14.04	Powergrid Ramgarh Transmission Limited	Subsidiary	Performance Bank Guarantee
Guarantee	Bank	-	39.85	25.63	Powergrid Bhind Guna Transmission Limited	Subsidiary	Performance Bank Guarantee
Guarantee	Bank	-	54.45	34.65	Powergrid Bikaner Transmission System Limited	Subsidiary	Performance Bank Guarantee
Guarantee	Bank	10.50	-	10.50	Powergrid Bhadla Transmission Limited	Subsidiary	Performance Bank Guarantee
Guarantee	Bank	37.13	-	37.13	Powergrid Sikar Transmission Limited	Subsidiary	Performance Bank Guarantee
Guarantee	Bank	17.33	-	17.33	Powergrid Aligarh Sikar Transmission Limited	Subsidiary	Performance Bank Guarantee

\* Subsidiary till 12.05.2021

- (f) the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- (x) (a) The company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) (a) According to the information and explanations given to us and as represented by the Management and based on our examination of the books and records of the Company, no case of material fraud by the Company or on the Company has been noticed or reported during the year.
- (b) As no fraud has been noticed during the year as mentioned at xi(a) above, report under sub-Section (12) of Section 143 of the Companies Act in the Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules 2014 is not applicable.
- (c) we have taken into consideration the Whistle blower complaints received by the Company during the year and provided to us, when performing the audit.



- (xii) The company is not a Nidhi Company as prescribed under section 406 of the Act. Accordingly, clause 3(xii) of the Order is not applicable to the company.
- (xiii) In our opinion all transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and the details have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.
- (xiv) (a) According to the information and explanations given to us and based on our examination of the records of the company, the company has an internal audit system commensurate with the size and nature of its business.  
(b) We have considered the reports of the Internal Auditors for the year under audit, issued to the Company during the year and till date in determining the nature, timing and extent of our audit procedures.
- (xv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the company.
- (xvi) (a) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, provisions of clause (xvi)(a) of the Order are not applicable to the Company.  
(b) According to the information and explanations provided to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities therefore the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, provisions of clause 3(xvi)(b) of the Order are not applicable.  
(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, provisions of clause 3(xvi)(c) of the Order are not applicable.  
(d) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016). Accordingly, provisions of clause 3(xvi)(d) of the Order are not applicable.
- (xvii) Based on our examination of the records of the company, the company has not incurred any cash losses in the current Financial Year and in the immediately preceding Financial Year. Accordingly, provisions of clause 3(xvii) of the order are not applicable
- (xviii) There has not been any resignation of the statutory auditors during the year. Accordingly, provisions of clause 3 (xviii) of the order are not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- xx) According to the information and explanations given to us and based on our examination of the records, the Company has spent the amount required as per section 135(5) of the Companies Act during the financial year. Accordingly, paragraph 3(xx)(a) & 3(xx)(b) are not applicable to the company.

**For T R CHADHA & CO LLP**Chartered Accountants  
FRN : 006711N/N500028**Neena Goel**

Partner

M. No. 057986

UDIN: 22057986AJJKS7958

Place: Gurugram

**For UMAMAHESWARA RAO  
& CO**Chartered Accountants  
FRN : 004453S**R R Dakshinamurthy**

Partner

M. No. 211639

UDIN: 22211639AJJLJO9329

Place: Gurugram

**For B M CHATRATH & CO LLP**Chartered Accountants  
FRN : 301011E/E300025**Sanjay Sarkar**

Partner

M. No. 064305

UDIN: 22064305AJJILF8943

Place: Gurugram

**For PSD & ASSOCIATES**Chartered Accountants  
FRN : 004501C**Prakash Sharma**

Partner

M. No. 072332

UDIN: 22072332AJJIHV7775

Place: Gurugram

Date: 21 May 2022


**Consolidated Balance Sheet as at 31 March 2022**

(₹ in crore)

Particulars	Note No	As at 31 March 2022	As at 31 March 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	4	190,048.35	182,108.99
Capital work-in-progress	5	12,799.90	24,679.80
Investment Property	6	-	0.03
Intangible assets	7	1,724.49	1,616.95
Intangible assets under development	8	53.70	157.99
Investments in Joint Ventures accounted for using the equity method	9A	1,861.21	1,346.85
Financial Assets			
Investments	9	1,926.43	138.70
Loans	10	406.45	322.58
Other non-current financial assets	11	4,591.16	4,560.74
Other non-current assets	12	4,977.66	4,795.60
		<b>218,389.35</b>	<b>219,728.23</b>
Assets Classified as Held for Sale	19A	245.00	-
		<b>218,634.35</b>	<b>219,728.23</b>
<b>Current assets</b>			
Inventories	13	1,357.17	1,366.94
Financial Assets			
Trade receivables	14	9,475.07	8,629.42
Cash and cash equivalents	15	2,577.11	4,487.23
Bank balances other than Cash and cash equivalents	16	2,471.07	871.48
Loans	17	98.59	127.05
Other current financial assets	18	6,156.69	3,025.43
Other current assets	19	224.28	177.51
		<b>22,359.98</b>	<b>18,685.06</b>
Assets Classified as Held for Sale	19A	15.86	6,701.05
		<b>22,375.84</b>	<b>25,386.11</b>
<b>Regulatory Deferral Account Balances</b>	20	<b>9,933.24</b>	10,575.13
<b>Total Assets</b>		<b>250,943.43</b>	<b>255,689.47</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	21	6,975.45	5,231.59
Other Equity	22	69,271.68	64,704.48
		<b>76,247.13</b>	<b>69,936.07</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial Liabilities			
Borrowings	23	114,199.40	129,174.79
Lease Liabilities		27.58	18.20
Other non-current financial liabilities	24	3,523.00	3,733.98

**Consolidated Balance Sheet as at 31 March 2022 (Contd.)**

(₹ in crore)

Particulars	Note No	As at 31 March 2022	As at 31 March 2021
Provisions	25	517.14	462.02
Deferred tax liabilities(Net)	26	11,356.98	11,836.62
Other non-current liabilities	27	242.89	220.06
		<b>129,866.99</b>	<b>145,445.67</b>
<b>Current liabilities</b>			
Financial Liabilities			
Borrowings	28	20,465.87	14,035.54
Lease liabilities		2.78	3.97
Trade payables			
(A) total outstanding dues of micro enterprises and small enterprises	29	47.19	29.76
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	29	219.91	157.72
Other current financial liabilities	30	10,174.00	10,807.28
Other current liabilities	31	3,228.45	3,884.70
Provisions	32	1,167.12	845.12
Current Tax Liabilities (Net)	33	9.45	425.51
		<b>35,314.77</b>	<b>30,189.60</b>
Liabilities directly associated with Assets Classified as Held for Sale	19A	-	363.98
		<b>35,314.77</b>	<b>30,553.58</b>
<b>Deferred Revenue</b>	34	<b>9,514.54</b>	9,754.15
<b>Total Equity and Liabilities</b>		<b>250,943.43</b>	<b>255,689.47</b>

The accompanying notes (1 to 70) form an integral part of financial statements

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

**Mrinal Shrivastava**  
Company Secretary

**Mohammed Taj Mukarrum**  
Director (Finance)

**K. Sreekant**  
Chairman & Managing Director

**As per our report of even date****For T R CHADHA & CO LLP**

Chartered Accountants  
FRN : 006711N/N500028

**For UMAMAHESWARA RAO & CO**

Chartered Accountants  
FRN : 004453S

**For B M CHATRATH & CO LLP**

Chartered Accountants  
FRN : 301011E/E300025

**For PSD & ASSOCIATES**

Chartered Accountants  
FRN : 004501C

**CA Neena Goel**

Partner  
M. No. 057986

**CA R R Dakshinamurthy**

Partner  
M. No. 211639

**CA Sanjay Sarkar**

Partner  
M. No. 064305

**CA Prakash Sharma**

Partner  
M. No. 072332

Date: 21 May 2022

Place: Gurugram


**Consolidated Statement of Profit and Loss for the year ended 31 March 2022**

(₹ in crore)

Particulars	Note No.	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue From Operations	35	<b>41,616.34</b>	39,639.79
Other Income	36	<b>1,081.56</b>	1,183.74
<b>Total Income</b>		<b>42,697.90</b>	<b>40,823.53</b>
<b>EXPENSES</b>			
Employee benefits expense	37	<b>2,243.89</b>	2,114.76
Finance costs	38	<b>8,036.22</b>	8,134.69
Depreciation and amortization expense	39	<b>12,871.66</b>	12,039.19
Other expenses	40	<b>2,805.55</b>	2,531.92
<b>Total expenses</b>		<b>25,957.32</b>	<b>24,820.56</b>
Profit before share of net profits of investments in Joint Ventures accounted for using Equity Method, Exceptional items, tax and Regulatory Deferral Account Balances		<b>16,740.58</b>	16,002.97
Share of net profits of investments in Joint Ventures accounted for using Equity Method		<b>78.47</b>	214.70
<b>Profit before Exceptional items, tax and Regulatory Deferral Account Balances</b>		<b>16,819.05</b>	16,217.67
Exceptional items		<b>(3,320.33)</b>	1,078.64
<b>Profit Before Tax and Regulatory Deferral Account Balances</b>		<b>20,139.38</b>	<b>15,139.03</b>
Tax expense:			
Current tax - Current Year		<b>3,352.29</b>	2,565.27
- Earlier Years		<b>(38.46)</b>	(56.68)
Deferred tax	26	<b>(528.26)</b>	955.66
		<b>2,785.57</b>	3,464.25
<b>Profit for the period before Regulatory Deferral Account Balances</b>		<b>17,353.81</b>	<b>11,674.78</b>
Net movement in Regulatory Deferral Account Balances- Income/(Expenses) (net of tax)	41	<b>(529.74)</b>	361.68
<b>Profit for the period</b>		<b>16,824.07</b>	<b>12,036.46</b>

**Consolidated Statement of Profit and Loss for the year ended 31 March 2022 (Contd.)**

(₹ in crore)

Particulars	Note No.	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss (net of tax)	42	290.90	25.36
Share of other comprehensive income of Joint Ventures accounted for using Equity Method		0.24	0.13
<b>Total Comprehensive Income for the period</b>		<b>17,115.21</b>	<b>12,061.95</b>
Earnings per equity share including movement in Regulatory Deferral Account Balances (Par value ₹ 10/- each):			
Basic & Diluted (₹)	63	24.12	17.26
Earnings per equity share excluding movement in Regulatory Deferral Account Balances (Par value ₹ 10/- each):			
Basic & Diluted (₹)	63	24.88	16.74

The accompanying notes (1 to 70) form an integral part of financial statements

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

**Mrinal Shrivastava**  
Company Secretary

**Mohammed Taj Mukarrum**  
Director (Finance)

**K. Sreekant**  
Chairman & Managing Director

**As per our report of even date**

**For T R CHADHA & CO LLP**  
Chartered Accountants  
FRN : 006711N/N500028

**For UMAMAHESWARA RAO & CO**  
Chartered Accountants  
FRN : 004453S

**For B M CHATRATH & CO LLP**  
Chartered Accountants  
FRN : 301011E/E300025

**For PSD & ASSOCIATES**  
Chartered Accountants  
FRN : 004501C

**CA Neena Goel**  
Partner  
M. No. 057986

**CA R R Dakshinamurthy**  
Partner  
M. No. 211639

**CA Sanjay Sarkar**  
Partner  
M. No. 064305

**CA Prakash Sharma**  
Partner  
M. No. 072332

Date: 21 May 2022  
Place: Gurugram

### Consolidated Statement of Changes in Equity for the year ended 31 March 2022

#### A. Equity Share Capital

(₹ in crore)

As at 01 April 2021	5,231.59
Changes during the year (refer note 21)	1,743.86
As at 31 March 2022	6,975.45
As at 01 April 2020	5,231.59
Changes during the year	-
As at 31 March 2021	5,231.59

#### B. Other Equity

(₹ in crore)

Particulars	Reserves and Surplus						Other Comprehensive Income (OCI)	Total
	Capital Reserve	Securities Premium	Bond Redemption Reserve	Self Insurance Reserve	General Reserve	Retained Earnings		
As at 01 April 2021	0.76	9,578.29	7,387.97	734.07	43,269.22	3,667.03	67.14	64,704.48
Profit for the year						16,824.07		16,824.07
Other Comprehensive Income						(187.71)	478.85	291.14
<b>Total Comprehensive Income</b>						<b>16,636.36</b>	<b>478.85</b>	<b>17,115.21</b>
<b>Adjustments during the year</b>								
On account of reinstatement of Energy Efficiency Services Limited as joint venture	9.12							9.12
Transfer to General Reserve					7,000.00	(7,000.00)		-
Transfer from Bond Redemption Reserve			(1,855.17)			1,855.17		-
Transfer to Self Insurance Reserve				301.83		(301.83)		-
Transfer from Self Insurance Reserve				(161.04)	161.04			-
Utilised for issue of bonus equity shares		(1,743.86)						(1,743.86)
Final Dividend F.Y. 2020-21						(2,092.64)		(2,092.64)
Interim Dividend F.Y. 2021-22						(8,719.32)		(8,719.32)
Other Changes						(1.31)		(1.31)
<b>As at 31 March 2022</b>	<b>9.88</b>	<b>7,834.43</b>	<b>5,532.80</b>	<b>874.86</b>	<b>50,430.26</b>	<b>4,043.46</b>	<b>545.99</b>	<b>69,271.68</b>





**Consolidated Statement of Changes in Equity for the year ended 31 March 2022 (Contd.)**

(₹ in crore)

Particulars	Reserves and Surplus					Other Comprehensive Income (OCI)		Total
	Capital Reserve	Securities Premium	Bond Redemption Reserve	Self Insurance Reserve	General Reserve	Retained Earnings	Equity instruments through OCI	
<b>As at 01 April 2020</b>	-	9,578.29	8,696.91	832.09	36,905.49	3,423.64	27.34	59,463.76
Profit for the year						12,036.46		12,036.46
Other Comprehensive Income						(14.31)	39.80	25.49
<b>Total Comprehensive Income</b>						<b>12,022.15</b>	<b>39.80</b>	<b>12,061.95</b>
<b>Adjustments during the year</b>								
On account of business combination	0.76							0.76
Transfer to General Reserve					6,000.00	(6,000.00)		-
Transfer from Bond Redemption Reserve			(1,308.94)			1,308.94		-
Transfer to Self Insurance Reserve				289.31		(289.31)		-
Transfer from Self Insurance Reserve				(387.33)	363.73	23.60		-
Final Dividend F.Y. 2019-20						(2,113.56)		(2,113.56)
Interim Dividend F.Y. 2020-21						(4,708.43)		(4,708.43)
<b>As at 31 March 2021</b>	<b>0.76</b>	<b>9,578.29</b>	<b>7,387.97</b>	<b>734.07</b>	<b>43,269.22</b>	<b>3,667.03</b>	<b>67.14</b>	<b>64,704.48</b>

The accompanying notes (1 to 70) form an integral part of financial statements  
Refer to Note No 22 for nature and movement of Reserve and Surplus.

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

**Mirinal Shrivastava**  
Company Secretary

**Mohammed Taj Mukarrum**  
Director (Finance)

**K. Sreekant**  
Chairman & Managing Director

**As per our report of even date**

**For T R CHADHA & CO LLP For UMAMAHESWARA RAO & CO For B M CHATRATH & CO LLP For PSD & ASSOCIATES**  
Chartered Accountants Chartered Accountants Chartered Accountants Chartered Accountants  
FRN : 006711N/N500028 FRN : 0044535 FRN : 301011E/E300025 FRN : 004501C

**CA Neena Goel**  
Partner  
M. No. 057986

**CA R R Dakshinamurthy**  
Partner  
M. No. 211639

**CA Sanjay Sarkar**  
Partner  
M. No. 064305

**CA Prakash Sharma**  
Partner  
M. No. 072332

Date: 21 May 2022  
Place: Gurugram


**Consolidated Statement of Cash Flows for the year ended 31 March 2022**

(₹ in crore)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit Before Tax and Regulatory Deferral Account Balances	<b>20,139.38</b>	<b>15,139.03</b>
Add: Net movement in Regulatory Deferral Account Balances (net of tax)	<b>(529.74)</b>	361.68
Add: Tax on Net movement in Regulatory Deferral Account Balances	<b>(112.15)</b>	74.60
<b>Net Profit Before Tax (including Net movement in regulatory deferral account balances)</b>	<b>19,497.49</b>	<b>15,575.31</b>
<b>Adjustment for :</b>		
Depreciation & amortization expenses	<b>12,871.66</b>	12,039.19
Transfer from Grants in Aid	<b>(300.26)</b>	(328.89)
Deferred revenue - Advance against Depreciation	<b>(152.46)</b>	(160.05)
Provisions	<b>4.20</b>	7.78
Changes in fair value of financial assets through profit or loss	<b>(16.44)</b>	(7.68)
Share of net profits of joint ventures accounted for using equity method	<b>(78.47)</b>	(214.70)
Profit on sale of investment in subsidiaries	<b>(3,554.88)</b>	-
Net Loss on Disposal / Write off of Property, Plant & Equipment	<b>28.41</b>	2.49
Deferred Foreign Currency Fluctuation Asset	<b>(42.69)</b>	1,022.09
Deferred Income from Foreign Currency Fluctuation	<b>191.07</b>	(780.92)
Regulatory Deferral Account Debit Balances	<b>641.89</b>	(436.28)
Finance Costs	<b>8,036.22</b>	8,134.69
Provisions Written Back	<b>(13.13)</b>	(24.82)
FERV loss / (gain)	<b>(0.03)</b>	(0.02)
Profit on sale of investments in Mutual Funds	<b>(15.95)</b>	-
Interest income on Deposits, Bonds , loans to JVs, PG InvIT etc	<b>(243.09)</b>	(71.47)
Surcharge income	<b>(375.30)</b>	(744.06)
Income from finance lease	<b>(124.82)</b>	(84.75)
Dividend income	<b>(159.60)</b>	(9.00)
	<b>16,696.33</b>	<b>18,343.60</b>
<b>Operating profit before Changes in Assets and Liabilities</b>	<b>36,193.82</b>	<b>33,918.91</b>
<b>Adjustment for Changes in Assets and Liabilities:</b>		
(Increase)/Decrease in Inventories	<b>13.51</b>	36.46
(Increase)/Decrease in Trade Receivables	<b>(836.80)</b>	(3,424.46)
(Increase)/Decrease in Other Financial Assets	<b>(4,695.75)</b>	2,173.07
(Increase)/Decrease in Other Non-current Assets	<b>61.79</b>	71.84
(Increase)/Decrease in Other Current Assets	<b>(68.72)</b>	40.09
Increase/(Decrease) in Liabilities & Provisions	<b>(824.95)</b>	(1,226.73)
	<b>(6,350.92)</b>	<b>(2,329.73)</b>
<b>Cash generated from operations</b>	<b>29,842.90</b>	<b>31,589.18</b>
Direct taxes paid	<b>(3,719.38)</b>	(2,186.50)
<b>Net Cash from Operating Activities</b>	<b>26,123.52</b>	<b>29,402.68</b>

**Consolidated Statement of Cash Flows for the year ended 31 March 2022 (Contd.)**

(₹ in crore)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Property, Plant & Equipment and Capital Work in Progress (Including Advances for Capital Expenditure)	(7,966.22)	(9,616.55)
Receipt of Grant	131.42	8.13
Investment in Mutual Funds	(1,470.00)	-
Sale of Mutual Funds	1,485.95	-
Consideration received on transfer of subsidiaries/associates (net)	3,130.64	-
Acquisition of subsidiary, net of cash acquired	-	(308.39)
Investments in joint venture companies & others	(442.54)	(33.00)
Loans & Advances to Joint Venture/Associate Companies (including repayments)	5,022.78	47.83
Financial lease receipts	143.53	78.59
Interest received on Deposits, Bonds & loans to JVs, PG InvIT etc	238.06	74.98
Surcharge received	251.19	568.78
Dividend received from joint venture companies	68.38	107.15
Dividend received from other investments	159.60	9.00
<b>Net Cash flow from/(used in) Investing Activities</b>	<b>752.79</b>	<b>(9,063.48)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Borrowings		
Non Current	2,584.70	7,840.37
Current	7,400.00	11,750.00
Repayment of Borrowings		
Non Current	(15,410.82)	(11,219.40)
Current	(3,900.00)	(12,950.00)
Repayment of Lease Liabilities (Including interest)	(8.18)	(6.32)
Finance Costs paid	(8,820.68)	(9,113.71)
Dividend paid	(10,811.96)	(6,821.99)
<b>Net Cash used in Financing Activities</b>	<b>(28,966.94)</b>	<b>(20,521.05)</b>
D. Net change in Cash and Cash equivalents (A+B+C)	(2,090.63)	(181.85)
E. Cash and Cash equivalents (Opening balance) (including classified as held for sale)	4,667.74	4,849.59
Less: Cash and Cash equivalents classified as held for sale	-	(180.51)
<b>F. Cash and Cash equivalents (Closing balance) (Refer Note No 15)*</b>	<b>2,577.11</b>	<b>4,487.23</b>

The accompanying notes (1 to 70) form an integral part of financial statements

\* Includes ₹1341.75 crore (Previous Year ₹3122.48 crore) held in designated accounts which is not available for use by the Group.

**Notes:**

- Cash and cash equivalents consist of cheques, drafts, stamps in hands, balances with banks and deposits with original maturity of upto three months.
- Previous year figures have been re-grouped / re-arranged wherever necessary.
- Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities.


**Consolidated Statement of Cash Flows for the year ended 31 March 2022 (Contd.)**

(₹ in crore)

Particulars	Non-current borrowings	Current borrowings
<b>Opening Balance as at 1st April, 2021</b>	<b>144,511.85</b>	<b>1,800.00</b>
Net Cash Flows during the year	(20,998.44)	3,500.00
Non-cash changes due to :		
- Interest on borrowings	7,846.84	
- Variation in exchange rates	781.06	
- Fair value adjustments	5.73	
<b>Closing Balance as at 31st March, 2022</b>	<b>132,147.04</b>	<b>5,300.00</b>

(₹ in crore)

Particulars	Non-current borrowings	Current borrowings
<b>Opening Balance as at 1st April, 2020</b>	148,544.13	3,000.00
Net Cash Flows during the year	(12,075.71)	(1,200.00)
Non-cash changes due to :		
- Interest on borrowings	8,657.71	
- Variation in exchange rates	(655.21)	
- Fair value adjustments	40.93	
<b>Closing Balance as at 31st March, 2021</b>	<b>144,511.85</b>	<b>1,800.00</b>

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

**Mrinal Shrivastava**  
Company Secretary

**Mohammed Taj Mukarrum**  
Director (Finance)

**K. Sreekant**  
Chairman & Managing Director

**As per our report of even date**

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**CA Prakash Sharma**  
Partner  
M. No. 072332

Date: 21 May 2022  
Place: Gurugram

## Notes to Consolidated Financial Statements

### 1. Group Information

Power Grid Corporation of India Limited ('the Company') is a public company domiciled and incorporated in India under the provisions of The Companies Act and its shares are listed on the National Stock Exchange (NSE) and BSE Limited (BSE) in India. The Registered Office of the Company is situated at B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi, India and its Corporate Office is located at Saudamini, Plot No.2, Sector-29, Gurgaon, Haryana.

The Company is notified as the deemed transmission licensee under The Electricity Act, 2003. It is principally engaged in implementation, operation and maintenance of Inter-State Transmission System (ISTS), Telecom and consultancy services.

The consolidated financial statements of the group for the year ended 31 March 2022 were approved for issue by the Board of Directors on 21 May 2022.

### 2. Significant Accounting Policies

A summary of the significant accounting policies applied in the preparation of the consolidated financial statements are as given below. These accounting policies have been applied consistently to all periods presented in the consolidated financial statements. The Consolidated financial statements of the group are consisting of the Company and its subsidiaries and the Group's interest in joint ventures.

#### 2.1 Basis of Preparation

##### i) Compliance with Ind AS

The consolidated financial statements are prepared in compliance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act), Companies (Indian Accounting Standards) Rules, 2015, the relevant provisions of the Companies Act, 2013 (to the extent notified), The Companies Act, 1956 and the provisions of Electricity Act, 2003, in each case, to the extent applicable and as amended thereafter.

##### ii) Basis of Measurement

The consolidated financial statements have been prepared on accrual basis and under the historical cost convention except following which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value (refer Note no. 2.14 for accounting policy regarding financial instruments),
- Defined benefit plans – plan assets measured at fair value.

##### iii) Functional and presentation currency

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

##### iv) Use of estimates

The preparation of consolidated financial statements requires estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses during the reporting period. Although, such estimates and assumptions are made on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future years (refer Note no. 3 on critical accounting estimates, assumptions and judgments).

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

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

An asset is current when it is:

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



All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

The Group recognizes twelve months period as its operating cycle.

## 2.2 Principle of Consolidation and Equity Accounting

### Subsidiaries

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combination by the group.

The Group combines the financial statement of the subsidiaries line by line adding together like items of assets, liabilities, equity, income, and expenses. Inter Group transactions, balances and unrealized gains on transactions between companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The consolidated financial statements have been prepared in accordance with Indian Accounting Standard (Ind AS) 110 – 'Consolidated Financial Statements' and Indian Accounting Standard (Ind AS) 28 – 'Investments in Associates and Joint Ventures.

### Joint Arrangements

Under Ind AS 111 Joint Arrangements, investment in joint arrangements is classified as either joint operation or joint ventures. The classification depends on the contractual right and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has only joint ventures.

### Joint Ventures

Interest in joint ventures is accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

### Equity Method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognize the Group's share of the post – acquisition profits or losses of the investee company in Statement of Profit and Loss, and the Group's share of other comprehensive income of the investee Company in other comprehensive income. Dividends received from joint ventures are recognised as reduction in the carrying amount of the investment.

When the Group's share of losses in an investment accounted under Equity method equals or exceeds its interest in the entity, including any other unsecured long term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the Joint Venture Entities.

Unrealized gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of asset transferred. Accounting policies of equity accounted investees have been changed where necessary.

The financial statements of the subsidiary companies and joint venture companies in the consolidation are drawn up to the same reporting date as of the Group.

### Changes in ownership interests

When the group ceases to consolidate or to account for an investment under equity method due to loss of control or joint control, the retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in



Statement of Profit and Loss. The fair value becomes the initial carrying amount for the purpose of subsequent accounting of the retained interest as an associate or a financial asset.

#### **Difference in Accounting Policies and Impact thereon:**

For certain items the Group and joint venture entities have followed different accounting policies. However, the impact of same is not material.

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

The Group had opted to consider the carrying value of Property, Plant and Equipment as per previous GAAP on the date of transition to Ind AS (1st April 2015) to be the deemed cost as per Ind AS 101 'First-time Adoption of Indian Accounting Standards'.

#### **Initial Recognition and Measurement**

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

Property, Plant and Equipment acquired as replacement of the existing assets are capitalized and its corresponding replaced assets removed/ retired from active use are derecognized.

If the cost of the replaced part or earlier inspection component is not available, the estimated cost of similar new parts/ inspection component is used as an indication of what the cost of the existing part/ inspection component was when the item was acquired or inspection was carried out.

In the case of commissioned assets, deposit works/cost- plus contracts where final settlement of bills with contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustments in the year of final settlement.

Assets and systems common to more than one transmission system are capitalized on the basis of technical estimates/ assessments.

Transmission system assets are considered as ready for intended use from the date of commercial operation declared in terms of CERC Tariff Regulations and capitalized accordingly. However in case of subsidiaries, transmission system assets are considered as ready for intended use after meeting the conditions as stipulated in Transmission Service Agreement (TSA) and capitalized accordingly.

The cost of land includes provisional deposits, payments/liabilities towards compensation, rehabilitation and other expenses wherever possession of land is taken.

Expenditure on levelling, clearing and grading of land if incurred for construction of building is capitalized as part of cost of the related building.

Spares parts whose cost is ₹5,00,000/- and above, standby equipment and servicing equipment which meets the recognition criteria of Property, Plant and Equipment are capitalized.

The acquisition or construction of some items of property, plant and equipment although not directly increasing the future economic benefits of any particular existing item of property, plant and equipment, may be necessary for the company to obtain future economic benefits from its other assets. Such items are recognized as property, plant and equipment.

#### **Subsequent costs**

Subsequent expenditure is recognized as an increase in carrying amount of assets when it is probable that future economic benefits deriving from the cost incurred will flow to the Group and cost of the item can be measured reliably

The cost of replacing part of an item of Property, Plant & Equipment is recognized in the carrying amount of the item if it is probable that future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognised in the Statement of Profit & Loss as incurred.

#### **Derecognition**

An item of Property, Plant and Equipment is derecognized when no future economic benefits are expected from their use or upon their disposal.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss on the date of disposal or retirement.



## 2.4 Capital Work-In-Progress (CWIP)

Cost of material, erection charges and other expenses incurred for the construction of Property, Plant and Equipment are shown as CWIP based on progress of erection work till the date of capitalization.

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

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

Deposit works/cost-plus contracts are accounted for on the basis of statement received from the contractors or technical assessment of work completed.

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

## 2.5 Intangible Assets and Intangible Assets under development

The Group had opted to consider the carrying value of Intangible Assets as per previous GAAP on the date of transition to Ind AS (1st April 2015) to be the deemed cost as per Ind AS 101 'First-time Adoption of Indian Accounting Standards'.

Intangible assets are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Subsequent expenditure on already capitalized Intangible assets is capitalised when it increases the future economic benefits embodied in an existing asset and is amortised prospectively.

The cost of software (which is not an integral part of the related hardware) acquired for internal use and resulting in significant future economic benefits is recognized as an intangible asset when the same is ready for its use.

Afforestation charges for acquiring right-of-way for laying transmission lines are accounted for as intangible assets on the date of capitalization of related transmission lines.

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

Expenditure on research is recognised as an expense when it is incurred.

Expenditure on development activities shall be recognised as Intangible asset if it meets the eligibility criteria as per Ind AS 38 'Intangible Assets'; otherwise it shall be recognised as an expense.

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

## 2.6 Investment property

The Group had opted to consider the carrying value of Investment Property as per previous GAAP on the date of transition to Ind AS (1st April 2015) to be the deemed cost as per Ind AS 101 'First-time Adoption of Indian Accounting Standards'.

Investment property comprises portions of land and/or buildings that are held for long term rental yields and/or for capital appreciation.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are carried at cost less accumulated depreciation and accumulated impairment loss, if any.

Transfers to or from investment property is made when there is a change in use - i.e. an asset meets or ceases to meet the definition of investment property and there is evidence of the change in use.

Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised as profit or loss in the period of derecognition.

## 2.7 Depreciation / Amortisation

### Property, Plant and Equipment

Depreciation/amortisation on the items of property, plant and equipment related to transmission business is provided on straight line method following the rates and methodology notified by the CERC for the purpose of recovery of tariff and on property, plant and equipment of telecom, consultancy business and subsidiaries acquired through Tariff Based Competitive Bidding (TBCB) process is provided on straight line method as per useful life specified in Schedule II of the Companies Act, 2013 except for property, plant and equipment specified in the following paragraphs.

ULDC assets commissioned prior to 1st April 2014 are depreciated on Straight Line Method @ 6.67% per annum. Such assets commissioned on or after 1st April 2014 are depreciated on straight line method following the rates and methodology notified by the CERC for the purpose of recovery of tariff.

In the case of property, plant and equipment of National Thermal Power Corporation Limited (NTPC), National Hydro-Electric Power Corporation Limited (NHPC), North-Eastern Electric Power Corporation Limited (NEEPCO), Neyveli Lignite Corporation Limited (NLC) transferred w.e.f. April 1, 1992, Jammu and Kashmir Lines w.e.f. April 1, 1993, and Tehri Hydro Development Corporation Limited (THDC) w.e.f. August 1, 1993, depreciation is charged based on gross block as indicated in transferor's books with necessary adjustments so that the life of the assets as laid down in the CERC notification for tariff is maintained.

Depreciation on buildings held as investment property is provided on straight line method as specified in Schedule II of The Companies Act, 2013.

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

Depreciation on following items of property, plant and equipment (PPE) is provided based on estimated useful life as per technical assessment.

Particulars	Useful life
a. Computers & Peripherals	3 Years
b. Servers & Network Components	5 years
c. PPE of Subsidiaries acquired through TBCB process:	
Buildings	35 years
Transmission line	35 years
Substation Equipment	35 years

Residual value of above assets is considered as Nil.

Mobile phones are charged off in the year of purchase.

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

Where the cost of depreciable property, plant and equipment has undergone a change due to increase/decrease in long term monetary items on account of exchange rate fluctuation, price adjustment, change in duties or similar factors, the unamortized balance of such asset is depreciated prospectively at the rates and methodology as specified by the CERC Tariff Regulations, except for telecom and consultancy business assets where residual life is determined on the basis of useful life of property, plant and equipment as specified in Schedule II of the Companies Act, 2013.

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

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

#### Right of Use Assets:

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

Leasehold land is fully amortized over lease period or life of the related plant whichever is lower in accordance with the applicable methodology. Leasehold land acquired on perpetual lease is not amortized.

#### Intangible Assets

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

Afforestation charges other than related to subsidiaries acquired through TBCB process are amortized over thirty five years from the date of capitalization of related transmission assets following the rates and methodology notified by Central Electricity Regulatory Commission (CERC) Tariff Regulations.

Afforestation charges related to subsidiaries acquired through TBCB process are amortized over thirty-five years from the date of capitalization of related transmission assets following straight line method with Nil Residual Value.

Telecom Licenses are amortised on straight line basis over their respective useful lives.



Expenditure on development of 1200kv Transmission System shall be amortised over a period of 10 years.

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

The amortization period and the amortization method for an intangible asset are reviewed at each financial year-end and are accounted for as change in accounting estimates in accordance with Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors

## 2.8 Borrowing Costs

All the borrowed funds (except short term funds for working capital) are earmarked to specific projects. The borrowing costs (including bond issue expenses, interest, discount on bonds, front end fee, guarantee fee, management fee etc.) are allocated to the projects in proportion to the funds so earmarked.

Exchange differences arising from foreign currency borrowing to the extent regarded as an adjustment to interest costs are treated as borrowing cost.

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalised (net of income on temporary deployment of funds) as part of the cost of such assets till the assets are ready for the intended use. Qualifying assets are assets which take a substantial period of time to get ready for their intended use.

All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

## 2.9 Impairment of non-financial assets

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

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

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

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

## 2.10 Cash and cash equivalents

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

## 2.11 Inventories

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

Steel scrap and conductor scrap are valued at estimated realizable value or book value, whichever is less.

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

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

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

## 2.12 Leases

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

To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves use of an identified assets, (ii) the customer has substantially all the economic benefits from the use of the asset through the period of the lease and (iii) the customer has the right to direct the use of the asset.

**i) As a Lessee**

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

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the inception date of the lease along with any initial direct costs, restoration obligations and lease incentives received.

Subsequently, the right-of-use assets is measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The Group applies Ind AS 36 to determine whether a ROU asset is impaired and accounts for any identified impairment loss as described in the accounting policy 2.9 on "Impairment of non-financial assets".

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

The interest cost on lease liability is expensed in the Statement of Profit and Loss, unless eligible for capitalization as per accounting policy 2.8 on "Borrowing costs".

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

**ii) As a Lessor**

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

**a) Finance leases**

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

State sector Unified Load Dispatch Centre (ULDC)/ Fibre Optic Communication Assets (FOC)/Bilateral line assets leased to the beneficiaries are considered as Finance Lease. Net investment in such leased assets are recorded as receivable at the lower of the fair value of the leased property and the present value of the minimum lease payments along with accretion in subsequent years is accounted for as Lease Receivables under current and non-current other financial assets. Wherever grant-in-aid is received for construction of State Sector ULDC, lease receivable is accounted for net of such grant.

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

FERV on foreign currency loans relating to leased assets is adjusted to the amount of lease receivables and is amortised over the remaining tenure of lease. FERV recovery (as per CERC norms) from the constituents is recognised net of such amortised amount.

**b) Operating leases**

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

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

**2.13 Employee benefits**

**2.13.1 Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into separate entities (Funds) and will have no legal or constructive obligation to pay further contributions, if the Fund does not hold sufficient assets to pay all employee's benefits related to employee service in the current and prior periods. Obligations for contributions to defined contribution plans are recognized as an employee benefits expense in the statement of profit and loss in the period during which services are rendered by employees.



The Group has a defined contribution pension scheme which is administered through a separate trust. The obligation of the Group is to contribute to the trust to the extent of amount not exceeding 30% of basic pay and dearness allowance less employer's contribution towards provident fund, gratuity, post retirement medical facility (PRMF) or any other retirement benefits. The contributions to the fund for the year are recognized as an expense and charged to the statement of profit and loss.

### 2.13.2 Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's liability towards gratuity, post-retirement medical facility, baggage allowance for settlement at home town after retirement, long service award on retirement and provident fund scheme to the extent of interest liability on provident fund contribution are in the nature of defined benefit plans.

The gratuity is funded by the Group and is managed by separate trust. The Group has Post-Retirement Medical Facility (PRMF), under which retired employee and the spouse are provided medical facilities in the Group empanelled hospitals. They can also avail treatment as out-patient subject to a ceiling fixed by the Group.

The Group pays fixed contribution to Provident Fund at predetermined rates to a separate trust, which invests the funds in permitted securities. The contributions to the fund for the year are recognized as expense and are charged to the statement of profit and loss. The obligation of the Group is limited to such fixed contributions and to ensure a minimum rate of interest on contributions to the members as specified by the Government of India (GoI).

The Group has schemes for payment of baggage allowance towards expenses for settlement at hometown for the superannuated employees & their dependents and for providing a Long Service Award to all regular employees of the Group on superannuation.

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognized asset is limited to the total of any unrecognized past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. An economic benefit is available to the Group if it is realizable during the life of the plan, or on settlement of the plan liabilities. Any actuarial gains or losses are recognized in OCI in the period in which they arise and subsequently not reclassified to profit or loss.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized in the statement of profit and loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognized immediately in the statement of profit and loss.

### 2.13.3 Other long-term employee benefits

Benefits under the Group's leave encashment and Employee Family Economic Rehabilitation Scheme constitute other long term employee benefits.

The Group's net obligation in respect of leave encashment is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Group's obligations. The calculation is performed using the projected unit credit method. Any actuarial gains or losses are recognized in the statement of profit and loss in the period in which they arise.

As per the Group's Employee Family Economic Rehabilitation scheme, which is optional, in the event of death or permanent total disability of an employee, the dependent(s) or the employee, as the case may be, is paid a fixed amount based on the last salary drawn by the employee till the notional date of super annuation of the employee upon depositing the final provident fund and gratuity amount which will be interest free.

### 2.13.4 Short-term benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under performance related pay if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

## 2.14 Financial instruments

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

### Financial Assets

#### Classification

The Group classifies its financial assets in the following categories:

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

The classification depends on the following:

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

#### Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs, if any, that are attributable to the acquisition of the financial asset.

#### Subsequent measurement

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

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

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

#### Equity investments

All equity investments in scope of Ind AS 109 'Financial Instruments' are measured at fair value. The Group may, on initial recognition, make an irrevocable election to present subsequent changes in the fair value in other comprehensive income (FVOCI) on an instrument-by-instrument basis.

For equity instruments classified as at FVOCI, all fair value changes on the instrument, excluding dividends are recognized in the OCI. There is no recycling of the amounts from OCI to Profit or Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

#### De-recognition of financial assets

A financial asset is derecognized only when

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

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



**Impairment of financial assets:**

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

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

**Financial Liabilities**

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

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

**Classification, initial recognition and measurement**

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

**Subsequent measurement**

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

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

**De-recognition of financial liability**

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

**Offsetting of financial instruments**

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

**2.15 Foreign Currency Translation****(a) Functional and presentation currency**

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

**(b) Transactions and balances**

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

Foreign exchange gains and losses (other than related to foreign currency loans outstanding) are presented in the statement of profit and loss on a net basis within other gains/(losses).

The Group has availed the exemption available in Ind AS 101, to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary liabilities outstanding as on March 31, 2016.

#### **Foreign currency loans outstanding as on March 31, 2016:**

Foreign Exchange Rate Variation (FERV) arising on settlement / translation of such foreign currency loans relating to property, plant and equipment/ capital work-in-progress is adjusted to the carrying cost of related assets and is recoverable/payable from the beneficiaries on actual payment basis as per Central Electricity Regulatory Commission (CERC) norms w.e.f. 1st April, 2004 or Date of Commercial Operation (DOCO) whichever is later. The above FERV to the extent recoverable or payable as per the CERC norms is accounted for as follows:

- i) FERV recoverable/payable adjusted to carrying cost of property, plant and equipment is accounted for as 'Deferred foreign currency fluctuation asset/liability a/c' with a corresponding credit/debit to 'Deferred income/expenditure from foreign currency fluctuation a/c'.
- ii) 'Deferred income/expenditure from foreign currency fluctuation a/c' is amortized in the proportion in which depreciation is charged on such FERV.
- iii) The amount recoverable/payable as per CERC norms on year to year basis is adjusted to the 'Deferred foreign currency fluctuation asset/liability a/c' with corresponding debit / credit to the trade receivables.

FERV earlier charged to Statement of Profit and Loss & included in the capital cost for the purpose of tariff is adjusted against 'Deferred foreign currency fluctuation asset/liability a/c'.

FERV arising out of settlement/translation of long term monetary items (other than foreign currency loans) relating to Property Plant & Equipment /CWIP is adjusted in the carrying cost of related assets.

FERV arising during the construction period from settlement/translation of monetary items (other than non current loans) denominated in foreign currency to the extent recoverable/payable to the beneficiaries as capital cost as per CERC tariff Regulation are accounted as Regulatory Deferral Account Balances. Transmission charges recognised on such amount is adjusted against above account. Other exchange differences are recognized as income or expenses in the period in which they arise.

#### **Foreign currency loans drawn on or after April 1, 2016:**

Exchange differences arising from foreign currency borrowing to the extent regarded as an adjustment to interest costs are treated as borrowing cost. Other exchange differences are recognized in the Statement of Profit and Loss.

Exchange difference to the extent recoverable as per CERC tariff regulations are recognized as Regulatory Deferral Account Balances through Statement of Profit and Loss.

#### **(c) Foreign Group Companies**

The results and financial position of foreign operations (none of which has the currency of a hyper inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- i) Assets and liabilities are translated at closing rate at the date of that balance sheet.
- ii) Income and expenses are translated at average exchange rates (unless this is not the reasonable approximation of the cumulative effect of the rates prevailing on the transaction date in which case income and expenses are translated at the date of transactions) and
- iii) All the exchange differences are recognised in other comprehensive income.

### **2.16 Income Tax**

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

#### **Current income tax**

The current tax is based on taxable profit for the year under the tax laws enacted and applicable to the reporting period in the countries where the group operate and generate taxable income and any adjustment to tax payable in respect of previous years.

#### **Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Group's financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using



the Balance Sheet method. Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

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

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investment in subsidiaries where the group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in foreseeable future.

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

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

## 2.17 Regulatory Deferral Account Balances

Certain expenses and income, allowed under CERC regulations to be reimbursed by/passed on to beneficiaries in future, are to be accounted in the Statement of Profit and Loss as per the provisions of Ind AS 114 'Regulatory Deferral Accounts' and Guidance Note on "Accounting for Rate Regulated Activities" issued by the Institute of Chartered Accountants of India (ICAI). Such expenses and income, to the extent recoverable /payable as part of tariff under CERC Regulations are treated as Regulatory Deferral Assets/Liabilities.

The Group presents separate line items in the Balance Sheet for:

- (a) the total of all Regulatory Deferral Account Debit Balances; and
- (b) the total of all Regulatory Deferral Account Credit Balances.

A separate line item is presented in the profit or loss section of the Statement of Profit and Loss for the net movement in all Regulatory Deferral Account Balances for the reporting period.

Regulatory deferral accounts balances are adjusted in the year in which the same become recoverable from or payable to the beneficiaries.

## 2.18 Revenue

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognizes revenue when it transfers control over a product or service to a customer.

### Significant Financing Component

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

### 2.18.1 Revenue from Operations

#### Transmission

Transmission Income is accounted for based on tariff orders notified by the CERC. In case of transmission projects where final tariff orders are yet to be notified, transmission income is accounted for on provisional basis as per tariff regulations and orders of the CERC in similar cases. Difference, if any, is accounted on issuance of final tariff orders by the CERC. Transmission Income in respect of additional capital expenditure incurred after the date of commercial operation is accounted for based on expenditure incurred on year to year basis as per CERC tariff regulations. As at each reporting date, transmission income includes an accrual for services rendered to the customers but not yet billed. However in case of subsidiaries transmission Income is accounted for based on orders issued by CERC u/s 63 of Electricity Act 2003 for adoption of transmission charges.

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

The Transmission system incentive / disincentive is accounted for based on certification of availability by the respective Regional Power Committees (RPCs) and in accordance with the CERC tariff regulations. Where certification by RPCs is not available, incentive/disincentive is accounted for on provisional basis as per estimate of availability by the Group and differences, if any is accounted upon certification by RPCs.

Advance against depreciation (AAD), forming part of tariff pertaining upto the block period 2004-09, to facilitate repayment of loans, was reduced from transmission income and considered as deferred income to be included in transmission income in subsequent years. The outstanding deferred income in respect of AAD is recognized as transmission income, after twelve years from the end of the financial year in which the asset was commissioned, to the extent depreciation recovered in the tariff during the year is lower than depreciation charged in the accounts.

### Telecom Services

Income from Telecom Services, net of downtime credit, is recognised on the basis of terms of agreements/purchase orders from the customers. Upfront fee received in advance under long term contracts providing Indefeasible Right to Use (IRU), is recognised as revenue on the basis of estimation of revenue over the period of contract.

### Consultancy Services

In respect of 'Cost-plus-consultancy contracts', involving execution on behalf of the client, revenue is recognized in proportion to the stage of completion of the work performed at the reporting date, which is determined based on input method.

Income from other consultancy contracts are accounted for on technical assessment of progress of services rendered.

## 2.18.2 Other Income

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

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

Application Fees towards Long Term Open Access (LTOA) as per CERC Guidelines is accounted for on receipt.

Scrap other than steel scrap & conductor scrap are accounted for as and when sold.

Dividend income is recognized when right to receive payment is established.

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

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

## 2.19 Government Grants

Grants-in-aid from Central Government or other authorities towards capital expenditure for projects, betterment of transmission systems and specific depreciable assets initially are treated as deferred income when there is a reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant. Deferred Income is recognized in the Statement of Profit and Loss over the useful life of related asset in proportion to which depreciation on these assets is provided. In case of non-monetary government grants, both asset and grant are recorded at nominal value.

Grants that compensate the Group for expenses incurred are recognized over the period in which the related costs are incurred and deducted from the related expenses.

## 2.20 Dividends

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

## 2.21 Provisions and Contingencies

### a) Provisions

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

### b) Contingencies

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



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

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

## 2.22 Share capital and Other Equity

Ordinary shares are classified as equity.

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

Self-insurance reserve is created @ 0.12% p.a. on Original Gross Block of Property, Plant and Equipment and value of Inventory except ROU assets and assets covered under insurance as at the end of the year by appropriation of current year profit to mitigate future losses from un-insured risks and for taking care of contingencies in future by procurement of towers and other transmission line materials including strengthening of towers and equipment of AC substation. The Reserve created as above is shown as "Self Insurance Reserve" under 'Other Equity'.

## 2.23 Prior Period Items

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

## 2.24 Operating Segments

The Board of Directors is the Group's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108 'Operating Segments'. CODM monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

The operating segments have been identified on the basis of the nature of products / services.

- Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter-segment transactions.
- Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result. Expenses which relate to the Group as a whole and not allocable to segments are included under un-allocable expenditure.
- Income which relates to the Group as a whole and not allocable to segments is included in un-allocable income.
- Segment assets and liabilities include those directly identifiable with the respective segments. Un-allocable assets and liabilities represent the assets and liabilities that relate to the Group as a whole and not allocable to any segment.
- Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets.

## 2.25 Earnings per Share

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

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

Additionally, basic and diluted earnings per share are computed using the earnings amounts excluding the movements in Regulatory Deferral Account Balances.

## 2.26 Statement of Cash Flows

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

## 2.27 Non-current assets (or disposal groups) held for sale and Discontinued Operation

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets (or disposal groups) and its sale is highly probable.

Assets and liabilities classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell and presented separately in the Balance Sheet. An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

A discontinued operation is a component of the Group that comprises the operations and cash flows of which can be clearly distinguished from the rest of the Group which either has been disposed of, or classified as held for sale, and

- represents a separate major line of business or geographic area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss.

## 2.28 Business Combination

Business combinations are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the Group. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognized at fair values on their acquisition date. Goodwill is initially measured at cost, being the excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed. Where the fair value of net identifiable assets acquired and liabilities assumed exceed the consideration transferred, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognized as capital reserve. Acquisition related costs are expensed as incurred.

## 3. Critical Estimates and Judgments

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

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

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

#### Revenue Recognition:

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

#### Regulatory Deferral Balances:

Recognition of Regulatory Deferral Balances involves significant judgments including about future tariff regulations since these are based on estimation of the amounts expected to be recoverable/payable through tariff in future.

**Estimation of defined benefit obligation:**

Estimation of defined benefit obligation involves certain significant actuarial assumptions which are listed in Note 66.

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

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

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

The Group reviews at the end of each reporting date the useful life of plant and equipment, other than the assets of transmission business which are governed by CERC Regulations, and are adjusted prospectively, if appropriate.

**Provisions and contingencies:**

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

**Estimation of uncertainties relating to the global health pandemic from COVID-19:**

In assessing the recoverability of trade receivables, contract assets and investments, the group has considered internal and external information up to the date of approval of these financial statements including credit reports and economic forecasts. In view of the nature of the Group's business, the regulated tariff mechanism applicable to the major part of the group's revenue and based on the current indicators of future economic conditions, the group expects to recover the carrying amount of these assets.

**Assets held for sale:**

Significant judgment is required to apply the accounting of non-current assets held for sale under Ind AS 105 – "Non current assets held for sale and discontinued operations". In assessing the applicability, management has exercised judgment to evaluate the availability of the asset for immediate sale, management's commitment for the sale and probability of sale within one year to conclude if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

**Income Taxes:**

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



### Note 4: Property, Plant and Equipment

(₹ in crore)

Particulars	Cost				Accumulated depreciation				Net Book Value		
	As at 01 April 2021	Additions during the year	Disposal	Adjustment during the year	As at 31 March 2022	As at 01 April 2021	Additions during the year	Disposal	Adjustment during the year	As at 31 March 2022	As at 31 March 2021
<b>Land</b>											
Freehold	2,385.58	26.44	-	4.79	2,407.23	-	-	-	-	2,407.23	2,385.58
<b>Buildings</b>											
a) Sub-Stations & Office	2,288.40	588.44	-	(31.49)	2,908.33	287.26	97.29	0.09	(4.10)	388.56	2,519.77
b) Township	687.43	90.68	0.04	1.09	776.98	143.48	29.32	0.03	(0.27)	173.04	603.94
Temporary Erection	1.38	-	-	-	1.38	1.36	0.02	-	-	1.38	0.02
Roads & Bridges	263.87	63.83	-	0.67	327.03	44.84	12.46	-	-	57.30	269.73
Water Supply Drainage & Sewerage	120.56	56.68	-	(0.01)	177.25	26.43	6.18	0.01	-	32.60	144.65
<b>Plant &amp; Equipment</b>											
a) Transmission	144,956.58	9,833.25	51.61	(356.58)	155,094.80	35,739.77	7,735.30	37.12	6.83	43,431.12	111,663.68
b) Sub-station	83,410.97	9,254.95	22.61	(169.86)	92,813.17	19,397.62	4,869.10	11.05	4.95	24,250.72	68,562.45
c) Unified Load Despatch & Communication	1,482.37	242.74	-	(2.51)	1,727.62	369.51	100.13	0.01	(0.12)	469.75	1,257.87
d) Telecom	1,305.38	204.15	-	0.91	1,508.62	595.89	113.80	-	0.57	709.12	799.50
Furniture Fixtures	160.16	30.62	1.06	(1.61)	191.33	48.96	12.79	0.20	(0.42)	61.97	129.36
Vehicles	3.40	1.78	0.15	-	5.03	1.28	0.29	0.13	-	1.44	3.59
Office equipment	246.60	46.94	1.99	0.26	291.29	71.18	18.15	0.78	(0.04)	88.59	202.70
Electronic Data Processing & Word Processing Machines	243.59	17.96	35.66	0.07	225.82	138.52	51.72	32.58	0.05	157.61	68.21
Construction and Workshop equipment	599.87	18.21	1.46	0.26	616.36	104.33	33.32	0.30	0.18	137.17	479.19
Electrical Installation	154.57	10.81	0.01	(0.76)	166.13	39.54	8.81	-	(0.04)	48.39	117.74
Laboratory Equipments	87.85	3.73	0.01	0.04	91.53	22.44	4.60	-	-	27.04	64.49
Workshop & Testing Equipments	325.97	27.33	0.22	1.24	351.84	57.28	18.37	0.07	(0.13)	75.71	276.13
Miscellaneous Assets/ Equipments	0.46	0.23	-	0.46	0.23	0.08	0.03	0.01	0.07	0.03	0.20
<b>Right-of-use (ROU) Assets</b>											
a) ROU Assets- Land	539.88	25.18	-	(0.80)	565.86	72.14	18.95	-	-	91.09	474.77
b) ROU Asset- Buildings	13.55	1.00	1.15	0.25	13.15	5.99	3.73	1.03	0.24	8.45	4.70
c) ROU Asset- Plant & Machinery- Telecom	0.27	0.01	0.06	-	0.22	0.06	0.03	0.06	-	0.03	0.19
<b>Total</b>	<b>239,278.69</b>	<b>20,544.96</b>	<b>116.03</b>	<b>(553.58)</b>	<b>260,261.20</b>	<b>57,167.96</b>	<b>13,134.39</b>	<b>83.47</b>	<b>7.77</b>	<b>70,211.11</b>	<b>190,050.09</b>
Less: Provision for assets discarded	1.74	-	-	-	1.74	-	-	-	-	1.74	1.74
<b>Grand Total</b>	<b>239,276.95</b>	<b>20,544.96</b>	<b>116.03</b>	<b>(553.58)</b>	<b>260,259.46</b>	<b>57,167.96</b>	<b>13,134.39</b>	<b>83.47</b>	<b>7.77</b>	<b>70,211.11</b>	<b>182,108.99</b>

### Note 4 Property, Plant and Equipment (Contd.)

(₹ in crore)

Particulars	Cost					Accumulated depreciation					Net Book Value		
	As at 01 April 2020	Additions during the year	Disposal	Adjustment during the year	Classified as held for sale	As at 31 March 2021	As at 01 April 2020	Additions during the year	Disposal	Adjustment during the year	Classified as held for sale	As at 31 March 2021	As at 31 March 2020
<b>Land</b>													
Freehold	2,369.01	29.98	-	(6.71)	20.12	2,385.58	-	-	-	-	-	2,385.58	2,369.01
<b>Buildings</b>													
a) Sub-Stations & Office	1,686.08	618.40	-	(2.79)	18.87	2,288.40	218.99	70.41	-	(0.02)	2.16	2,287.26	1,467.09
b) Township	635.39	52.04	-	-	-	687.43	114.35	29.08	-	(0.05)	-	1,43.48	521.04
Temporary Erection	1.19	0.22	-	0.03	-	1.38	1.14	0.25	-	0.03	-	1.36	0.05
Roads & Bridges	182.97	80.90	-	-	-	263.87	36.66	8.18	-	-	-	44.84	146.31
Water Supply Drainage & Sewerage	101.88	19.58	-	0.02	0.88	120.56	21.56	4.74	-	(0.21)	0.08	26.43	80.32
<b>Plant &amp; Equipment</b>													
a) Transmission	139,845.27	11,438.91	34.00	404.84	5,888.76	144,956.58	29,134.86	7,434.28	7.16	0.36	821.85	35,739.77	110,710.41
b) Sub-station	76,202.08	8,339.56	78.02	37.75	1,014.90	83,410.97	15,204.03	4,392.14	69.11	(6.16)	135.60	19,397.62	60,998.05
c) Unified Load Dispatch & Communication	1,142.64	245.11	-	(97.63)	3.01	1,482.37	275.97	78.50	-	(15.47)	0.43	369.51	866.67
d) Telecom	1,291.41	125.26	-	111.29	-	1,305.38	507.37	104.67	-	16.15	-	595.89	784.04
Furniture Fixtures	142.01	19.13	0.31	(0.16)	0.83	160.16	38.46	10.41	0.08	(0.38)	0.21	48.96	103.55
Vehicles	2.78	1.06	0.46	(0.02)	-	3.40	1.19	0.16	0.09	(0.02)	-	1.28	1.59
Office equipment	228.35	19.27	0.47	0.37	0.18	246.60	55.57	15.44	0.21	(0.45)	0.07	71.18	172.78
Electronic Data Processing & Word Processing Machines	165.29	85.35	6.83	0.15	0.07	243.59	100.27	43.09	4.34	0.44	0.06	138.52	65.02
Construction and Workshop equipment	344.15	256.29	0.52	0.04	0.01	599.87	78.78	25.48	0.03	(0.10)	-	104.33	265.37
Electrical Installation	145.16	10.00	-	0.32	0.27	154.57	31.65	6.35	-	(1.61)	0.07	39.54	113.51
Laboratory Equipments	80.91	1.96	0.33	(5.31)	-	87.85	16.93	4.20	0.25	(1.56)	-	22.44	63.98
Workshop & Testing Equipments	292.45	34.17	-	(0.40)	1.05	325.97	40.14	16.74	-	(0.44)	0.04	57.28	252.31
Miscellaneous Assets/ Equipments	0.44	0.03	-	-	0.01	0.46	0.06	0.02	-	-	-	0.08	0.38
<b>Right-of-use (ROU) Assets</b>													
a) ROU Assets- Land	521.10	47.55	-	28.77	-	539.88	56.80	15.33	-	(0.01)	-	72.14	464.30
b) ROU Asset- Buildings	9.51	7.33	3.03	0.26	-	13.55	3.76	5.46	2.97	0.26	-	5.99	5.75
c) ROU Asset- Plant & Machinery- Telecom	0.06	0.21	-	-	-	0.27	0.03	0.03	-	-	-	0.06	0.03
<b>Total</b>	<b>225,390.13</b>	<b>21,432.31</b>	<b>123.97</b>	<b>470.82</b>	<b>6,948.96</b>	<b>239,278.69</b>	<b>45,938.57</b>	<b>12,264.96</b>	<b>84.24</b>	<b>(9.24)</b>	<b>960.57</b>	<b>57,167.96</b>	<b>182,110.73</b>
Less: Provision for assets discarded	1.74	-	-	-	-	1.74	-	-	-	-	-	1.74	1.74
<b>Grand Total</b>	<b>225,388.39</b>	<b>21,432.31</b>	<b>123.97</b>	<b>470.82</b>	<b>6,948.96</b>	<b>239,276.95</b>	<b>45,938.57</b>	<b>12,264.96</b>	<b>84.24</b>	<b>(9.24)</b>	<b>960.57</b>	<b>57,167.96</b>	<b>179,449.82</b>

**Note 4: Property, Plant and Equipment (Contd.)****Further Notes:**

- a) The Group owns 7661 hectare (Previous Year 7714 hectare) of land amounting to ₹2,973.09 crore (Previous Year ₹2,945.58 crore) which has been classified into freehold land 6416 hectare (Previous Year 6476 hectare) amounting to ₹2,407.23 crore (Previous Year ₹2,405.70 crore) and Right of Use - Land 1245 hectare (Previous Year 1238 hectare) amounting to ₹565.86 crore (Previous Year ₹539.88 crore) based on available documentation. Out of above Freehold land of previous year, land of 72.53 hectare amounting to ₹20.12 crore is classified as Asset held for Sale.
- b) Freehold land acquired by the group includes 32.27 hectare (Previous Year 115.68 hectare) amounting to ₹9.13 crore (Previous Year ₹113.85 crore) in respect of land acquired by the group for which only mutation in revenue records is pending.
- c) The transmission system situated in the state of Jammu and Kashmir have been taken over by the group w.e.f. 01 April 1993 from National Hydroelectric Power Corporation of India Limited (NHPC) upon mutually agreed terms pending completion of legal formalities.
- d) Right of Use - Land includes area of 79.32 hectare (Previous Year 67.50 hectare) amounting to ₹50.11 crore (Previous Year ₹48.87 crore) in respect of land acquired for office complex and substation on perpetual lease basis and hence not amortised.
- e) 5.63 hectare (Previous Year 5.63 hectare) having value of ₹0.04 crore (Previous Year ₹0.04 crore) has been transferred to National High Power Test Laboratory Pvt. Ltd. on right to use without granting ownership.
- f) Refer note no. 51 for disclosure on Right of Use Assets as per Ind AS 116 – “Leases”.
- g) Refer note no. 23 for information on property, plant and equipment pledged as security by the group.
- h) Refer note no.19A for disclosure on Assets classified as held for sale.


**Note 5: Capital work in progress**

(₹ in crore)

Particulars	As at 01 April 2021	Additions during the year	Adjustments	Capitalised during the year	As at 31 March 2022
<b>Land</b>					
Development of land	7.13	-	7.13	-	-
<b>Buildings</b>					
a) Sub-Stations & Office	75.00	480.54	(2.10)	483.83	<b>73.81</b>
b) Township	166.24	38.47	36.62	90.18	<b>77.91</b>
Roads & Bridges	28.86	0.48	12.35	4.69	<b>12.30</b>
Water Supply Drainage and Sewerage	4.12	0.74	1.02	2.86	<b>0.98</b>
<b>Plant &amp; Equipments (including associated civil works)</b>					
a) Transmission	8,365.62	3,561.68	-	8,400.96	<b>3,526.34</b>
b) Sub-Station	8,241.22	3,973.33	(1.06)	8,469.55	<b>3,746.06</b>
c) Unified Load Despatch & Communication	254.86	200.17	20.33	183.32	<b>251.38</b>
d) Telecom	130.07	166.73	60.26	175.20	<b>61.34</b>
Furniture & Fixtures	-	0.54	-	0.54	-
Other office equipments	0.20	2.99	-	2.17	<b>1.02</b>
Electrical Installations	2.64	0.62	0.12	0.52	<b>2.62</b>
Construction Stores (Net of Provision)	4,288.03	2,665.61	3,500.99	-	<b>3,452.65</b>
<b>Expenditure pending allocation</b>					
i) Survey, investigation, consultancy & supervision Charges	2.63	1.11	0.23	0.08	<b>3.43</b>
ii) Difference in Exchange on foreign currency loans	36.46	34.50	-	58.96	<b>12.00</b>
iii) Expenditure during construction period(net) (Note 43)	3,078.98	1,056.97	40.13	2,515.50	<b>1,580.32</b>
	<b>24,682.06</b>	<b>12,184.48</b>	<b>3,676.02</b>	<b>20,388.36</b>	<b>12,802.16</b>
Less: Provision for unserviceable Assets	2.26	-	-	-	<b>2.26</b>
<b>Grand Total</b>	<b>24,679.80</b>	<b>12,184.48</b>	<b>3,676.02</b>	<b>20,388.36</b>	<b>12,799.90</b>

**Note: 5 Capital work in progress (Contd.)**

(₹ in crore)

Particulars	As at 01 April 2020	Additions during the year	Adjustments	Capitalised during the year	Classified as held for sale	As at 31 March 2021
<b>Land</b>						
Development of land	0.18	42.13	-	35.18	-	<b>7.13</b>
<b>Buildings</b>						
a) Sub-Stations & Office	95.67	41.03	(534.73)	596.43	-	<b>75.00</b>
b) Township	142.13	61.98	-	34.99	2.88	<b>166.24</b>
Roads & Bridges	25.34	6.87	(73.99)	77.34	-	<b>28.86</b>
Water Supply Drainage and Sewerage	5.17	1.95	1.55	1.45	-	<b>4.12</b>
<b>Plant &amp; Equipments (including associated civil works)</b>						
a) Transmission	11,242.50	5,708.46	-	8,585.34	-	<b>8,365.62</b>
b) Sub-Station	12,341.32	3,787.88	630.57	7,253.69	3.72	<b>8,241.22</b>
c) Unified Load Despatch & Communication	370.65	170.56	47.10	239.25	-	<b>254.86</b>
d) Telecom	99.67	91.99	-	61.59	-	<b>130.07</b>
Other office equipments	1.99	0.50	0.05	2.24	-	<b>0.20</b>
Electrical Installations	2.61	2.78	2.02	0.73	-	<b>2.64</b>
Construction Stores (Net of Provision)	6,728.26	4,320.95	6,761.18	-	-	<b>4,288.03</b>
<b>Expenditure pending allocation</b>						
i) Survey, investigation, consultancy & supervision Charges	6.16	1.72	0.17	5.08	-	<b>2.63</b>
ii) Difference in Exchange on foreign currency loans	79.03	(12.68)	1.60	28.29	-	<b>36.46</b>
iii) Expenditure during construction period(net) (Note 43)	3,765.99	1,448.55	(47.46)	2,183.02	-	<b>3,078.98</b>
	<b>34,906.67</b>	<b>15,674.67</b>	<b>6,788.06</b>	<b>19,104.62</b>	<b>6.60</b>	<b>24,682.06</b>
Less: Provision for unserviceable Assets	2.26	-	-	-	-	<b>2.26</b>
<b>Grand Total</b>	<b>34,904.41</b>	<b>15,674.67</b>	<b>6,788.06</b>	<b>19,104.62</b>	<b>6.60</b>	<b>24,679.80</b>


**Note 5: Capital work in progress (Contd.)**
**(Details of Construction stores) (At Cost)**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Construction Stores</b>		
Towers	745.55	642.71
Conductors	890.94	1,128.88
Other Line Materials	264.89	275.24
Sub-Station Equipments	1,162.14	1,559.59
High Voltage Direct Current (HVDC) Equipments	151.28	328.86
Unified Load Despatch & Communication(ULDC) Materials	144.88	232.95
Telecom Materials	60.12	76.53
Others	32.85	43.27
<b>Total</b>	<b>3,452.65</b>	<b>4,288.03</b>
<b>Construction Stores include:</b>		
<b>i) Material in transit</b>		
Towers	-	27.95
Conductors	-	19.32
Other Line Materials	-	2.39
Sub-Station Equipments	20.49	158.40
High Voltage Direct Current (HVDC) Equipments	-	34.78
Unified Load Despatch & Communication(ULDC) Materials	0.44	0.86
Telecom Materials	-	0.25
Others	-	0.70
<b>Total</b>	<b>20.93</b>	<b>244.65</b>
<b>ii) Material with Contractors</b>		
Towers	745.55	614.76
Conductors	890.94	1,109.56
Other Line Materials	264.89	272.85
Sub-Station Equipments	1,141.65	1,401.19
High Voltage Direct Current (HVDC) Equipments	151.28	294.08
Unified Load Despatch & Communication (ULDC) Materials	144.44	232.09
Telecom Materials	60.12	76.28
Others	32.85	42.57
<b>Total</b>	<b>3,431.72</b>	<b>4,043.38</b>
<b>Grand total</b>	<b>3,452.65</b>	<b>4,288.03</b>

**Further Notes:**

1. Materials with Contractors amounting to ₹1.30 crore (Previous Year ₹175.71 crore) in respect of commissioned lines is pending for reconciliation. However reconciliation are carried out on ongoing basis.
2. Refer Note No 67 (a) for ageing of Capital Work in Progress (CWIP) & Refer Note No 67 (b) CWIP completion schedule for the projects whose completion is overdue or has exceeded its cost compared to original plan.
3. One of the Group entity has transferred an amount of ₹201.37 crore (Previous Year ₹253.00 crore) from Capital work in progress to Lease Receivables as per Ind AS 116 - "Leases"

**Note 6: Investment Property**

(₹ in crore)

Particulars	Cost				Accumulated Amortisation				Net Book Value		
	As at 01 April 2021	Additions during the year	Disposal	Adjustment during the year	As at 31 March 2022	As at 01 April 2021	Additions during the year	Disposal	Adjustment during the year	As at 31 March 2022	As at 31 March 2021
Land (Freehold)	0.02	-	-	0.02	-	-	-	-	-	-	0.02
Buildings	0.01	-	-	0.01	-	-	-	-	-	-	0.01
<b>Total</b>	<b>0.03</b>	-	-	<b>0.03</b>	-	-	-	-	-	-	<b>0.03</b>

(₹ in crore)

Particulars	Cost				Accumulated Amortisation				Net Book Value		
	As at 01 April 2020	Additions during the year	Disposal	Adjustment during the year	As at 31 March 2021	As at 01 April 2020	Additions during the year	Disposal	Adjustment during the year	As at 31 March 2021	As at 31 March 2020
Land (Freehold)	0.02	-	-	-	0.02	-	-	-	-	-	0.02
Buildings	0.01	-	-	-	0.01	-	-	-	-	-	0.01
<b>Total</b>	<b>0.03</b>	-	-	-	<b>0.03</b>	-	-	-	-	-	<b>0.03</b>





## Note 6: Investment Property (Contd.)

### Further Notes:

The property is now being used for administrative/business purposes of the company and not held for rentals or capital appreciation. As there is a change in use of property as per Ind AS 40 "Investment property", the property is reclassified as Owner-occupied property by transferring from Investment Property to Property, Plant and Equipment.

Disclosures for Investment Property with respect to previous financial year are as under:

(i) Amount recognised in profit or loss for investment property

(₹ in crore)

Particulars	For the year ended 31.03.2021
Rental income	Nil
Direct operating expenses from property that generated rental income	Nil
Direct operating expenses from property that did not generate rental income	Nil
Profit from investment property before depreciation	Nil
Depreciation	Nil
Profit from investment property	Nil

(ii) There is no contractual obligation for future repairs and maintenance which not recognised as a liability as at 31.03.2021.

(iii) There are no Leasing arrangements as at 31.03.2021.

(iv) Fair value

(₹ in crore)

Particulars	As at 31.03.2021
Investment property	3.52

### Estimation of fair value

The fair value of investment property has been determined by independent valuer. The main inputs used are the rental growth rates, expected vacancy rates, terminal yields and discount rates based on comparable transactions and industry data. All resulting fair value estimates for investment property are included in level 2.

**Note 7: Intangible assets**

Particulars	Cost						Accumulated Amortisation						Net Book Value	
	As at 01 April 2021	Additions during the year	Disposal	Adjustment during the year	As at 31 March 2022	As at 01 April 2021	Additions during the year	Disposal	Adjustment during the year	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021	
	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)	
Electronic Data Processing Software	68.01	6.37	-	(5.09)	79.47	57.43	6.38	-	(5.09)	68.90	10.57	10.58	10.58	
Right of Way-Afforestation Expenses	2,078.60	224.48	-	(9.60)	2,312.68	511.62	113.48	0.39	(6.05)	630.76	1,681.92	1,566.98	1,566.98	
Telecom Licenses	2.80	-	-	-	2.80	0.55	0.14	-	-	0.69	2.11	2.25	2.25	
Development of 1200 KV TS*	71.86	-	-	-	71.86	34.72	7.25	-	-	41.97	29.89	37.14	37.14	
<b>Total</b>	<b>2,221.27</b>	<b>230.85</b>	<b>-</b>	<b>(14.69)</b>	<b>2,466.81</b>	<b>604.32</b>	<b>127.25</b>	<b>0.39</b>	<b>(11.14)</b>	<b>742.32</b>	<b>1,724.49</b>	<b>1,616.95</b>	<b>1,616.95</b>	

\*Internally generated intangible asset

Particulars	Cost						Accumulated Amortisation						Net Book Value	
	As at 01 April 2020	Additions during the year	Disposal	Adjustment during the year	As at 31 March 2021	As at 01 April 2020	Additions during the year	Disposal	Adjustment during the year	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	
	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)	
Electronic Data Processing Software	57.88	10.17	0.03	-	68.01	51.53	5.94	0.03	-	57.43	10.58	6.35	6.35	
Right of Way-Afforestation Expenses	2,022.25	180.93	-	0.70	2,078.60	413.08	110.31	-	(1.29)	511.62	1,566.98	1,609.17	1,609.17	
Telecom Licenses	2.80	-	-	-	2.80	0.41	0.14	-	-	0.55	2.25	2.39	2.39	
Development of 1200 KV TS*	71.86	-	-	-	71.86	27.49	7.23	-	-	34.72	37.14	44.37	44.37	
<b>Total</b>	<b>2,154.79</b>	<b>191.10</b>	<b>0.03</b>	<b>0.70</b>	<b>2,221.27</b>	<b>492.51</b>	<b>123.62</b>	<b>0.03</b>	<b>(1.29)</b>	<b>604.32</b>	<b>1,616.95</b>	<b>1,662.28</b>	<b>1,662.28</b>	

\*Internally generated intangible asset


**Note 8: Intangible assets under development**

(₹ in crore)

Particulars	As at 01 April 2021	Additions	Adjustments	Capitalised during the year	As at 31 March 2022
Right of Way-Afforestation expenses	157.99	45.59	0.10	149.78	<b>53.70</b>
<b>Total</b>	<b>157.99</b>	<b>45.59</b>	<b>0.10</b>	<b>149.78</b>	<b>53.70</b>

(₹ in crore)

Particulars	As at 01 April 2020	Additions	Adjustments	Capitalised during the year	As at 31 March 2021
Right of Way-Afforestation expenses	273.00	57.61	-	172.62	157.99
<b>Total</b>	<b>273.00</b>	<b>57.61</b>	<b>-</b>	<b>172.62</b>	<b>157.99</b>

**Further Notes:**

Refer Note No 67 (c) for ageing of Intangible assets under development & Refer Note No 67 (d) Intangible assets under development completion schedule for the projects whose completion is overdue or has exceeded its cost compared to original plan.

**Note 9A: Investments in Joint Ventures accounted for using the equity method**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Investments in Equity Instruments (fully paid up)</b>		
<b>Unquoted</b>		
<b>Joint Venture Companies</b>		
Torrent Power Grid Limited		
23400000 (Previous Year 23400000) Equity Shares of ₹10/- each.	<b>34.32</b>	34.67
Parbati Koldam Transmission Company Limited		
70937620 (Previous Year 70937620) Equity Shares of ₹10/- each.	<b>80.18</b>	86.60
Teestavalley Power Transmission Limited		
120120000 (Previous Year 120120000) Equity Shares of ₹10/- each.	<b>144.99</b>	140.02
Powerlinks Transmission Limited		
229320000 (Previous Year 229320000) Equity Shares of ₹10/- each.	<b>477.91</b>	469.63
North East Transmission Company Limited		
106964000 (Previous Year 106964000) Equity Shares of ₹10/- each.	<b>128.81</b>	124.62
National High Power Test Laboratory Private Limited		
30400000 (Previous Year 30400000) Equity Shares of ₹10/- each.	<b>14.24</b>	18.22
Cross Border Power Transmission Company Limited		
12612473 (Previous Year 12612473) Equity Shares of ₹10/- each.	<b>32.99</b>	29.97
Energy Efficiency Services Limited		
463610000 (Previous Year 56118350) Equity Shares of ₹10/- each (Refer further note 3 below)	<b>423.03</b>	-
Bihar Grid Company Limited		
322535036 (Previous Year 290296935) Equity Shares of ₹10/- each.	<b>512.09</b>	431.29

**Note 9A: Investments in Joint Ventures accounted for using the equity method (Contd.)** (₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
Power Transmission Company Nepal Limited		
1170000 (Previous Year 1170000) Equity Shares of Nepali ₹100/- each.	12.65	11.83
RINL POWERGRID TLT Private Limited		
4000000 (Previous Year 4000000) Equity Shares of ₹10/- each. (Refer further note 2 below)	-	-
<b>Total</b>	<b>1,861.21</b>	<b>1,346.85</b>

**Further notes:**

- Investments have been valued as per accounting policy no. 2.2 & 2.14.
- POWERGRID's Board of Directors in its meeting held on 01.05.2018 accorded in principle approval to close RINL Powergrid TLT Private Limited (RPTPL) and seek consent of other JV Partner Rashtriya Ispat Nigam Limited (RINL). RINL's Board of Directors in its meeting held on 08.03.2019 has agreed in principle for winding up proceedings of RPTPL & to seek the approval from Ministry of Steel, Government of India, for closure of RPTPL. RINL's Board of Directors in its meeting held on 05.11.2019 has advised to put up the closure proposal again to Ministry of steel for onward submission to NITI Ayog. The Ministry of Steel vide letter dated 29.09.2020 informed RINL that closure of RPTPL is being examined and seeks further clarifications from RINL. Accordingly, relevant information was forwarded by RINL to The Ministry of Steel. The Approval from Government is still awaited.
- The Company has invested ₹407.49 crore during the year in Energy Efficiency Services Limited (EESL), thereby increasing its shareholding from 5.71% to 33.33%. EESL has been considered as Joint Venture w.ef. 01.09.2021 as the Joint control has been reinstated vide Agreement dated 01.09.2021.

**Note 9: Investments**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Investments in Equity Instruments (fully paid up)</b>		
<b>Investments at Fair Value through Other Comprehensive Income (OCI)</b>		
<b>Quoted</b>		
PTC India Limited		
12000006 (Previous Year 12000006) Equity Shares of ₹10/- each	98.69	93.30
Investment in Units of POWERGRID Infrastructure Investment Trust		
136500100 (Previous Year Nil) units	1,827.74	-
<b>Unquoted</b>		
Energy Efficiency Services Limited		
NIL (Previous Year 56118350) Equity Shares of ₹10/- each	-	45.40
<b>Others</b>		
1 (Previous Year 1) share of ₹10/- each in Bharat Broadband Network Limited (₹ 10/-)	0.00	0.00
<b>Total</b>	<b>1,926.43</b>	<b>138.70</b>


**Note 9: Investments (Contd.)**
**Further notes:**

(₹ in crore)

	As at 31 March 2022	As at 31 March 2021
1) a) Aggregate amount of Quoted Investments		
At Cost	1,377.00	12.00
Market Value	1,926.43	93.30
b) Aggregate amount of Unquoted Investments	-	45.40
2) Investments have been valued as per accounting policy no. 2.2 & 2.14.		

**Note 10: Loans (considered good unless otherwise stated)**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Loans to Related Parties *</b>		
Loans to JVs-Unsecured	17.48	12.40
Loan to Directors & Key Managerial Personnel (KMP)		
Secured #	-	0.02
Unsecured	0.03	0.04
	17.51	12.46
<b>Loans to Employees (including interest accrued)</b>		
Secured #	352.86	278.39
Unsecured	36.08	31.73
	388.94	310.12
<b>Total</b>	<b>406.45</b>	<b>322.58</b>

**Further notes:**

\* Details of loans to related parties is provided in Note 58.

# House building loans and conveyance advance to Directors, KMP and Employees are secured against the mortgage of the house properties or hypothecation of vehicles for which such loans have been given in line with the policies of the Company.

**Note 11: Other Non-current Financial Assets**

(Unsecured considered good unless otherwise stated)

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
Lease receivables	1,028.76	853.54
Bank deposits with more than 12 months maturity #	74.83	92.66
Recoverable for GOI fully serviced bonds ##	3,487.50	3,487.50
Others###	0.07	127.04
<b>Total</b>	<b>4,591.16</b>	<b>4,560.74</b>

**Further notes:**

# Bank deposits amounting to ₹66.02 crore are against designated accounts for consultancy work.

## In the FY 2018-19, the Company issued 'GoI fully serviced bonds' for an amount of ₹3487.50 crore for raising of Extra Budgetary Resources (EBR) for GoI scheme of Power System Development Fund (PSDF) in terms of letter No: 7/1/2018-OM dated 21st January, 2019 of Ministry of Power, Govt. of India (GoI) for meeting accrued liabilities for creation of Capital Assets. The repayment of principal and the interest payment on such bonds shall be met by GoI. An amount of ₹3487.50 crore from bond issue has been recognised as Grant in aid in Previous Years.

### Others include amount recoverable from customers

**Note 12: Other non-current Assets**

(Unsecured considered good unless otherwise stated)

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Advances for Capital Expenditure</b>		
Unsecured		
a. Against bank guarantees	317.19	293.35
b. Others	127.71	84.87
Unsecured considered doubtful	1.19	1.19
	<b>446.09</b>	379.41
Less: Provision for bad & doubtful Advances	1.19	1.19
	<b>444.90</b>	378.22
<b>Advances other than for Capital Expenditure</b>		
Security Deposits	25.53	22.91
Deferred Employee Cost	36.62	49.09
Deferred Foreign currency Fluctuation Asset	4,268.56	4,225.87
Advances recoverable in kind or for value to be received		
Employees	0.01	0.09
Balance with Customs Port Trust and other authorities	16.65	10.78
Advance tax and Tax deducted at source #	148.57	15.46
Others*		
Considered Good	36.82	93.18
Considered doubtful	0.37	0.37
	<b>37.19</b>	93.55
Less: Provision for doubtful Advances	0.37	0.37
	<b>36.82</b>	93.18
	<b>202.05</b>	119.51
<b>Total</b>	<b>4,977.66</b>	<b>4,795.60</b>

**Further notes:**

\*Others include amount recoverable from Customers &amp; State Governments, insurance claims etc.

# Net of Current Tax Liabilities - Note 33.

**Note 13: Inventories**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>(For mode of valuation refer Note 2.11)</b>		
Components, Spares & other spare parts	1,325.54	1,350.30
Loose tools	26.94	23.70
Consumable stores	11.56	11.44
	<b>1,364.04</b>	1,385.44
Less Provision for Shortages/damages etc.	6.87	18.50
<b>Total</b>	<b>1,357.17</b>	<b>1,366.94</b>


**Note 14: Trade receivables**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Trade receivables - Unsecured</b>		
Considered good	<b>9,467.59</b>	8,620.01
Credit Impaired	<b>300.77</b>	300.44
	<b>9,768.36</b>	8,920.45
Receivable from related parties - Unsecured		
Considered good	<b>7.48</b>	9.41
	<b>9,775.84</b>	8,929.86
Less: Loss Allowance	<b>300.77</b>	300.44
<b>Total</b>	<b>9,475.07</b>	<b>8,629.42</b>

**Further notes:**

- Refer note no. 47 for disclosure as per Ind AS 115 'Revenue from Contracts with Customers' and note no. 58 for details of trade receivables from related parties.
- Trade Receivables includes Unbilled Receivables relating to transmission segment amounting to ₹4,662.11 crore (Previous Year ₹4,918.31 crore) out of which transmission charges for the month of March including arrear bills for previous quarters, of the financial year amounting to ₹3,156.56 crore (Previous Year ₹2,623.33 crore) billed to beneficiaries in the month of April of subsequent financial year.
- Based on arrangements between the Company, banks and beneficiaries, the bills of the beneficiaries have been discounted. Accordingly, trade receivables have been disclosed net off bills discounted amounting to ₹4180.23 crore (Previous Year ₹2871.49 crore). Refer note no. 61 for details.
- Aging of Trade Receivables is as follows:

(₹ in crore)

Particulars	Unbilled	Not Due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>As at 31.03.2022</b>								
Considered – Good	Disputed	-	118.99	564.30	108.41	119.26	78.60	1,056.11
	Undisputed	4,712.71	1,506.30	1,109.33	634.40	409.70	25.74	8,418.96
Significant increase in Credit Risk	Disputed	-	-	-	-	-	-	-
	Undisputed	-	-	-	-	-	-	-
Credit Impaired	Disputed	-	-	-	-	0.58	277.76	278.34
	Undisputed	-	-	0.56	0.56	0.88	1.60	22.43
<b>Total</b>	<b>4,712.71</b>	<b>1,625.29</b>	<b>1,674.19</b>	<b>743.37</b>	<b>529.84</b>	<b>94.47</b>	<b>395.97</b>	<b>9,775.84</b>
<b>As at 31.03.2021</b>								
Considered – Good	Disputed	-	28.57	43.06	148.50	21.16	38.58	340.15
	Undisputed	4,953.89	1,732.80	877.93	378.99	209.25	49.30	8,289.27
Significant increase in Credit Risk	Disputed	-	-	-	-	-	-	-
	Undisputed	-	-	-	-	-	-	-
Credit Impaired	Disputed	-	-	-	-	0.49	258.94	279.77
	Undisputed	-	-	0.01	0.17	1.07	18.92	20.67
<b>Total</b>	<b>4,953.89</b>	<b>1,761.37</b>	<b>921.00</b>	<b>527.66</b>	<b>231.97</b>	<b>130.42</b>	<b>403.55</b>	<b>8,929.86</b>

- Disputed Trade receivables amounting to ₹799.33 crore (Previous Year ₹55.16 crore) are related to disputed proportion of ISTS charges attributed to concerned Designated ISTS Customer (DICs) from ISTS pool as per CERC Sharing Regulations. On settlement of dispute, these receivables shall either be received from concerned DICs or shall be re-apportioned to other DICs as per Sharing Regulations.



**Note 15: Cash and Cash Equivalents**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Balance with banks-</b>		
-In Current accounts	644.47	985.58
-In designated Current accounts (For Consultancy clients and others)	151.41	71.64
In term deposits (with maturity less than 3 months)(including interest accrued)*	1,781.21	3,429.87
Drafts/Cheques in hand/Remittances in transit	-	0.09
Cash in hand	-	0.03
Others (Stamps and Imprest)	0.02	0.02
<b>Total</b>	<b>2,577.11</b>	<b>4,487.23</b>

**Further notes:**

\*Term deposit includes ₹1190.34 crore (Previous Year ₹ 3050.84 crore) for Consultancy clients and others.

**Note 16: Bank Balances other than Cash & cash equivalents**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
Earmarked balance with banks*	28.64	152.91
In Term Deposits having maturity over 3 months but upto 12 months (For Consultancy clients and others) (including interest accrued)	2,442.43	718.57
<b>Total</b>	<b>2,471.07</b>	<b>871.48</b>

**Further notes:**

\*Earmarked balance with Bank includes unpaid dividend, dividend payable, TDS on Dividend etc.

**Note 17: Loans**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Loans to Related Parties (including interest accrued)*</b>		
Loans to Joint Venture - Unsecured	4.26	40.48
Loan to Directors & Key Managerial Personnel (KMP)		
Secured #	-	0.01
Unsecured Considered good	0.08	0.07
	4.34	40.56
<b>Loans to Employees (including interest accrued)</b>		
Secured #	53.22	46.08
Unsecured Considered good	41.03	40.41
	94.25	86.49
<b>Total</b>	<b>98.59</b>	<b>127.05</b>

**Further notes:**

\* Details of loans to related parties is provided in Note No. 58.

# House building loans and conveyance advance to Directors, KMP and Employees are secured against the mortgage of the house properties or hypothecation of vehicles for which such loans have been given in line with the policies of the Company.


**Note 18: Other Current Financial Assets**

(Unsecured considered good unless otherwise stated)

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
Lease Receivables	81.64	55.59
Contract Assets #	5,607.74	2,180.59
Less: Provision for Contract Assets	18.92	18.92
	<b>5,588.82</b>	2,161.67
Recoverable for GOI fully Service Bonds (including interest accrued)	36.22	36.22
Advances to/Recoverable from Related Parties ##	1.57	0.82
Others ###		
Considered Good	448.44	771.13
<b>Total</b>	<b>6,156.69</b>	<b>3,025.43</b>

**Further notes:**

# Contract Assets includes ₹0.15 Crore (Previous Year Nil) from related parties (refer Note 58). Refer Note 47 for disclosure as per Ind AS 115 'Revenue from Contracts with Customers'.

## Details of advances to related parties are provided in Note 58.

### Others include:-

- an amount of ₹59.88 crore (Previous Year ₹59.88 crore) recoverable from M/s Delhi Transco Limited towards transfer of 2.427 hectare (Previous Year 2.427 hectare) land at Tughlaqabad and Dwarka Sub-station pending completion of legal formalities for transfer of title.
- amount recoverable from Customers, Advance rent for Residential and Office accommodation, Other advance etc.

**Note 19: Other Current Assets**

(Unsecured considered good unless otherwise stated)

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Advances other than for Capital Expenditure</b>		
<b>Advances recoverable in kind or for value to be received</b>		
Contractors & Suppliers	6.10	9.75
Employees	8.25	5.98
Balance with Customs Port Trust and other authorities	34.24	39.27
Claims recoverable	15.24	0.54
	<b>63.83</b>	55.54
<b>Others*</b>		
Considered Good	160.45	121.97
Considered Doubtful	0.55	0.55
	<b>161.00</b>	122.52
<b>Less: Provision for Doubtful Advances</b>	<b>0.55</b>	0.55
	<b>160.45</b>	121.97
<b>Total</b>	<b>224.28</b>	<b>177.51</b>

**Further notes:**

\*Others include advance given for CSR activities and input tax credit - GST etc.

**Note 19A: Assets Classified as Held for Sale and related Liabilities**

(₹ in crore)

<b>Particulars</b>	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
<b>Non-current assets</b>		
Property, Plant and Equipment	-	5,988.39
Capital work-in-progress	-	6.60
Intangible assets	-	110.82
Other non-current assets	-	63.98
	-	6,169.79
<b>Current assets</b>		
Inventories	-	30.99
Trade receivables	-	304.48
Cash and cash equivalents	-	180.51
Other current financial assets	-	0.02
Other current assets	-	15.26
	-	531.26
<b>Assets Classified as Held for Sale</b>	<b>-</b>	<b>6,701.05</b>

(₹ in crore)

<b>Particulars</b>	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities (Net)	-	327.25
	-	327.25
<b>Current liabilities</b>		
<b>Financial Liabilities</b>		
Trade payables -MSE	-	-
- Other Than MSE	-	0.36
Other current financial liability	-	36.23
Other current liabilities	-	0.06
Provisions	-	0.08
Current Tax Liabilities (Net)	-	-
	-	36.73
<b>Liabilities directly associated with Assets Classified as held for Sale</b>	<b>-</b>	<b>363.98</b>


**Note 19A: Assets Classified as Held for Sale and related Liabilities (Contd.)**

(₹ in crore)

Particulars	As at 31 March 2022	
	Current	Non-Current
<b>Investments in Equity Instruments (fully paid up)</b>		
<b>Associates Companies</b>		
Powergrid Kala Amb Transmission Limited 15860000 Equity Shares of ₹10 each	<b>15.86</b>	-
Powergrid Jabalpur Transmission Limited 58996600 Equity Shares of ₹10 each	-	<b>59.00</b>
Powergrid Warora Transmission Limited 102258000 Equity Shares of ₹10 each	-	<b>102.26</b>
Powergrid Parli Transmission Limited 83746000 Equity Shares of ₹10 each	-	<b>83.74</b>
<b>Total</b>	<b>15.86</b>	<b>245.00</b>

**Further notes:**

“The Group has monetised five (05) of its Subsidiaries, namely Powergrid Vizag Transmission Limited (PVTL), Powergrid Kala Amb Transmission Limited (PKATL), Powergrid Jabalpur Transmission Limited (PJTL), Powergrid Warora Transmission Limited (PWTL) and Powergrid Parli Transmission Limited (PPTL) through POWERGRID Infrastructure Investment Trust (‘PGInvIT/ Trust’). PGInvIT has been registered by SEBI under SEBI (Infrastructure Investment Trusts) Regulations, 2014 (‘InvIT Regulations’) as an Infrastructure Investment Trust vide registration no. IN/InvIT/20-21/0016 dated 07 January 2021. The company is the Sponsor of PGInvIT and acts as the Project Manager to PGInvIT. IDBI Trusteeship Services Limited is the Trustee and Powergrid Unchahar Transmission Limited (PUTL), a wholly owned subsidiary of the company, has been appointed as Investment Manager to PGInvIT. The Offer Document for initial public offer was filed by PGInvIT with the SEBI and Stock Exchanges on 22 April 2021 and units got listed on stock exchanges on 14 May 2021. The 74% shares in the above five SPVs have been transferred to PGInvIT in May, 2021 and balance 26% shares of PVTL has been transferred in March 2022. The balance 26% of remaining SPVs i.e., PKATL, PJTL, PWTL and PPTL will be transferred in line with Transmission Service Agreement (TSA) & the same has been classified as “Assets Classified as Held for Sale” as on 31.03.2022.

In lieu of consideration of shareholding so transferred, 41,06,50,900 Units at the price of ₹100 each were allotted by PGInvIT to the company and ₹330.78 crore towards transfer of 26% share of PVTL. Further, the company received an amount of ₹304.15 crore on relinquishment of right on additional revenue in PPTL, PWTL and PJTL. The company retained 13,65,00,100 units being 15% of total units of PGInvIT outstanding on post issue basis pursuant to InvIT Regulations and remaining 27,41,50,800 units were sold by way of ‘Offer for Sale (OFS)’. The company received an amount of ₹2736.02 crore (net of STT) against the OFS. The Profit on above transactions (net of related expenses) amounting to ₹3554.88 crore has been disclosed under “Exceptional items”.

**Note 20: Regulatory Deferral Account Balances**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Assets</b>		
Deferred assets for deferred tax liability	<b>8,614.91</b>	9,351.43
Foreign Currency Fluctuation	<b>1,182.57</b>	1,089.54
Employee Benefits and Other Expense	<b>135.76</b>	134.16
<b>Total</b>	<b>9,933.24</b>	<b>10,575.13</b>

**Further notes:**

Refer to note no 53 for detailed disclosure on Regulatory Deferral Account Balances.

**Note 21: Equity Share capital**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Equity Share Capital</b>		
<b>Authorised</b>		
10,00,00,00,000 (Previous Year 10,00,00,00,000) equity shares of ₹10/- each at par	<b>10,000.00</b>	10,000.00
<b>Issued, subscribed and paid up</b>		
6,97,54,52,864 (Previous Year 5,23,15,89,648) equity shares of ₹10/-each at par fully paid up	<b>6,975.45</b>	5,231.59

**Further notes:**

1) Reconciliation of number and amount of share capital outstanding at the beginning and at the end of the reporting period

Particulars	For the year ended 31 March 2022		For the year ended 31 March 2021	
	No. of Shares	Amount (₹ in crore)	No. of Shares	Amount (₹ in crore)
Shares outstanding at the beginning of the year	<b>5231589648</b>	<b>5,231.59</b>	5231589648	5,231.59
Additions during the year*	<b>1743863216</b>	<b>1,743.86</b>	-	-
Deduction during the year	-	-	-	-
Shares outstanding at the end of the year	<b>6975452864</b>	<b>6,975.45</b>	<b>5231589648</b>	<b>5,231.59</b>

\* During the year, the Company has issued 174,38,63,216 equity shares of ₹10/- each as fully paid bonus shares in the ratio of one equity share of ₹10/- each for every three equity shares held on record date of 30 July 2021 by utilising Securities Premium.

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

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

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

Particulars	As at 31 March 2022		As at 31 March 2021		% Change
	No. of Shares	% of holding	No. of Shares	% of holding	
Government of India (Promoter)	<b>3581163210</b>	<b>51.34</b>	2685872408	51.34	-
Life Insurance Corporation of India	<b>415775810</b>	<b>5.96</b>	310294907	5.93	0.03

**Note 22: Other Equity**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Reserves and Surplus</b>		
Capital Reserve	<b>9.88</b>	0.76
Securities Premium	<b>7,834.43</b>	9,578.29
Bonds Redemption Reserve	<b>5,532.80</b>	7,387.97
Self Insurance Reserve	<b>874.86</b>	734.07
General Reserve	<b>50,430.26</b>	43,269.22
Retained Earnings	<b>4,043.46</b>	3,667.03
<b>Other Reserves</b>		
Other Comprehensive Income Reserve	<b>545.99</b>	67.14
<b>Total</b>	<b>69,271.68</b>	<b>64,704.48</b>



## Note 22: Other Equity (Contd.)

### 22.1 Capital Reserve

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	0.76	-
Addition during the year	9.12	0.76
Deduction during the year	-	-
<b>Balance at the end of the year</b>	<b>9.88</b>	<b>0.76</b>

Addition during the year is on account of reinstatement of joint venture (previous year is on account of business combination)

### 22.2 Securities Premium

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	9,578.29	9,578.29
Addition during the year	-	-
Deduction during the year	1,743.86	-
<b>Balance at the end of the year</b>	<b>7,834.43</b>	<b>9,578.29</b>

The premium on issue of shares is recorded in Securities premium and the same has been utilised to issue fully paid bonus shares during the year in accordance with provisions of the Companies Act, 2013.

### 22.3 Bonds Redemption Reserve

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	7,387.97	8,696.91
Addition during the year	-	-
Deduction during the year	1,855.17	1,308.94
<b>Balance at the end of the year</b>	<b>5,532.80</b>	<b>7,387.97</b>

Bonds Redemption Reserve is created for the purpose of redemption of debentures in term of the Companies Act, 2013. As per the Companies (Share Capital and Debentures) rule 2014, listed companies are not required to create Bonds Redemption Reserve w.e.f. 16.08.2019.

### 22.4 Self Insurance Reserve

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	734.07	832.09
Addition during the year	301.83	289.31
Deduction during the year	161.04	387.33
<b>Balance at the end of the year</b>	<b>874.86</b>	<b>734.07</b>

Self-Insurance Reserve is created @ 0.12% p.a. (0.12% p.a. in previous year) on the Original Gross Block of Property, Plant & Equipments (except ROU Assets) and value of inventory not covered under insurance as at the end of the year to meet future losses which may arise from un-insured risks and for procurement of towers and other transmission line materials including strengthening of towers and equipments of AC sub-station to take care of future contingencies.

**Note 22: Other Equity (Contd.)****22.5 General Reserve**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	43,269.22	36,905.49
Addition during the year	7,161.04	6,363.73
Deduction during the year	-	-
<b>Balance at the end of the year</b>	<b>50,430.26</b>	<b>43,269.22</b>

General Reserve is retained earnings of the company which are kept aside out of company's profits. It is a free reserve which can be utilized to meet any unknown future contingencies and to pay dividends to shareholders.

**22.6 Retained Earnings**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	3,667.03	3,423.64
Add: Additions		
Net Profit for the period	16,824.07	12,036.46
Items of other comprehensive income recognised directly in surplus balance		
- Remeasurements of post employment benefit obligations	(187.71)	(14.31)
Transfer from Bond Redemption Reserve	1,855.17	1,308.94
Transfer from Self Insurance	-	23.60
Other Adjustments	(1.31)	-
Less: Appropriations		
General Reserve	7,000.00	6,000.00
Self Insurance Reserve	301.83	289.31
Interim dividend paid	8,719.32	4,708.43
Final Dividend (refer note 62(b))	2,092.64	2,113.56
<b>Balance at the end of the year</b>	<b>4,043.46</b>	<b>3,667.03</b>

**22.7 Other Comprehensive Income Reserve**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	67.14	27.34
Addition during the year	478.85	39.80
<b>Balance at the end of the year</b>	<b>545.99</b>	<b>67.14</b>

Other Comprehensive Income Reserve is created from increase/decrease in valuation of Non Current Investments classified as fair valued through Other Comprehensive Income (FVOCI).

**Note 23: Borrowings**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>A) BONDS</b>		
<b>A1) Secured (Taxable, Redeemable, Non-Cumulative, Non-Convertible)</b>		
<b>A1.1</b> i) Bonds of ₹10 lakh each		
<b>LV Issue-7.55% Redeemable at par on 21.09.2031</b>	<b>1,289.06</b>	1,289.04
<b>LX Issue-7.20% Redeemable at par on 09.08.2027</b>	<b>3,201.69</b>	3,201.67




**Note 23: Borrowings (Contd.)**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>LIX Issue-7.30% Redeemable at par on 19.06.2027</b>	<b>3,245.45</b>	3,245.43
<b>XXXIX Issue-9.40% redeemable at par on 29.03.2027</b>	<b>1,801.34</b>	1,801.33
<b>LVIII Issue-7.89% redeemable at par on 09.03.2027</b>	<b>2,070.09</b>	2,070.07
<b>XXXVIII Issue-9.25% redeemable at par on 09.03.2027</b>	<b>859.93</b>	859.92
<b>LVI Issue-7.36% redeemable at par on 18.10.2026</b>	<b>1,100.30</b>	1,100.06
<b>LXII Issue-8.36% Redeemable at par in 05 (five) equal installments w.e.f. 07.01.2025</b>	<b>2,038.31</b>	2,038.28
<b>XLII Issue-8.80% redeemable at par on 13.03.2023</b>	<b>1,999.08</b>	1,999.05
<b>LVII Issue-7.20% redeemable at par on 21.12.2021</b>	-	2,162.20
ii) Bonds of ₹30 lakh each consisting of 3 STRPPs of ₹10 lakh each redeemable at par in 3 (Three) equal installments on 15.07.2021, 15.07.2026 and 15.07.2031		
<b>LIV Issue-7.97% Redeemable w.e.f. 15.07.2021</b>	<b>2,113.41</b>	3,170.17
iii) Bonds of ₹30 lakh each consisting of 3 STRPPs of ₹10 lakh each redeemable at par in 3 (Three) equal installments on 23.12.2020, 23.12.2025 and 23.12.2030		
<b>LII Issue-8.32% redeemable w.e.f. 23.12.2020</b>	<b>952.91</b>	952.89
iv) Bonds of ₹1.20 crore each consisting of 12 STRPPs of ₹10 lakh each redeemable at par in 12 (Twelve) equal installments		
<b>LIII Issue-8.13% Redeemable w.e.f. 25.04.2020</b>	<b>3,582.07</b>	3,939.45
v) Bonds of ₹30 lakh each consisting of 3 STRPPs of ₹10 lakh each redeemable at par in 3 (Three) equal installments on 09.03.2020, 09.03.2025 and 09.03.2030		
<b>XLIX Issue-8.15% redeemable w.e.f. 09.03.2020</b>	<b>874.36</b>	874.34
vi) Bonds of ₹40 lakh each consisting of 4 STRPPs of ₹10 lakh each redeemable at par in 4 (Four) equal installments on 23.01.2020, 23.01.2022, 23.01.2025 and 23.01.2030		
<b>XLVIII Issue-8.20% redeemable w.e.f. 23.01.2020</b>	<b>1,309.62</b>	1,963.59
vii) Bonds of ₹1.20 crore each consisting of 12 STRPPs of ₹10 lakh each redeemable at par in 12 (Twelve) equal installments		
<b>LI Issue-8.40% redeemable w.e.f. 14.09.2019</b>	<b>2,352.94</b>	2,614.37
viii) Bonds of ₹30 lakh each consisting of 3 STRPPs of ₹10 lakh each redeemable at par in 3 (Three) equal installments on 04.09.2019, 04.09.2024 and 04.09.2029		
<b>XLVI Issue-9.30% redeemable w.e.f. 04.09.2019</b>	<b>3,062.76</b>	3,062.74
ix) Bonds of ₹1.20 crore each consisting of 12 STRPPs of ₹10 lakh each redeemable at par in 12 (Twelve) equal installments		
<b>L Issue-8.40% redeemable w.e.f. 27.05.2019</b>	<b>2,352.06</b>	2,613.39
x) Bonds of ₹1.20 crore each consisting of 12 STRPPs of ₹10 lakh each redeemable at par in 12 (Twelve) equal installments		
<b>XLVII Issue-8.93% redeemable w.e.f. 20.10.2018</b>	<b>1,830.10</b>	2,058.85
xi) Bonds of ₹30 lakh each redeemable at par in 3 equal installments on 15.07.2018, 15.07.2023 and 15.07.2028		
<b>XLIV Issue-8.70% redeemable w.e.f. 15.07.2018</b>	<b>2,807.78</b>	2,807.76
xii) Bonds of ₹1.2 crore each consisting of 12 STRPPs of ₹10 lakh each redeemable at par in 12 (Twelve) equal annual installments		
<b>XLV Issue-9.65% redeemable w.e.f. 28.02.2018</b>	<b>1,175.99</b>	1,343.63
<b>XLIII Issue-7.93% redeemable w.e.f. 20.05.2017</b>	<b>1,948.63</b>	2,227.00

**Note 23: Borrowings (Contd.)**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
xiii) Bonds of ₹1.5 crore each consisting of 12 STRPPs of ₹ 12.50 lakh each redeemable at par in 12 (Twelve) equal annual installments. <b>XLI Issue-8.85% redeemable w.e.f. 19.10.2016</b>	<b>1,477.73</b>	1,724.01
xiv) Bonds of ₹1.50 crore each, consisting of 15 STRPPs of ₹10.00 lakh each redeemable at par in 15 (Fifteen) equal annual installments <b>XXXVI Issue- 9.35% redeemable w.e.f. 29.08.2016</b>	<b>1,956.08</b>	2,173.42
xv) Bonds of ₹1.5 crore each consisting of 12 STRPPs of ₹12.50 lakh each redeemable at par in 12 (Twelve) equal annual installments. <b>XL Issue-9.30% redeemable w.e.f. 28.06.2016</b>	<b>2,139.80</b>	2,496.43
<b>XXXVII Issue- 9.25% redeemable w.e.f 26.12.2015</b>	<b>851.46</b>	1,021.74
<b>XXXV Issue- 9.64% redeemable w.e.f 31.05.2015</b>	<b>881.31</b>	1,057.57
<b>XXXIV Issue- 8.84% redeemable w.e.f 21.10.2014</b>	<b>1,208.10</b>	1,510.12
<b>XXXIII Issue- 8.64% redeemable w.e.f 08.07.2014</b>	<b>1,020.66</b>	1,275.83
<b>XXXII Issue- 8.84% redeemable w.e.f 29.03.2014</b>	<b>258.93</b>	345.24
<b>XXXI Issue- 8.90% redeemable w.e.f 25.02.2014</b>	<b>516.24</b>	688.31
<b>XXX Issue- 8.80% redeemable w.e.f 29.09.2013</b>	<b>608.99</b>	811.98
<b>XXIX Issue- 9.20% redeemable w.e.f 12.03.2013</b>	<b>217.34</b>	326.00
<b>XXVIII Issue- 9.33% redeemable w.e.f 15.12.2012</b>	<b>410.94</b>	616.40
<b>XXVII Issue- 9.47% redeemable w.e.f 31.03.2012</b>	<b>58.76</b>	117.53
<b>XXVI Issue- 9.30% redeemable w.e.f 07.03.2012</b>	<b>83.78</b>	167.56
<b>XXV Issue- 10.10% redeemable w.e.f 12.06.2011</b>	<b>95.95</b>	191.89
<b>XXIV Issue- 9.95% redeemable w.e.f 26.03.2011</b>	-	66.73
<b>XXIII Issue- 9.25% redeemable w.e.f 09.02.2011</b>	-	25.96
<b>XXII Issue- 8.68% redeemable w.e.f 07.12.2010</b>	-	59.07
<b>XXI Issue- 8.73% redeemable w.e.f 11.10.2010</b>	-	44.25
<b>XX Issue- 8.93% redeemable w.e.f 07.09.2010</b>	-	131.30
<b>XIX Issue- 9.25% redeemable w.e.f 24.07.2010</b>	-	43.87
	<b>53,753.95</b>	<b>62,290.44</b>
<b>A2) Unsecured</b>		
<b>A2.1 Redeemable Domestic Bonds</b>		
i) Bonds of ₹10 Lakh each <b>LXVIII Issue-6.28% redeemable at par on 11.04.2031</b>	<b>520.54</b>	520.54
<b>LXVI Issue-7.38% Redeemable at par on 12.04.2030</b>	<b>508.18</b>	508.16
ii) Bonds of ₹50 Lakhs each consisting of 05 STRPPs of ₹10.00 Lakhs each redeemable at par in 05 (Five) equal annual instalments. <b>LXI Issue-7.74% redeemable w.e.f. 12.12.2028</b>	<b>3,069.79</b>	3,069.77
iii) Bonds of ₹10 Lakh each <b>LXIX Issue-6.05% Redeemable at par on 25.03.2027</b>	<b>530.49</b>	-
<b>LXVII Issue-6.85% redeemable at par on 15.04.2025</b>	<b>2,984.28</b>	2,984.24
iv) Bonds of ₹10 Lakhs each consisting of 03 STRPPs of ₹3.00 Lakhs, ₹3.00 Lakhs & ₹4.00 Lakhs each redeemable at par in 03 (Three) equal annual instalments. <b>LXIV Issue-7.49% redeemable w.e.f. 25.10.2024</b>	<b>2,601.50</b>	2,601.48


**Note 23: Borrowings (Contd.)**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
v) Bonds of ₹30 Lakhs each consisting of 03 STRPPs of ₹10.00 Lakhs each redeemable at par in 03 (Three) equal annual instalments. <b>LXIII Issue-7.34% redeemable w.e.f. 15.07.2024</b>	<b>1,893.92</b>	1,893.90
vi) Bonds of ₹10 Lakh each <b>LXV Issue-6.35% Redeemable at par on 14.04.2023</b>	<b>202.85</b>	202.82
<b>A2.2 Redeemable Foreign Currency Bonds</b>		
<b>3.875% Foreign Currency Bonds to be redeemed at par on 17.01.2023</b>	<b>3,843.81</b>	3,723.90
	<b>16,155.36</b>	<b>15,504.81</b>
<b>Total (A)</b>	<b>69,909.31</b>	<b>77,795.25</b>
<b>B) Term Loan</b>		
<b>From Banks</b>		
<b>Secured</b>		
Foreign Currency Loans (Guaranted by Government of India (GOI))	<b>24,778.09</b>	25,983.53
Other Foreign Currency Loans	<b>7,024.30</b>	7,256.11
Rupee Loans	<b>9,275.02</b>	10,388.85
	<b>41,077.41</b>	<b>43,628.49</b>
<b>Unsecured</b>		
Foreign Currency Loans (Guaranted by Government of India (GOI))	<b>3,386.96</b>	3,891.20
Other Foreign Currency Loans	<b>2,832.34</b>	3,222.26
Rupee Loans	<b>14,941.02</b>	15,974.65
	<b>21,160.32</b>	<b>23,088.11</b>
<b>Total (B)</b>	<b>62,237.73</b>	<b>66,716.60</b>
<b>Total (A to B)</b>	<b>132,147.04</b>	<b>144,511.85</b>
Less: Current maturities of Non Current Borrowing (refer note 28)	<b>15,165.87</b>	12,235.54
Less: Interest Accrued but not due on borrowings (refer note 30)	<b>2,781.77</b>	3,101.52
<b>Total (A to B)</b>	<b>114,199.40</b>	<b>129,174.79</b>

**Further notes:**
**Details of terms of repayment and rate of interest**

- Secured Foreign Currency Loans (Guaranteed by GoI) carry floating rate of interest linked to 6M SOFR. These loans are repayable in semi annual installment, as per terms of the respective loan agreement, commencing after moratorium period of 3 to 5 years except for one loan ₹376.13 Crore (Previous year ₹364.64 Crore) which carry fixed rate of interest of 0.25% p.a.
- Secured other Foreign Currency Loans carry floating rate of interest linked to 6M (LIBOR/SOFR/EURIBOR). These loans are repayable in semi annual installment, as per terms of the respective loan agreements, commencing after moratorium period of 3 to 5 years.
- Secured Rupee loan from banks carry floating rate of interest linked to 3M MCLR. These loans are repayable in semi annual installments, as per terms of the respective loan agreements, commencing after moratorium period of 5 years.
- Unsecured Foreign Currency Loans (Guaranteed by GoI) carry fixed rate of interest ranging from 1.63% p.a. to 2.30% p.a. These loans are repayable in semi annual installments as per terms of the respective loan agreements.
- Unsecured Foreign Currency Loans carry floating rate of interest linked to 6M (STIBOR/EURIBOR). These loans are repayable in semi annual installments as per terms of the respective loan agreements, commencing after moratorium period as per terms of the respective loan agreements.

**Note 23: Borrowings (Contd.)**

- 6 Unsecured Foreign Currency Loans carry floating rate of interest linked to 3M TONA. This loan is repayable in five equal annual installment as per the terms of the loan agreement.
- 7 Unsecured Rupee loan from bank carry floating rate of interest linked to 3 months MCLR or Repo rate. These loans are repayable in semi annual installments, as per terms of the respective loan agreements, commencing after moratorium period as per terms of the respective loan agreements.
- 8 There has been no default in repayment of loans or payment of interest thereon as at the end of the year.
- 9 The company has used the borrowings from banks and financial institutions for the specified purpose for which it was taken as at balance sheet date.

**Details of Securities**

- 1 Domestic Bonds are Secured by way of Registered Bond Trust Deed ranking pari passu on immovable property situated at Mouje Ambheti Taluka Kaparada in district Valsad Gujarat and floating charge on the assets of the company.
- 2 Secured Foreign Currency Loans (Guaranteed by GoI) are secured by pari passu interest in the lien created on the assets as security for the debts.
- 3 Secured Other Foreign Currency Loans and Rupee Loans are secured by the way of
  - (i) pari passu charge on the assets of the company except investments, land and building, roads and bridges, water supply, drainage and sewerage and current assets or
  - (ii) pari passu charge on the assets of the company except investments and current assets or
  - (iii) floating charge on the immovable properties of the company.
 as per the terms of respective loan agreements.

**Note 24: Other Non-current financial liabilities**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
Deposits/Retention money from contractors and others	19.80	106.96
Govt. of India fully serviced bonds *	3,487.50	3,487.50
Dues for Capital Expenditure	15.70	12.48
Others #	-	127.04
<b>Total</b>	<b>3,523.00</b>	<b>3,733.98</b>

**Further notes:**

Disclosure with regard to Micro and Small enterprises as required under "The Micro, Small and Medium Enterprises Development Act, 2006" is given in Note No 50.

\* Govt of India fully serviced bonds issued @ 8.24% redeemable at par on 14.02.2029. Refer Note 11 for details.

# Others includes amount payable to Customers upon recovery.

**Note 25: Provisions**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Employee Benefits</b>		
As per last balance sheet	462.02	424.71
Additions/(adjustments) during the year	55.12	37.31
<b>Closing Balance</b>	<b>517.14</b>	<b>462.02</b>

**Further notes:**

Provision is created for the purpose of leave encashment, Settlement Allowance, Long Service Award and other benefits. Refer Note 66 for detailed disclosure related to Employee Benefit Obligations.


**Note 26: Deferred tax liabilities (Net)**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>A. Deferred Tax Liability</b>		
Difference in book depreciation and tax depreciation	26,144.82	23,007.06
Finance lease assets	91.48	72.47
Others	207.61	23.42
<b>Deferred Tax Liability (A)</b>	<b>26,443.91</b>	<b>23,102.95</b>
<b>B. Deferred Tax Assets</b>		
Income during Construction Period	18.26	17.95
Provisions allowable on payment basis	591.26	514.70
Advance Against Depreciation	299.92	353.20
Unused Tax Losses	765.84	301.94
MAT Credit Entitlement	13,268.89	9,969.02
Others	142.76	109.52
<b>Deferred Tax Assets (B)</b>	<b>15,086.93</b>	<b>11,266.33</b>
<b>Deferred Tax Liability (Net) (A-B)</b>	<b>11,356.98</b>	<b>11,836.62</b>

**Further notes:**
**Movement in Deferred Tax Liabilities**

(₹ in crore)

Particulars	Property Plant and Equipment	Finance Leased Assets	Others	Total
<b>As at 01.04.2020</b>	<b>20,961.12</b>	<b>76.96</b>	<b>43.15</b>	<b>21,081.23</b>
Charged/(credited) to profit or loss	2,596.43	(4.49)	(19.73)	2,572.21
Other Adjustments	(550.49)			(550.49)
<b>As at 31.03.2021</b>	<b>23,007.06</b>	<b>72.47</b>	<b>23.42</b>	<b>23,102.95</b>
Charged/(credited) to profit or loss	3,149.40	19.01	130.29	3,298.70
Charged/(credited) to OCI			53.90	53.90
Other Adjustments	(11.64)			(11.64)
<b>As at 31.03.2022</b>	<b>26,144.82</b>	<b>91.48</b>	<b>207.61</b>	<b>26,443.91</b>

**Movement in Deferred Tax Asset**

(₹ in crore)

Particulars	Property Plant & Equipment-Income during construction period	Provisions allowable on payment basis	Advance against depreciation	MAT Credit	Others	Total
<b>As at 01.04.2020</b>	<b>24.88</b>	<b>467.85</b>	<b>409.12</b>	<b>7,906.46</b>	<b>1,044.14</b>	<b>9,852.45</b>
Charged/(credited) to profit or loss	(6.93)	46.85	(55.92)	2,066.46	(433.91)	1,616.55
Other Adjustments				(3.90)	(198.77)	(202.67)
<b>As at 31.03.2021</b>	<b>17.95</b>	<b>514.70</b>	<b>353.20</b>	<b>9,969.02</b>	<b>411.46</b>	<b>11,266.33</b>
Charged/(credited) to profit or loss	0.31	76.56	(53.28)	3,303.81	499.56	3,826.96
Other Adjustments				(3.94)	(2.42)	(6.36)
<b>As at 31.03.2022</b>	<b>18.26</b>	<b>591.26</b>	<b>299.92</b>	<b>13,268.89</b>	<b>908.60</b>	<b>15,086.93</b>

**Note 26: Deferred tax liabilities (Net) (Contd.)**

Recognised in Statement of Profit and Loss /Other Comprehensive Income (OCI)

(₹ in crore)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Increase/ (Decrease) in Deferred Tax Liabilities	<b>3,298.70</b>	2,572.21
Decrease / (Increase) in Deferred Tax Assets	<b>(3,826.96)</b>	(1,616.55)
<b>Amount charged/(credited) to profit or loss</b>	<b>(528.26)</b>	<b>955.66</b>
Increase/ (Decrease) in Deferred Tax Liabilities	<b>53.90</b>	-
<b>Amount charged/(credited) to OCI</b>	<b>53.90</b>	-

- a) In the opinion of the management, it is probable that future economic benefits will flow to the group in the form of availability of set off against future income tax liability by recognizing MAT credit as follows:

Future taxable profits will be adjusted against (a) tax holiday u/s 80-IA of Income Tax Act, 1961 for the projects commissioned up to 31.03.2017 (b) initial depreciation on the assets to be commissioned in future and (c) regular income tax depreciation u/s 32 of Income Tax Act, 1961 and thereafter tax amount will be set off against MAT credit to the extent of ₹3,303.81 crore (Previous Year ₹2,066.46 crore). Hence, the same has been recognised as Deferred Tax Assets during the year.

- b) MAT credit available to the group in future but not recognised in the books:

(₹ in crore)

For the Financial Year	As at 31.03.2022	Expiry Date	As at 31.03.2021	Expiry Date
2015-16	<b>1,421.20</b>	<b>31.03.2026</b>	1,421.20	31.03.2026
2014-15	<b>1,281.23</b>	<b>31.03.2025</b>	1,281.23	31.03.2025
2013-14	<b>1,085.14</b>	<b>31.03.2024</b>	1,085.14	31.03.2024
2012-13	<b>1,071.31</b>	<b>31.03.2023</b>	1,071.31	31.03.2023
2011-12	-	<b>31.03.2022</b>	239.01	31.03.2022

**Note 27: Other non-current liabilities**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
Advance from customers (Consultancy/Telecom services) §	<b>238.08</b>	215.76
Others	<b>4.81</b>	4.30
<b>Total</b>	<b>242.89</b>	<b>220.06</b>

**Further notes:**

§ Refer Note 47 for disclosure as per Ind AS 115 'Revenue from Contracts with Customers'.

**Note 28: Borrowings**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Current maturities of long term borrowings</b>		
<b>Secured</b>		
Bonds	<b>6,090.23</b>	8,223.72
Rupee Term Loans	<b>1,454.00</b>	1,018.13
Foreign Currency Loans	<b>2,585.90</b>	2,722.35
	<b>10,130.13</b>	11,964.20
<b>Un-secured</b>		
Bonds	<b>3,813.41</b>	-
Rupee Term Loans	<b>550.00</b>	-
Foreign Currency Loans	<b>672.33</b>	271.34
	<b>5,035.74</b>	271.34
	<b>15,165.87</b>	12,235.54


**Note 28: Borrowings (Contd.)**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Short Term - Unsecured</b>		
From Banks	5,300.00	600.00
Commercial Paper	-	1,200.00
<b>Total</b>	<b>20,465.87</b>	<b>14,035.54</b>

**Further notes:**

- Commercial Papers/short term loan are unsecured in nature, with rate of interest ranging from 3.75% to 3.95% (Previous Year from 3.07% to 5.59%) and repayable within 90 days to 180 days (Previous Year in 44 days to 270 days) from the date of drawl.
- There has been no default in repayment of loans or payment of interest thereon as at the end of the year.

**Note 29: Trade payables**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
For goods and services		
(A) total outstanding dues of micro enterprises and small enterprises	47.19	29.76
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	219.91	157.72
<b>Total</b>	<b>267.10</b>	<b>187.48</b>

**Further notes:**

Disclosure with regard to Micro and Small enterprises as required under "Division II of Schedule III of The Companies Act, 2013" and "The Micro, Small and Medium Enterprises Development Act, 2006" is given in Note No 50.

Aging of Trade Payables is as follows:

(₹ in crore)

Particulars	Not Billed	<1Y	1Y-2Y	2Y-3Y	>3Y	Total
<b>As at 31.03.2022</b>						
<b>MSME</b>						
Disputed	-	-	-	-	-	-
Undisputed	12.65	34.54	-	-	-	47.19
<b>Total</b>	<b>12.65</b>	<b>34.54</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>47.19</b>
<b>Others</b>						
Disputed	-	-	-	-	-	-
Undisputed	85.79	127.20	3.31	1.19	2.42	219.91
<b>Total</b>	<b>85.79</b>	<b>127.20</b>	<b>3.31</b>	<b>1.19</b>	<b>2.42</b>	<b>219.91</b>
<b>Total Trade payables</b>	<b>98.44</b>	<b>161.74</b>	<b>3.31</b>	<b>1.19</b>	<b>2.42</b>	<b>267.10</b>
<b>As at 31.03.2021</b>						
<b>MSME</b>						
Disputed	-	-	-	-	-	-
Undisputed	2.80	26.95	0.01	-	-	29.76
<b>Total</b>	<b>2.80</b>	<b>26.95</b>	<b>0.01</b>	<b>-</b>	<b>-</b>	<b>29.76</b>
<b>Others</b>						
Disputed	-	-	-	-	-	-
Undisputed	45.82	99.38	5.18	2.61	4.73	157.72
<b>Total</b>	<b>45.82</b>	<b>99.38</b>	<b>5.18</b>	<b>2.61</b>	<b>4.73</b>	<b>157.72</b>
<b>Total Trade payables</b>	<b>48.62</b>	<b>126.33</b>	<b>5.19</b>	<b>2.61</b>	<b>4.73</b>	<b>187.48</b>



**Note 30: Other Current Financial Liabilities**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Interest accrued but not due on borrowings from</b>		
Foreign Banks & Financial Institutions	<b>86.13</b>	94.09
Secured/Unsecured redeemable Bonds	<b>2,695.64</b>	3,007.43
	<b>2,781.77</b>	3,101.52
<b>Interest accrued but not due from Govt. of India fully serviced bonds</b>	<b>36.22</b>	36.22
<b>Others</b>		
Dues for capital expenditure	<b>980.79</b>	1,235.08
Employee related liabilities	<b>51.29</b>	73.06
Unclaimed dividends & FPO*	<b>28.64</b>	20.88
Deposits/Retention money from contractors and others	<b>3,627.07</b>	3,889.69
Related parties**	<b>2.56</b>	-
Dividend Payable	-	2.85
Others #	<b>2,665.66</b>	2,447.98
	<b>7,356.01</b>	7,669.54
<b>Total</b>	<b>10,174.00</b>	<b>10,807.28</b>

**Further notes:**

Disclosure with regard to Micro and Small enterprises as required under "The Micro, Small and Medium Enterprises Development Act, 2006" is given in Note No 50.

\* No amount is due for payment to Investor Education and Protection Fund.

\*\*Details of amount payable to related parties are provided in Note 58.

# Others include liability for payment against Long Term Access (LTA), Short Term Open Access (STOA), ISTS License recovery, Price variation etc.

**Note 31: Other current liabilities**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
Advances from customers *	<b>3,022.10</b>	3,531.15
Advances from customers - related parties #	<b>82.20</b>	79.78
Statutory dues	<b>124.15</b>	273.77
<b>Total</b>	<b>3,228.45</b>	<b>3,884.70</b>

**Further notes:**

\* Refer Note 47 for disclosure as per Ind AS 115 'Revenue from Contracts with Customers'.

#Details of amount payable to related party are provided in Note 58

**Note 32: Provisions**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>A) Employee Benefits</b>		
<b>i) Performance related pay /special incentive</b>		
As per last balance sheet	<b>509.83</b>	461.00
Addition during the year	<b>438.74</b>	509.83
Amount paid/adjusted during the year	<b>509.83</b>	461.00
Closing Balance	<b>438.74</b>	509.83


**Note 32: Provisions (Contd.)**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>ii) Other Employee Benefits</b>		
<b>(Leave Encashment, Settlement Allowance and Long Service Award etc.)</b>		
As per last balance sheet	67.66	76.77
Additions/(adjustments) during the year	184.20	(9.11)
Closing Balance	251.86	67.66
<b>Total (A)</b>	<b>690.60</b>	<b>577.49</b>
<b>B) Others</b>		
<b>i) Downtime Service Credit-Telecom</b>		
As per last balance sheet	8.86	11.36
Additions during the year	3.42	12.38
Amounts adjusted during the year	9.03	14.88
Closing Balance	3.25	8.86
<b>ii) Provision Others</b>		
As per last balance sheet	258.77	192.91
Add: on account of business combination	-	9.19
Additions/(adjustments) during the year	214.50	56.75
Less: Classified as Held for sale	-	0.08
Closing Balance	473.27	258.77
<b>Total (B)</b>	<b>476.52</b>	<b>267.63</b>
<b>Total (A+B)</b>	<b>1,167.12</b>	<b>845.12</b>

**Further notes:**
**A) Employee Benefits**

 i) Performance Related Pay/Special Incentive:

Provision is created for Performance Related Pay to Executives and Non-Executives

 ii) Other Employee Benefits:

Provision is created for the purpose of meeting out leave encashment, settlement allowance, long service award and POWERGRID Employee Family Rehabilitation Scheme. Refer Note 66 for detailed disclosure related to Employee Benefit Obligations.

**B) Others:**

 i) Downtime Service Credit –Telecom:

Provision is created in case when actual downtime is in excess of the permissible service level agreement, in such cases the necessary credit is passed on to the customer on demand.

However, in some cases, the downtime is not claimed by the customers then in such cases necessary provision on account of downtime is made in the books of accounts as per the links availability reports received from National Telecom Control Centre (NTCC) for the period of non-operation of links given to the customers. The calculation of downtime credit is based on the SLA signed with various customers.

 ii) Provision Others:

It includes provision for entry tax ₹165.24 crore (Previous Year ₹156.98 crore) as per demand raised by revenue authorities disputed by the company and are under litigation. An amount of ₹8.94 crore (Previous Year ₹8.24 crore) has been paid under court order and shown as "Balance with custom port trust and other authorities" in note no. 19.

Also includes provision of ₹0.00 crore (Previous Year ₹0.46 crore) towards demand raised by the commercial taxes department of Telangana in relation to absence of statutory form and other evidence on account of inter-state sale not covered by 'C' form.

**Note 33: Current Tax Liabilities (Net)**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Taxation (Including interest on tax)</b>		
As per last balance sheet	<b>9,169.89</b>	6,624.18
Additions during the year	<b>3,173.29</b>	2,580.13
Amount adjusted during the year	<b>4,085.56</b>	34.42
<b>Total</b>	<b>8,257.62</b>	9,169.89
Net off against Advance tax and TDS	<b>8,248.17</b>	8,744.38
<b>Closing Balance</b>	<b>9.45</b>	<b>425.51</b>

**Note 34: Deferred Revenue**

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
Advance against depreciation	<b>858.29</b>	1,010.75
Grants in aid (Refer Further notes)		
As per last Balance Sheet	<b>3,926.11</b>	4,147.01
Addition during the year	<b>22.04</b>	107.99
Adjustments during the year	<b>300.26</b>	328.89
Closing balance	<b>3,647.89</b>	3,926.11
Deferred income from foreign currency fluctuation (Net)	<b>5,008.36</b>	4,817.29
<b>Total</b>	<b>9,514.54</b>	<b>9,754.15</b>

**Further notes:**

- Grant in Aid of ₹0.00 crore (Previous Year ₹5.95 crore) was received from Power System Development Fund (PSDF) under Ministry of Power (MoP), Govt. of India (GoI) for installation of STATCOM in ER (ERSS-XI) and SR (System Strengthening in SR-XXI). In addition to Grant received, an interest of ₹0.02 crore (Previous Year ₹1.43 crore) credited to the Grant. An amount of ₹8.99 crore is repayable to Ministry of Power (MoP), Govt. of India (GoI) on account of cost savings in the projects. Accordingly, the said amount is shown as payable under Other Current Financial Liabilities.
- Grant in Aid of ₹0.41 crore (Previous Year ₹0.75 crore) including interest has been recognised, from Power System Development Fund (PSDF) under MoP, GoI for establishment of Unified Real Time Dynamic State Measurement (URTDSM).
- Grant in Aid, of ₹27.59 crore (Previous Year ₹99.83 crore) including interest has been recognised, from Ministry of New & Renewable Energy (MNRE), GoI for establishment of transmission system associated with Ultra Mega Solar Parks in Andhra Pradesh, Karnataka, Madhya Pradesh, Rajasthan and Gujarat.
- Grant in Aid of ₹0.02 crore (Previous Year ₹0.03 crore) has been recognised under achievement linked/incentive award scheme for Government Sector by Ministry of New & Renewable Energy (MNRE), GoI for establishing solar roof top plants in various buildings of the company .
- Grant in Aid of ₹2.99 crore (Previous Year ₹0.00 crore) was received from Ministry of New & Renewal Energy (MNRE) for creating awareness activities for Pradhan Mantri Kisan Urja Suraksha evam Utthaan Mahabhiyaan (PM KUSUM) in Andhra Pradesh, Kerala and Rajasthan.


**Note 35: Revenue from operations**

(₹ in crore)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Sales of services</b>		
<b>Transmission Business</b>		
Transmission Charges	<b>39,381.87</b>	37,999.65
Add: Revenue recognised out of Advance Against Depreciation	<b>152.46</b>	160.06
	<b>39,534.33</b>	38,159.71
<b>Other Operating Revenue</b>		
Interest on differential Provisional and Final Tariff	<b>480.78</b>	2.48
Income from lease lines	<b>50.61</b>	7.59
Recognised from deferred revenue - Grant in aid	<b>300.26</b>	328.89
	<b>831.65</b>	338.96
	<b>40,365.98</b>	38,498.67
<b>Telecom Business</b>	<b>580.15</b>	707.45
<b>Consultancy Project Management and Supervision</b>	<b>670.21</b>	433.67
<b>Total</b>	<b>41,616.34</b>	<b>39,639.79</b>

**Further notes:**

- a) In exercise of powers u/s 178 of the Electricity Act 2003, Central Electricity Regulatory Commission (CERC) has notified "CERC (Terms and Conditions of Tariff) Regulations, 2019" vide order dated 07.03.2019 for the determination of transmission tariff for the block period 2019-24.
- b) The company has recognised transmission income during the year as per the following:
  - i) ₹20,297.33 crore (Previous Year ₹9,407.16 crore) as per final tariff orders issued by CERC for block period 2019-24 and
  - ii) ₹17,509.81 crore (Previous Year ₹26,713.76 crore) provisionally as per CERC Tariff Regulations for the block period 2019-24 and other orders in similar cases, in respect of transmission assets for which final tariff orders were yet to be issued.
- c) Consequent to the final order issued by CERC, transmission income includes ₹628.80 crore (increase) (Previous Year ₹538.30 crore (increase)) pertaining to earlier years.
- d) Refer note no. 69 for disclosure on formation of wholly owned subsidiary of the company to undertake Telecommunications and Digital Technology Business of the company.
- e) Refer note no. 47 for disclosure as per Ind AS 115 "Revenue from Contracts with Customer".

**Note 36: Other income**

(₹ in crore)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Interest income from</b>		
Indian Banks	172.21	59.76
Loans to Joint Ventures (JVs)	2.36	11.71
Investment in PG InvIT	68.52	-
Others*	36.99	99.90
	<b>280.08</b>	171.37
<b>Interest from advances to contractors</b>	<b>28.06</b>	16.83
	<b>308.14</b>	188.20
<b>Dividend income from</b>		
Associates	116.75	-
Investment in PG InvIT	33.85	-
Equity Investments designated at fair value through other comprehensive income	9.00	9.00
	<b>159.60</b>	9.00
<b>Others</b>		
Profit on sale of Property, Plant and Equipment	0.02	12.60
Profit on sale of Investment in Mutual Funds	15.95	-
Finance Income from finance lease	73.12	81.18
Surcharge	375.30	744.06
FERV gain	0.03	0.02
Provisions written back	13.13	24.82
Fair Value gain on initial recognition of Financial liability/investment	21.37	21.64
Miscellaneous income **	153.41	130.11
	<b>652.33</b>	1,014.43
	<b>1,120.07</b>	<b>1,211.63</b>
Less: Transferred to expenditure during construction (Net)-Note 43	38.51	27.89
<b>Total</b>	<b>1,081.56</b>	<b>1,183.74</b>

**Further notes:**

\* Others include interest on employee loans &amp; unwinding of finance cost on employee loans.

\*\* Miscellaneous income include Sale of Scrap, Insurance Claim Recovery, UI Charges etc.

**Note 37: Employee benefits expense**

(₹ in crore)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries, wages, allowances & benefits	2,095.32	2,071.81
Contribution to provident and other funds	269.92	323.28
Staff Welfare expenses (Including Deferred Employee cost)	271.81	203.35
	<b>2,637.05</b>	2,598.44
Less: Transferred to Expenditure during Construction (Net)-Note 43	383.65	483.68
Transferred to CSR expenses- Note 40	9.51	-
<b>Total</b>	<b>2,243.89</b>	<b>2,114.76</b>

**Further notes:**

a) Refer note no. 58 for Remuneration to Key Managerial Personnel (KMPs).

b) Refer note no. 66 for details of Employee Benefit Obligations.


**Note 38: Finance costs**

(₹ in crore)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Interest and finance charges on financial liabilities at amortised cost</b>		
Indian Banks & Financial Institutions	1,722.20	1,871.08
Foreign Banks and Financial Institutions	396.36	562.31
Secured/Unsecured redeemable Bonds	5,569.52	6,067.50
Foreign Currency Bonds	158.76	156.82
<b>Unwinding of discount on financial liabilities</b>	<b>54.78</b>	62.86
<b>Interest - Others</b>	<b>4.83</b>	5.44
<b>Interest on Lease Liability</b>	<b>3.88</b>	1.79
	<b>7,910.33</b>	8,727.80
<b>Other Finance charges</b>		
Commitment charges	0.03	1.28
Guarantee Fee	354.83	376.44
Others*	23.09	58.32
	<b>377.95</b>	436.04
<b>Exchange differences regarded as adjustment to Borrowing Cost</b>	<b>212.65</b>	(223.10)
	<b>590.60</b>	212.94
<b>Total</b>	<b>8,500.93</b>	8,940.74
Less: Transferred to Expenditure during Construction (Net)-Note 43	464.71	806.05
<b>Total</b>	<b>8,036.22</b>	<b>8,134.69</b>

**Further notes:**

\*Others includes agency fees, trustee fees, front-end fees, interest on land compensation, tree &amp; crop compensation etc.

**Note 39: Depreciation and amortization expense**

(₹ in crore)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation of Property, Plant and Equipment	13,111.68	12,244.14
Amortization of Intangible assets	127.25	123.62
Depreciation on ROU Assets	22.71	20.82
	<b>13,261.64</b>	12,388.58
Less: Transferred to Expenditure During Construction (Net)-Note 43	13.08	13.46
	<b>13,248.56</b>	<b>12,375.12</b>
Less: Depreciation amortised due to FERV adjustment	376.90	335.93
<b>Charged to Statement of Profit &amp; Loss</b>	<b>12,871.66</b>	<b>12,039.19</b>

**Note 40: Other expenses**

(₹ in crore)

<b>Particulars</b>	<b>For the year ended 31 March 2022</b>	<b>For the year ended 31 March 2021</b>
<b>Repair &amp; Maintenance</b>		
Buildings	109.64	90.00
Plant & Machinery		
Sub-Stations	456.32	390.58
Transmission lines	167.07	204.44
Telecom equipments	52.55	45.02
Others	45.03	39.12
	<b>720.97</b>	679.16
System and Market Operation Charges	103.14	57.31
Power charges	294.37	266.82
Less: Recovery from contractors	0.89	2.68
	<b>293.48</b>	264.14
Expenses of Diesel Generating sets	4.91	3.52
Stores consumed	5.26	5.45
Water charges	4.34	4.56
Right of Way charges-Telecom	68.73	62.59
Patrolling Expenses-Telecom	2.27	0.68
Last Mile connectivity-Telecom	7.26	7.44
Training & Recruitment Expenses	20.03	17.78
Less: Fees for training and application	0.94	0.12
	<b>19.09</b>	17.66
Legal expenses	18.68	22.38
Professional charges	70.27	25.12
Consultancy expenses	76.78	81.02
Communication expenses	24.30	20.93
Inland Travelling Expenses	111.64	90.38
Foreign travel	3.46	1.78
	<b>115.10</b>	92.16
Tender expenses	2.23	1.93
Less: Sale of tenders	1.14	1.53
	<b>1.09</b>	0.40
<b>Payments to Statutory Auditors</b>		
Audit Fees	1.82	1.63
Tax Audit Fees	0.45	0.41
In Other Capacity	1.29	1.16
Out of pocket Expenses	0.28	0.13
	<b>3.84</b>	3.33
Advertisement and publicity	9.11	7.38
Printing and stationery	4.74	4.41
Books Periodicals and Journals	1.20	0.84
EDP hire and other charges	11.76	10.51
Entertainment expenses	4.13	3.78




**Note 40: Other expenses (Contd.)**

(₹ in crore)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Brokerage & Commission	1.85	0.91
Research & Development expenses	0.34	4.55
Cost Audit and Physical verification Fees	1.30	1.39
Rent #	35.07	39.85
CERC petition & Other charges	89.57	76.75
Miscellaneous expenses	88.62	60.97
Horticulture Expenses	39.08	33.64
Security Expenses	313.91	292.98
Hiring of Vehicle	138.81	117.98
Insurance	138.23	118.92
Rates and taxes	51.10	42.44
License Fees to DOT	54.11	62.47
Bandwidth charges dark fibre lease charges (Telecom)	22.84	23.15
Corporate Social Responsibility (CSR) Expenses*	273.91	247.22
Transit Accomodation Expenses	38.32	32.21
Less: Income from Transit Accomodation	1.25	0.97
	37.07	31.24
Foreign Exchange Rate Variation	6.72	60.63
<b>Provisions for</b>		
Doubtful loans, advances, debts, claims etc.	4.20	7.78
	2,976.82	2,687.64
Less: Transferred to Expenditure during Construction (Net)-Note 43	199.70	170.81
	2,777.12	2,516.83
Loss on Disposal/Write off of Property, Plant & Equipment	28.43	15.09
<b>Total **</b>	<b>2,805.55</b>	<b>2,531.92</b>

**Further notes:**

\* Includes an amount of ₹9.51 crore (Previous Year NIL) transferred from Note No 37- 'Employee Benefits Expense'

# Refer Note 51 for Short term lease expenses.

\*\* Includes Consumption of imported materials during the year amounting to ₹2.45 crore (Previous Year ₹2.86 crore).

**Note 41 Net Movement in Regulatory Deferral Account Balances-Incomes/(expenses) (net of tax)**

(₹ in crore)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Deferred assets for deferred tax liability	(736.52)	521.45
Foreign Currency Fluctuation	93.03	(85.17)
Employee Benefits and Other Expense	1.60	-
	(641.89)	436.28
Tax on net movement in regulatory deferral account balances	(112.15)	74.60
<b>Total</b>	<b>(529.74)</b>	<b>361.68</b>

**Further notes:**

Refer to note no. 53 for detailed disclosure on Regulatory Deferral Account Balances.

**Note 42: Other Comprehensive Income**

(₹ in crore)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Items that will not be reclassified to Profit or Loss		
Gain/(Loss) on valuation of Investment in Equity	478.85	39.80
Provisions for actuarial valuation	(196.78)	(19.94)
	282.07	19.86
Less: Transferred to Expenditure during Construction (Net)-Note 43	(34.34)	(2.44)
	316.41	22.30
Less: Income Tax relating to items that will not be reclassified to Profit or Loss		
Current Tax	(28.39)	(3.06)
Deferred Tax	53.90	-
	25.51	(3.06)
<b>Items that will not be reclassified to Profit or Loss (net of tax)</b>	<b>290.90</b>	<b>25.36</b>

**Note 43: Expenditure during Construction (Net)**

(₹ in crore)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>A. Employees Remuneration &amp; Benefits</b>		
Salaries wages allowances and benefits	319.75	419.70
Contribution to provident and other funds	43.07	41.13
Welfare expenses	20.83	22.85
<b>Total (A)</b>	<b>383.65</b>	<b>483.68</b>
<b>B. Other Expenses</b>		
Repair and maintenance	1.11	7.39
Power charges	4.08	7.39
Less: Recovery from contractors	0.20	2.22
	3.88	5.17
Expenses on Diesel Generating sets	0.06	0.06
Water charges	0.08	0.09
Legal expenses	3.62	9.71
Professional charges	42.61	5.33
Consultancy expenses	75.90	80.27
Communication expenses	2.58	2.96
Travelling & Conv. exp. (Including Foreign Travel)	19.52	17.81
Tender expenses	1.08	1.84
Less: Sale of tenders	1.06	1.46
	0.02	0.38
Payment to Auditors	-	0.19
Advertisement and Publicity	0.07	0.29
Printing and stationery	0.16	0.32


**Note 43: Expenditure during Construction (Net) (Contd.)**

(₹ in crore)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
EDP hire and other charges	0.06	0.11
Entertainment expenses	0.03	0.31
Brokerage and commission	0.01	0.16
Rent	0.76	2.40
Miscellaneous expenses	12.68	4.86
Horticulture Expenses	-	0.17
Security Expenses	12.80	11.13
Hiring of Vehicles	9.67	14.04
Insurance	-	0.01
Rates and taxes	12.64	6.81
Bandwidth charges, dark fibre lease charges (Telecom)	0.38	0.01
Transit Accomodation Expenses	1.08	0.83
Less : Income from Transit Accomodation	0.02	-
	<b>1.06</b>	<b>0.83</b>
<b>Total (B)</b>	<b>199.70</b>	<b>170.81</b>
<b>C. Depreciation/Amortisation</b>	<b>13.08</b>	<b>13.46</b>
<b>Total (C)</b>	<b>13.08</b>	<b>13.46</b>
<b>D. Finance Costs</b>		
a) Interest and finance charges on financial liabilities at amortised cost		
Indian Banks and Financial Institutions	21.86	199.64
Foreign Banks and Financial Institutions	16.82	128.42
Secured/Unsecured Redeemable Bonds	107.78	190.65
Foreign Currency Bonds	0.84	0.80
Others	272.75	382.68
	<b>420.05</b>	<b>902.19</b>
b) Other finance charges		
Commitment charges	-	0.85
Guarantee fee	11.12	45.40
Others	0.13	0.91
	<b>11.25</b>	<b>47.16</b>
c) FERV adjustment to borrowing cost	<b>33.41</b>	<b>(143.30)</b>
<b>Total (D)</b>	<b>464.71</b>	<b>806.05</b>
<b>E. Less: Other Income</b>		
Interest from		
Contractors	27.16	16.20
Others	0.93	1.71
	<b>28.09</b>	<b>17.91</b>
Miscellaneous income	<b>10.42</b>	<b>9.98</b>
<b>Total (E)</b>	<b>38.51</b>	<b>27.89</b>

**Note 43: Expenditure during Construction (Net) (Contd.)**

(₹ in crore)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>F. Less: Other Comprehensive Income</b>		
Other Comprehensive Income	(34.34)	(2.44)
<b>Total (F)</b>	<b>(34.34)</b>	<b>(2.44)</b>
<b>Grand Total (A+B+C+D-E-F)</b>	<b>1,056.97</b>	<b>1,448.55</b>

**44. Interest in Other Entities****1. Subsidiaries:**

The Group's subsidiaries at 31.03.2022 are set out below. Unless otherwise stated, they have share capital consists solely of equity share that are held directly by the Group, and the proportion of ownership interest held equals the voting rights held by the Group:

Name of entity	Place of business/ country of incorporation	Proportion (%) of Shareholding		Principle activities
		As at 31.03.2022	As at 31.03.2021	
Powergrid Vemagiri Transmission Limited*	India	100%	100%	Transmission
Powergrid NM Transmission Limited	India	100%	100%	Transmission
Powergrid Vizag Transmission Limited <sup>1</sup>	India	NA	100%	Transmission
Powergrid Unchahar Transmission Limited	India	100%	100%	Transmission
Powergrid Kala Amb Transmission Limited <sup>1</sup>	India	NA	100%	Transmission
Powergrid Jabalpur Transmission Limited <sup>1</sup>	India	NA	100%	Transmission
Powergrid Warora Transmission Limited <sup>1</sup>	India	NA	100%	Transmission
Powergrid Parli Transmission Limited <sup>1</sup>	India	NA	100%	Transmission
Powergrid Southern Interconnector Transmission System Limited	India	100%	100%	Transmission
Powergrid Medinipur Jeerat Transmission Limited	India	100%	100%	Transmission
Powergrid Mithilanchal Transmission Limited (Erstwhile ERSS XXI Transmission Limited)	India	100%	100%	Transmission
Powergrid Varanasi Transmission System Limited (Erstwhile WR-NR Power Transmission Limited)	India	100%	100%	Transmission
Powergrid Jawaharpur Firozabad Transmission Limited (Erstwhile Jawaharpur Firozabad Transmission Limited)	India	100%	100%	Transmission
Powergrid Khetri Transmission System Limited (Erstwhile Khetri Transco Limited)	India	100%	100%	Transmission
Powergrid Bhuj Transmission Limited (Erstwhile Bhuj-II Transmission Limited)	India	100%	100%	Transmission
Powergrid Bhind Guna Transmission Limited (Erstwhile Bhind Guna Transmission Limited)	India	100%	100%	Transmission
Powergrid Ajmer Phagi Transmission Limited (Erstwhile Ajmer Phagi Transco Limited)	India	100%	100%	Transmission
Powergrid Fatehgarh Transmission Limited (Erstwhile Fatehgarh-II Transco Limited)	India	100%	100%	Transmission
Powergrid Rampur Sambhal Transmission Limited (Erstwhile Rampur Sambhal Transco Limited)	India	100%	100%	Transmission
Powergrid Meerut Simbhavali Transmission Limited (Erstwhile Meerut-Simbhavali Transmission Limited)	India	100%	100%	Transmission
Central Transmission Utility of India Limited	India	100%	100%	Transmission


**44. Interest in Other Entities (Contd.)**

Name of entity	Place of business/ country of incorporation	Proportion (%) of Shareholding		Principle activities
		As at 31.03.2022	As at 31.03.2021	
Powergrid Ramgarh Transmission Limited (Erstwhile Ramgarh New Transmission Limited)	India	100%	100%	Transmission
Powergrid Himachal Transmission Limited (Erstwhile Jaypee Powergrid Limited)	India	100%	100%	Transmission
Powergrid Bikaner Transmission System Limited (Erstwhile Bikaner-II Bhiwadi Transco Limited)	India	100%	100%	Transmission
Powergrid Sikar Transmission Limited (Erstwhile Sikar New Transmission Limited) <sup>2</sup>	India	100%	NA	Transmission
Powergrid Bhadla Transmission Limited (Erstwhile Fatehgarh Bhadla Transco Limited) <sup>2</sup>	India	100%	NA	Transmission
Powergrid Aligarh Sikar Transmission Limited (Erstwhile Sikar II Aligarh Transmission Limited) <sup>3</sup>	India	100%	NA	Transmission
Powergrid Teleservices Limited <sup>4</sup>	India	100%	NA	Telecom
Powergrid Energy Services Limited <sup>5</sup>	India	100%	NA	Energy management

\* The company was formed as SPV for execution of Vemagiri Transmission system allocated on Tariff Based Competitive Bidding (TBCB). CERC vide order dated 09.05.2013 and 27.09.2013 inter alia stated that Vemagiri Transmission system cannot be executed in its present form. In this scenario, the company is unable to do any further activity and ceased to be a going concern.

<sup>1</sup> Subsidiary till 12.05.2021 (Associate from 13.05.2021 onwards) and Refer note 19A "Assets classified as held for sale"

<sup>2</sup> 100% equity acquired from REC Power Distribution Company Limited on 04.06.2021.

<sup>3</sup> 100% equity acquired from PFC Consulting Limited on 08.06.2021.

<sup>4</sup> Incorporated on 25.11.2021

<sup>5</sup> Incorporated on 14.03.2022 as a wholly owned subsidiary of the Company to undertake the Energy Management Projects in India and abroad as an investor and/or Project Management Consultant (PMC) to provide services, products, investment & consultancy related to Energy Management.

- a) All Subsidiary companies are unlisted entities.
- b) Financial statements used for consolidation are audited except Powergrid Bikaner Transmission System Limited, Powergrid Aligarh Sikar Transmission Limited and Powergrid Energy Services Limited.
- c) The group has made further Investment of ₹3.90 crore (Previous Year ₹206.65 crore) in Powergrid NM Transmission Limited which is wholly owned subsidiary company of the group.
- d) The group has not made any further Investment (Previous Year ₹9.76 crore) in Powergrid Jabalpur Transmission Limited which was wholly owned subsidiary company of the group.
- e) The group has not made any further Investment (Previous Year ₹2.60 crore) in Powergrid Parli Transmission Limited which was wholly owned subsidiary company of the group.
- f) The group has made further Investment of ₹88.37 crore (Previous Year ₹260.30 crore) in Powergrid Medinipur Jeerat Transmission Limited which is wholly owned subsidiary company of the group.
- g) The group has made further Investment of ₹19.70 crore (Previous Year ₹93.50 crore) in Powergrid Mithilanchal Transmission Limited which is wholly owned subsidiary company of the group.
- h) The group has made further Investment of ₹17.95 crore (Previous Year ₹43.00 crore) in Powergrid Varanasi Transmission System Limited which is wholly owned subsidiary company of the group.
- i) The group has made further Investment of ₹12.40 crore (Previous Year ₹77.15 crore) in Powergrid Jawaharpur Firozabad Transmission Limited which is wholly owned subsidiary company of the group.
- j) The group has made further Investment of ₹36.85 crore (Previous Year ₹161.35 crore) in Powergrid Khetri Transmission System Limited which is wholly owned subsidiary company of the group.
- k) The group has made further Investment of ₹82.29 crore (Previous Year ₹97.70 crore) in Powergrid Bhuj Transmission Limited which is wholly owned subsidiary company of the group.

#### 44. Interest in Other Entities (Contd.)

- l) The group has made further Investment of ₹40.10 crore (Previous Year ₹50.00 crore) in Powergrid Bhind Guna Transmission Limited which is wholly owned subsidiary company of the group.
- m) The group has made further Investment of ₹3.00 crore (Previous Year ₹111.95 crore) in Powergrid Ajmer Phagi Transmission Limited which is wholly owned subsidiary company of the group.
- n) The group has made further Investment of ₹27.59 crore (Previous Year ₹113.40 crore) in Powergrid Fatehgarh Transmission Limited which is wholly owned subsidiary company of the group.
- o) The group has made further Investment of ₹87.48 crore (Previous Year ₹21.47 crore) in Powergrid Rampur Sambhal Transmission Limited which is wholly owned subsidiary company of the group.
- p) The group has made further Investment of ₹97.70 crore (Previous Year ₹32.00 crore) in Powergrid Meerut Simbhavali Transmission Limited which is wholly owned subsidiary company of the group.
- q) The group has made further Investment of ₹0.00 crore (Previous Year ₹0.05 crore) in Central Transmission Utility of India Limited which is wholly owned subsidiary company of the group.
- r) The group has made further Investment of ₹1.05 crore (Previous Year ₹0.05 crore) in Powergrid Ramgarh Transmission Limited which is wholly owned subsidiary company of the group.
- s) The group has made further Investment of ₹0.00 crore (Previous Year ₹354.50 crore) in Powergrid Himachal Transmission Limited which is wholly owned subsidiary company of the group.
- t) The group has made further Investment of ₹22.20 crore (Previous Year ₹0.01 crore) in Powergrid Bikaner Transmission System Limited which is wholly owned subsidiary company of the group.
- u) During the year group has made investment of ₹47.35 crore in Powergrid Sikar Transmission Limited (Erstwhile Sikar New Transmission Limited) which is wholly owned subsidiary company of the group. The Company was taken over from REC Power Distribution Company Limited vide share purchase agreement dated 04.06.2021 to carry over the business awarded under tariff based competitive bidding, after transfer Powergrid Sikar Transmission Limited became wholly owned subsidiary of the Group.
- v) During the year group has made investment of ₹20.31 crore in Powergrid Bhadla Transmission Limited (Erstwhile Fatehgarh Bhadla Transco Limited) which is wholly owned subsidiary company of the group. The Company was taken over from REC Power Distribution Company Limited vide share purchase agreement dated 04.06.2021 to carry over the business awarded under tariff based competitive bidding, after transfer Powergrid Bhadla Transmission Limited became wholly owned subsidiary of the Group.
- w) During the year group has made investment of ₹62.35 crore in Powergrid Aligarh Sikar Transmission Limited (Erstwhile Sikar II Aligarh Transmission Limited) which is wholly owned subsidiary company of the group. The Company was taken over from PFC Consulting Limited vide share purchase agreement dated 08.06.2021 to carry over the business awarded under tariff based competitive bidding, after transfer Powergrid Aligarh Sikar Transmission Limited became wholly owned subsidiary of the Group.
- x) During the year group has made investment of ₹9.00 crore in Powergrid Teleservices Limited which is wholly owned subsidiary company of the group. The Company was incorporated to take over the Telecom Operations of the Group.
- y) During the year group has subscribed to Memorandum of Association and invested ₹0.05 crore on 29.04.2022 in Powergrid Energy Services Limited which is wholly owned subsidiary company of the group.

#### 2. Joint Ventures:

Set out below are joint ventures of the Group as at 31.03.2022, which in the opinion of the management, are material to the Group. The entities listed below have share capital consisting solely of equity shares, which are held directly by ownership interest in the same as the proportion of voting rights held:

Name of the Entity	Place of business	Proportion (%) of Shareholding		Carrying amount (₹ in crore)		Nature of activity
		As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021	
Powerlinks Transmission Limited	India	49%	49%	477.91	469.63	Transmission system associated with Tala HEP in Bhutan – under successful operation since Aug' 06
Torrent Power Grid Limited	India	26%	26%	34.32	34.67	Transmission System associated with 1100 MW Sugan generating project at Surat - progressively commissioned in Mar'11
Parbati Koldam Transmission Company Limited	India	26%	26%	80.18	86.60	Transmission Lines associated with Parbati-II (800 MW) and Koldam (800 MW) HEPs. - Progressively commissioned in Nov'15



#### 44. Interest in Other Entities (Contd.)

Name of the Entity	Place of business	Proportion (%) of Shareholding		Carrying amount (₹ in crore)		Nature of activity
		As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021	
Teestavalley Power Transmission Limited <sup>1</sup>	India	30.92%	30.92%	144.99	140.02	Transmission System associated with 1200 MW Teesta – III HEP in Sikkim
North East Transmission Company Limited	India	26%	26%	128.81	124.62	Transmission system associated with 726.6 MW Gas Based Combined Cycle Power Project at Pallatana in Tripura. - Progressively commissioned in Feb'15
National High Power Test Laboratory Private Limited	India	20%	20%	14.24	18.22	To create high power short circuit test facility
Bihar Grid Company Limited	India	50%	50%	512.09	431.29	Establishment of Intra-State Transmission system in the State of Bihar
Energy Efficiency Services Limited <sup>2</sup>	India	33.33%	NA	423.03	NA	Engaged in implementation of energy efficiency projects.
Cross Border Power Transmission Company Limited	India	26%	26%	32.99	29.97	Establishment of Indian Portion of Indo-Nepal Cross Border Transmission Line from Muzaffarpur to Sursand
RINL Powergrid TLT Private Limited <sup>3</sup>	India	50%	50%	-	-	Establishment of manufacturing of Transmission Line Tower parts plant
Power Transmission Company Nepal Limited	Nepal	26%	26%	12.65	11.83	Establishment of Nepal Portion of Indo-Nepal Cross Border Transmission Line from Dhalkebar to Bhattamod

<sup>1</sup> POWERGRID & Teesta Urja Ltd are the Joint venture partners in Teestavalley Power Transmission Limited & holds 26% & 74 % equity, respectively as per Shareholding agreement. On call of additional equity by Teestavalley Power Transmission limited, POWERGRID contributed their share while the other JV partner has not yet contributed their share of money. Consequently, the holding of POWERGRID increased to 30.92% against 26% provided in shareholding agreement.

<sup>2</sup> The Company has invested ₹407.49 crore during the year in Energy Efficiency Services Limited (EESL), thereby increasing its shareholding from 5.71% to 33.33%. EESL has been considered as Joint Venture w.e.f. 01.09.2021 being the Joint control has been reinstated vide Agreement dated 01.09.2021.

<sup>3</sup> POWERGRID's Board of Directors in its meeting held on 01.05.2018 accorded in principle approval to close RINL Powergrid TLT Private Limited (RPTPL) and seek consent of other JV Partner Rashtriya Ispat Nigam Limited (RINL). RINL's Board of Directors in its meeting held on 08.03.2019 has agreed in principle for winding up proceedings of RPTPL & to seek the approval from Ministry of Steel, Government of India, for closure of RPTPL. RINL's Board of Directors in its meeting held on 05.11.2019 has advised to put up the closure proposal again to Ministry of steel for onward submission to NITI Ayog. The Ministry of Steel vide letter dated 29.09.2020 informed RINL that closure of RPTPL is being examined and seeks further clarifications from RINL. Accordingly, relevant information was forwarded by RINL to The Ministry of Steel. The Approval from Government is still awaited.

- All joint venture companies are unlisted entities.
- Financial statements used for consolidation are unaudited except for Powerlinks Transmission Limited, Torrent Power Grid Limited and North East Transmission Company Limited.
- The group has made further Investment of ₹32.24 crore (Previous Year ₹33.00 crore) in Bihar Grid Company Limited, a joint venture company in which 50% share is held by the Group and balance 50% share is held by Bihar State Power Holding Company.
- The group has made further Investment of ₹407.49 crore (Previous Year ₹0.00 crore) in Energy Efficiency Services Limited, a joint venture company in which 33.33% share is held by the Group and balance 66.67% share is held by NTPC Limited, Power Finance Corporation Limited & REC Limited.

#### Commitments and contingent liabilities in respect of joint venture:

(₹ in crore)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Share of Group</b>		
Commitment	7.98	170.87
Contingent Liabilities	50.58	53.54
<b>Total commitments and contingent liabilities</b>	<b>58.56</b>	<b>224.41</b>

#### Summarised financial information for joint ventures:

Table below provide summarised financial information for these joint ventures that are material to the Group. The information disclosed reflects the amounts presented in the financial statements of the relevant joint venture.



**44. Interest in Other Entities (Contd.)****Summarised Balance Sheet**

(₹ in crore)

Particulars	Powerlinks Transmission Limited		Torrent Power Grid Limited		Parbati Koldam Transmission Company Limited		Teestavalley Power Transmission Limited	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
<b>Current Assets</b>								
Cash & Cash Equivalent	3.80	8.23	0.52	3.51	25.72	39.50	9.05	38.42
Other Assets	156.93	155.71	26.78	34.58	181.32	134.63	58.08	83.74
<b>Total Current Assets</b>	<b>160.73</b>	<b>163.94</b>	<b>27.30</b>	<b>38.09</b>	<b>207.04</b>	<b>174.13</b>	<b>67.13</b>	<b>122.16</b>
<b>Total Non-Current Assets</b>	<b>847.80</b>	<b>875.08</b>	<b>123.83</b>	<b>140.09</b>	<b>594.17</b>	<b>643.67</b>	<b>1,381.35</b>	<b>1,459.61</b>
<b>Current Liabilities</b>								
Financial Liabilities	11.46	53.89	13.01	31.80	204.19	134.56	114.22	167.46
Other Liabilities	12.79	16.33	3.59	2.03	0.18	0.25	43.90	39.31
<b>Total Current Liabilities</b>	<b>24.25</b>	<b>70.22</b>	<b>16.60</b>	<b>33.83</b>	<b>204.37</b>	<b>134.81</b>	<b>158.12</b>	<b>206.77</b>
<b>Non-Current Liabilities</b>								
Financial Liabilities	7.14	8.72	-	5.20	288.46	349.93	788.97	895.77
Other Liabilities	1.82	1.65	2.54	5.82	-	-	32.46	26.40
<b>Total Non-Current Liabilities</b>	<b>8.96</b>	<b>10.37</b>	<b>2.54</b>	<b>11.02</b>	<b>288.46</b>	<b>349.93</b>	<b>821.43</b>	<b>922.17</b>
<b>Net Assets</b>	<b>975.32</b>	<b>958.43</b>	<b>131.99</b>	<b>133.33</b>	<b>308.38</b>	<b>333.06</b>	<b>468.93</b>	<b>452.83</b>

(₹ in crore)

Particulars	North East Transmission Company Limited		National High Power Test Laboratory Private Limited		Bihar Grid Company Limited		Energy Efficiency Services Limited	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
<b>Current Assets</b>								
Cash & Cash Equivalent	43.83	59.57	2.58	4.09	129.89	110.06	724.05	-
Other Assets	164.54	211.47	3.16	5.53	681.36	571.56	4,713.42	-
<b>Total Current Assets</b>	<b>208.37</b>	<b>271.04</b>	<b>5.74</b>	<b>9.62</b>	<b>811.25</b>	<b>681.62</b>	<b>5,437.47</b>	<b>-</b>
<b>Total Non-Current Assets</b>	<b>1,407.57</b>	<b>1,465.02</b>	<b>328.61</b>	<b>332.97</b>	<b>2,770.37</b>	<b>2,555.73</b>	<b>4,694.25</b>	<b>-</b>
<b>Current Liabilities</b>								
Financial Liabilities	226.11	111.22	71.61	64.68	178.85	156.13	4,047.24	-
Other Liabilities	6.09	136.97	3.68	0.01	140.45	51.38	206.40	-
<b>Total Current Liabilities</b>	<b>232.20</b>	<b>248.19</b>	<b>75.29</b>	<b>64.69</b>	<b>319.30</b>	<b>207.51</b>	<b>4,253.64</b>	<b>-</b>
<b>Non-Current Liabilities</b>								


**44. Interest in Other Entities (Contd.)**
**Summarised Balance Sheet (Contd.)**

(₹ in crore)

Particulars	North East Transmission Company Limited		National High Power Test Laboratory Private Limited		Bihar Grid Company Limited		Energy Efficiency Services Limited	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Financial Liabilities	791.25	945.01	187.05	186.54	2,063.97	2,036.08	4,595.02	-
Other Liabilities	97.08	63.55	0.80	0.28	174.18	131.18	13.83	-
<b>Total Non-Current Liabilities</b>	<b>888.33</b>	<b>1,008.56</b>	<b>187.85</b>	<b>186.82</b>	<b>2,238.15</b>	<b>2,167.26</b>	<b>4,608.85</b>	-
<b>Net Assets</b>	<b>495.41</b>	<b>479.31</b>	<b>71.21</b>	<b>91.08</b>	<b>1,024.17</b>	<b>862.58</b>	<b>1,269.23</b>	-

(₹ in crore)

Particulars	Cross Border Power Transmission Company Limited		RINL Powergrid TLT Private Limited		Power Transmission Company Nepal Limited	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
<b>Current Assets</b>						
Cash & Cash Equivalent	26.17	18.24	0.11	0.19	0.52	0.41
Other Assets	39.85	36.52	-	-	48.63	45.27
<b>Total Current Assets</b>	<b>66.02</b>	<b>54.76</b>	<b>0.11</b>	<b>0.19</b>	<b>49.15</b>	<b>45.68</b>
<b>Total Non-Current Assets</b>	<b>191.81</b>	<b>203.31</b>	-	-	<b>69.71</b>	<b>74.70</b>
<b>Current Liabilities</b>						
Financial Liabilities	15.29	15.56	1.48	1.49	3.90	4.31
Other Liabilities	2.50	1.38	0.01	0.08	3.34	2.56
<b>Total Current Liabilities</b>	<b>17.79</b>	<b>16.94</b>	<b>1.49</b>	<b>1.57</b>	<b>7.24</b>	<b>6.87</b>
<b>Non-Current Liabilities</b>						
Financial Liabilities	108.76	121.56	-	-	62.97	68.02
Other Liabilities	4.38	4.32	-	-	-	-
<b>Total Non-Current Liabilities</b>	<b>113.14</b>	<b>125.88</b>	-	-	<b>62.97</b>	<b>68.02</b>
<b>Net Assets</b>	<b>126.90</b>	<b>115.25</b>	<b>(1.38)</b>	<b>(1.38)</b>	<b>48.65</b>	<b>45.49</b>

**Reconciliation to carrying amounts:**

(₹ in crore)

Particulars	Powerlinks Transmission Limited		Torrent Power Grid Limited		Parbati Koldam Transmission Company Limited		Teestavalley Power Transmission Limited	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Opening net assets	958.43	949.90	133.33	130.23	333.06	405.35	452.83	416.14
Investment by JV Partners	-	-	-	-	-	-	-	-
Profit for the year	91.39	102.01	18.46	19.31	13.51	60.97	16.14	46.05
Other Comprehensive income	0.38	0.12	-	(0.01)	0.01	0.36	0.02	(0.07)
Dividend Paid	74.88	93.60	19.80	16.20	38.20	135.04	-	-
Other Adjustments	-	-	-	-	-	1.42	(0.06)	(9.29)
<b>Closing net assets</b>	<b>975.32</b>	<b>958.43</b>	<b>131.99</b>	<b>133.33</b>	<b>308.38</b>	<b>333.06</b>	<b>468.93</b>	<b>452.83</b>

**44. Interest in Other Entities (Contd.)****Reconciliation to carrying amounts (Contd.)**

(₹ in crore)

Particulars	Powerlinks Transmission Limited		Torrent Power Grid Limited		Parbati Koldam Transmission Company Limited		Teestavalley Power Transmission Limited	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Group's share in %	49%	49%	26%	26%	26%	26%	30.92%	30.92%
Group's share in INR	477.91	469.63	34.32	34.67	80.18	86.60	144.99	140.02
<b>Carrying Amount</b>	<b>477.91</b>	<b>469.63</b>	<b>34.32</b>	<b>34.67</b>	<b>80.18</b>	<b>86.60</b>	<b>144.99</b>	<b>140.02</b>

(₹ in crore)

Particulars	North East Transmission Company Limited		National High Power Test Laboratory Private Limited		Bihar Grid Company Limited		Energy Efficiency Services Limited	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Opening net assets	479.31	465.78	91.08	109.82	862.58	607.17	1,010.85	-
Investment by JV Partners	-	-	-	-	64.48	66.00	407.49	-
Profit for the year	69.57	75.24	(20.02)	(19.22)	143.96	201.67	(149.23)	-
Other Comprehensive income	0.01	0.01	-	(0.01)	-	-	0.12	-
Dividend Paid	53.48	61.72	-	-	-	-	-	-
Other Adjustments	-	-	0.15	0.49	(46.85)	(12.26)	-	-
<b>Closing net assets</b>	<b>495.41</b>	<b>479.31</b>	<b>71.21</b>	<b>91.08</b>	<b>1,024.17</b>	<b>862.58</b>	<b>1,269.23</b>	-
Group's share in %	26%	26%	20%	20%	50%	50%	33.33%	NA
Group's share in INR	128.81	124.62	14.24	18.22	512.09	431.29	423.03	-
<b>Carrying Amount</b>	<b>128.81</b>	<b>124.62</b>	<b>14.24</b>	<b>18.22</b>	<b>512.09</b>	<b>431.29</b>	<b>423.03</b>	-

(₹ in crore)

Particulars	Cross Border Power Transmission Company Limited		RINL Powergrid TLT Private Limited		Power Transmission Company Nepal Limited	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Opening net assets	115.25	109.89	(1.38)	(0.37)	45.49	42.80
Investment by JV Partners	-	-	-	-	-	-
Profit for the year	17.26	14.74	(0.01)	(1.01)	8.29	7.76
Other Comprehensive income	-	-	-	-	-	-
Dividend Paid	5.33	10.19	-	-	5.06	5.06
Other Adjustments	(0.28)	0.81	0.01	-	(0.07)	(0.01)
<b>Closing net assets</b>	<b>126.90</b>	<b>115.25</b>	<b>(1.38)</b>	<b>(1.38)</b>	<b>48.65</b>	<b>45.49</b>
Group's share in %	26%	26%	50%	50%	26%	26%
Group's share in INR	32.99	29.97	-	-	12.65	11.83
<b>Carrying Amount</b>	<b>32.99</b>	<b>29.97</b>	-	-	<b>12.65</b>	<b>11.83</b>


**44. Interest in Other Entities (Contd.)**
**Summarised Statement of Profit and Loss**

(₹ in crore)

Particulars	Powerlinks Transmission Limited		Torrent Power Grid Limited		Parbati Koldam Transmission Company Limited		Teestavalley Power Transmission Limited	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Revenue From Operations	138.70	117.01	38.91	42.12	107.12	167.37	238.67	299.42
Other Income	5.46	10.31	1.94	2.12	7.19	8.75	2.44	0.84
<b>Total Income</b>	<b>144.16</b>	<b>127.32</b>	<b>40.85</b>	<b>44.24</b>	<b>114.31</b>	<b>176.12</b>	<b>241.11</b>	<b>300.26</b>
Employee benefits expense	9.46	7.84	1.88	2.16	3.16	3.27	7.93	7.09
Finance costs	0.82	0.77	1.05	2.85	38.37	44.10	126.93	133.81
Depreciation and amortization expense	0.68	0.71	16.45	16.45	49.43	49.32	88.48	87.34
Other expenses	6.93	6.68	2.91	3.39	7.19	5.88	10.59	10.06
<b>Total Expenses</b>	<b>17.89</b>	<b>16.00</b>	<b>22.29</b>	<b>24.85</b>	<b>98.15</b>	<b>102.57</b>	<b>233.93</b>	<b>238.30</b>
Tax Expenses	34.88	9.31	0.10	0.08	2.65	12.58	(8.96)	15.91
Profit for the year	91.39	102.01	18.46	19.31	13.51	60.97	16.14	46.05
Other Comprehensive income	0.38	0.12	-	(0.01)	0.01	0.36	0.02	(0.07)
<b>Total Comprehensive income</b>	<b>91.77</b>	<b>102.13</b>	<b>18.46</b>	<b>19.30</b>	<b>13.52</b>	<b>61.33</b>	<b>16.16</b>	<b>45.98</b>
Dividend Received	36.69	45.86	5.15	4.21	9.93	35.11	-	-

(₹ in crore)

Particulars	North East Transmission Company Limited		National High Power Test Laboratory Private Limited		Bihar Grid Company Limited		Energy Efficiency Services Limited	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Revenue From Operations	309.24	306.63	14.65	15.39	452.62	460.20	938.76	-
Other Income	11.52	17.33	0.38	0.16	65.92	41.88	23.76	-
<b>Total Income</b>	<b>320.76</b>	<b>323.96</b>	<b>15.03</b>	<b>15.55</b>	<b>518.54</b>	<b>502.08</b>	<b>962.52</b>	-
Purchase of Stock in Trade	-	-	-	-	-	-	129.52	-
Employee benefits expense	6.99	5.76	1.96	1.86	14.95	12.49	35.96	-
Finance costs	59.92	131.82	19.18	18.91	175.85	164.87	237.10	-
Depreciation and amortization expense	117.38	117.37	8.51	8.32	105.38	95.60	408.91	-
Other expenses	12.77	12.29	5.40	5.68	29.03	28.55	355.40	-
<b>Total Expenses</b>	<b>197.06</b>	<b>267.24</b>	<b>35.05</b>	<b>34.77</b>	<b>325.21</b>	<b>301.51</b>	<b>1,166.89</b>	-
Tax Expenses	54.13	(18.52)	-	-	49.37	(1.10)	(55.14)	-
Profit for the year	69.57	75.24	(20.02)	(19.22)	143.96	201.67	(149.23)	-
Other Comprehensive income	0.01	0.01	-	(0.01)	-	-	0.12	-
<b>Total Comprehensive income</b>	<b>69.58</b>	<b>75.25</b>	<b>(20.02)</b>	<b>(19.23)</b>	<b>143.96</b>	<b>201.67</b>	<b>(149.11)</b>	-
Dividend Received	13.90	16.05	-	-	-	-	-	-

**44. Interest in Other Entities (Contd.)****Summarised Statement of Profit and Loss (Contd.)**

(₹ in crore)

Particulars	Cross Border Power Transmission Company Limited		RINL Powergrid TLT Private Limited		Power Transmission Company Nepal Limited	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Revenue From Operations	7.23	5.89	-	-	16.46	16.31
Other Income	27.25	27.55	-	-	3.70	3.48
<b>Total Income</b>	<b>34.48</b>	<b>33.44</b>	-	-	<b>20.16</b>	<b>19.79</b>
Employee benefits expense	1.34	1.35	-	-	0.74	0.83
Finance costs	12.37	13.61	-	-	3.64	4.02
Depreciation and amortization expense	0.02	0.03	-	-	5.20	5.20
Other expenses	3.49	3.71	0.01	1.01	1.68	1.25
<b>Total Expenses</b>	<b>17.22</b>	<b>18.70</b>	<b>0.01</b>	<b>1.01</b>	<b>11.26</b>	<b>11.30</b>
Tax Expenses	-	-	-	-	0.61	0.73
Profit for the year	17.26	14.74	(0.01)	(1.01)	8.29	7.76
Other Comprehensive income	-	-	-	-	-	-
<b>Total Comprehensive income</b>	<b>17.26</b>	<b>14.74</b>	<b>(0.01)</b>	<b>(1.01)</b>	<b>8.29</b>	<b>7.76</b>
Dividend Received	1.39	2.65	-	-	1.32	1.32

45. Cash equivalent of deemed export benefits availed of ₹209.99 crore in respect of supplies effected for East South Inter Connector-II Transmission Project (ESI) and Sasaram Transmission Project (STP), were paid to the Customs and Central Excise Authorities in accordance with direction from Ministry of Power (GOI) during 2002-03 due to non-availability of World Bank loan for the entire supplies in respect of ESI project and for the supplies prior to March 2000 in respect of STP project and the same was capitalised in the books of accounts. Thereafter, World Bank had financed both the ESI project and STP project as originally envisaged and they became eligible for deemed export benefits. Consequently, the group has lodged claims with the Customs and Excise Authorities.

In this regard the Cumulative amount received and de-capitalized upto 31.03.2022 is ₹12.12 crore (Previous Year ₹12.12 crore). The group continued to show the balance of ₹197.87 crore (Previous Year ₹197.87 crore) in the capital cost of the respective assets / projects pending receipt of the same from Customs and Excise Authorities.

46. a) Some balances of Trade Receivables and recoverable shown under Assets and Trade and Other Payables shown under Liabilities include balances subject to confirmation/ reconciliation and consequential adjustments if any. However, reconciliations are carried out on ongoing basis. The management does not expect any material adjustment in the books of accounts as a result of the reconciliation.

b) In the opinion of the management, the value of any of the assets other than Property, Plant and Equipment and non-current investments on realization in the ordinary course of business will not be less than the value at which they are stated in the Balance Sheet.

**47. Disclosure as per Ind AS 115 - "Revenue from Contracts with Customers"**

a) For milestone based contracts (consultancy contracts), unsatisfied performance obligations are as follows:

(₹ in crore)

Particulars	As at 31.03.2022	As at 31.03.2021
Transaction price related to unsatisfied (or partially satisfied) performance obligation	1,845.97	2,477.46
These performance obligations are expected to be satisfied within	3 Years	3 Years


**47. Disclosure as per Ind AS 115 - "Revenue from Contracts with Customers" (Contd.)**

b) The movement in contract assets during the year is as follows:

(₹ in crore)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Balance at the beginning	2,180.59	1,172.13
Add: Revenue recognised during the period	8,301.35	5,010.57
Less: Invoiced/transferred to trade receivables during the period	4,874.20	4,002.11
<b>Balance at the end</b>	<b>5,607.74</b>	<b>2,180.59</b>

c) The movement in contract liability during the year is as follows:

(₹ in crore)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Balance at the beginning	1,035.14	1,164.02
Add: Advance billing during the period	865.78	548.83
Less: revenue recognised during the period		
a) From contract liability as at beginning of the period	691.95	588.09
b) From contract liability recognised during the period	186.42	89.45
Add: Translation gain/(Loss)	0.18	(0.17)
<b>Balance at the end</b>	<b>1,022.73</b>	<b>1,035.14</b>

d) The entity determines transaction price based on expected value method considering its past experiences of refunds or significant reversals in amount of revenue. In estimating significant financing component, management considers the financing element inbuilt in the transaction price based on imputed rate of return. Reconciliation of Contracted Price vis-a-vis revenue recognized in profit or loss statement is as follows:

(₹ in crore)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Contracted price	40,275.16	38,703.41
Add/ (Less)- Discounts/ rebates provided to customer	(171.55)	(116.64)
Add/ (Less)- Performance bonus	447.97	480.90
Add/ (Less)- Adjustment for significant financing component	80.65	73.10
Add/ (Less)- Other adjustments	984.11	499.02
<b>Revenue recognised in profit or loss statement</b>	<b>41,616.34</b>	<b>39,639.79</b>

48. (i) FERV Loss of ₹568.13 crore (Previous Year FERV Gain of ₹450.57 crore) has been adjusted in the respective carrying amount of Property, Plant and Equipment/Capital work in Progress (CWIP)/Lease Receivables.

(ii) FERV Loss of ₹6.69 crore (Previous Year FERV Loss of ₹60.61 crore) has been recognised in the Statement of Profit and Loss.

49. Borrowing cost capitalised during the year is ₹464.71 crore (Previous Year ₹806.05 crore) in the respective carrying amount of Property, Plant and Equipment/Capital work in Progress (CWIP) as per Ind AS 23 'Borrowing Costs'.

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

(₹ in crore)

Sr. No	Particulars	Trade Payables		Others	
		As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
1	Principal amount and interest due thereon remaining unpaid to any supplier as at end of each accounting year:				
	Principal	47.19	29.75	5.98	3.65
	Interest	-	0.01	-	-
2	The amount of Interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-	-	-
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	0.01	-	-
4	The amount of interest accrued and remaining unpaid at the end of each accounting year	-	0.01	-	-
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-	-	-

### 51. Disclosure as per Ind AS 116 - "Leases"

#### a) As a Lessor - Finance Leases:

The group has classified and accounted for the arrangements for state sector ULDC assets and bilateral assets as finance leases. Agreements for State Sector ULDC are for a period of 15 years and Bilateral Line Assets with the beneficiary are for the period as specified in CERC Regulations.

Other Non-Current Financial Assets and Other Current Financial Assets include lease receivables representing the present value of future lease rentals receivable on the finance lease transactions entered into by the group with the constituents in respect of State Sector ULDC and Bilateral Line Assets. Disclosure requirements of Ind AS 116 'Leases' notified under the Companies Act, 2013 are given as under:

- (i) Details of gross investment in lease, un-earned finance income and present value of minimum lease payments receivables at the end of financial year are given as under:

(₹ in crore)

Particulars	As at 31.03.2022	As at 31.03.2021
Gross investment in Lease	2,779.60	2127.52
Un-earned Finance Income	1788.84	1323.41
Present value of Minimum Lease Payment (MLP)	990.76	804.11





## 51. Disclosure as per Ind AS 116 - "Leases" (Contd.)

(ii) The value of contractual maturity of such leases is as under:

(₹ in crore)

Particulars	Gross Investment in Lease		Present Value of MLPs	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Not later than one year	182.67	160.99	63.14	55.72
Later than one year and not later than two years	190.58	160.60	65.22	57.04
Later than two years and not later than three years	190.35	160.41	67.55	58.71
Later than three years and not later than four years	190.11	160.20	70.14	60.57
Later than four years and not later than five years	189.87	159.99	73.02	62.63
Later than five years	1,836.02	1,325.33	651.69	509.44
<b>Total</b>	<b>2,779.60</b>	<b>2,127.52</b>	<b>990.76</b>	<b>804.11</b>

(iii) There are differences in balance lease receivable as at year end as per accounts and tariff records on account of Undischarged liabilities & Unamortized FERV on loans amounting to ₹119.64 crore (Previous Year ₹105.02 crore). Undischarged liabilities become part of project cost only on discharge of such liabilities & FERV are allowed to be recovered as part of tariff on actual payment basis.

### b) As a Lessee:

The group has taken assets on lease such as dark fibre, colocation & repeater shelter spaces and office buildings etc. for various periods which are assessed and accounted as per the requirements of Ind AS 116 - "Leases" and required disclosures as per the said Ind AS are as follows:

#### (i) ROU Assets:

Additions, termination/disposal and depreciation charge on right of use assets for the year and carrying amount of the same as at the end of the financial year by class of underlying asset has been disclosed in note no. 4 as a separate line item.

#### (ii) Lease Liabilities:

Interest expense on lease liabilities for the year is shown under note no. 38 and total cash outflow for leases for the year has been disclosed in statement of cash flow under financing activities as separate line item and maturity analysis of lease liabilities has been disclosed in note no. 64.

#### (iii) Short term leases:

The group, during the financial year, has incurred ₹32.90 crore (Previous Year ₹37.56 crore) with respect to short term leases.

The group was committed to short term leases and the total commitment of such leases at the end of financial year was ₹7.09 crore (Previous Year ₹5.94 crore).

## 52. Disclosure as per Ind AS 103 - "Business Combinations"

The Group was having joint control and holding 26% of share capital of Jaypee Powergrid Limited (JPL) (a joint venture between the Group and Jaiprakash Power Ventures Limited). During the previous year, the Group acquired remaining interest (74%) from other joint venturer through share purchase agreement dated 25 March 2021 and terminated joint venture agreement. As JPL is in a regulated tariff mechanism having predictable returns similar to the company and with economies of scale of its operations, the Group will benefit in terms of cost optimisation and shared resources.

### i) Consideration transferred:

Out of total Purchase consideration of ₹354.50 crore for acquisition of JPL, ₹351.65 crore has been paid in cash and cash equivalents in FY 2020-21 & remaining ₹2.85 crore is paid during FY 2021-22.

### ii) Identifiable assets acquired and liabilities assumed:

The following table summarises the recognised amounts of assets and liabilities assumed as at the date of acquisition:

(₹ in crore)

Particulars	Amount
Property, Plant and Equipment	529.51
Other Non-current assets	0.02
Deferred Tax Assets	20.57
Current assets	101.48

**52. Disclosure as per Ind AS 103 - "Business Combinations" (Contd.)**

(₹ in crore)

Particulars	Amount
Regulatory deferral account balances	15.79
Non-current liabilities	(110.89)
Current liabilities	(76.40)
<b>Total net identifiable assets acquired</b>	<b>480.08</b>

**iii) Capital Reserve:**

(₹ in crore)

Particulars	Amount
Fair Value of Net identifiable Assets	480.08
Less: Fair Value of previously held equity interest	124.82
Less: Consideration for acquisition of 74% stake	354.50
<b>Capital Reserve</b>	<b>0.76</b>

**iv) Revenue and profit contribution**

Acquisition of JPL has contributed revenue of ₹2.43 crore and ₹1.19 crore to profit before tax, from 25 March 2021 to 31 March 2021. If the acquisition had occurred on 1 April 2020, consolidated pro-forma revenue and profit before tax of the Group for the year ended 31 March 2021 would have been ₹39,785.11 crore and ₹15,188.40 crore respectively.

**v) Purchase consideration – cash outflow:**

(₹ in crore)

Particulars	Amount
Outflow of cash to acquire subsidiary (net of cash acquired)	
Total Consideration	354.50
Less: Consideration yet to be paid	2.85
Less: Cash and Cash Equivalents acquired	43.26
<b>Net outflow of cash - investing activities</b>	<b>308.39</b>

**vi) Contingent liabilities acquired on acquisition:**

JPL has contingent liability amounting to ₹1.50 crore in respect of Land /Crop/Tree Compensation cases on the date of acquisition.

**vii) Gain/(loss) on remeasurement of previously held equity interest:**

The Group previously held 26% interest in JPL which was classified as investment in joint venture till the date of acquisition of 74% stake. There is no gain/(loss) recognised on existing equity interest in JPL by the Group as the acquisition date fair value is equal to the carrying value of the previously held equity interest.

**53. Disclosures relating to Regulatory Deferral Account Balances****i) Nature of rate regulated activities**

The group is mainly engaged in the business of transmission of power. The tariff for transmission of power is determined by the CERC through tariff regulations. The tariff is based on capital cost admitted by CERC and provides for transmission charges recovery of annual fixed cost consisting of Return on equity, Interest on loan capital, Depreciation, interest on working capital and Operation & Maintenance expenses.

**ii) Recognition and measurement**

FERV arising during the construction period for settlement/translation of monetary items (other than non-current loans) denominated in foreign currency to the extent recoverable/payable to the beneficiaries as capital cost as per CERC Tariff Regulations are accounted as Regulatory Deferral Account Balances. In respect of long-term foreign currency loan drawn on or after 01.04.2016, exchange difference to the extent recoverable as per CERC Tariff Regulations are recognised as Regulatory Deferral Account Balances. The group expects to recover these amounts through depreciation component of the tariff over the life of the asset or as exchange rate variation on repayment of the loan.



### 53. Disclosures relating to Regulatory Deferral Account Balances (Contd.)

The tariff norms for the block period 2019-2024 notified by the Central Electricity Regulatory Commission (CERC) provide for grossing up of the return on equity based on effective tax rate for the financial year based on the actual tax paid during the year on the transmission income. Accordingly, deferred tax provided during the year ended 31.03.2022 on the transmission income is accounted as 'Deferred Assets against Deferred Tax Liability'. Deferred Assets against Deferred Tax Liability for the year will be reversed in future years (including tax holiday period) when the related deferred tax liability forms a part of current tax.

The cumulative amount of ₹135.76 crore (cumulative previous year amount of ₹134.16 crore) on account of pay revision and other expenses which are not capitalised but allowed as capital cost as per CERC Tariff Regulations is recoverable from the beneficiaries is included in Regulatory Deferral Account Balances and will be adjusted in the year in which they become recoverable from beneficiaries as per CERC. Amount of regulatory deferral account balances is on undiscounted basis.

#### iii) Risk associated with future recovery/ reversal of regulatory deferral account balances

- (a) regulatory risk on account of changes in regulations.
- (b) other risks including currency or other market risks, if any.

Any change in the Tariff regulations beyond the current tariff period ending on 31.03.2024 may have an impact on the recovery of Regulatory Deferral Account Balances.

The Regulatory Deferral Account Balances (assets) recognized in the books to be recovered from the beneficiaries in future periods are as follows:

(₹ in crore)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>A. Opening Balance</b>	<b>10,575.13</b>	<b>10,123.06</b>
B. Addition/(deduction) during the year	(566.48)	506.93
C. Amount collected/refunded during the year	75.41	70.65
D. a) Regulated Income/(Expense) recognised in the statement of Profit and Loss (B-C)	(641.89)	436.28
b) Addition on business combination	-	15.79
<b>E. Closing Balance (A+D)</b>	<b>9,933.24</b>	<b>10,575.13</b>
F. Tax on Regulated Income/(Expense) recognised in the statement of Profit and Loss	(112.15)	74.60

### 54. Disclosure as required by Regulation 34 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

- A. Loans and Advances in nature of Loans:
  1. To Joint Ventures

(₹ in crore)

Name of the Company	Outstanding balance		Maximum amount outstanding	
	As at 31.03.2022	As at 31.03.2021	For the year ended 31.03.2022	For the year ended 31.03.2021
<u>Joint Ventures</u>				
National High Power Test Laboratory Private Limited	18.40	18.40	18.40	18.40
Teestavalley Power Transmission Limited	-	29.29	29.29	95.00
<b>Total</b>	<b>18.40</b>	<b>47.69</b>	<b>47.69</b>	<b>113.40</b>

2. To firms/companies in which directors are interested: NIL
- B. Investment by the loanee (as detailed above) in the shares of Power Grid Corporation of India Ltd: NIL

### 55. Corporate Social Responsibility (CSR) Expenses

As per Section 135 of the Companies Act, 2013 along with Companies (Corporate Social Responsibility Policy) Rules, 2014 read with DPE guidelines no F.No.15 (13)/2013-DPE (GM), the group is required to spend, in every financial year, at least two per cent of the average net profits of the group made during the three immediately preceding financial years in accordance with its CSR Policy. Accordingly, the Group has spent ₹273.91 crore (Previous Year ₹247.22 crore) on CSR activities.

**56. Additional Information as required under Schedule III of the Companies Act, 2013**

(₹ in crore)

Particulars	Net Assets i.e. assets minus total liabilities		Share in profit or loss				Share in Other Comprehensive Income				Share in Total Comprehensive Income						
	As at 31.03.2022		As at 31.03.2021		For the year ended 31.03.2022		For the year ended 31.03.2021		For the year ended 31.03.2022		For the year ended 31.03.2021		For the year ended 31.03.2022		For the year ended 31.03.2021		
	As % of consol. net assets	Amount	As % of consol. net assets	Amount	As % of consol. profit or loss	Amount	As % of consol. profit or loss	Amount	As % of consol. OCI	Amount	As % of consol. OCI	Amount	As % of consol. Total Comp. Income	Amount	As % of consol. Total Comp. Income	Amount	
<b>Parent</b>																	
Power Grid Corporation of India Limited	92.65%	70,640.37	91.41%	63,926.96	96.99%	16,318.33	93.36%	11,237.33	99.93%	290.93	99.49%	25.36	97.04%	16,609.26	93.37%	11,262.69	
<b>Subsidiaries</b>																	
Indian																	
Powergrid Vemagiri Transmission Limited	-0.03%	(19.42)	-0.03%	(19.41)	0.00%	(0.01)	0.00%	-	0.00%	-	0.00%	-	0.00%	(0.01)	0.00%	-	-
Powergrid NM Transmission Limited	0.35%	264.27	0.36%	252.87	0.04%	7.50	-0.31%	(37.05)	0.00%	-	0.00%	-	0.04%	7.50	-0.31%	(37.05)	
Powergrid Vizag Transmission Limited	NA	NA	0.46%	322.76	0.13%	21.12	0.91%	109.20	0.00%	-	0.00%	-	0.12%	21.12	0.91%	109.20	
Powergrid Unchahar Transmission Limited	0.03%	25.03	0.03%	21.61	0.10%	16.77	0.04%	4.94	0.00%	-	0.00%	-	0.10%	16.77	0.04%	4.94	
Powergrid Kala Amb Transmission Limited	NA	NA	0.12%	83.73	0.02%	3.48	0.24%	29.48	0.00%	-	0.00%	-	0.02%	3.48	0.24%	29.48	
Powergrid Jabalpur Transmission Limited	NA	NA	0.37%	256.29	0.08%	13.03	0.75%	89.70	0.00%	-	0.00%	-	0.08%	13.03	0.74%	89.70	
Powergrid Warora Transmission Limited	NA	NA	0.66%	465.06	0.11%	18.85	1.17%	140.28	0.00%	-	0.00%	-	0.11%	18.85	1.16%	140.28	
Powergrid Parli Transmission Limited	NA	NA	0.55%	384.56	0.11%	17.89	1.13%	136.54	0.00%	-	0.00%	-	0.10%	17.89	1.13%	136.54	
Powergrid Southern Interconnector Transmission System Limited	0.84%	639.80	1.18%	824.78	-0.22%	(37.51)	0.90%	108.68	0.00%	-	0.00%	-	-0.22%	(37.51)	0.90%	108.68	
Powergrid Medinipur Jeerat Transmission Limited	0.91%	692.24	0.81%	568.78	1.14%	191.62	0.16%	19.15	0.00%	-	0.00%	-	1.12%	191.62	0.16%	19.15	
Powergrid Mithilanchal Transmission Limited	0.33%	254.51	0.31%	214.44	0.23%	38.09	0.01%	0.95	0.00%	-	0.00%	-	0.22%	38.09	0.01%	0.95	
Powergrid Varanasi Transmission System Limited	0.26%	195.01	0.24%	168.06	0.12%	20.16	0.00%	0.02	0.00%	-	0.00%	-	0.12%	20.16	0.00%	0.02	
Powergrid Jawaharpur Firozabad Transmission Limited	0.13%	101.60	0.11%	78.25	0.10%	17.12	0.01%	1.05	0.00%	-	0.00%	-	0.10%	17.12	0.01%	1.05	



**56. Additional Information as required under Schedule III of the Companies Act, 2013 (Condt.)**

(₹ in crore)

Particulars	Net Assets i.e. assets minus total liabilities		Share in profit or loss				Share in Other Comprehensive Income				Share in Total Comprehensive Income					
	As at 31.03.2022		As at 31.03.2021		For the year ended 31.03.2022		For the year ended 31.03.2021		For the year ended 31.03.2022		For the year ended 31.03.2021		For the year ended 31.03.2022		For the year ended 31.03.2021	
	As % of consol. net assets	Amount	As % of consol. net assets	Amount	As % of consol. profit or loss	Amount	As % of consol. profit or loss	Amount	As % of consol. OCI	Amount	As % of consol. OCI	Amount	As % of consol. Total Comp. Income	Amount	As % of consol. Total Comp. Income	Amount
Powergrid Khatri Transmission System Limited	0.27%	203.83	0.23%	161.02	0.04%	5.96	0.00%	(0.05)	0.00%	-	0.00%	-	0.03%	5.96	0.00%	(0.05)
Powergrid Bhuji Transmission Limited	0.24%	179.97	0.14%	97.71	0.00%	(0.03)	0.00%	-	0.00%	-	0.00%	-	0.00%	(0.03)	0.00%	-
Powergrid Bhand Guna Transmission Limited	0.12%	89.44	0.07%	49.41	0.00%	(0.07)	0.00%	-	0.00%	-	0.00%	-	0.00%	(0.07)	0.00%	-
Powergrid Ajmer Phagi Transmission Limited	0.15%	115.57	0.16%	111.66	0.01%	0.91	0.00%	(0.02)	0.00%	-	0.00%	-	0.01%	0.91	0.00%	(0.02)
Powergrid Fatehgarh Transmission Limited	0.19%	143.26	0.16%	113.41	0.01%	2.26	0.00%	-	0.00%	-	0.00%	-	0.01%	2.26	0.00%	-
Powergrid Rampur Sambhal Transmission Limited	0.14%	108.06	0.03%	20.64	0.00%	(0.06)	0.00%	-	0.00%	-	0.00%	-	0.00%	(0.06)	0.00%	-
Powergrid Meerut Simbhavali Transmission Limited	0.17%	129.69	0.05%	32.01	0.00%	(0.02)	0.00%	-	0.00%	-	0.00%	-	0.00%	(0.02)	0.00%	-
Central Transmission Utility of India Limited	0.05%	40.05	0.00%	0.02	0.24%	40.03	0.00%	(0.03)	0.00%	-	0.00%	-	0.23%	40.03	0.00%	(0.03)
Powergrid Ramgarh Transmission Limited	0.00%	0.58	0.00%	(0.46)	0.00%	(0.01)	0.00%	(0.51)	0.00%	-	0.00%	-	0.00%	(0.01)	0.00%	(0.51)
Powergrid Himachal Transmission Limited	0.55%	422.30	0.65%	455.05	0.30%	51.28	-0.21%	(25.03)	-0.01%	(0.03)	0.00%	-	0.30%	51.25	-0.21%	(25.03)
Powergrid Bikaner Transmission System Limited	0.03%	22.19	0.00%	0.01	0.00%	(0.02)	0.00%	-	0.00%	-	0.00%	-	0.00%	(0.02)	0.00%	-
Powergrid Sikar Transmission Limited	0.06%	46.88	NA	NA	0.00%	0.12	NA	NA	0.00%	-	NA	NA	0.00%	0.12	NA	NA
Powergrid Bhadla Transmission Limited	0.03%	19.74	NA	NA	0.00%	0.15	NA	NA	0.00%	-	NA	NA	0.00%	0.15	NA	NA
Powergrid Aligarh Sikar Transmission Limited	0.08%	62.34	NA	NA	0.00%	(0.01)	NA	NA	0.00%	-	NA	NA	0.00%	(0.01)	NA	NA
Powergrid Teleservices Limited	0.01%	8.68	NA	NA	0.00%	(0.32)	NA	NA	0.00%	-	NA	NA	0.00%	(0.32)	NA	NA
Powergrid Energy Services Limited	0.00%	(0.07)	NA	NA	0.00%	(0.07)	NA	NA	0.00%	-	NA	NA	0.00%	(0.07)	NA	NA

(₹ in crore)

**56. Additional Information as required under Schedule III of the Companies Act, 2013 Contd.**

Particulars	Net Assets i.e. assets minus total liabilities		Share in profit or loss				Share in Other Comprehensive Income				Share in Total Comprehensive Income						
	As at 31.03.2022		As at 31.03.2021		For the year ended 31.03.2022		For the year ended 31.03.2021		For the year ended 31.03.2022		For the year ended 31.03.2021		For the year ended 31.03.2022		For the year ended 31.03.2021		
	As % of consol. net assets	Amount	As % of consol. net assets	Amount	As % of consol. profit or loss	Amount	As % of consol. profit or loss	Amount	As % of consol. OCI	Amount	As % of consol. OCI	Amount	As % of consol. Total Comp. Income	Amount	As % of consol. Total Comp. Income	Amount	
<b>Joint Ventures</b>																	
Indian																	
Powerlinks Transmission Limited	0.63%	477.91	0.67%	469.63	0.27%	44.78	0.41%	49.98	0.07%	0.19	0.24%	0.06	0.26%	44.97	0.42%	50.04	
Torrent Power Grid Limited	0.05%	34.32	0.05%	34.67	0.03%	4.80	0.04%	5.02	0.00%	-	0.00%	-	0.03%	4.80	0.04%	5.02	
Powergrid Himachal Transmission Limited	NA	NA	NA	NA	NA	NA	0.12%	14.31	NA	NA	0.00%	-	NA	NA	0.12%	14.31	
Parbati Koldam Transmission Company Limited	0.11%	80.18	0.12%	86.60	0.02%	3.51	0.13%	15.86	0.00%	-	0.35%	0.09	0.02%	3.51	0.13%	15.95	
Teestavalley Power Transmission Limited	0.19%	144.99	0.20%	140.02	0.03%	4.96	0.12%	14.24	0.00%	0.01	-0.08%	(0.02)	0.03%	4.97	0.12%	14.22	
North East Transmission Company Limited	0.17%	128.81	0.18%	124.62	0.11%	18.09	0.16%	19.57	0.00%	-	0.00%	-	0.11%	18.09	0.16%	19.57	
National High Power Test Laboratory Private Limited	0.02%	14.24	0.03%	18.22	-0.03%	(3.98)	-0.03%	(3.84)	0.00%	-	0.00%	-	-0.02%	(3.98)	-0.03%	(3.84)	
Bihar Grid Company Limited	0.67%	512.09	0.62%	431.29	0.29%	48.56	0.84%	100.83	0.00%	-	0.00%	-	0.28%	48.56	0.84%	100.83	
Energy Efficiency Services Limited	0.55%	423.03	0.00%	-	-0.31%	(49.74)	0.00%	-	0.01%	0.04	0.00%	-	-0.28%	(49.70)	0.00%	-	
Cross Border Power Transmission Company Limited	0.04%	32.99	0.04%	29.97	0.03%	4.41	0.03%	3.84	0.00%	-	0.00%	-	0.03%	4.41	0.03%	3.84	
RINL Powergrid TLT Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	
Foreign																	
Power Transmission Company Nepal Limited	0.01%	12.65	0.02%	11.83	0.01%	2.14	0.02%	2.02	0.00%	-	0.00%	-	0.01%	2.14	0.02%	2.02	
<b>Total</b>	<b>100.00%</b>	<b>76,247.13</b>	<b>100.00%</b>	<b>69,936.07</b>	<b>100.00%</b>	<b>16,824.07</b>	<b>100.00%</b>	<b>12,036.46</b>	<b>100.00%</b>	<b>291.14</b>	<b>100.00%</b>	<b>25.49</b>	<b>100.00%</b>	<b>17,115.21</b>	<b>100.00%</b>	<b>12,061.95</b>	



## 57. Fair Value Measurement

(₹ in crore)

Financial Instruments by category	As at 31.03.2022		As at 31.03.2021	
	FVOCI	Amortised cost	FVOCI	Amortised cost
<b>Financial Assets</b>				
Investments				
Equity Instruments				
-PTC India Limited (12000006 shares of ₹10 each)	98.69		93.30	
Energy Efficiency Services Limited (Previous year 56118350 shares of ₹10 each)	-		45.40	
POWERGRID Infrastructure Investment Trust (136500100 units (Previous year NIL))	1,827.74		-	
Trade Receivables		9,475.07		8,629.42
Loans		505.04		449.63
Cash & cash Equivalents		2,577.11		4,487.23
Bank Balance		2,545.90		964.14
Other Financial Assets				
Current		6,156.69		3,025.43
Non-Current		4,516.33		4,468.08
<b>Total Financial assets</b>	<b>1,926.43</b>	<b>25,776.14</b>	<b>138.70</b>	<b>22,023.93</b>
<b>Financial Liabilities</b>				
Borrowings		1,37,447.04		1,46,311.85
Trade Payables		267.10		187.48
Other Financial Liabilities				
Current		7,392.23		7,705.76
Non-Current		3,523.00		3,733.98
<b>Total financial liabilities</b>	<b>-</b>	<b>1,48,629.37</b>	<b>-</b>	<b>1,57,939.07</b>

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are measured at fair value and financial instruments that are measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

### Financial instruments that are measured at Fair value:

(₹ in crore)

Particulars	Level 1	Level 2	Level 3	Total
<b>As at 31.03.2022</b>				
<b>Financial Assets</b>				
Investments				
Equity Instruments				
-PTC India Limited (12000006 shares of ₹10 each)	98.69	-	-	98.69
POWERGRID Infrastructure Investment Trust (136500100 units)	1,827.74	-	-	1,827.74
<b>Total Financial Assets</b>	<b>1,926.43</b>	<b>-</b>	<b>-</b>	<b>1,926.43</b>

(₹ in crore)

Particulars	Level 1	Level 2	Level 3	Total
<b>As at 31.03.2021</b>				
<b>Financial Assets</b>				
Investments				
Equity Instruments				
-PTC India Limited (12000006 shares of ₹10 each)	93.30	-	-	93.30
Energy Efficiency Services Limited (56118350 shares of ₹10 each)	-	45.40	-	45.40
<b>Total Financial Assets</b>	<b>93.30</b>	<b>45.40</b>	<b>-</b>	<b>138.70</b>



## 57. Fair Value Measurement (Contd.)

Financial instruments that are measured at Amortised Cost:

(₹ in crore)

Particulars	Level	As at 31.03.2022		As at 31.03.2021	
		Carrying Amount	Fair value	Carrying Amount	Fair value
<b>Financial Assets</b>					
<b>Loans</b>					
Loans to Joint Venture	2	21.74	18.27	52.88	49.04
Loans to employees	2	483.30	448.43	396.75	379.82
<b>Total Financial Assets</b>		<b>505.04</b>	<b>466.70</b>	449.63	428.86
<b>Financial Liabilities</b>					
Borrowings	2	1,37,447.04	1,41,617.91	1,46,311.85	1,52,217.37
Deposits/retention money from contractors and others	2	3,559.22	3,844.04	3,643.16	3,993.20
<b>Total financial liabilities</b>		<b>1,41,006.26</b>	<b>1,45,461.95</b>	<b>1,49,955.01</b>	<b>1,56,210.57</b>

The carrying amounts of trade receivables, trade payables, cash and cash equivalents and other current financial liabilities are considered to be the same as their fair values, due to their short-term nature. The carrying values for finance lease receivables approximates the fair value as these are periodically evaluated based on credit worthiness of customer and allowance for estimated losses is recorded based on this evaluation.

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

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

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

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

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

### Valuation technique used to determine fair value:

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of Energy Efficiency Services Limited for the previous year has been determined by making qualitative adjustment to trading multiples such as P/E, EV/EBITDA of comparable listed prices. The same has been included in Level 2 fair value hierarchy.
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

All of the resulting fair value estimates are included in level 2 apart from equity instruments of PTC India Limited and units of POWERGRID Infrastructure Investment Trust which is included in Level 1 fair value hierarchy.

Fair value of financial instruments has been determined by an independent valuer.



## 58. Disclosure as per Ind AS 24 - "Related Party Disclosures"

### (a) Joint Ventures

Name of entity	Place of business/ country of incorporation	Proportion of Ownership Interest	
		As at 31.03.2022	As at 31.03.2021
Powerlinks Transmission Limited	India	49%	49%
Torrent Power Grid Limited	India	26%	26%
Parbati Koldam Transmission Company Limited	India	26%	26%
Teestavalley Power Transmission Limited <sup>1</sup>	India	30.92%	30.92%
North East Transmission Company Limited	India	26%	26%
National High Power Test Laboratory Private Limited	India	20%	20%
Bihar Grid Company Limited	India	50%	50%
Energy Efficiency Services Limited <sup>2</sup>	India	33.33%	NA
Cross Border Power Transmission Company Limited <sup>3</sup>	India	26%	26%
RINL Powergrid TLT Private Limited <sup>4</sup>	India	50%	50%
Power Transmission Company Nepal Limited	Nepal	26%	26%

<sup>1</sup> POWERGRID & Teesta Urja Ltd are the Joint venture partners in Teestavalley Power Transmission Limited & holds 26% & 74 % equity, respectively as per Shareholding agreement. On call of additional equity by Teestavalley Power Transmission limited, POWERGRID contributed their share while the other JV partner has not yet contributed their share of money. Consequently, the holding of POWERGRID increased to 30.92% against 26% provided in shareholding agreement.

<sup>2</sup> The Company has invested ₹407.49 crore during the year in Energy Efficiency Services Limited (EESL), thereby increasing its shareholding from 5.71% to 33.33%. EESL has been considered as Joint Venture w.e.f. 01.09.2021 being the Joint control has been reinstated vide Agreement dated 01.09.2021.

<sup>3</sup> The Board of Directors of the company have, in its meeting held on 01 May 2022, approved the proposal for purchase of 77,30,225 no. equity shares held by IL&FS Energy Development Company Limited in Cross Border Power Transmission Company Limited (Joint venture of the company).

<sup>4</sup> POWERGRID's Board of Directors in its meeting held on 01.05.2018 accorded in principle approval to close RINL Powergrid TLT Private Limited (RPTPL) and seek consent of other JV Partner Rashtriya Ispat Nigam Limited (RINL). RINL's Board of Directors in its meeting held on 08.03.2019 has agreed in principle for winding up proceedings of RPTPL & to seek the approval from Ministry of Steel, Government of India, for closure of RPTPL. RINL's Board of Directors in its meeting held on 05.11.2019 has advised to put up the closure proposal again to Ministry of steel for onward submission to NITI Ayog. The Ministry of Steel vide letter dated 29.09.2020 informed RINL that closure of RPTPL is being examined and seeks further clarifications from RINL. Accordingly, relevant information was forwarded by RINL to The Ministry of Steel. The Approval from Government is still awaited.

### (b) Associates

Name of entity	Place of business/ Country of incorporation	Proportion of Ownership Interest	
		As at 31.03.2022	As at 31.03.2021
Powergrid Vizag Transmission Limited <sup>1</sup>	India	0%	NA
Powergrid Kala Amb Transmission Limited <sup>2</sup>	India	26%	NA
Powergrid Jabalpur Transmission Limited <sup>2</sup>	India	26%	NA
Powergrid Warora Transmission Limited <sup>2</sup>	India	26%	NA
Powergrid Parli Transmission Limited <sup>2</sup>	India	26%	NA

<sup>1</sup> Associate with holding of 26% from 13.05.2021 and transferred to PG InvIT on 31.03.2022 (Subsidiary till 12.05.2021) and Refer note 19A "Assets classified as held for sale"

<sup>2</sup> Associate from 13.05.2021 onwards (Subsidiary till 12.05.2021) and Refer note 19A "Assets classified as held for sale"

### (c) Key Managerial Personnel Whole Time Directors

Name	Designation
Shri K. Sreekant	Chairman & Managing Director
Smt. Seema Gupta	Director (Operations)
Shri Vinod Kumar Singh	Director (Personnel)
Shri M. Taj Mukarrum	Director (Finance) and CFO
Shri Abhay Choudhary	Director (Projects)

## 58. Disclosure as per Ind AS 24 - "Related Party Disclosures (Contd.)

### Independent Directors

Name	Designation
Shri M.N. Venkatesan	Independent Director
Shri Sunil Kumar Sharma	Independent Director up to 22.07.2021
Smt. A.R. Mahalakshmi	Independent Director up to 25.07.2021
Shri Onkarappa K.N.	Independent Director from 17.11.2021
Shri Chetan Bansilal Kankariya	Independent Director from 17.11.2021
Shri Ram Naresh Tiwari	Independent Director from 18.11.2021

### Government Nominee Directors and other KMP

Name	Designation
Shri Dilip Nigam	Government Nominee Director
Shri Mritunjay Kumar Narayan	Government Nominee Director [ceased to be director on 06.12.2021]
Shri Ghanshyam Prasad	Government Nominee Director w.e.f. 21.12.2021
Shri Mrinal Shrivastava	Company Secretary w.e.f. 01.07.2020

### (d) List of Other Related Parties

Name of Entity	Place of business/ country of incorporation	Nature of Relationship
Powergrid Employees P.F. Trust	India	Post-employment benefit plan of Powergrid
Powergrid Employees Defined Contribution Superannuation Benefit (Pension) Scheme Trust	India	Post-employment benefit plan of Powergrid
Powergrid Employees Gratuity Fund Trust	India	Post-employment benefit plan of Powergrid
Powergrid Employees Post-Retirement Medical Benefit Trust	India	Post Retirement Benefit plan of Powergrid
Powergrid Infrastructure Investment Trust	India	Sponsor

### (e) Government Related Entities

The company is controlled by the Government of India (GOI), being a Central Public Sector Enterprise (CPSE) under the Ministry of Power, with GOI holding 51.34% (Previous Year 51.34%) of equity shares capital issued and paid up.

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

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


**58. Disclosure as per Ind AS 24 - "Related Party Disclosures (Contd.)"**
**(f) Outstanding balances arising from sales/purchases of goods and services**

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

(₹ in crore)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Amounts Receivable</b>		
<b>Loans to Joint Ventures</b>		
National High Power Test Laboratory Private Limited	18.40	18.40
Teestavalley Power Transmission Limited	-	29.29
<b>Total</b>	<b>18.40</b>	<b>47.69</b>
<b>Interest Accrued on loan to Joint Ventures</b>		
National High Power Test Laboratory Private Limited	3.34	1.58
Teestavalley Power Transmission Limited	-	3.61
<b>Total</b>	<b>3.34</b>	<b>5.19</b>
<b>Loans to Key Managerial Personnel</b>	<b>0.11</b>	0.14
<b>Other receivables</b>		
<u>Joint Ventures:</u>		
Powerlinks Transmission Limited	0.13	0.21
Torrent Power Grid Limited	0.17	0.44
Parbati Koldam Transmission Company Limited	0.38	0.38
Teestavalley Power Transmission Limited	6.55	6.12
North East Transmission Company Limited	-	0.25
National High Power Test Laboratory Private Limited	0.01	0.46
Bihar Grid Company Limited	0.01	1.63
Energy Efficiency Services Limited	1.12	-
Cross Border Power Transmission Company Limited	0.02	0.74
<b>Total</b>	<b>8.39</b>	<b>10.23</b>
<u>Associates:</u>		
Powergrid Kala Amb Transmission Limited	0.15	-
Powergrid Jabalpur Transmission Limited	0.09	-
Powergrid Warora Transmission Limited	0.28	-
Powergrid Parli Transmission Limited	0.29	-
<b>Total</b>	<b>0.81</b>	-
<b>Total Other receivables</b>	<b>9.20</b>	<b>10.23</b>
<b>Advances /Amounts Payable</b>		
<u>Joint Ventures:</u>		
Powerlinks Transmission Limited	0.04	0.54
Torrent Power Grid Limited	-	0.20
Teestavalley Power Transmission Limited	55.93	48.03
North East Transmission Company Limited	14.93	19.73
Bihar Grid Company Limited	-	0.01
Energy Efficiency Services Limited	2.56	-
Cross Border Power Transmission Company Limited	11.26	11.27

**58. Disclosure as per Ind AS 24 - "Related Party Disclosures (Contd.)**

(₹ in crore)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Associates:</b>		
Powergrid Warora Transmission Limited	0.01	-
Powergrid Parli Transmission Limited	0.03	-
<b>Total payables to related parties</b>	<b>84.76</b>	<b>79.78</b>
Other Related Parties		
<b>Outstanding balances with Employees Benefit Trust:</b>		
Powergrid Employees P.F. Trust	0.21	0.01
Powergrid Employees Defined Contribution Superannuation Benefit (Pension) Scheme Trust	0.07	-
Powergrid Employees Gratuity Fund Trust	12.70	(0.42)
Powergrid Employees Post-Retirement Medical Benefit Trust	(0.58)	3.44
<b>Total</b>	<b>12.40</b>	<b>3.03</b>

Refer note no. 61 for guarantee given on behalf of related parties.

**(g) Transactions with related parties**

The following transactions occurred with related parties:

(₹ in crore)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
<b>Services provided by the Company</b>		
<b>Consultancy Income</b>		
<b>Joint Ventures:</b>		
Torrent Power Grid Limited	0.69	0.67
Powergrid Himachal Transmission Limited	-	0.66
Teestavalley Power Transmission Limited	0.53	1.12
North East Transmission Company Limited	1.25	2.49
National High Power Test Laboratory Private Limited	-	0.81
Bihar Grid Company Limited	1.03	3.98
Cross Border Power Transmission Company Limited	1.88	1.75
<b>Total</b>	<b>5.38</b>	<b>11.48</b>
<b>Associates:</b>		
Powergrid Vizag Transmission Limited	3.15	-
Powergrid Kala Amb Transmission Limited	4.66	-
Powergrid Jabalpur Transmission Limited	2.67	-
Powergrid Warora Transmission Limited	7.89	-
Powergrid Parli Transmission Limited	7.75	-
<b>Total</b>	<b>26.12</b>	<b>-</b>
<b>Total Consultancy Income</b>	<b>31.50</b>	<b>11.48</b>
<b>Interest Income</b>		
<b>Joint Ventures:</b>		
National High Power Test Laboratory Private Limited	1.96	1.89
Teestavalley Power Transmission Limited	0.40	9.82
<b>Total</b>	<b>2.36</b>	<b>11.71</b>
<b>Other Related Parties:</b>		
POWERGRID Infrastructure Investment Trust	68.52	-
<b>Total</b>	<b>68.52</b>	<b>-</b>
<b>Total Interest Income</b>	<b>70.88</b>	<b>11.71</b>


**58. Disclosure as per Ind AS 24 - "Related Party Disclosures (Contd.)"**

(₹ in crore)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
<b><u>Dividend received</u></b>		
<u>Associates:</u>		
Powergrid Vizag Transmission Limited	35.34	-
Powergrid Kala Amb Transmission Limited	8.25	-
Powergrid Jabalpur Transmission Limited	18.05	-
Powergrid Warora Transmission Limited	26.89	-
Powergrid Parli Transmission Limited	28.22	-
<b>Total</b>	<b>116.75</b>	<b>-</b>
<u>Other Related Parties:</u>		
POWERGRID Infrastructure Investment Trust	33.85	-
<b>Total</b>	<b>33.85</b>	<b>-</b>
<b>Total Dividend received</b>	<b>150.60</b>	<b>-</b>
<b><u>Other income</u></b>		
<u>Joint Ventures:</u>		
Bihar Grid Company Limited	0.09	-
Energy Efficiency Services Limited	1.97	-
<b>Total</b>	<b>2.06</b>	<b>-</b>
<b><u>Investments made during the year</u></b>		
<u>Joint Ventures:</u>		
Bihar Grid Company Limited	32.24	33.00
Energy Efficiency Services Limited	407.49	-
<b>Total</b>	<b>439.73</b>	<b>33.00</b>
<b><u>Loans given during the year</u></b>		
<u>Joint Ventures:</u>		
Teestavalley Power Transmission Limited	-	95.00
<b>Total</b>	<b>-</b>	<b>95.00</b>
<b><u>Loans repayment received during the year</u></b>		
<u>Joint Ventures:</u>		
Teestavalley Power Transmission Limited	29.29	142.83
<b>Total</b>	<b>29.29</b>	<b>142.83</b>
<u>Associates:</u>		
Powergrid Vizag Transmission Limited	783.99	-
Powergrid Kala Amb Transmission Limited	186.00	-
Powergrid Jabalpur Transmission Limited	1,183.00	-
Powergrid Warora Transmission Limited	1,540.00	-
Powergrid Parli Transmission Limited	1,300.50	-
<b>Total</b>	<b>4,993.49</b>	<b>-</b>
<b>Total Loans repayment received during the year</b>	<b>5,022.78</b>	<b>142.83</b>
<b><u>Reimbursement of Expenses</u></b>		
<u>Joint Ventures:</u>		
Energy Efficiency Services Limited	1.24	-
<b>Total</b>	<b>1.24</b>	<b>-</b>

**58. Disclosure as per Ind AS 24 - "Related Party Disclosures (Contd.)**

(₹ in crore)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
<b>Other Related Parties</b>		
<u>Contribution made during the year</u>		
Powergrid Employees P.F. Trust	117.07	114.14
Powergrid Employees Defined Contribution Superannuation Benefit (Pension) Scheme Trust	100.77	120.46
Powergrid Employees Gratuity Fund Trust	37.86	21.81
Powergrid Employees Post-Retirement Medical Benefit Trust	35.54	12.02
<b>Total</b>	<b>291.24</b>	<b>268.43</b>
<u>Transaction with POWERGRID Infrastructure Investment Trust</u>		
Units Received for transfer of Investments	1,365.00	-
Amount Received on transfer of Investments including Offer For Sale	3,370.95	-
<b>Total</b>	<b>4,735.95</b>	<b>-</b>
<b>Recovery for Deputation of Employees</b>		
<u>Joint Ventures:</u>		
Torrent Power Grid Limited	-	0.51
Powergrid Himachal Transmission Limited (wholly owned subsidiary from 26.03.2021).	-	1.11
Energy Efficiency Services Limited	0.89	-
Teestavalley Power Transmission Limited	0.79	0.95
North East Transmission Company Limited	0.25	0.90
Cross Border Power Transmission Company Limited	0.67	0.77
<b>Total</b>	<b>2.60</b>	<b>4.24</b>

**Terms and Conditions**

The loans to key management personnel are on the same terms and conditions as applicable to all other employees.

All other transactions were made on normal commercial terms and conditions and at market rates. All outstanding balances are unsecured and are repayable in cash.

Loans to Subsidiaries & JVs are provided with interest rate ranging from 6.52% to 10.00% repayable as per agreed terms & conditions.

**(h) Transactions in the capacity of Central Transmission Utility (CTU) with the related parties**

(₹ in crore)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
<b>Transactions for the period the company was acting as CTU:</b>		
<u>Joint Ventures:</u>		
Powerlinks Transmission Limited	-	237.70
Torrent Power Grid Limited	-	50.96
Powergrid Himachal Transmission Limited	-	171.94
Parbati Koldam Transmission Company Limited	-	192.00
Teestavalley Power Transmission Limited	-	341.63
North East Transmission Company Limited	-	388.15
<b>Total</b>	<b>-</b>	<b>1,382.38</b>





## 58. Disclosure as per Ind AS 24 - "Related Party Disclosures (Contd.)

### (i) Remuneration to Key Managerial Personnel

(₹ in crore)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Short Term Employee Benefits	5.12	4.68
Post-Employment Benefits	0.15	0.67
Long Term Employee Benefits	0.64	0.46
<b>Total</b>	<b>5.91</b>	<b>5.81</b>
Sitting fee	0.44	0.32

In addition to the above remuneration, the whole-time directors have been allowed to use the staff car (including for private journeys) on payment of ₹2000/- p.m. as contained in the Department of Public Enterprises (DPE) OM No. 2 (23)/11-DPE (WC)-GL-V/13 dated 21/01/2013.

## 59. Operating Segments

### a) Business Segment

The Board of Directors is the Group's Chief Operating Decision Maker (CODM) who monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Three reportable segments have been identified on the basis of services provided.

- **Transmission Services-** Group's principal business is transmission of bulk power across different states of India.
- **Telecom Services-** The Company utilizes the spare Optical fibres available in the Optical Ground Wire (OPGW) laid on the transmission network for providing telecom services. It operates as a neutral carrier in the point to point bandwidth leasing business. Refer note no. 69 for disclosure on formation of wholly owned subsidiary of the company to undertake Telecommunications and Digital Technology Business of the company.
- **Consultancy Services-** provides Consultancy Services in the Transmission, Distribution and Telecom sectors, including Planning Design, Engineering, Load Dispatch, OPGW on intra state Transmission network, Procurement Management, Operation & Maintenance, Financing and Project Management.

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

c) Information about major customer: Revenue from any single customer is not equal to or exceeds 10% of the group's total revenue.

### d) Segment Revenue and Expenses

Revenue directly attributable to the segments is considered as Segment Revenue. Expenses directly attributable to the segments and common expenses allocated on a reasonable basis are considered as segment expenses.

Revenue from external customer in India is ₹42,211.13 crore (Previous Year ₹40,621.38 crore) and outside India is ₹47.12 crore (Previous Year ₹22.86 crore).

### e) Segment Assets and Liabilities

Segment assets include all operating assets comprising of Property, Plant and Equipment, current assets and loan and advances. Construction, Work-in-progress, construction stores and advances and investments are included in unallocated assets. Segment liabilities include operating liabilities and provisions.

(₹ in crore)

**59. Operating Segments (Contd.)**

Particulars	Transmission Services		Consultancy Services		Telecom Services		Elimination		Total	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
<b>Revenue:</b>										
Revenue from Operations (including allocable other income)	40,976.38	39,492.46	682.28	438.55	599.59	713.23	-	-	42,258.25	40,644.24
Inter Segment Revenue	-	-	98.39	67.61	69.27	69.96	(167.66)	(137.57)	-	-
<b>Net Revenue from Operations</b>	<b>40,976.38</b>	<b>39,492.46</b>	<b>780.67</b>	<b>506.16</b>	<b>668.86</b>	<b>783.19</b>	<b>(167.66)</b>	<b>(137.57)</b>	<b>42,258.25</b>	<b>40,644.24</b>
Segment results	23,120.26	23,878.09	351.47	150.84	223.53	365.72			23,695.26	24,394.65
Exceptional Item									3,320.33	(1,078.64)
Unallocated Interest and Other Income									439.65	179.29
Unallocated Finance Costs									8,036.22	8,134.69
Profit before Tax (Including movement in Regulatory Deferral Account Balances)									19,419.02	15,360.61
Add: Share of net profit of joint ventures accounted for using equity method.									78.47	214.70
Profit before Tax									19,497.49	15,575.31
Provision for Taxes									2,673.42	3,538.85
<b>Profit after Tax</b>									<b>16,824.07</b>	<b>12,036.46</b>
<b>Other information:</b>										
Segment Assets	2,27,077.55	2,15,286.67	1,899.37	2,426.68	925.48	981.45			2,29,902.40	2,18,694.80
Unallocated Assets									20,780.17	30,293.62
Assets Classified as Held for Sale									260.86	6,701.05
<b>Total Assets</b>									<b>2,50,943.43</b>	<b>2,55,689.47</b>
Segment Liabilities	14,295.14	14,012.95	2,743.96	3,428.90	648.01	454.89			17,687.11	17,896.74
Unallocated Other Liabilities (including loans)									1,57,009.19	1,67,492.68
Liabilities directly associated with Assets Classified as Held for Sale									-	363.98
<b>Total liabilities</b>									<b>1,74,696.30</b>	<b>1,85,753.40</b>
Depreciation and Amortisation	12,762.38	11,936.83	5.75	5.60	103.53	96.76			12,871.66	12,039.19
Non-cash expenditure other than Depreciation	26.51	15.79	4.02	5.97	2.10	1.11			32.63	22.87
Capital Expenditure	13,952.47	20,935.26	3.73	82.50	199.00	10.13			14,155.20	21,027.89



## 60. Capital and other Commitments

(₹ in crore)

Particulars	As at 31.03.2022	As at 31.03.2021
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	7,251.68	6,542.25
Group's commitment towards further investment/loan in joint venture entities	116.69	148.92
Group's commitment towards further investment in other entities	452.05	713.17

## 61. Contingent Liabilities and contingent assets

### A. Contingent Liabilities

1. Claims against the Group not acknowledged as debts in respect of:

#### (i) Capital Works

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

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

#### (ii) Land compensation cases

In respect of land acquired for the projects, the land losers have claimed higher compensation before various authorities/courts which are yet to be settled. In such cases, contingent liability of ₹1,978.49 crore (Previous Year ₹1,729.82 crore) has been estimated.

#### (iii) Other claims

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

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

Disputed Income Tax/Sales Tax/Excise/Municipal Tax Matters amounting to ₹504.74 crore (Previous Year ₹258.30 crore) are being contested before various Appellate Authorities. Many of these matters have been disposed of in favour of the group but are disputed before higher authorities by the concerned departments. Against total claim of ₹201.22 crore (Previous Year ₹191.42 crore), provision of ₹165.52 crore (Previous Year ₹156.98 crore) is made and balance of ₹35.70 crore (Previous Year ₹34.44 crore) towards penalty is shown as contingent liability as it is not a wilful default and in management opinion, same is not expected to be upheld by the court.

#### (v) Others

- Contingent liability in respect of bills discounted with banks against trade receivables is amounting to ₹3,720.37 crore (Previous Year ₹2,533.96 crore). In case of any claim on the company from the banks in this regard, entire amount shall be recoverable from the beneficiaries along with surcharge.
  - Other contingent liabilities amounts to ₹711.04 crore (Previous Year ₹838.62 crore) which includes claim of ₹357.11 crore (Previous Year ₹402.37 crore) related to Arbitration cases/ROW cases.
  - Some of the beneficiaries have filed appeals against the tariff orders of the CERC. The amount of contingent liability in this regard is not ascertainable.
  - Under the Transmission Service Agreement (TSA) with Powerlinks Transmission Ltd, the group has an obligation to purchase the JV Company (Powerlinks Transmission Ltd) at a buyout price determined in accordance with the TSA. Such an obligation may result in case JV Company (Powerlinks Transmission Ltd) serves a termination notice either on "POWERGRID event of default" or on "force majeure event" prescribed under TSA. No contingent liability on this account has been considered as the same is not ascertainable.
2. Details of Bank guarantees given by the company on behalf of associate companies, which were taken over to carry out the business awarded under tariff based bidding, towards performance of the work awarded are as under:

(₹ in crore)

Name of Associate	As at 31.03.2022	As at 31.03.2021
Powergrid Jabalpur Transmission Limited	2.23	-

## 61. Contingent Liabilities and contingent assets (Contd.)

### B. Contingent Assets

While determining the tariff for some of the Company's Transmission Systems, CERC has disallowed certain capital expenditure incurred by the Company. The Company aggrieved over such issues has filed appeals with the Appellate Tribunal for Electricity (APTEL)/Hon'ble Supreme Court against the tariff orders issued by the CERC. Based on past experience, the Company believes that a favourable outcome is probable. However, it is impracticable to estimate the financial effect of the same as its receipt is dependent on the outcome of the judgement.

The group has filed an appeal in APTEL on 16/12/2016 for the acquisition cost of Powergrid Vemagiri Transmission Limited amounting to ₹18.28 crore as well as additional expenditure incurred from the date of acquisition and interest and carrying cost till the date of reimbursement. Extensive hearings were held by Hon'ble Tribunal and Hon'ble Tribunal vide order dated 12.02.2020 has directed all the parties to file written submissions. All the parties to dispute have filed written submissions to APTEL. The group believes that a favorable outcome is probable. Since there is no precedence of the judgements on such matters, it is impracticable to estimate the exact financial impact of the same.

## 62. Capital management

### a) Risk Management

The group's objectives when managing capital are to

- maximize the shareholder value;
- safeguard its ability to continue as a going concern;
- maintain an optimal capital structure to reduce the cost of capital.

For the purpose of the group's capital management, equity capital includes issued equity capital, securities premium Account and all other equity reserves attributable to the equity holders of the group. The group manages its capital structure and makes adjustments in light of changes in economic conditions, regulatory framework and requirements of financial covenants with lenders. To maintain or adjust the capital structure, the group may adjust the dividend payment to shareholders, regulate investments in new projects, return capital to shareholders or issue new shares. The group monitors capital using debt-equity ratio, which is the ratio of long term debt to total net worth. The policy is to keep the debt-equity ratio wherein the debt is less than 75% of total capital employed (i.e. debt to equity ratio less than 75:25). The group includes within long term debt, interest bearing loans and borrowings and current maturities of long term debt.

The debt –equity ratio of the Group was as follows:-

Particulars	As at 31.03.2022	As at 31.03.2021
Total borrowings (₹ in crore)	1,34,665.27	1,43,210.33
Equity (₹ in crore)	76,247.13	69,936.07
Debt - Equity ratio	1.77	2.05

Under the terms of the major borrowing facilities, the group is required to comply with the financial covenants. Breaches in meeting the financial covenants would permit the lenders to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current reporting period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31.03.2022 and 31.03.2021.

### b) Dividends

(₹ in crore)

Particular	For the year ended 31.03.2022	For the year ended 31.03.2021
<b>Equity shares</b>		
Final dividend for the year ended 31.03.2021 of ₹3.00 (31.03.2020 – ₹3.03*) per fully paid up share	2,092.64	2,113.56
Interim dividend for the year ended 31.03.2022 of ₹12.50 (31.03.2021 – ₹6.75*) per fully paid up share	8,719.32	4,708.43

\*after considering bonus shares



## 62. Capital management (Contd.)

Dividend not recognized at the end of the reporting period:

In addition to above dividend, the Board of Directors on 21 May 2022 recommended the payment of a final dividend of ₹2.25 per fully paid up equity share. This proposed dividend is subject to the approval of shareholders in the ensuing Annual general meeting.

## 63. Earnings per share

(Amount in ₹)

<b>(a) Basic and diluted earnings per share attributable to the equity holders of the group</b>	<b>For the year ended 31.03.2022</b>	<b>For the year ended 31.03.2021</b>
Including movement in Regulatory Deferral Account Balances	24.12	17.26
Excluding movement in Regulatory Deferral Account Balances	24.88	16.74
<b>Total basic and diluted earnings per share attributable to the equity holders of the group</b>	<b>24.12</b>	<b>17.26</b>

(₹ in crore)

<b>(b) Reconciliation of earnings used as numerator in calculating earnings per share</b>	<b>For the year ended 31.03.2022</b>	<b>For the year ended 31.03.2021</b>
Earnings attributable to the equity holders of the company including movement in Regulatory Deferral Account Balances	16,824.07	12,036.46
Earnings attributable to the equity holders of the company excluding movement in Regulatory Deferral Account Balances	17,353.81	11,674.78
<b>Total Earnings attributable to the equity holders of the group</b>	<b>16,824.07</b>	<b>12,036.46</b>

<b>(c) Weighted average number of shares used as the denominator</b>	<b>For the year ended 31.03.2022</b>	<b>For the year ended 31.03.2021</b>
Weighted average number of equity shares used as the denominator in calculating basic earnings per share *	6975452864	6975452864
Adjustments for calculation of diluted earnings per share	-	-
<b>Total weighted average number of equity shares used as the denominator in calculating diluted earnings per share</b>	<b>6975452864</b>	<b>6975452864</b>

\*The Company has issued 1743863216 equity shares of ₹10/- each as fully paid bonus shares during the year in the ratio of 1 equity share of ₹10/- each for every 3 equity shares held. This has been considered for calculating weighted average number of equity shares for all comparative periods. In line with the above, EPS for the year ended 31.03.2021 has been restated.

## 64. Financial Risk Management

The Group's principal financial liabilities comprise loans and borrowings denominated in Indian rupees or foreign currencies, trade payables and other payables. The main purpose of these financial liabilities is to finance the Group's capital investments and operations.

The Group's principal financial assets include loans and advances, trade and other receivables, and cash and cash equivalents that are generated from its operations.

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

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

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

### Risk management framework

The Parent company has a duly constituted Risk Management Committee headed by Director (Projects) with Director (Operations), Director (Finance) and 2 independent directors as members. For the purpose of evaluating and managing the uncertainties the enterprise faces, Enterprise Risk Management framework has been implemented. The framework is a structured, consistent and continuous process for identification, assessment, monitoring and management of risks. As per this framework, the significant business processes / risks are monitored and controlled through various Key Performance Indicators (KPIs). The Committee meets at regular intervals and reviews KPIs and provides updates to the Audit Committee/Board.

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

## 64. Financial Risk Management (Contd.)

### (A) CREDIT RISK:

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities on account of trade receivables and loans and advances and from its financing activities due to deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

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

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

### (i) Trade Receivables and Contract Assets

The Group primarily provides transmission facilities to inter-state transmission service customers (DICs) comprising mainly state utilities owned by State Governments and the main revenue is from transmission charges. CERC (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020 ("CERC Sharing Regulations") allow payment against monthly bills towards transmission charges within due date i.e., 45 days from the date of presentation of the bill and levy of surcharge on delayed payment beyond 45 days. However, in order to improve the cash flows of group, a graded rebate is provided for payments made within 45 days. If a DIC fails to pay any bill or part thereof by the Due Date, the Central Transmission Utility (CTU) may encash the Letter of Credit provided by the DIC and utilise the same towards the amount of the bill or part thereof that is overdue plus Late Payment Surcharge, if applicable.

The Company has a robust payment security mechanism in the form of Letter of Credit (LC) backed by the Tri-Partite Agreements (TPA). The TPA was signed among the GOI, Reserve Bank of India and the individual State Governments subsequent to the issuance of the One Time Settlement Scheme of State Electricity Boards dues during 2001-02 by the GOI. The TPA also provides that if there is any default in payment of current dues by any State Utility, the outstanding dues can be deducted from the State's RBI account and paid to the concerned CPSU.

As per provisions of CERC Sharing Regulations, in case tripartite agreement exists, the Letter of Credit shall be for an amount equal to 1.05 (one point zero five) times the average amount of the first bill of a year; Provided that where such tripartite agreement does not exist, the DIC shall open the Letter of Credit for an amount equal to 2.10 (two point one times) the average amount of the first bill of a year.

In addition to the encashment of letter of credit, on non-payment of outstanding dues, the CTU has power to Regulate the power supply on the defaulting entity as per CERC (Regulation of Power Supply) Regulation, 2010 or deny Short Term Open Access.

Trade receivables consist of receivables relating to transmission services of ₹9,464.97 crore (Previous Year ₹8,434.09 crore), receivables relating to consultancy services of ₹131.07 crore (Previous Year ₹174.50 crore) and receivables relating to telecom business of ₹179.80 crore (Previous Year ₹321.27 crore).

Contract Assets primarily relates to the Group's right to consideration for work completed but not billed at the reporting date and has substantially the same risk characteristics as the trade receivables for the same type of contracts.

### (ii) Other Financial Assets (excluding trade receivables and contract assets)

#### • Cash and cash equivalents

The Group held cash and cash equivalents of ₹795.90 crore (Previous Year ₹1,057.36 crore). The cash and cash equivalents are held with public sector banks and high rated private sector banks and do not have any significant credit risk.

#### • Deposits with banks and financial institutions

The Group held deposits with banks and financial institutions of ₹4,327.11 crore (Previous Year ₹4,394.01 crore). Term deposits are placed with public sector banks and have negligible credit risk.

#### • Loans

The Group has given loans to employees, subsidiaries, Joint Venture companies, Government of India and other parties. House building loans and conveyance advance to the employees are secured against the mortgage of the house properties or hypothecation of vehicles for which such loans have been given in line with the policies of the Group. The loans provided to group companies are for projects under Tariff Based Competitive Bidding route and Public private partnership. The risk of default in respect of these loans is considered negligible.



## 64. Financial Risk Management (Contd.)

### (iii) Exposure to credit risk

(₹ in crore)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)</b>		
Non-Current Loans	406.45	322.58
Other non-current financial assets	4,516.33	4,468.08
Cash and cash equivalents	795.90	1,057.36
Deposits with banks and financial institutions	4,327.11	4,394.01
Current loans	98.59	127.05
Other current financial assets	567.87	863.76
<b>Total</b>	<b>10,712.25</b>	<b>11,232.84</b>
<b>Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)</b>		
Trade receivables	9,775.84	8,929.86
Contract Assets	5,607.74	2,180.59

### (iv) Provision for expected credit losses

#### (a) Financial assets for which loss allowance is measured using 12 month expected credit losses

The Group has assets where the counter- parties have sufficient capacity to meet the obligations and where the risk of default is very low. At initial recognition, financial assets (excluding trade receivables and contract assets) are considered as having negligible credit risk and the risk has not increased from initial recognition. Therefore, no loss allowance for impairment has been recognised.

#### (b) Financial assets for which loss allowance is measured using lifetime expected credit losses

In respect of trade receivables and contract assets from Telecom and Consultancy, customer credit risk is managed by regular monitoring of the outstanding receivables and follow-up with the consumer for realization.

With regard to transmission segment, the Group has customers most of whom are state government utilities with capacity to meet the obligations and therefore the risk of default is negligible. Further, management believes that the unimpaired amounts that are 30 days past due date are still collectible in full, based on the payment security mechanism in place and historical payment behaviour.

Considering the above factors and the prevalent regulations, the trade receivables and contract assets continue to have a negligible credit risk on initial recognition and thereafter on each reporting date.

### (v) Ageing analysis of trade receivables

The ageing analysis of the trade receivables is as below:

(₹ in crore)

Ageing	Unbilled	Not due	0-30 days past due	31-60 days past due	61-90 days past due	91-120 days past due	More than 120 days past due	Total
<b>Gross carrying amount as on 31.03.2022</b>	4,712.71	1,625.29	590.71	337.70	239.69	201.15	2,068.59	9,775.84
Gross carrying amount as on 31.03.2021	4,953.89	1,761.37	378.20	156.27	136.89	114.75	1,428.49	8,929.86

### (vi) Reconciliation of impairment loss provisions

The movement in the allowance for impairment in respect of financial assets during the year was as follows:

(₹ in crore)

Particulars	Trade receivables	Contract Assets	Total
<b>Balance as at 01.04.2020</b>	317.70	18.92	336.62
Impairment loss recognised/ (reversed)	(17.26)	-	(17.26)
Amounts written off	-	-	-
<b>Balance as at 31.03.2021</b>	<b>300.44</b>	<b>18.92</b>	<b>319.36</b>



## 64. Financial Risk Management (Contd.)

Particulars	Trade receivables	Contract Assets	Total
Impairment loss recognised/ (reversed)	0.33	-	0.33
Amounts written off	-	-	-
<b>Balance as at 31.03.2022</b>	<b>300.77</b>	<b>18.92</b>	<b>319.69</b>

Based on historic default rates, the Group believes that, apart from the above, no impairment allowance is necessary in respect of any other assets as the amounts are insignificant.

### (B) LIQUIDITY RISK

Liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. The Group monitors its risk of a shortage of funds using a liquidity planning tool. The Group has access to a variety of sources of funding such as commercial paper, bank loans, bonds and external commercial borrowings and retains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Group's liquidity position comprising the undrawn borrowing facilities below and cash and cash equivalents on the basis of expected cash flows.

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

#### (i) Financial Arrangement

The Group had access to the following undrawn borrowing facilities at the end of the reporting period.

(₹ in crore)

Particulars	As at 31.03.2022	As at 31.03.2021
Expiring within 1 year (bank overdraft and other facilities)	6,332.01	4,352.76
Expiring beyond one year (bank loans)	4,080.44	6,125.35

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time and have remaining availability period of 1 to 5 years (Previous Year 1 to 5 years).

#### (ii) Maturities of financial liabilities

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

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

(₹ in crore)

Contractual maturities of financial liabilities	Within a year	Between 1-5 years	Beyond 5 years	Total
<b>As at 31.03.2022</b>				
Borrowings (including interest outflows)	27,753.48	76,736.57	66,168.89	1,70,658.94
Trade payables	267.10	-	-	267.10
<u>Other financial liabilities</u>				
Lease liabilities	2.79	10.42	29.21	42.42
Others	7,643.38	1,173.60	4,074.89	12,891.87
<b>Total</b>	<b>35,666.75</b>	<b>77,920.59</b>	<b>70,272.99</b>	<b>1,83,860.33</b>
<b>As at 31.03.2021</b>				
Borrowings (including interest outflows)	22,105.96	76,820.18	89,916.93	1,88,843.07
Trade payables	187.48	-	-	187.48
<u>Other financial liabilities</u>				
Lease liabilities	3.97	10.50	69.26	83.73
Others	8,016.56	1,264.82	4,360.31	13,641.69
<b>Total</b>	<b>30,313.97</b>	<b>78,095.50</b>	<b>94,346.50</b>	<b>2,02,755.97</b>



## 64. Financial Risk Management (Contd.)

### (C) MARKET RISK

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

- (i) Currency risk
- (ii) Interest rate risk
- (iii) Other price risk, such as equity price risk and commodity risk.

#### (i) Currency risk

The Group is exposed to currency risk mainly in respect of foreign currency denominated loans and borrowings and procurement of goods and services whose purchase consideration is denominated in foreign currency. Transmission tariff is regulated by the CERC. According to the CERC tariff regulations for the block 2019-24 the Group may hedge foreign exchange exposure in respect of the interest on foreign currency loan and repayment of foreign loan acquired for the transmission system, in part or full in its discretion and recover the cost of hedging of foreign exchange rate variation corresponding to the normative foreign debt, in the relevant year.

If hedging of the foreign exchange exposure is not undertaken, the extra rupee liability towards interest payment and loan repayment corresponding to the normative foreign currency loan in the relevant year is permissible to be recovered as part of transmission tariff provided it is not attributable to the generating company or the transmission licensee or its suppliers or contractors. During the Current financial year, no hedging for foreign exchange exposure has been undertaken by the Group. In respect of goods and services procured for Capital Investment, the exchange rate variation is part of the project cost, for determination of transmission tariff. The currency risk in respect of goods and services procured for operation activities is not significant.

The Group's exposure to foreign currency risk not hedged by a derivative instrument or otherwise at the end of the reporting period is as follows:

Particulars	Amount in Foreign Currency (in Crore)			Amount (₹ in Crore)	
	Currency	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Borrowings	USD	443.34	474.37	33,840.14	35,131.84
	EURO	60.86	66.13	5,219.35	5,771.83
	SEK	150.35	175.51	1,246.40	1,495.35
	JPY	2,290.89	2,309.06	1,438.68	1,554.00
Interest accrued but not due thereon including Agency Fee, Commitment Fee & other Charges	USD	1.30	1.35	99.23	99.98
	EURO	0.16	0.19	13.72	16.58
	SEK	0.39	0.95	3.23	8.09
	JPY	0.23	5.37	0.14	3.61
Trade Payables/deposits and retention money	USD	4.36	4.95	332.80	366.66
	EURO	3.07	3.27	263.28	285.41
	SEK	11.49	15.79	95.25	134.53
	CHF	0.04	0.04	3.33	3.16
	GBP	1.54	1.75	154.99	178.92
	JPY	76.79	76.75	48.22	51.65
Trade receivables and Bank balances	CAD	-	0.01	-	0.59
	USD	0.07	0.05	5.27	3.65
	NPR	5.87	15.26	3.67	9.54
	EURO	-	0.01	-	0.85
	BDT	-	1.25	-	0.91
Amount of contracts remaining to be executed	USD	0.43	1.70	32.82	125.90
	EURO	0.76	1.39	65.18	121.32
	SEK	0.57	1.41	4.73	12.01
	GBP	0.78	0.72	78.50	73.61
	JPY	-	1.72	-	1.16

## 64. Financial Risk Management (Contd.)

### Sensitivity Analysis

Since the impact of strengthening or weakening of Indian rupee against USD, Euro, JPY and other currencies on the statement of profit and loss would not be very significant; therefore, sensitivity analysis for currency risk is not disclosed.

#### (ii) Interest rate risk

The Group is exposed to interest rate risk arising mainly from long term borrowings with floating interest rates. The Group is exposed to interest rate risk because the cash flows associated with floating rate borrowings will fluctuate with changes in interest rates. The Group manages the interest rate risks by maintaining a debt portfolio comprising a mix of fixed and floating rate borrowings in domestic and foreign currencies.

At the reporting date, the interest rate profile of the Group's variable interest rate-bearing financial instruments is as follows:

(₹ in crore)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Long Term Debt with floating rate of interest</b>		
-Domestic	24,216.04	26,363.50
-Foreign	34,186.14	36,018.86
<b>Sub Total</b>	<b>58,402.18</b>	<b>62,382.36</b>
<b>Long Term Debt with fixed rate of interest</b>		
-Domestic	63,400.26	71,093.40
-Foreign	7,562.83	7,934.57
<b>Sub Total</b>	<b>70,963.09</b>	<b>79,027.97</b>
<b>Total Long Term Debt</b>	<b>1,29,365.27</b>	<b>1,41,410.33</b>
<b>% of Floating Interest Rate Debt to Total Long Term Debt</b>	<b>45.15%</b>	<b>44.11%</b>

#### Fair value sensitivity analysis for interest-rate risk

As per CERC Regulations, interest on loan during construction forms part of project cost for the purpose of tariff and after the date of commercial operation, interest on loans is recoverable through tariff calculated on the normative average loan of the year by applying the weighted average rate of interest of the actual loan portfolio.

Accordingly, the Group's interest rate risk is not considered significant; hence sensitivity analysis for the risk is not disclosed.

#### (iii) Other price risk

The Group's exposure to equity securities price risk arises from investments held by the Group and classified in the balance sheet as fair value through OCI.

Considering the magnitude of equity investments, no significant risk is expected to arise.

## 65. Income Tax expense

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

### (a) Income tax expense

(₹ in crore)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
<b>Current Tax</b>		
Current tax on profits for the year	3,352.29	2,565.27
Adjustments for current tax of prior periods	(38.46)	(56.68)
Pertaining to regulatory deferral account balances (A)	(112.15)	74.60
<b>Total current tax expense (B)</b>	<b>3,201.68</b>	<b>2,583.19</b>
<b>Deferred Tax expense</b>		
Origination and reversal of temporary differences & previously unrecognised tax credit recognised as Deferred Tax Asset this year	(528.26)	955.66
<b>Total deferred tax expense /benefit (C)</b>	<b>(528.26)</b>	<b>955.66</b>
<b>Income tax expense (B+C-A)</b>	<b>2,785.57</b>	<b>3,464.25</b>
<b>Pertaining to regulatory deferral account balances</b>	<b>(112.15)</b>	<b>74.60</b>
<b>Total tax expense including tax on movement in regulatory deferral account balances</b>	<b>2,673.42</b>	<b>3,538.85</b>



## 65. Income Tax expense (Contd.)

### (b) Income Tax recognized in Regulatory Deferral Account Balances:

(₹ in crore)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Deferred assets for Deferred tax liability	(736.52)	521.45
Foreign Currency Fluctuation	93.03	(85.17)
Employee Benefits and Other Expenses	1.60	-
Total Regulatory Deferral Account Balances Before Tax - Income / (Expenses)	(641.89)	436.28
Current Tax on Regulatory Deferral Account Balances	(112.15)	74.60
<b>Net Movement in Regulatory Deferral Account Balances - Income / (Expenses) (net of Tax)</b>	<b>(529.74)</b>	<b>361.68</b>

### (c) Income Tax recognized in other comprehensive income:

(₹ in crore)

Particulars	For the year ended 31.03.2022			For the year ended 31.03.2021		
	Before Tax	Tax expense/ (benefit)	Net of Tax	Before Tax	Tax expense/ (benefit)	Net of Tax
Net gains/(losses) on fair valuation of equity instruments	478.85	53.90	424.95	39.80	-	39.80
Net actuarial losses on defined benefit plans	(196.78)	(34.39)	(162.39)	(19.94)	(3.49)	(16.45)
Less: Transferred to expenditure during construction (net)	(34.34)	(6.00)	(28.34)	(2.44)	(0.43)	(2.01)
<b>Other Comprehensive Income (Net of Tax)</b>	<b>316.41</b>	<b>25.51</b>	<b>290.90</b>	<b>22.30</b>	<b>(3.06)</b>	<b>25.36</b>

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

(₹ in crore)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Profit before income tax expense including movement in Regulatory Deferral Account Balances	19,497.49	15,575.31
<b>Tax at the Company's domestic tax rate</b>	<b>7,016.03</b>	<b>5,525.04</b>
<u>Tax effect of:</u>		
Non Deductible tax items	(3,244.07)	(2,536.43)
Tax exempt income	(3,651.51)	(2,221.26)
Previous Years tax liability	(38.46)	(56.68)
Unabsorbed tax losses	(67.37)	(37.86)
Deferred Tax expense/(income)	(528.26)	955.66
Minimum alternate tax adjustments	3,187.06	1,910.38
<b>Income tax expense</b>	<b>2,673.42</b>	<b>3,538.85</b>

## 66. Employee Benefit Obligations

(₹ in crore)

Particulars	31 March 2022			31 March 2021		
	Current	Non-current	Total	Current	Non-current	Total
Leave Obligations	69.60	462.47	532.07	56.34	411.72	468.06
Post-Retirement Medical Facility (PRMF)	28.08	630.60	658.68	22.58	579.62	602.20
Other Employee benefits /Long Service Award	1.60	20.43	22.03	1.46	20.31	21.77
Gratuity	81.08	482.90	563.98	77.41	514.34	591.75
Other Defined retirement benefits (ODRB)/ Baggage Allowance	2.59	20.50	23.09	2.37	21.10	23.47
<b>Total employee benefit obligations</b>	<b>182.95</b>	<b>1616.90</b>	<b>1799.85</b>	<b>160.16</b>	<b>1547.09</b>	<b>1707.25</b>

## 66. Employee Benefit Obligations (Contd.)

### (i) Long Term Employee Benefits

#### A. Leave Obligations

The Company provides for earned leave benefit (including compensated absences) and half-pay leave to the employees of the company which accrue annually at 30 days and 20 days respectively. Earned leave is encashable while in service. Half pay leaves (HPL) are encashable only on separation beyond the age of 55 years upto the maximum of 300 days (HPL). However, total number of leave that can be encashed on superannuation shall be restricted to 300 days and no commutation of half pay leave shall be permissible. The liability for same is recognized on the basis of actuarial valuation.

#### B. Other employee benefits – POWERGRID Employee family rehabilitation scheme

The company has introduced POWERGRID Employees Family Economic Rehabilitation Scheme on 24.06.2017. The Objective of the scheme is to provide monetary assistance and support to an employee in case of his/her permanent total disablement and to his/her family in case of death while in service. The beneficiary would be entitled to monthly payment equivalent to the employee's 50% of one month pay last drawn provided the beneficiary deposits with the company an amount equal to PF (excluding VPF) balance, Gratuity amount and Group Insurance (EDLI) amount. Such monthly payment would continue till the normal notional date on which the employee concerned would have attained the age of superannuation had the employee continued in the service of the company. The scheme is optional. Provision for POWERGRID Employees Family Economic Rehabilitation Scheme amounting to ₹5.96 crore (up to Previous Year ₹9.67 crore) for the year has been made during the year based on actuarial valuation.

### (ii) Post-employment obligations (Defined Employee Benefit/Contribution Schemes)

#### A. Post-Retirement Medical Facility (PRMF)

The Company has Post-Retirement Medical Facility (PRMF), under which retired employees and the spouse are provided medical facilities in the empaneled hospitals. They can also avail treatment as Out-Patient subject to a ceiling fixed by the company. The liability for the same is recognized on the basis of actuarial valuation on annual basis on the Balance Sheet date. The scheme is funded by the company and is managed by a separate trust constituted on 01 May 2018.

#### B. Other employee benefits – Long Service Award

This benefit is applicable to all regular employees of the company (except for Directors and CMD) who have superannuated after completing at least 10 years of service. This scheme is unfunded and liability for the same is recognised on the basis of actuarial valuation on annual basis on the balance sheet date.

#### C. Gratuity

The company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to get gratuity at 15 days salary (15/26 x last drawn basic salary plus, dearness allowance) for each completed year of service on superannuation, resignation, termination, disablement or on death subject to a maximum of ₹20 lakh. The scheme is funded by the company and is managed by a separate trust. The liability for the same is recognized on the basis of actuarial valuation on annual basis on the Balance Sheet date. Company has carried out the actuarial valuation of Gratuity benefit considering ceiling of ₹20 Lakh.

#### D. Other Defined Retirement Benefits (ODRB)/Baggage Allowance

The Company has a scheme for settlement at the time of superannuation at anywhere in India and dependents to superannuated employees. The scheme is unfunded and liability for the same is recognized on the basis of actuarial valuation on annual basis on the Balance Sheet date.

#### E. Provident Fund

Company pays fixed contribution to Provident Fund at predetermined rate to a separate trust, which invests the funds in permitted securities. Contribution to family pension scheme is paid to the appropriate authorities. The contribution to the fund and EPS scheme for the year amounting to ₹130.81 crore (previous year ₹128.30 crore) has been recognized as expense and is charged to Statement of Profit and Loss. The obligation of the company is limited to such fixed contribution and to ensure a minimum rate of interest on contributions to the members as specified by GOI. As per the report of actuary overall interest earning and cumulative surplus is not more than statutory interest payment requirement. Hence, further provision of ₹171.06 Crore has been included in OCI based on actuarial valuation is considered necessary to meet the statutory interest payment during the FY 2021-22. Since the company does not have unconditional right over the PF corpus, the surplus has not been recognized in the Balance Sheet.

(₹ in crore)

Particulars	31 March 2022			31 March 2021		
	Current	Non-current	Total	Current	Non-current	Total
Provident Fund (PF)	694.61	2640.38	3334.99	438.42	2821.90	3260.32


**66. Employee Benefit Obligations (Contd.)**

(₹ in crore)

Particulars	PF		Net amount
	Present value of obligation	Fair value of plan assets	
<b>01 April 2021</b>	<b>3260.32</b>	<b>3301.89</b>	<b>(41.57)</b>
Service cost	118.36	-	118.36
Interest expense (income)	251.83	87.97	163.86
<b>Total</b>	<b>370.19</b>	<b>87.97</b>	<b>282.22</b>
<b>Re measurements</b>			
Return on plan assets, excluding amount included in interest expense/(income)			
(Gain)/Loss from change in demographic assumptions	-	-	-
(Gain)/Loss from change in financial assumptions	-	-	-
Experience (Gain)/ Losses	48.77	-	48.77
<b>Total</b>	<b>48.77</b>	<b>-</b>	<b>48.77</b>
Employee contributions	196.46	314.82	(118.36)
Benefits payments	(540.75)	(540.75)	-
<b>31 March 2022</b>	<b>3334.99</b>	<b>3163.93</b>	<b>171.06</b>

(₹ in crore)

Particulars	PF		Net amount
	Present value of obligation	Fair value of plan assets	
<b>01 April 2020</b>	<b>3055.87</b>	<b>3146.09</b>	<b>(90.22)</b>
Service cost	115.35	-	115.35
Interest expense (income)	254.71	207.78	46.93
<b>Total</b>	<b>370.06</b>	<b>207.78</b>	<b>162.28</b>
<b>Re measurements</b>			
Return on plan assets, excluding amount included in interest expense/(income)			
(Gain)/Loss from change in demographic assumptions	-	-	-
(Gain)/Loss from change in financial assumptions	-	-	-
Experience (Gain)/ Losses	1.72	-	1.72
<b>Total</b>	<b>1.72</b>	<b>-</b>	<b>1.72</b>
Employee contributions	256.88	372.23	(115.35)
Benefits payments	(424.21)	(424.21)	-
<b>31 March 2021</b>	<b>3260.32</b>	<b>3301.89</b>	<b>(41.57)</b>

The net liability disclosed above relates to Provident Fund is as follows:

(₹ in crore)

Particulars	PF	
	31 March 2022	31 March 2021
Present value of funded obligations	3334.99	3260.32
Fair value of plan assets	3163.93	3301.89
<b>Deficit/(Surplus) of funded plan</b>	<b>171.06</b>	<b>(41.57)</b>

Sensitivity Analysis of Provident Fund:

(₹ in crore)

Particulars	PF
a) Impact of change in discount rate	
Present value of Obligation at the end of period	3334.99
- Impact due to increase of 0.5%	(0.62)
- Impact due to decrease of 0.5%	0.65

## 66. Employee Benefit Obligations (Contd.)

The major categories of plan assets (PF) are as follows

(₹ in crore)

Particulars	31 March 2022				31 March 2021			
	Quoted	Unquoted	Total	In %	Quoted	Unquoted	Total	In %
Equity instruments (ETF)	102.83	-	102.83	3%	60.56	-	60.56	2%
<b>Debt instruments</b>								
Govt/State Bonds	1831.84	-	1831.84	58%	1774.95	-	1774.95	54%
PSU and Private Bonds	1120.02	-	1120.02	36%	1308.56	-	1308.56	40%
Bank Balance	73.80	-	73.80	2%	51.12	-	51.12	1%
Other Receivables	35.44	-	35.44	1%	106.70	-	106.70	3%
<b>Total</b>	<b>3163.93</b>	<b>-</b>	<b>3163.93</b>	<b>100%</b>	<b>3301.89</b>	<b>-</b>	<b>3301.89</b>	<b>100%</b>

Fair value of company's own transferable financial instruments held as plan assets is ₹54.03 crore as on 31 March 2022 (₹73.52 crore as on 31 March 2021).

The expected maturity analysis of provident fund is as follows:

(₹ in crore)

Particulars	Less than a year	Between 1-2 year	Between 2-5 years	Over 5 years	Total
<b>31 March 2022</b>	<b>694.61</b>	<b>297.11</b>	<b>616.26</b>	<b>1727.01</b>	<b>3334.99</b>
<b>31 March 2021</b>	438.42	338.33	737.81	1745.76	3260.32

### F. Pension

The Company has scheme of employees defined Pension Contribution. Company contribution is paid to separate trust. Amount of contribution paid/payable for the year is ₹115.31 crore (previous year ₹62.63 crore) has been recognized as expense and is charged to Statement of Profit & Loss.

The summarized position of various employee benefit obligations is as follows:

(₹ in crore)

Particulars	Gratuity			ODRB			Leaves			PRMF		
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount
<b>01 April 2021</b>	<b>591.75</b>	<b>592.76</b>	<b>(1.01)</b>	<b>23.47</b>	-	<b>23.47</b>	<b>468.06</b>	-	<b>468.06</b>	<b>602.20</b>	<b>601.13</b>	<b>1.07</b>
Service cost	24.04	-	24.04	1.40	-	1.40	65.64	-	65.64	19.47	-	19.47
Interest expense (income)	39.94	7.29	32.65	1.58	-	1.58	31.60	-	31.60	40.65	-	40.65
<b>Total amount recognized in profit or loss</b>	<b>63.98</b>	<b>7.29</b>	<b>56.69</b>	<b>2.98</b>	-	<b>2.98</b>	<b>97.24</b>	-	<b>97.24</b>	<b>60.12</b>	-	<b>60.12</b>
<b>Re measurements</b>												
Return on plan assets, excluding amount included in interest expense/(income)	-	0.01	(0.01)	-	-	-	-	-	-	-	54.37	(54.37)
(Gain)/Loss from change in demographic assumptions	-	-	-	-	-	-	-	-	-	-	-	-
(Gain)/Loss from change in financial assumptions	-	-	-	-	-	-	-	-	-	-	-	-
Experience (Gain)/ Losses	(18.77)	-	(18.77)	(3.35)	-	(3.35)	56.35	-	56.35	30.40	-	30.40
<b>Total amount recognized in other comprehensive income</b>	<b>(18.77)</b>	<b>0.01</b>	<b>(18.78)</b>	<b>(3.35)</b>	-	<b>(3.35)</b>	<b>56.35</b>	-	<b>56.35</b>	<b>30.40</b>	<b>54.37</b>	<b>(23.97)</b>




**66. Employee Benefit Obligations (Contd.)**

(₹ in crore)

Particulars	Gratuity			ODRB			Leaves			PRMF		
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount
Employer contributions	-	26.44	(26.44)			-	-	-	-		37.32	(37.32)
Benefits payments	(72.98)	(72.98)	-	(0.01)		(0.01)	(89.58)	-	(89.58)	(34.04)	<b>(34.04)</b>	-
<b>31 March 2022</b>	<b>563.98</b>	<b>553.52</b>	<b>10.46</b>	<b>23.09</b>	-	<b>23.09</b>	<b>532.07</b>	-	<b>532.07</b>	<b>658.68</b>	<b>658.78</b>	<b>(0.10)</b>

(₹ in crore)

Particulars	Gratuity			ODRB			Leaves			PRMF		
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount
<b>01 April, 2020</b>	<b>601.91</b>	<b>554.99</b>	<b>46.92</b>	<b>20.96</b>	-	<b>20.96</b>	<b>424.46</b>	-	<b>424.46</b>	<b>542.87</b>	<b>518.16</b>	<b>24.71</b>
Service cost	24.57		24.57	1.44	-	1.44	47.35	-	47.35	18.15	-	18.15
Interest expense (income)	40.63	39.91	0.72	1.41	-	1.41	28.65	-	28.65	36.65	-	36.65
<b>Total amount recognized in profit or loss</b>	<b>65.20</b>	<b>39.91</b>	<b>25.29</b>	<b>2.85</b>	-	<b>2.85</b>	<b>76.00</b>	-	<b>76.00</b>	<b>54.80</b>	-	<b>54.80</b>
<b>Re measurements</b>												
Return on plan assets, excluding amount included in interest expense/(income)											73.33	(73.33)
(Gain)/Loss from change in demographic assumptions												
(Gain)/Loss from change in financial assumptions												
Experience (Gain)/ Losses	(3.46)		(3.46)	(0.31)		(0.31)	47.97		47.97	29.77		29.77
<b>Total amount recognized in other comprehensive income</b>	<b>(3.46)</b>	<b>0.00</b>	<b>(3.46)</b>	<b>(0.31)</b>		<b>(0.31)</b>	<b>47.97</b>		<b>47.97</b>	<b>29.77</b>	<b>73.33</b>	<b>(43.56)</b>
Employer contributions		69.81	(69.81)								9.64	(9.64)
Benefits payments	(72.05)	(72.05)	0.00	(0.03)		(0.03)	(80.44)		(80.44)	(25.24)		(25.24)
Addition on business combinations	0.15	0.10	0.05				0.07		0.07			
<b>31 March 2021</b>	<b>591.75</b>	<b>592.76</b>	<b>(1.01)</b>	<b>23.47</b>	-	<b>23.47</b>	<b>468.06</b>	-	<b>468.06</b>	<b>602.20</b>	<b>601.13</b>	<b>1.07</b>

The net disclosed above relates to funded and unfunded plans are as follows: -

(₹ in crore)

Particulars	Gratuity		ODRB		Leaves		PRMF	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Present value of funded obligations	<b>563.98</b>	591.75	-	-	-	-	<b>658.68</b>	602.20
Fair value of plan assets	<b>553.52</b>	592.76	-	-	-	-	<b>658.78</b>	601.13
<b>Deficit/(Surplus) of funded plan</b>	<b>10.46</b>	<b>(1.01)</b>	-	-	-	-	<b>(0.10)</b>	<b>1.07</b>
<b>Unfunded plans</b>	-	-	<b>23.09</b>	<b>23.47</b>	<b>532.07</b>	<b>468.06</b>	-	-

The company expects to contribute ₹35.67 crore to the gratuity trust during the FY 2022-23.

## 66. Employee Benefit Obligations (Contd.)

### (iii) Significant actuarial assumptions for Post-Employment Benefits

#### Economic Assumptions

Particulars	Gratuity, ODRB, Pension, PRMF, PF	
	31 March 2022	31 March 2021
Discount rate	7.00%	6.75%
Salary growth rate (except for PF)	6.50%	6.50%

The discount rate is generally based upon the market yields available on Govt. Bonds at the accounting date relevant to currency of benefit payments for a term that matches the liabilities. Salary growth rate is companies' long term best estimate as to salary increases and takes account of inflation, seniority, promotion, business plan, HR Policy and other relevant factors on long term basis.

#### Demographic Assumptions

Particulars	31 March 2022	31 March 2021
i) Retirement Age	60	60
ii) Mortality rates inclusive of provision for disability	100% of IALM (2012-14)	100% of IALM (2012-14)
iii) Ages	Withdrawal rate %	Withdrawal %
Upto 30 years	3	3
From 31 to 44 years	2	2
Above 44 years	1	1

#### Mortality rates for specimen ages

Age	Mortality rate	Age	Mortality rate	Age	Mortality rate
15	0.000698	45	0.002579	75	0.038221
20	0.000924	50	0.004436	80	0.061985
25	0.000931	55	0.007513	85	0.100979
30	0.000977	60	0.011162	90	0.163507
35	0.001202	65	0.015932	95	0.259706
40	0.001680	70	0.024058	100	0.397733

### (iv) Sensitivity Analysis of the defined benefit obligation

(₹ in crore)

Particulars	Gratuity	ODRB	Leave	PRMF
a) Impact of change in discount rate				
Present value of Obligation at the end of period	563.98	23.09	532.07	658.68
- Impact due to increase of 0.5%	(22.62)	(1.01)	(25.63)	(36.21)
- Impact due to decrease of 0.5%	24.69	1.13	27.96	38.18
b) Impact of change in salary increase				
Present value of Obligation at the end of period	563.98	23.09	532.07	658.68
- Impact due to increase of 0.5%	7.94	1.12	27.96	38.99
- Impact due to decrease of 0.5%	(8.50)	(1.05)	(25.74)	(36.59)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

The sensitivity analysis above has been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. This analysis may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.



## 66. Employee Benefit Obligations (Contd.)

(v) The major categories of plan assets (Gratuity) are as follows:

(₹ in crore)

Particulars	31 March 2022				31 March 2021			
	Quoted	Unquoted	Total	In %	Quoted	Unquoted	Total	In %
Equity instruments (ETF)	4.98	-	4.98	1%	3.14	-	3.14	1%
<b>Debt instruments</b>								
Govt/State Bonds	326.56	-	326.56	62%	316.42	-	316.42	54%
PSU and Private Bonds	197.95	-	197.95	37%	266.28	-	266.28	45%
<b>Total*</b>	<b>529.49</b>	<b>-</b>	<b>529.49</b>	<b>100%</b>	<b>585.84</b>	<b>-</b>	<b>585.84</b>	<b>100%</b>

\*Fair valuation as per actuarial valuation is ₹553.29 crore (Previous Year ₹592.66 crore).

Fair value of company's own transferable financial instruments held as plan assets is ₹43.38 crore (Previous Year ₹56.03 crore).

(vi) The major categories of plan assets (PRMF) are as follows:

(₹ in crore)

Particulars	31 March 2022				31 March 2021			
	Quoted	Unquoted	Total	In %	Quoted	Unquoted	Total	In %
Equity instruments (ETF)	-	-	-	-	-	-	-	-
<b>Debt instruments</b>								
Govt/State Bonds	344.06	-	344.06	54%	296.17	-	296.17	51%
PSU and Private Bonds	298.85	-	298.85	46%	288.93	-	288.93	49%
<b>Total#</b>	<b>642.91</b>	<b>-</b>	<b>642.91</b>	<b>100%</b>	<b>585.10</b>	<b>-</b>	<b>585.10</b>	<b>100%</b>

#Fair valuation as per actuarial valuation is ₹658.78 crore (Previous Year ₹601.13 crore)

### (vii) Description of Risk exposures

Valuation is based on certain assumptions which are dynamic in nature and vary over time. As such company is exposed to various risks as follows:

- Salary Increases (except for PF) – Actual salary increase will increase the plan's liability. Increase in salary increase rate assumptions in future valuation will also increase the liability.
- Investment risk – If plan is funded then assets liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability
- Discount Rate – Reduction in discount rate in subsequent valuations can increase the plan's liability.
- Mortality & disability – Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

### (viii) Defined benefit liability and employee contribution

The weighted average duration of the defined benefit obligations is 39.61 years (Previous Year 39.57 years). The expected maturity analysis of undiscounted pension, gratuity, other defined retirement benefit and post-employment medical benefits is as follows:

(₹ in crore)

Particulars	Less than a year	Between 1-2 year	Between 2-5 years	Over 5 years	Total
<b>31 March 2022</b>					
Defined benefit obligation (Gratuity)	81.08	63.44	125.24	294.22	563.98
Post-employment medical benefits	28.08	35.84	140.27	454.49	658.68
ODRB	2.59	2.18	4.58	13.74	23.09
Other employee benefits (LSA)	1.60	1.14	2.50	16.79	22.03
<b>Total</b>	<b>113.35</b>	<b>102.60</b>	<b>272.59</b>	<b>779.24</b>	<b>1267.78</b>

**66. Employee Benefit Obligations (Contd.)**

(₹ in crore)

Particulars	Less than a year	Between 1-2 year	Between 2-5 years	Over 5 years	Total
<b>31 March 2021</b>					
Defined benefit obligation (Gratuity)	77.41	73.31	149.02	292.01	591.75
Post-employment medical benefits	22.58	28.78	112.44	438.40	602.20
ODRB	2.37	2.42	5.27	13.41	23.47
Other employee benefits (LSA)	1.46	1.46	3.42	15.43	21.77
<b>Total</b>	<b>103.82</b>	<b>105.97</b>	<b>270.15</b>	<b>759.25</b>	<b>1239.19</b>

**67. Additional Regulatory Information as per Schedule III to the Companies Act, 2013**

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

(₹ in crore)

Particulars	<1 Year	1-2 Years	2-3 Years	>3 Years	Total
<b>As at 31.03.2022</b>					
Projects in progress	7,375.13	2,628.92	1,219.06	1,579.05	12,802.16
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>7,375.13</b>	<b>2,628.92</b>	<b>1,219.06</b>	<b>1,579.05</b>	<b>12,802.16</b>
<b>As at 31.03.2021</b>					
Projects in progress	13,114.04	7,427.47	1,664.16	2,476.39	24,682.06
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>13,114.04</b>	<b>7,427.47</b>	<b>1,664.16</b>	<b>2,476.39</b>	<b>24,682.06</b>

b) For capital-work-in progress (CWIP), whose completion is overdue or has exceeded its cost compared to its original plan, CWIP completion schedule is as follows:

(₹ in crore)

Particulars	Project	<1 Year	1-2 Years	2-3 Years	>3 Years	Total
Projects in progress	North East - Northern / Western Interconnector - I project	1,007.06	-	-	-	1,007.06
Projects in progress	Transmission System associated with Tehri Pump Storage Plant (PSP)	180.93	-	-	-	180.93
Projects in progress	Western Region System Strengthening Scheme - V	450.52	-	-	-	450.52
Projects in progress	Transmission System Associated with Mundra Ultra Mega Power Project	-	108.96	-	-	108.96
Projects in progress	Eastern Region Strengthening Scheme - V (ERSS-V)	26.61	-	-	-	26.61
Projects in progress	Establishment of Fibre Optic Communication System in Western Region under Master Communication Plan	0.74	-	-	-	0.74
Projects in progress	Phase-I Unified Real Time Dynamic State Measurement (URTDMS)	2.71	-	-	-	2.71
Projects in progress	Northern Region System Strengthening Scheme - XXXV (NRSS-XXXV)	93.93	-	-	-	93.93
Projects in progress	Fibre optic communication system in Eastern Region under expansion of Wideband Communication network in Eastern Region	6.05	-	-	-	6.05
Projects in progress	Fibre optic communication system for Central Sector Sub-Stations & generating stations in Southern Region	0.80	-	-	-	0.80
Projects in progress	Eastern Region Strengthening Scheme - XII (ERSS-XII)	22.31	-	-	-	22.31


**67. Additional Regulatory Information as per Schedule III to the Companies Act, 2013 (Contd.)**

(₹ in crore)

Particulars	Project	<1 Year	1-2 Years	2-3 Years	>3 Years	Total
Projects in progress	POWERGRID works associated with North Eastern Region Strengthening Scheme - II, Part-B (NERSS-II-B)	83.27	-	-	-	<b>83.27</b>
Projects in progress	North Eastern Region Strengthening Scheme - III (NERSS-III)	53.05	-	-	-	<b>53.05</b>
Projects in progress	Creation of 400/220kV Substations in NCT of Delhi during 12th Plan Period (Part-A)	260.91	-	-	-	<b>260.91</b>
Projects in progress	Establishment of Fibre Optic Communication System in Northern Region under Fibre Optic Expansion Project (Additional Requirement)	72.56	-	-	-	<b>72.56</b>
Projects in progress	Transmission System for Ultra Mega Solar Park (750 MW) in Rewa District, Madhya Pradesh	12.53	-	-	-	<b>12.53</b>
Projects in progress	Transmission System for Ultra Mega Solar Park in Anantpur District, Andhra Pradesh - Part B (Phase-II)	50.93	-	-	-	<b>50.93</b>
Projects in progress	Establishment of 220/66kV, 2X160MVA GIS at UT Chandigarh along with 220kV D/C line from Chandigarh GIS to 400/220kV Panchkula (PG) substation	302.64	-	-	-	<b>302.64</b>
Projects in progress	Eastern Region Strengthening Scheme-XVII (Part-B) [ERSS-XVII (Part-B)]	43.82	-	-	-	<b>43.82</b>
Projects in progress	System Strengthening Scheme in Northern Region-XXXVII (NRSS-XXXVII)	344.64	-	-	-	<b>344.64</b>
Projects in progress	ICTs & Bays associated with Northern Region System Strengthening Scheme - XXXVIII (NRSS-XXXVIII)	262.59	-	-	-	<b>262.59</b>
Projects in progress	Line bays associated with Northern Region System Strengthening Scheme -XXXVI	23.03	-	-	-	<b>23.03</b>
Projects in progress	Establishment of Fibre Optic Communication System under Wide Band Communication Expansion Plan in North-Eastern Region	34.86	-	-	-	<b>34.86</b>
Projects in progress	Establishment of Fibre Optic Communication System in Western Region under Master Communication Plan (Additional Requirement)	9.85	-	-	-	<b>9.85</b>
Projects in progress	POWERGRID works associated with Transmission System Strengthening in Indian System for transfer of power from new HEPs in Bhutan	54.50	-	-	-	<b>54.50</b>
Projects in progress	Establishment of Communication System under Expansion/Up-gradation of SCADA/EMS system at SLDCs of Eastern Region (BSPTCL and DVC)	15.86	-	-	-	<b>15.86</b>
Projects in progress	HVDC Bipole link between Western region (Raigarh, Chhattisgarh) and Southern region (Pugalur, Tamil Nadu) - North Trichur (Kerala) - Scheme#2: AC System Strengthening at Pugalur end	-	17.79	-	-	<b>17.79</b>
Projects in progress	POWERGRID works associated with North Eastern Region Strengthening Scheme - VI	18.43	-	-	-	<b>18.43</b>
Projects in progress	POWERGRID works associated with North Eastern Region Strengthening Scheme - V	66.36	-	-	-	<b>66.36</b>

**67. Additional Regulatory Information as per Schedule III to the Companies Act, 2013 (Contd.)**

(₹ in crore)

Particulars	Project	<1 Year	1-2 Years	2-3 Years	>3 Years	Total
Projects in progress	Sub-Station works associated with Additional Inter-Regional AC link for import into Southern Region i.e. Warora – Warangal and Chilakaluripeta - Hyderabad - Kurnool 765kV link	159.27	-	-	-	<b>159.27</b>
Projects in progress	Provision of 400kV line bays at Bhiwani (PG)	18.17	-	-	-	<b>18.17</b>
Projects in progress	Transmission System for evacuation of power from 2X500 MW Neyveli Lignite Corp. Ltd. TS-1 (Replacement) (NNTPS) in Neyveli, Tamil Nadu	39.07	-	-	-	<b>39.07</b>
Projects in progress	POWERGRID works associated with Transmission System Strengthening in WR associated with Khargone TPS	99.32	-	-	-	<b>99.32</b>
Projects in progress	POWERGRID works associated with immediate evacuation for North Karanpura (3X660 MW) generation project of NTPC	40.63	-	-	-	<b>40.63</b>
Projects in progress	Eastern Region Strengthening Scheme- XVIII (ERSS-XVIII)	10.45	-	-	-	<b>10.45</b>
Projects in progress	Transmission System for Ultra Mega Solar Power Park (700 MW) at Banaskantha (Radhanesda), Gujarat	153.01	-	-	-	<b>153.01</b>
Projects in progress	Communication System under Eastern Region Fibre Optic Expansion Project (Additional Requirement)	34.51	-	-	-	<b>34.51</b>
Projects in progress	POWERGRID Works associated with Additional 400kV feed to Goa	21.78	-	-	-	<b>21.78</b>
Projects in progress	Additional System for Power Evacuation from Generation Projects pooled at Raigarh (Tamnar) Pool	78.41	-	-	-	<b>78.41</b>
Projects in progress	Establishment of Fibre Optic Communication Scheme (Additional) under Central Sector for North Eastern Region	15.78	-	-	-	<b>15.78</b>
Projects in progress	Establishment of Reliable Communication Scheme under Central Sector for Eastern Region	9.32	-	-	-	<b>9.32</b>
Projects in progress	Reliable Communication Scheme under Central Sector for Southern Region	101.59	-	-	-	<b>101.59</b>
Projects in progress	Reliable Communication Scheme under Central Sector for Western Region	53.28	-	-	-	<b>53.28</b>
Projects in progress	Baharpur (POWERGRID) – Bheramara (Bangladesh) 2nd 400kV D/c Transmission Line (Indian Portion)	170.35	-	-	-	<b>170.35</b>
Projects in progress	Supplementary Transmission System for Ultra Mega Solar Power Park (700 MW) at Banaskantha (Radhanesda), Gujarat	164.81	-	-	-	<b>164.81</b>
Projects in progress	Scheme to control fault level at Wardha substation	46.01	-	-	-	<b>46.01</b>
Projects in progress	Implementation of 500 MVAR Thyristor Controlled Reactor at Kurukshetra 400 kV bus	92.80	-	-	-	<b>92.80</b>
Projects in progress	Reliable Communication Scheme under Central Sector for Northern Region	66.72	-	-	-	<b>66.72</b>


**67. Additional Regulatory Information as per Schedule III to the Companies Act, 2013 (Contd.)**

(₹ in crore)

Particulars	Project	<1 Year	1-2 Years	2-3 Years	>3 Years	Total
Projects in progress	Northern Region System Strengthening - XL (NRSS-XL)	79.72	-	-	-	<b>79.72</b>
Projects in progress	Northern Region System Strengthening - XLI (NRSS-XLI)	17.89	-	-	-	<b>17.89</b>
Projects in progress	System Strengthening - XXV in Southern Region	36.15	-	-	-	<b>36.15</b>
Projects in progress	Extension works at POWERGRID substations for Interconnection of RE projects	5.46	-	-	-	<b>5.46</b>
Projects in progress	Transmission System for Solar Energy Zones in Rajasthan	203.28	-	-	-	<b>203.28</b>
Projects in progress	Northern Region System Strengthening - XLII (NRSS-XLII)	8.31	-	-	-	<b>8.31</b>
Projects in progress	Scheme to control fault level in Northern Region (Phase-II)	65.65	-	-	-	<b>65.65</b>
Projects in progress	Eastern Region Strengthening Scheme-XXII	22.04	-	-	-	<b>22.04</b>
Projects in progress	Transmission System for providing connectivity to RE projects at Bikaner (PG), Fatehgarh-II & Bhadla-II	248.06	-	-	-	<b>248.06</b>
Projects in progress	Transmission System for controlling high short circuit current level at 400 kV Thiruvalem S/s	74.74	-	-	-	<b>74.74</b>
Projects in progress	Construction of 2 nos. of 400kV Hybrid/GIS Line bays at Varanasi (PG) substation	34.21	-	-	-	<b>34.21</b>
Projects in progress	2 Nos. of 220 kV line bays at Saharanpur (PG)	2.63	-	-	-	<b>2.63</b>
Projects in progress	Transmission system strengthening scheme for evacuation of power from solar energy zones in Rajasthan (8.1 GW) under Phase II- Part-A1	10.98	-	-	-	<b>10.98</b>
Projects in progress	North Eastern Region Strengthening Scheme - X (NERSS-X)	16.10	-	-	-	<b>16.10</b>
Projects in progress	Eastern Region Strengthening Scheme-XXIII	182.99	-	-	-	<b>182.99</b>
Projects in progress	Transmission System for North Eastern Region Strengthening Scheme - XIV (NERSS-XIV)	31.56	-	-	-	<b>31.56</b>
Projects in progress	North Eastern Region Strengthening Scheme - XI (NERSS-XI)	8.23	-	-	-	<b>8.23</b>
Projects in progress	Eastern Region System Strengthening Scheme-XXIV (ERSS-XXIV)	1.89	-	-	-	<b>1.89</b>
Projects in progress	Transmission System for Solar Power Parks at Bhadla, Rajasthan	92.95	-	-	-	<b>92.95</b>
Projects in progress	Transmission System for providing connectivity to RE projects at Bhuj-II (2000MW) in Gujarat	1,027.88	-	-	-	<b>1,027.88</b>
Projects in progress	ERSS XVIII-400 kv D/C Jeerat Subhasgram TL	381.80	-	-	-	<b>381.80</b>
Projects in progress	Construction of 765/400/220 kV GIS Substation Rampur and 400/220/132 KV GIS substation Sambhal with 400KV Transmission Line	592.11	-	-	-	<b>592.11</b>



## 67. Additional Regulatory Information as per Schedule III to the Companies Act, 2013 (Contd.)

c) Aging of Intangible assets under development is as follows:

(₹ in crore)

Particulars	<1 Year	1-2 Years	2-3 Years	>3 Years	Total
<b>As at 31.03.2022</b>					
Projects in progress	32.23	15.20	0.03	6.24	53.70
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>32.23</b>	<b>15.20</b>	<b>0.03</b>	<b>6.24</b>	<b>53.70</b>
<b>As at 31.03.2021</b>					
Projects in progress	46.65	15.98	89.12	6.24	157.99
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>46.65</b>	<b>15.98</b>	<b>89.12</b>	<b>6.24</b>	<b>157.99</b>

d) For Intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan, Intangible assets under development completion schedule is as follows:

(₹ in crore)

Particulars	Project	<1 Year	1-2 Years	2-3 Years	>3 Years	Total
Projects in progress	Western Region System Strengthening Scheme - V	6.24	-	-	-	6.24
Projects in progress	North East - Northern / Western Interconnector - I project	24.66	-	-	-	24.66
Projects in progress	Eastern Region Strengthening Scheme- XXIII	0.63	-	-	-	0.63
Projects in progress	Transmission System for providing connectivity to RE projects at Bhuj-II (2000MW) in Gujarat	15.23	-	-	-	15.23

e) No proceeding has been initiated or pending against the group for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder as at the end of the financial year.

f) The Company was sanctioned a working capital limit of ₹5,700 crore (Previous Year ₹5,700 crore) secured against current assets by consortium of banks. The quarterly returns of current assets have been filed by the company during the financial year and are in agreement with books of accounts.

g) The Group was not declared as a wilful defaulter by any bank or financial Institution or other lender during the financial year.

h) Relationship with Struck off Companies:

(₹ in crore)

Name of struck off Company	Nature of transactions with struck off Company	Balance outstanding as at 31.03.2022	Balance outstanding as at 31.03.2021	Relationship with the Struck off company
Ace Consultants Pvt Ltd	Payables	0.00	0.00	Not a Related Party
Beautex Advertising Media Private Limited	Payables	0.03	0.03	Not a Related Party
Vitalink Wealth Advisory Services Private Limited	Shares held by stuck off company	0.00	0.00	Not a Related Party
Zenith Insurance Services Pvt Ltd	Shares held by stuck off company	0.00	0.00	Not a Related Party
J V A Enterprises Private Ltd.	Shares held by stuck off company	0.00	0.00	Not a Related Party
Isairis Trading Private Limited	Shares held by stuck off company	0.00	0.00	Not a Related Party
Kothari Intergroup Ltd.	Shares held by stuck off company	0.00	0.00	Not a Related Party
Vaishak Shares Limited	Shares held by stuck off company	0.00	0.00	Not a Related Party


**67. Additional Regulatory Information as per Schedule III to the Companies Act, 2013 (Contd.)**

(₹ in crore)

Name of struck off Company	Nature of transactions with struck off Company	Balance outstanding as at 31.03.2022	Balance outstanding as at 31.03.2021	Relationship with the Struck off company
Shubhra Communications Private Limited	Receivables	0.04	0.04	Not a Related Party
Roofers Media Private Limited	Receivables	0.02	0.02	Not a Related Party
Expeditive Infotech Private Limited	Receivables	0.11	0.06	Not a Related Party
Glan Solution India Private Limited	Receivables	0.03	0.03	Not a Related Party
Arctos Telecom Private Limited(OPC)	Receivables	0.08	0.08	Not a Related Party
Yash Techno Media Private Limited	Receivables	0.06	0.06	Not a Related Party
Viscom Media Private Limited	Receivables	0.02	0.02	Not a Related Party
Business Standard Ltd	Payables	0.01	0.01	Not a Related Party
IMPERIAL FOUNDATION PVT LTD	Payables	0.21	0.21	Not a Related Party
HINDUSTHAN VIDYUT PRODUCTS LIMIT	Payables	0.01	0.01	Not a Related Party
SIDDHARAM	Payables	0.04	0.09	Not a Related Party
Yumiko Global Infra Tech Pvt Ltd	Payables	0.10	0.16	Not a Related Party
Mittsoo Solutions Pvt Ltd	Payables	0.00	0.00	Not a Related Party
TGN Networks Private Limited	Payables	0.00	0.00	Not a Related Party
Jai Ambey Trading Private Limited	Payables	0.01	0.01	Not a Related Party
Visaag Technologies Private Limited	Payables	0.00	0.00	Not a Related Party
Braintech Infra Private Limited	Payables	0.01	0.01	Not a Related Party
Techsoul Energy Private Limited	Payables	0.00	0.00	Not a Related Party
Baur Instruments (India) Private Limited	Payables	0.00	0.00	Not a Related Party
Synergy Telecommunications Private Limited	Payables	0.16	0.16	Not a Related Party
Sigma Security Services Private Limited	Payables	0.01	0.01	Not a Related Party
Quality Reserch Services Private Limited	Payables	0.00	0.00	Not a Related Party

- i) The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017 during the financial year.
- j) The company has not received/advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) through Intermediaries during the financial year.
- k) The Company does not have any transaction that was not recorded in the books of accounts and has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- l) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

**68. Disclosure of material impact of COVID-19 pandemic on listed entities under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

The Group is mainly engaged in the business of transmission of electricity and the tariffs for the transmission services are regulated in terms of the CERC Tariff Regulations which provide for recovery of the annual transmission charges based on system availability.

Due to the continuing COVID-19 pandemic, various lockdowns were declared by the Central/ State Governments/ Local Authorities from time to time. However, as per the Government guidelines, transmission units and services were exempted from the said lockdown restrictions. The Company has issued guidelines and protocols to be followed by its various units for the operation and maintenance of its transmission network during the pandemic. The Company has also implemented digital solutions such as e-office, ERP systems, Virtual Private Network, Video Conferencing etc. to facilitate Work from Home of its employees. Due to the various steps taken by the Company, there has been no significant impact due to the pandemic on the availability of the transmission system of the Company.

In the above backdrop, the Company has considered various internal and external information available up to the date of approval of financial statements in assessing the impact of COVID-19 pandemic on the financial statements for the year ended 31 March 2022.

## 68. Disclosure of material impact of COVID-19 pandemic on listed entities under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Based on the above, there has been no material impact on the operations or profitability of the company during the financial year due to the pandemic. However, during the previous year, a consolidated one-time rebate of ₹1,078.64 crore given to DISCOMs and Power Departments of States / Union Territories for passing on to end consumers on account of COVID-19 pandemic against the billing of April 2020 and May 2020. Due to said consolidated one-time rebate, there was a reduction in the profit for the previous year and the same has been disclosed under "Exceptional items" in the Statement of Profit and loss.

The Company has made an assessment of the liquidity position for the next one year and of the recoverability and carrying value of its assets comprising of Property Plant and equipment, trade receivables and investments as at Balance Sheet date and the management is of the view that there are no material adjustments required in the financial statements. However, the impact assessment of COVID 19 is a continuing process given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions.

## 69. Other Notes

### A. Exceptional Items:

- a) In lieu of consideration of shareholding transferred to PG InvIT, 41,06,50,900 Units at the price of ₹100 each were allotted by PGInvIT to the company and ₹330.78 crore towards transfer of 26% share of PVTL. Further, the company received an amount of ₹304.15 crore on relinquishment of right on additional revenue in PPTL, PWTL and PJTL. The company retained 13,65,00,100 units being 15% of total units of PGInvIT outstanding on post issue basis pursuant to InvIT Regulations and remaining 27,41,50,800 units were sold by way of 'Offer for Sale (OFS)'. The company received an amount of ₹2736.02 crore (net of STT) against the OFS. The Profit on above transactions (net of related expenses) amounting to ₹3554.88 crore has been disclosed under "Exceptional items".
- b) One of the Group entities filed a petition with CERC to seek relief for time extension of Scheduled Date of Commercial Operations (SCOD) and Compensation in form of increase in Transmission charges on account of Force Majeure and change in law events under Article 11 and Article 12 respectively of Transmission Service Agreement (TSA) dated 31.08.2015 signed by the Group entity with LTTCS for execution of a Transmission Project. CERC, vide its order dated 07.05.2022 has allowed partial increase in transmission Charges on account of Change in Law events. However, CERC has denied time extension on account of Force Majeure events, which may result in action by LTTCS to claim Liquidated Damages (LD) as per the provisions of TSA.

The Group entity has filed an appeal with Appellate Tribunal for Electricity (APTEL) challenging the above CERC order. The matter was listed for hearing on 20.05.2022 and APTEL granted interim protection against coercive/precipitative actions by LTTCS till next date of hearing. The matter is sub-judice.

However, a provision for the amount of ₹234.55 crore towards LD has been made by the group in FY 2021-22 leading to a reduction in the profit for the year. The same has been disclosed under "Exceptional items" in the Statement of Profit and loss.

- c) In previous year, a consolidated one-time rebate of ₹1078.64 crore has been disclosed under "Exceptional items" in the Statement of Profit and loss. (refer note no.68)

### B. Incorporation of wholly owned subsidiary of POWERGRID to undertake Telecommunications and Digital Technology Business of the company

A company "Powergrid Teleservices Limited" was incorporated on 25.11.2021 as a wholly owned subsidiary of the company with an objective to undertake Telecommunications and Digital Technology business. The Company is evaluating the methodology/ Transaction Scheme for transfer of said business including but not limited to identification of assets and liabilities. The approval from CERC regarding above transfer are yet to be received.

The Company will continue to operate the Telecommunication and Digital Technology business until the above significant activities are completed. As the said business is not available for immediate sale in its present condition, hence the same is not classified as "disposal group held for sale".

### C. Acquisitions under process

The Company was the successful bidder in TBCB Projects under the SPVs namely Khetri-Narela Transmission Limited (KNL) and Mohanlalganj Transmission Limited (MTL). Further, the company has acquired KNL from concerned Bid Process Coordinator on 11.05.2022 & Letter of Intent (LoI) in respect of MTL has been obtained from concerned Bid Process Coordinator on 12.05.2022.

### D. Transfer of function of Central Transmission Utility (CTU) from the company

Ministry of Power vide Gazette notification dated 09.03.2021 notified that, with effect from 01.04.2021, "Central Transmission Utility of India Limited (CTUIL), a wholly owned subsidiary of the company incorporated on 28.12.2020" to undertake and discharge all functions of CTU pursuant to the provisions of the Electricity Act, 2003 or any regulations or directions of the central commission or authority or any other directions or functions prescribed by the Central Government in that regard. In pursuant to referred notification, the functions of CTU are transferred to CTUIL w.e.f. 01.04.2021.

**69. Other Notes (Contd.)****E. Recent Pronouncements**

On 23.03.2022, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2022 applicable from 01.04.2022. The Company will assess and implement the amendments to Division II in the FY 2022-23, as applicable.

F. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

70. a) Figures have been rounded off to nearest rupees in crore up to two decimals.

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

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

Company Secretary

**Mohammed Taj Mukarrum**

Director (Finance)

**K. Sreekant**

Chairman &amp; Managing Director

**As per our report of even date****For T R CHADHA & CO LLP**

Chartered Accountants

FRN : 006711N/N500028

**For UMAMAHESWARA RAO & CO**

Chartered Accountants

FRN : 004453S

**For B M CHATRATH & CO LLP**

Chartered Accountants

FRN : 301011E/E300025

**For PSD & ASSOCIATES**

Chartered Accountants

FRN : 004501C

**CA Neena Goel**

Partner

M. No. 057986

**CA R R Dakshinamurthy**

Partner

M. No. 211639

**CA Sanjay Sarkar**

Partner

M. No. 064305

**CA Prakash Sharma**

Partner

M. No. 072332

Date: 21 May 2022

Place: Gurugram

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF POWER GRID CORPORATION OF INDIA LIMITED

#### Report on the Audit of the Consolidated Financial Statements

##### Opinion

We have audited the accompanying consolidated financial statements of Power Grid Corporation of India Limited (hereinafter referred to as the "Holding Company"), and its subsidiaries (The Holding Company and its subsidiaries together referred to as "the Group"), and its joint ventures, which comprise the consolidated Balance Sheet as at 31 March 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended, and notes to the consolidated financial statement, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and joint ventures, as at 31 March 2022, the consolidated profit & total comprehensive income, consolidated changes in equity and consolidated cash flows for the year ended on that date.

##### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

##### Emphasis of Matter

We draw attention to the following matter in the notes to the Consolidated Financial Statements:

- In respect of provisional recognition of revenue from transmission assets for which final tariff orders are yet to be issued by the CERC [Refer Note No. 35(b)(ii)]

Our opinion is not modified in respect of the above matter.

##### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended 31 March 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, description of how the matter was addressed in our audit is provided in that context. Considering the requirement of Standard on Auditing (SA 600) on 'Using the work of Another Auditor' including materiality, below Key Audit Matters have been reproduced from the Independent Auditors' report on the audit of Standalone Financial Statements of the Holding Company.



Sr. No.	Key Audit Matters	How the matter was addressed in our audit
1	<p><b><u>Recognition of Revenue from Transmission Income</u></b></p> <p>Transmission Income is accounted for based on tariff orders notified by the CERC. In case of transmission projects where final tariff orders are yet to be notified, transmission income is accounted for on provisional basis as per Tariff Regulations and Orders of the CERC in earlier cases. Difference, if any, is accounted for on issuance of final Tariff Orders by the CERC. As at each reporting date, transmission income also includes an accrual for services rendered to the customers but not yet billed i.e. Unbilled Revenue.</p> <p>This is considered as Key Audit Matter due to the nature and extent of estimates made as per CERC Tariff Regulations and contracts with customers for recognition of revenue.</p> <p>(Refer Note No. 35 (b) (ii) Consolidated Financial Statement)</p>	<p>Our audit approach involved:</p> <p>Obtaining an understanding of the CERC Tariff Regulations, Orders, Circulars, Guidelines and the Company's internal circulars and procedures in respect of recognition and measurement of revenue from transmission of power.</p> <ul style="list-style-type: none"> <li>• Evaluated and tested the effectiveness of the design of Internal controls relating to recognition and measurement of revenue from Transmission.</li> <li>• Verified the transmission revenue based on the CERC Tariff Regulation, Orders, Circulars, Guidelines and the company's internal circulars.</li> <li>• Verified on test basis, the income recognised on provisional basis consistently as per the regulatory guidelines and orders of the CERC in recent cases where tariff orders were issued, for the assets whose final orders are yet to be notified by CERC, based on the date of commercial operation (DOCO) letters issued by Regional technical heads, and capital cost, as certified by the Management.</li> </ul> <p>Based on the above procedure performed, the recognition and measurement of revenue from transmission of power is considered to be adequate and reasonable.</p>
2	<p><b><u>Deferred Tax Assets relating to MAT credit entitlement</u></b></p> <p>The Company has considered MAT credit in anticipation of set off against the tax payable in future years and created Deferred Tax Asset for the same during the year. Corresponding to the said MAT Credit Entitlement, a Deferred Regulatory liability payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations has been recognized.</p> <p>We identified this as a key audit matter because of the importance of this matter to the intended users of the financial statements and its materiality and requirement of judgement in assessing future taxable profits for recognition of MAT credit entitlement.</p> <p>(Refer Note No. 26 of Consolidated financial statements.)</p>	<p>Our audit approach involved:</p> <ul style="list-style-type: none"> <li>• Reviewing the current status of availability of MAT credits.</li> <li>• Assessing the related forecasts of future taxable profits, evaluated the reasonableness and consistency of the considerations/assumptions underlying the preparation of these forecasts.</li> <li>• Based on the above procedures performed, the recognition and measurement of Deferred tax asset relating to MAT credit entitlement and corresponding Regulatory Deferral Liability towards customers, is considered adequate and reasonable.</li> </ul> <p>Based on the above procedures performed, the recognition and measurement of Deferred tax asset relating to MAT credit entitlement and corresponding Regulatory Deferral Liability towards customers, is considered adequate and reasonable.</p>
3	<p><b><u>Assessment of Contingent liabilities in respect of certain litigations including land compensation, direct and indirect taxes, various claims filed by other parties not acknowledged as debt.</u></b></p> <p>There is a high level of judgement required in estimating the contingent liabilities. The company's assessment of contingent liabilities is supported by the facts of the matter, Company's judgement thereon, past experience and advices from legal and independent tax consultants wherever necessary.</p> <p>We identified the above area as Key Audit Matter in view of associated uncertainty relating to the outcome of these matter.</p> <p>(Refer Note No. 61 of Consolidated financial statements.)</p>	<p>We have obtained an understanding of the Company's procedure in respect of estimation and disclosure of contingent liabilities and adopted the following audit procedures:</p> <ul style="list-style-type: none"> <li>• Reviewing the current status and material development of legal matters.</li> <li>• Examining recent orders from competent authorities and/or communication received from various authorities, judicial forums and follow-up action thereon.</li> <li>• Review and analysis of evaluation of the contentions of the company through discussions, collection of details of the subject matter under consideration, the likely outcome and consequent potential outflows on those issues.</li> </ul> <p>Based on the above procedures performed, the estimation and disclosures of contingent liabilities is considered to be adequate and reasonable.</p>



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

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our Auditor's Report thereon. The other information as identified above is expected to be made available to us after the date of this Auditor's Report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read those documents including annexures, if any thereon, if we conclude that there is a material misstatement therein, we shall communicate the matter to those charged with governance.

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of the joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and joint ventures are responsible for assessing the ability of the Group and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and joint ventures are also responsible for overseeing the financial reporting process of the Group and joint ventures.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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





of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Holding Company's Management.
- Conclude on the appropriateness of Holding Company's Management use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the Financial Statements of such entities included in the Consolidated Financial Statements of which we are the Independent Auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other Auditors, such other Auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance of the Holding Company included in the Consolidated Financial Statements, of which we are the Independent Auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

#### Other Matters

- (a) We did not audit the financial statements/ financial information of the following subsidiaries whose financial statements reflect the details given below for total assets and net assets as at 31 March 2022, total revenues and net cash flows for the year ended on that date to the extent to which they are reflected in the consolidated financial statements:

(₹ in Crore)

S. No.	Name of the Subsidiaries	Total Assets	Net Assets	Total Revenues	Net Cash Inflows/ (Outflows)
1	Powergrid Vemagiri Transmission Limited	-	(19.42)	-	-
2	Powergrid NM Transmission Limited	1,137.02	264.27	119.02	1.12
3	Powergrid Vizag Transmission Limited <sup>1</sup>	-	-	34.17	-
4	Powergrid Southern Interconnector Transmission System Limited	3,560.16	639.79	492.59	4.48
5	Powergrid Parli Transmission Limited <sup>1</sup>	-	-	39.46	-
6	Powergrid Warora Transmission Limited <sup>1</sup>	-	-	43.68	-
7	Powergrid Jabalpur Transmission Limited <sup>1</sup>	-	-	29.97	-
8	Powergrid Kala Amb Transmission Limited <sup>1</sup>	-	-	8.05	-
9	Powergrid Unchahar Transmission Limited	65.00	25.02	30.54	0.42
10	Powergrid MedinipurJeerat Transmission Limited	3,356.78	692.24	448.60	35.99
11	Powergrid Mithilanchal Transmission Limited	1,233.82	254.51	143.91	14.37
12	Powergrid Varanasi Transmission System Limited	977.94	195.00	79.70	5.75

(₹ in Crore)

S. No.	Name of the Subsidiaries	Total Assets	Net Assets	Total Revenues	Net Cash Inflows/ (Outflows)
13	Powergrid Jawaharpur Firozabad Transmission Limited	481.13	101.60	51.90	8.57
14	Powergrid Khetri Transmission System Limited	1,024.42	203.84	52.66	5.10
15	Powergrid Bhuj Transmission Limited	1,054.81	179.97	0.01	0.23
16	Powergrid Bhind Guna Transmission Limited	509.48	89.43	0.01	0.06
17	Powergrid Ajmer Phagi Transmission Limited	595.75	115.57	47.95	3.46
18	Powergrid Fatehgarh Transmission Limited	685.52	143.26	36.71	4.16
19	Powergrid Rampur Sambhal Transmission Limited	608.68	108.06	-	0.09
20	Powergrid Meerut Simbhavali Transmission Limited	859.93	129.69	-	0.05
21	Central Transmission Utility of India Limited	1,950.83	40.05	53.71	11.45
22	Powergrid Ramgarh Transmission Limited	105.22	0.58	-	0.01
23	Powergrid Himachal Transmission Limited	499.53	422.30	136.43	(36.86)
24	Powergrid Sikar Transmission Limited <sup>2</sup>	612.50	46.88	-	0.31
25	Powergrid Bhadla Transmission Limited <sup>2</sup>	348.23	19.75	-	0.00
26	Powergrid Teleservices Limited <sup>3</sup>	9.06	8.67	0.05	3.75
	<b>Total</b>	<b>19,675.81</b>	<b>5,198.79</b>	<b>1849.12</b>	<b>62.51</b>

<sup>1</sup> Subsidiary till 12.05.2021<sup>2</sup> 100% equity acquired from REC Power Distribution Company Limited on 04.06.2021.<sup>3</sup> Incorporated on 25.11.2021

The consolidated financial statements also include the Group's share of net profit/loss (including Other Comprehensive Income) for the year ended 31 March 2022 as considered in the consolidated financial statements in respect of following joint ventures whose financial statements/ financial information have not been audited by us.

(₹ in Crore)

S No.	Name of Joint Ventures	Group's share of net profit/(loss) (including Other Comprehensive Income)
1	Powerlinks Transmission Limited	44.97
2	Torrent Powergrid Limited	4.80
3	North East Transmission Company Limited	18.09
	<b>Total</b>	<b>67.86</b>

These financial statements/ financial information of subsidiaries and joint ventures have been audited by other auditors whose reports have been furnished to us by the Holding Company's Management upto 20 May 2022 and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures, and our report in terms of sub-section (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries and joint ventures is based solely on the reports of the other auditors after considering the requirement of Standard on Auditing (SA 600) on 'Using the work of Another Auditor' including materiality.

(b) We did not audit the financial statements/ financial information of the following subsidiaries whose financial statements reflect the details given below for total assets and net assets as at 31 March 2022, total revenues and net cash flows for the year ended on that date to the extent to which they are reflected in the consolidated financial statements:

(₹ in Crore)

S. No.	Name of the Subsidiaries	Total Assets	Net Assets	Total Revenues	Net Cash Inflows/ (Outflows)
1	Powergrid Bikaner Transmission System Limited	589.40	22.19	-	-
2	Powergrid Aligarh Sikar Transmission Limited <sup>1</sup>	726.22	62.34	-	0.02
3	PowergridEnergy Services Limited <sup>2</sup>	-	(0.07)	-	-
	<b>Total</b>	<b>1,315.62</b>	<b>84.46</b>	<b>-</b>	<b>0.02</b>

<sup>1</sup>100% equity acquired from PFC Consulting Limited on 08.06.2021.<sup>2</sup>Incorporated on 14.03.2022.

The consolidated financial statements include the Group's share of net profit/loss (including Other Comprehensive Income) for the year ended 31 March 2022 as considered in the consolidated financial statements in respect of following joint ventures whose financial statements/ financial information have not been audited by us.



(₹ in Crore)

SNo.	Name of Joint Ventures	Group's share in net profit/(loss)
1	Parbati Koldam Transmission Company Limited	3.51
2	Teestavalley Power Transmission Limited	4.97
3	National High Power Test Lab Pvt Limited	(3.98)
4	Bihar Grid Company Limited	48.56
5	Energy Efficiency Services Limited <sup>1</sup>	(49.70)
6	Cross Border Transmission Limited	4.41
7	RINL POWERGRID TLT Pvt. Limited <sup>2</sup>	-
8	Power Transmission Company Nepal Ltd <sup>3</sup>	2.14
	<b>Total</b>	<b>9.91</b>

<sup>1</sup> Reinstated as Joint venture from 01.09.2021.

<sup>2</sup> The Holding company's Board of directors has accorded in-principle approval for closure of the JV company.

<sup>3</sup> located outside India.

These financial statements/ financial information of joint ventures are unaudited and have been furnished to us by the Holding Company's Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid joint ventures, is based solely on such unaudited financial statements/ financial information. One of the joint ventures as above is located outside India in respect of which the Holding Company's management has provided us the financial statements prepared in accordance with accounting principles generally accepted in India. In our opinion and according to the information and explanations given to us by the Holding Company's Management, these financial statements / financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements given below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Holding Company's Management.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and joint ventures as noted in the other matter paragraph, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.
  - e) In view of exemption given vide notification no. G. S. R. 463(E) dated June 5, 2015, issued by Ministry of Corporate Affairs, provisions of Section 164(2) of the Act regarding disqualification of Directors, are not applicable to the Holding Company and its subsidiaries. Further, on the basis of the reports of the auditors of 3 (Three) joint ventures incorporated in India, none of the directors of the joint ventures incorporated in India is disqualified as on 31 March 2022 from being appointed as a director in terms of section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, its subsidiaries and joint ventures incorporated in India and the operating effectiveness of such controls, refer to our separate report in 'Annexure 1'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Group's internal financial controls with reference to consolidated financial statements.
  - g) Pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of Section 197 of the Companies Act, 2013, are not applicable to the Group. Further, on the basis of

the reports of the auditors of 3 (Three) joint ventures incorporated in India, the managerial remuneration for the year ended 31 March 2022 has been paid / provided to their directors in accordance with the provisions of section 197 read with Schedule V to the Act

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and joint ventures, as noted in the 'Other Matters' paragraph:

i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group (Refer Note 61 to the consolidated financial statements) and the joint venture companies (Refer Note 44.2 to the consolidated financial statements).

ii) Provision has been made in the consolidated financial statements, as required under the applicable law or Indian Accounting Standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group and the joint venture companies incorporated in India

iv) (a) The respective Managements of the Group and joint ventures, which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and the other auditors of such subsidiaries and its joint ventures that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries or joint ventures, to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries or joint ventures ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Group and joint ventures which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and the other auditors of such subsidiaries and joint ventures that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries, or joint ventures, from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries or joint ventures, shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries and joint ventures, which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v) The final proposed dividend for the previous year and for the year and interim dividend declared or paid during the year by the Holding Company and its subsidiaries and joint ventures incorporated in India is in compliance with section 123 of the Act

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by the component auditors of the subsidiaries and joint ventures included in the consolidated financial statements of the Holding Company, to which reporting under CARO is applicable, provided to us by the Management of the Holding Company and based on the identification of matters of qualifications or adverse remarks in their CARO reports by the respective component auditors and provided to us, we report that in respect of those companies where audits have been completed under section 143 of the Act, the auditors of such companies have not reported any qualifications or adverse remarks. In respect of the following companies included in the consolidated financial statements of the Holding Company, whose audits under section 143 of the Act has not yet been completed, the CARO report as applicable in respect of those entities are not available and consequently have not been provided to us as on the date of this audit report:



Sr. No.	Name of the Company	Subsidiary/ Joint Venture
1.	Powergrid Aligarh Sikar Transmission Limited	Subsidiary
2.	Powergrid Bikaner Transmission System Limited	Subsidiary
3.	Powergrid Energy Services Limited	Subsidiary
4.	National High Power Test Laboratory Private Limited	Joint Venture
5.	Bihar Grid Company Limited	Joint Venture
6.	RINL Powergrid TLT Pvt. Limited	Joint Venture
7.	Power Transmission Company Nepal Limited	Joint Venture
8.	Energy Efficiency Services Limited	Joint Venture
9.	Cross Border Power Transmission Company Limited.	Joint Venture
10.	Parbati Koldam Transmission Company Limited	Joint Venture
11.	Teestavalley Power Transmission Limited	Joint Venture

**For T R CHADHA & CO LLP**

Chartered Accountants  
FRN : 006711N/N500028

**Neena Goel**

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**For UMAMAHESWARA RAO & CO**

Chartered Accountants  
FRN : 004453S

**R R Dakshinamurthy**

Partner  
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Place: Gurugram

**For B M CHATRATH & CO LLP**

Chartered Accountants  
FRN : 301011E/E300025

**Sanjay Sarkar**

Partner  
M. No. 064305  
UDIN: 22064305AJJEL1900  
Place: Gurugram

**For PSD & ASSOCIATES**

Chartered Accountants  
FRN : 004501C

**Prakash Sharma**

Partner  
M. No. 072332  
UDIN: 22072332AJJILM2539  
Place: Gurugram

Date: 21 May 2022

**ANNEXURE 1****ATTACHED TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF POWER GRID CORPORATION OF INDIA LIMITED FOR THE YEAR ENDED 31 MARCH 2022.****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended on 31 March 2022, we have audited the internal financial controls over financial reporting with reference to Consolidated Financial Statements of Power Grid Corporation of India Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies (the Holding Company and its subsidiaries together referred to as "the Group") and its joint venture companies, which are companies incorporated in India as of 31 March 2022.

**Management's Responsibility for Internal Financial Controls**

The respective Board of directors of the Holding company, its subsidiary companies and its joint venture companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Group's and the joint venture companies' which are incorporated in India, internal financial controls over financial reporting with reference to Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls Over Financial Reporting with reference to Consolidated Financial Statements were established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiaries and joint venture companies incorporated in India, in terms of their reports referred to in the 'Other Matters' paragraph is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls system over financial reporting with reference to Consolidated Financial Statements.

**Meaning of Internal Financial Controls Over Financial Reporting With Reference to Consolidated Financial Statements**

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

- i. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- ii. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and



- iii. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to Consolidated Financial Statements**

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

### **Opinion**

In our opinion, the Holding Company, its subsidiaries, and joint ventures which are companies incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting with reference to Consolidated Financial Statements and such internal financial controls over financial reporting with reference to Consolidated Financial Statements were operating effectively as at 31 March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **Other Matters**

Our aforesaid report under Section 143 (3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to Consolidated Financial Statements insofar as it related to 21 (twenty-one) subsidiary companies and 3 (Three) joint venture Companies incorporated in India, is based on the corresponding report of auditors of such companies.

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated Financial Statements in so far as it relates to three subsidiary and seven joint ventures incorporated in India, whose financial statements / financial information are unaudited and our opinion on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated Financial Statements of the Group is not affected as the Group's share of net profit/loss (including Other Comprehensive Income) and disclosures included in respect of aforesaid subsidiary and joint ventures in these Consolidated Financial Statements are not material to the Group.

Our report is not modified in respect of the above matters.

#### **For T R CHADHA & CO LLP**

Chartered Accountants  
FRN : 006711N/N500028

#### **For UMAMAHESWARA RAO & CO**

Chartered Accountants  
FRN : 004453S

#### **For B M CHATRATH & CO LLP**

Chartered Accountants  
FRN : 301011E/E300025

#### **For PSD & ASSOCIATES**

Chartered Accountants  
FRN : 004501C

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Place: Gurugram

Date: 21 May 2022



## Notes

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## Notes

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## POWER GRID CORPORATION OF INDIA LIMITED

(A Government of India Enterprise)

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